

counselors and vocational rehabilitation employment coordinators employed by the Department of Veterans Affairs.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5630

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

SECTION 1. QUALIFICATIONS FOR VOCATIONAL REHABILITATION COUNSELORS AND VOCATIONAL REHABILITATION EMPLOYMENT COORDINATORS EMPLOYED BY THE DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—Chapter 31 of title 38, United States Code, is amended by adding at the end the following new section:

“§ 3123. Qualifications for vocational rehabilitation counselors and vocational rehabilitation employment coordinators

“(a) VOCATIONAL REHABILITATION COUNSELORS.—Each individual employed by the Department as a vocational rehabilitation counselor shall—

“(1) have completed a masters degree in vocational rehabilitation counseling before being so employed;

“(2) by not later than five years after the individual is first so employed, obtain certification by an accredited certifying body recognized by the National Commission for Certifying Agencies; and

“(3) as a condition of continued employment, maintain such certification.

“(b) VOCATIONAL REHABILITATION EMPLOYMENT COORDINATORS.—Each individual employed by the Department as a vocational rehabilitation employment coordinator shall—

“(1) have completed a bachelors degree in the relevant field, as designated by the Secretary, before being so employed;

“(2) by not later than five years after the individual is first so employed, obtain certification by an accredited certifying body recognized by the National Commission for Certifying Agencies; and

“(3) as a condition of continued employment, maintain such certification.

“(c) REMEDIATION PLAN.—If an individual employed by the Department as a vocational rehabilitation counselor or a vocational rehabilitation employment coordinator fails to meet a condition of employment applicable to such individual under subsection (a) or (b), the Director of the Vocational Rehabilitation and Employment Service shall develop a remediation plan for such individual. If the individual fails to complete the remediation plan, such failure shall be cause for termination.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“3123. Qualifications for vocational rehabilitation counselors and vocational rehabilitation employment coordinators.”.

(c) APPLICABILITY.—

(1) INDIVIDUALS HIRED AFTER DATE OF ENACTMENT.—Section 3123 of title 38, United States Code, as added by subsection (a), shall apply with respect to an individual hired by the Department of Veterans Affairs after the date of the enactment of this Act.

(2) INDIVIDUALS HIRED BEFORE DATE OF ENACTMENT.—In the case of an individual hired as a vocational rehabilitation counselor or a vocational rehabilitation employment coordinator by the Department of Veterans Affairs before the date of the enactment of this Act, such individual is required to have the qualifications described in section 3123 of title 38, United States Code, as added by sub-

section (a), for the position held by the individual by not later than five years after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. FILNER) and the gentleman from Indiana (Mr. BUYER) each will control 20 minutes.

The Chair recognizes the gentleman from California.

GENERAL LEAVE

Mr. FILNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on H.R. 5630.

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

There was no objection.

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

Mr. Speaker, I would like to commend the gentleman from Arkansas, Representative JOHN BOOZMAN, for introducing this bill, which seeks to set minimum educational and training standards for certain employees of the Vocational Rehabilitation and Employment program operated by the Department of Veterans Affairs. This would, of course, help veterans while they set their employment goals.

I reserve the balance of my time.

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

Mr. Speaker, I rise in strong support of H.R. 5630, a bill which would set certain requirements for professional level jobs at the Department of Veterans Affairs' Vocational Rehabilitation and Employment program.

In 2009, the Government Accountability Office reported that one-third of the VA's regional offices reported that their VRE staffs did not have the skills needed to properly serve the disabled veterans who come to them for help. Although it is our understanding the VA currently hires counselors with at least a master's degree in vocational rehabilitation counseling, it does not require counselors to obtain and maintain certification in their field from a national certifying organization. There are also no educational qualifications for VRE employment coordinators.

To ensure that the VA rehabilitation counselors are the best qualified in their field, H.R. 5630 would set a minimum hiring standard at a master's degree and would require counselors to obtain national certification within 5 years of hiring and to maintain these qualifications. Employment coordinators would be required to have a relevant bachelor's degree, to obtain certification within 5 years, and to maintain these qualifications. Counselors and coordinators who fail to comply with these standards will be subject to termination.

Mr. Speaker, these are commonsense provisions which are designed to ensure that our disabled veterans are receiving the best vocational rehabilitation and employment services possible.

I urge my colleagues to support H.R. 5630, and I yield back the balance of my time.

Mr. FILNER. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. FILNER) that the House suspend the rules and pass the bill, H.R. 5630.

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.

SECURING AMERICA'S VETERANS INSURANCE NEEDS AND GOALS ACT OF 2010

Mr. FILNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5993) to amend title 38, United States Code, to ensure that beneficiaries of Servicemembers' Group Life Insurance receive financial counseling and disclosure information regarding life insurance payments, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5993

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 “Securing America's Veterans Insurance Needs and Goals Act of 2010” or the “SAVINGS Act of 2010”.

SEC. 2. FINANCIAL COUNSELING AND DISCLOSURE INFORMATION FOR SERVICEMEMBERS' GROUP LIFE INSURANCE BENEFICIARIES.

(a) FINANCIAL COUNSELING AND DISCLOSURE INFORMATION.—

(1) IN GENERAL.—Section 1966 of title 38, United States Code, is amended by adding at the end the following new subsection:

“(e)(1) In order to be an eligible life insurance company under this section, a life insurance company shall—

“(A) make available, both orally and in writing, financial counseling to a beneficiary or other person otherwise entitled to payment upon the establishment of a valid claim under section 1970(a) of this title; and

“(B) at the time that such beneficiary or other person entitled to payment establishes a valid claim under section 1970(a) of this title, provide to such beneficiary or other person the disclosures described in paragraph (2).

“(2) The disclosures provided pursuant to paragraph (1)(B) shall—

“(A) be provided both orally and in writing; and

“(B) include information with respect to the payment of the claim, including—

“(i) an explanation of the methods available to receive such payment, including—

“(I) receipt of a lump-sum payment;

“(II) allowing the insurance company to maintain the lump-sum payment;

“(III) receipt of thirty-six equal monthly installments; and

“(IV) any alternative methods;

“(ii) an explanation that any such payment that is maintained by the life insurance company or paid in thirty-six equal monthly installments by the company is not insured by the Federal Deposit Insurance Corporation;

“(iii) an explanation of the interest rate earned on any such payment that is maintained by the life insurance company or paid in thirty-six equal monthly installments by the company and how such rate compares to the interest rate earned by accounts at financial institutions, including demand accounts; and

“(iv) other relevant information.

“(3) In order to be an eligible life insurance company under this section, a life insurance company may not charge any fees to a beneficiary or other person otherwise entitled to payment upon the establishment of a valid claim under section 1970(a) of this title for any purpose, including for maintaining such payment with the company.

“(4) The Secretary shall include in each annual performance and accountability report submitted by the Secretary to Congress information concerning—

“(A) the number of individuals who received financial counseling under paragraph (1)(A);

“(B) the number of individuals who received the disclosures under paragraph (1)(B);

“(C) the type of information received by such individuals during such counseling; and

“(D) any recommendations, complaints, or other information with respect to such counseling that the Secretary considers relevant.”.

(2) REGULATIONS.—The Secretary of Veterans Affairs shall prescribe regulations to carry out section 1966(e) of title 38, United States Code, as added by paragraph (1).

(b) OFFICE OF SURVIVORS ASSISTANCE.—

(1) ADVISORY ROLE.—Subsection (b) of section 321 of such title is amended—

(A) by striking “The Office” and inserting “(1) The Office”; and

(B) by adding at the end the following:

“(2) The Director of the Office shall attend each meeting of the Advisory Council on Servicemembers’ Group Life Insurance under section 1974 of this title.”.

(2) RESOURCES.—Subsection (d) of such section is amended—

(A) by striking “The Secretary” and inserting “(1) The Secretary”; and

(B) by adding at the end the following:

“(2) In carrying out paragraph (1), the Secretary shall ensure that the Office has the personnel necessary to serve as a resource to provide individuals described in paragraph (1) and (2) of subsection (a) with information on how to receive the Servicemembers’ Group Life Insurance financial counseling pursuant to section 1966(e)(1) of this title.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. FILNER) and the gentleman from Indiana (Mr. BUYER) each will control 20 minutes.

The Chair recognizes the gentleman from California.

GENERAL LEAVE

Mr. FILNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on H.R. 5993, as amended.

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

There was no objection.

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

Mr. Speaker, I rise in strong support of H.R. 5993, the Securing America’s Veterans Insurance Needs and Goals, or SAVINGS, Act.

This bill was sponsored by one of our esteemed colleagues, Representative DEBBIE HALVORSON of Illinois, to ensure that beneficiaries of the Servicemembers’ Group Life Insurance, SGLI, receive financial counseling, greater disclosure information and other needed support concerning the proceeds of their SGLI life insurance benefits. Mrs. HALVORSON acted very quickly in response to some of the publicity on this and to some of the pain felt by the survivors.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois (Mrs. HALVORSON).

Mrs. HALVORSON. I thank the chairman for yielding.

Mr. Speaker, I rise today on behalf of military families and the surviving family members of our men and women who were killed in battle as they fought to defend our freedom.

H.R. 5993 will help ensure that the families of our soldiers killed in action fully understand the benefits that they are entitled to, and it will help them comprehend the financial products they are using.

As many of our colleagues know, Mr. Speaker, many of our soldiers participate in the Servicemembers’ Group Life Insurance program, or the SGLI, as they fight overseas. The SGLI is intended to provide our servicemembers and their families with low-cost life insurance under circumstances in which most insurance companies would not take the risk of providing life insurance coverage. In the tragic circumstance that a soldier is killed in action, the surviving family member is then entitled to a policy that helps ease some of the financial burdens left behind.

Currently, the beneficiary may receive the payment in the form of what is called a “Retained Asset Account,” which is administered by the insurance company. These financial products are similar to a checking account in that they allow the beneficiary the ability to draw down the funds in increments until exhausted.

Unfortunately, there have been recent media reports highlighting that some beneficiaries did not fully understand that their money was being held in these accounts. I know I was outraged, as many of my colleagues were, to hear about the lack of disclosure and transparency, which is what we are fixing today—addressing disclosure, transparency and accountability so that our families know exactly what they have coming to them. They didn’t understand what these accounts were, what was happening to their money when it was sitting in these accounts and, three, that these accounts were not FDIC-insured. This left the beneficiaries feeling as though they were being taken advantage of and that they were part of a financial scheme buried in the fine print of their policies.

The surviving family members of our fallen soldiers should never feel that way. It is our responsibility to make

sure that they don’t ever feel that way again. We need to make sure that 100 percent of these survivors feel protected and safe.

My bill is endorsed by the American Legion, the National Military Family Association, the Military Officers Association of America, the Gold Star Wives of America, and on and on and on. I have letters from all of them that I would like to include in the RECORD. However, I want to read an excerpt from the National Military Family Association.

It reads: “Dear Representative Halvorson, the National Military Family Association has long been an advocate for improving the quality of life of our military family members who have sacrificed greatly in support of our Nation. We are writing today in support of H.R. 5993, which seeks to ensure that insurance companies provide appropriate information and financial counseling to survivors who receive payments from the SGLI groups.

“H.R. 5993, the Securing America’s Veterans Insurance Needs and Goals, which is called the SAVINGS Act, which you have introduced, would mandate that the Secretary of Veterans Affairs require insurance companies providing coverage through these programs to only provide counseling and disclosure information to family members of fallen soldiers.

“The National Military Family Association is the leading nonprofit organization committed to improving the lives of military families. Our over 40 years of service and accomplishments have made us a trusted resource for families and the Nation’s leaders. As the only nonprofit organization that represents the families of the Army, Navy, Air Force, Marine Corps, Coast Guard, the Commissioned Corps of the Public Health Service, and the National Oceanic and Atmospheric Administration, the association protects benefits vital to all families, including those of the deployed, wounded, and fallen.”

□ 1330

So as you can see, this is something that is badly needed so that the families know exactly what they have available to them so that they can make the best decision with those benefits. It focuses on making Congress also better aware of what these SGLI programs are about.

Again, let me be perfectly clear. Today we are strictly focused on disclosure, transparency, financial counseling, and oversight. And make no mistake, we need to do more work on improving the SGLI program. I think we are all committed to doing that, and that is being done through investigations, through the VA, and through other committees of jurisdiction, but we can’t wait. Our military families can’t wait. The families of our fallen soldiers cannot wait.

Today, we have the opportunity to move forward on an important protection for our military families, and this

is an urgent issue, and it absolutely needs to be our main focus. It is our responsibility to go above and beyond the call of duty. They sure have, and we need to protect these widows and orphans. This is one of the most important and solemn duties that we have as Members of Congress. H.R. 5993 will help us fulfill that responsibility in a reasonable and effective manner.

Before I close, I would like to thank Chairman FILNER, Chairman HALL, as well as all of our committee staff who have worked so hard to move this legislation along, and we have all worked hard on this bill.

I urge my colleagues to stand with me—protect the families of our fallen soldiers—by voting “yes” on H.R. 5993.

GOLD STAR WIVES
OF AMERICA, INC.,
September 26, 2010.

Chairman BOB FILNER,
House Committee on Veterans' Affairs, Cannon
House Office Building,
Washington, DC.

In light of recent news that insurance companies could potentially use group life insurance policies to profit from accounts it maintains for the families of fallen soldiers, Gold Star Wives of America, Inc. supports H.R. 5993. H.R. 5993 would ensure that insurance companies authorized by VA to administer SGLI accounts are fully open and honest about its practices for these policies on which so many servicemembers rely to ensure financial security for their families.

H.R. 5993, the Securing America's Veterans Insurance Needs and Goals (SAVINGS) Act of 2010, introduced by Representative Debbie Halvorson, would mandate that the Secretary of Veterans Affairs require insurance companies that provide coverage through the Servicemembers' Group Life Insurance (SGLI) program, to offer financial counseling and improved disclosure information to family members and survivors of fallen soldiers. It would also require an annual report to Congress by VA to ensure that insurance companies are being responsive to military families and survivors and that the Office of Survivors Assistance will be a greater resource in this effort.

It is critical that the options and information available for survivors offered under the SGLI program involve more disclosure and greater transparency. H.R. 5993 would do that by guaranteeing that survivors of our fallen heroes have access to oral and written financial counseling. This greater disclosure requirements and counseling would better help survivors to understand their options so that they can make sound decisions during a stressful and sorrowful time.

Gold Star Wives of America, Inc. supports H.R. 5993 so that we can do everything in our power to protect the families and survivors of our fallen soldiers. Their loved ones have answered the call and their survivors deserve these protections.

Respectfully,

MARTHA M. DIDAMO,
Board Chair, Gold Star Wives of America, Inc.

THE AMERICAN LEGION, OFFICE OF
THE NATIONAL COMMANDER,
Washington, DC, September 27, 2010.
Hon. DEBBIE HALVORSON,
House of Representatives, Longworth House Office Building,
Washington, DC.

DEAR REPRESENTATIVE HALVORSON: In light of recent news that insurance companies contracted by the Department of Veterans Affairs (VA) to administer the Servicemembers' Group Life Insurance program (SGLI) could potentially use group life

insurance policies to obtain profits from the families of fallen soldiers, The American Legion supports proposed legislation which seeks to ensure that insurance companies are open and honest about the policies on which so many military families rely.

The legislation you recently introduced, H.R. 5993, Securing America's Veterans Insurance Needs and Goals (SAVINGS) Act, would mandate the VA Secretary to require those insurance companies offering coverage through the SGLI program to provide the beneficiaries of fallen soldiers with financial counseling and disclosure information. In addition, this Act would obligate the VA to provide a report to Congress annually to ensure that those insurance companies are being responsive to military families.

It is critical to insure complete transparency, full disclosure, and increased information be afforded to military families on insurance matters. This legislation would guarantee the families of our fallen heroes have access to oral and written financial counseling. This counseling would better help family members understand their options so that they can make sound fiscal decisions during a stressful and harrowing period.

The American Legion supports H.R. 5993 as introduced so that we can protect the military families of our fallen soldiers. However, The American Legion has additional concerns not addressed in the original bill which are equally as important.

This legislation does not address Retained Asset Accounts (RAA) for disbursement of benefits. This is a common practice used by many insurers for distribution of benefits. However, The American Legion is concerned this method of disbursement may be a violation of Title 38 USC §1970(d) which requires payments be in 36 monthly installments or one lump sum. The practice should be either stopped or the law needs to be changed. Of further concern to The American Legion is that this legislation does not address the practice of the insurance company executing the program making a profit on the account after the death of a service member and actually misrepresenting or over representing the “interest bearing account,” benefit of the program to a payee.

It is standard policy of the insurance industry to reinvest the money not withdrawn by the payee and to collect interest on that money. The insurer then passes on to the payee a small amount of the interest. While legal and a common industry practice, it should be forbidden by law in the case of military members who have given their lives for the nation. Precedence has been made in setting aside veterans and military in the case of health care insurance and other entitlements due to military service. The American Legion feels that ALL interest received on investments after servicemember's death should be passed on to the payees of the policy.

Sincerely,

JIMMIE L. FOSTER,
National Commander.

NATIONAL MILITARY FAMILY
ASSOCIATION,
Alexandria, VA, September 23, 2010.

Hon. DEBORAH L. HALVORSON,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE HALVORSON: The National Military Family Association has long been an advocate for improving the quality of life of our military family members, who have sacrificed greatly in support of our Nation. We are writing today in support of H.R. 5993 which seeks to ensure that insurance companies provide appropriate information and financial counseling to survivors who receive payments from the Servicemembers Group Life Insurance (SGLI).

H.R. 5993, the Securing America's Veterans Insurance Needs and Goals (SAVINGS) Act, which you have introduced, would mandate that the Secretary of Veterans' Affairs (VA) require insurance companies providing coverage through the SGLI program to provide financial counseling and disclosure information to family members of fallen soldiers. It would also require an annual report to Congress by the VA to make certain insurance companies are being responsive to military families.

It is critical that these insurance policies provide more transparency, more disclosure, and more information for military families. H.R. 5993 does that by guaranteeing the families of our fallen heroes access to oral and written financial counseling. This counseling would assist family members in understanding their options so that they can make sound fiscal decisions during a most stressful time.

Thank you again for your support of our service members, retirees, veterans, their families, and survivors. Our contact, should you have any questions, is Kathleen Moakler, Government Relations Director, at KMoakler@MilitaryFamily.org or 703.931.6632.

The National Military Family Association is the leading non-profit organization committed to improving the lives of military families. Our over 40 years of service and accomplishments have made us a trusted resource for families and the Nation's leaders. As the only non-profit organization that represents the families of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration, the Association protects benefits vital to all families, including those of the deployed, wounded, and fallen.

Sincerely,

MARY SCOTT,
Chairman, Board of Governors.

Mr. FILNER. Mr. Speaker, at this time, I guess I thank the gentlelady. Within a day of the publicity that surrounded Prudential apparently not giving sufficient information, you had this bill. You moved very quickly and very decisively, and it is going to help all of the survivors and their families. Thank you so much for your quick action.

I reserve the balance of my time.

Mr. BUYER. Mr. Speaker, I rise in opposition, opposition to this bill.

For that very moment, the chairman compliments the gentlelady for having legislation immediately upon a concern. It is so much like an American. We don't even have the patience to figure out where the problem is but let me tell you about our solution.

Now, what we're supposed to do around this place is do a little homework, do a little investigation, find out what's going on, have the distillation of the facts, find out what the facts are in the first place. Oh, no, no, no. Let's run out there and act like we are “doing something” when we don't even know what the heck we're doing. It's the reason the American people get upset with us and they get upset with this institution; especially now, when you get so close to an election, you have to protect and guard yourself against politics over substance.

This bill, by forcing it onto the floor at this moment in time, is exactly that. This bill condones a controversial practice the VA called retained asset, or alliance accounts, for paying Servicemembers' Group Life Insurance, SGLI, proceeds to the families of deceased servicemembers. Now, we all thought that the statute was being followed. It wasn't. Someone years ago down at the VA changed it.

In the Veterans' Affairs Committee, we have not had adequate time to address the issues on this bill. There's no record on which we base and form policy decision or evaluate the views of the life insurance experts. None of us had the opportunity to do that.

One of the executives from Prudential came by the office. We had a very good discussion about relevant concerns I can address a little bit later. The use of these accounts in place of the SGLI lump sum payment called for in the Federal statute is currently the subject of a Federal fraud lawsuit in Boston by five plaintiffs against the Prudential Life Insurance Company. Prudential is the VA's contractor managing the SGLI program and making the payments. New York's attorney general has launched an investigation of Prudential as well.

My colleagues on the committee know next to nothing about a very complex issue, its history, the controversy surrounding it. Indeed, I would like to know more about it myself before having to even vote on it. I'm learning something new almost every day I deal with this issue. The issue requires careful deliberation by the committee. We should not have to base decisions on media reports in Bloomberg or The Washington Post.

Ms. FOXX. Will the gentleman yield?

Mr. BUYER. I yield to the gentlelady from North Carolina.

Ms. FOXX. Mr. Speaker, it's my understanding that this bill is being brought to the floor in a rush without there even being any hearings in the committee.

Mr. BUYER. Reclaiming my time, when we marked up the bill in the committee, I raised very pertinent issues. I sought to work with the author of the bill. She had no interest in working out an amendment on the language. I thought what would happen is, well, I won't offer the amendment in the committee. We'll work this matter out as we learn more.

The chairman even spoke about this week we were to have done a hearing on this bill. We get notice on Friday that they want to bring it to the floor. We're supposed to be doing a hearing on the bill this week before we bring it to the floor. But what's happening is is this body, called Congress, is in a panic.

I yield to the gentlelady.

Ms. FOXX. Well, I think, again, we're seeing that the House Democrats are proving not only that they've run out of ideas but they've run out of the will to govern. They won't make a budget.

They won't deal with these impending tax hikes that we're going to have. I heard you say on the floor a few minutes ago that 40 percent of the reservists are coming back without jobs, and all our friends across the aisle seem to want to do is to get home so they can campaign for their own job instead of doing something to remove the uncertainty that's keeping small businesses from hiring new employees, many of them veterans, many of them reservists coming back.

We must do something about these tax hikes that are looming and provide some certainty for small businesses, and I hope you agree with that.

Mr. BUYER. Reclaiming my time, the challenge before the body is we now have legislation before us which is on an issue which is now being thrown into the courts, and we've got a statute that's not being followed by the executive branch; and it is completely within the rights of Congress to speak, but we've got to be very careful. Do we understand the scope and issues at hand? I submit we do not, and we are eagerly rushing something onto the floor. Let me go a little bit further.

My colleague Mrs. HALVORSON argues that this bill does not change the existing payment authority and does not address the legality of retained asset accounts for SGLI purposes, but I'm also a lawyer, and I respectfully suggest that it may do just that. I am not alone in my view with regard to this concern because I have been talking with other lawyers about my legal analysis of this present challenge.

After the markup, one of the representatives of one of the veterans service organizations, of whom I've had disagreements with over the years, came up to me and told me that he agreed with the concerns. Members of the committee actually regret that I didn't offer the amendment to actually strip the bill, and I guess I never thought that this would actually come to the floor until these matters got addressed.

It's laudable to require the VA to counsel SGLI beneficiaries on their benefits, the payment methods available to them. It's very clear in the statute, very clear already in the statute, but this bill goes a lot further and specifically requires counseling about something the bill euphemistically terms, quote, maintaining the payment, end quote. Now, what is that? What do you mean "maintaining the payment"? The statute is already very clear what you're to do with the money when it comes to widows and orphans or other beneficiaries. This is a reference to the retained asset account payment method without calling it that.

I think it is reasonable to ask how Congress can tell the VA to counsel anyone about Prudential's practice that may be illegal without well informing them of what Prudential is doing may be illegal and is being challenged in a Federal class action today

unless, of course, we change the law and expressly make the practice legal, which Mrs. HALVORSON maintains she's not doing. But somehow, I don't think that full disclosure is going to occur.

□ 1340

I completely understand how my colleagues might find all this rather confusing, and I don't find it funny either.

I'm also confused by Mr. Chairman's report statement after the Bloomberg article was released that he was outraged, and the VA should demand answers. Did we get answers, and now everything is all right? Did the VA's self-investigation resolve everything?

The White House has also made a statement, calling this an unacceptable business practice. Have the unacceptable business practices been identified? Have they been stopped? Has something changed, and now Congress should mandate that the VA give specific counseling on the "outrageous" and the "unacceptable" business practice? That's what this legislation does.

Mr. Speaker, this complex issue is directly before Congress in the form of H.R. 5993, as amended. We should not be effectively ratifying this practice by requiring the VA to counsel beneficiaries about it. Instead, we should give careful scrutiny and make sure we understand it sufficiently to decide whether to expressly authorize it in the law for the future. Our servicemembers and veterans and their families in the VA, Prudential, and life insurance experts should all have an opportunity to weigh in on the record. I want to make sure that it's clear and that I'm not taking a position for or against the practice of retained asset accounts.

The real problem, as I see it, is that the retained asset accounts now, as they have been questioned, are receiving scrutiny and appear not to match the payment authorized in the United States Code. So when you pull out the United States Code—and we're talking about the present statute—so you turn to title 38, section 1790, and then you turn to (d). It says: "The member may elect settlement of an insurance under this subchapter either in lump sum or in 36 equal monthly installments." It doesn't say anything in the statute about retained asset accounts. Now, why is that? Go back to legislative history. When this statute was written back in the mid-1960s, there was no such thing as a retained asset account.

So what has changed? There is a commonly accepted business practice in America with regard to retained asset accounts. Now, in the latter part of the 1990s, the VA struck an agreement with Prudential then to adopt that business practice. But what they did is they adopted a business practice that is contradictory to the United States Code, the statute. So this bill before us is about to say, the VA should provide counsel to the beneficiaries about a business practice that is not even legal. That's like saying,

Okay, in title 10, it is illegal to smoke marijuana, but in another statute Congress is going to provide counseling on the proper use of an illegal substance. And you say, Steve that's crazy. You are absolutely right, that's crazy, and that's why this legislation before us today is crazy. We should not be saying we're going to provide counseling with regard to some agreement that the executive branch struck that's in contradiction to the statute.

Now, you've got the VA and Prudential. Immediately they do a powwow. Oh, my gosh, we've got a problem. We've got to try to define this. The White House has made a statement. Ooh, it says "unacceptable." We've got to figure out—come together and strike an agreement.

This is Groundhog Day, Mr. Speaker. The agreement that the executive branch struck with an insurance company back in the latter part of the 1990s was not authorized for them to do because the statute says how SGLI payments are to go directly to beneficiaries. It doesn't say you can do three or four other types of payment schedules. It only says two of them. You either give them a lump sum or you do 36 monthly installments. It's very clear.

So this agreement is just as worthless as the agreement they struck in the 1990s when it comes to the law. I guess maybe it makes them feel better. Maybe they hope that it takes the heat off. This thing, this agreement is about politics, it is about substance and legality, and it is about public relations. But if you really want it to be about the law, then what we should do is look at the law; and we need to say, Okay, then maybe you need to amend the Code. If you have to amend the Code to say, We want to permit retained asset accounts, then that is, in fact, what we should be doing.

U.S. DEPARTMENT OF VETERANS AFFAIRS (VA) FACT SHEET

Actions for Improving the Alliance Account Program, September 13, 2010

VA takes seriously the concerns raised regarding the Alliance Accounts (AA) and has reviewed the program to ensure that beneficiaries are protected, being treated fairly, and accorded the utmost care and respect. A full explanation of terms up-front, education about options, and financial counseling to assist in decision making will provide the transparency that will continue to ensure confidence in this important program.

By the end of October, 2010, VA will make the following modifications to ensure:

All benefits due under Servicemembers' Group Life Insurance (SGLI) or Veterans' Group Life Insurance (VGLI) policies are received by the beneficiaries in a secure, timely manner.

Beneficiaries are enabled in making deliberate and responsible decisions with the assets they receive.

Beneficiaries making financial decisions have been educated and assisted in understanding the complex issues before them. They will be made comfortable in competently managing benefits in accordance with their own time lines.

Options available to the beneficiaries will be clear, competitive, and at no cost to the beneficiary.

The entire settlement process is dignified and respectful of the individuals involved.

The specific approaches that VA, working in consultation with other Agencies, has determined it will pursue in the near term are:

VA will provide better clarity of payment options by using a new Claim Form that requires the beneficiary to affirmatively choose one of three clear payment options:

Lump Sum Alliance Account (Retained Asset Account).

Lump Sum Payment—Paid out in full via a check sent to the beneficiary. VA is exploring Electronic Funds Transfer (EFT).

36 Monthly Installments—Paid out in full via monthly installments, as mandated by law, sent to the beneficiary (this three year payout option has always been available to beneficiaries).

If the beneficiary does not select an option, the SGLI Program will utilize the AA. The AA provides immediate access to funds, while permitting beneficiaries the time necessary to study their options and make deliberate, responsible financial decisions.

In addition: A VA-supplied letter will be enclosed with every Claim Form and every AA Kit that will explain in a clear and complete manner:

That the insurance proceeds have been deposited into an interest bearing account at rates competitive with similar types of "demand accounts" (e.g., checking, money market, etc.).

The current interest rate and the fact that the interest rate may vary over time.

That the beneficiary can immediately write a "check" for the entire payment or any lesser amount.

That AA funds are retained by Prudential until paid out.

That while AA is not FDIC insured; it is backed by Prudential and State Guaranty Associations. The National Association of Insurance Commissioners has established the following Web site for additional consumer information: http://www.naic.org/consumer_military_insurance.htm

That free, professional independent financial counseling is available to all beneficiaries for a period of two years or as long as they have funds remaining in their AA.

VA will also take the following actions:

VA will require Prudential to conduct a follow up contact with beneficiaries whose accounts remain open after six months to confirm beneficiary understands the terms of the account.

All SGLI/VGLI related information, including FAQ's, Web site information, handbooks, etc. will be modified to clearly and completely explain all aspects of the AA and all options available to the beneficiary.

VA will clearly designate the source of correspondence by removing the SGLI seal from all "checks", forms, and correspondence and replacing it to show that it is from Prudential, with the subtitle of "Office of Servicemembers' Group Life Insurance".

VA will identify additional opportunities to encourage beneficiaries to use the free financial counseling service.

VA will, in coordination with DoD, improve support to Casualty Assistant Officers and Transition Assistance Program (TAP) Personnel by helping to prepare additional training materials and instruction.

VA continues to carefully monitor this program and remains committed to making any improvements necessary to ensure that Servicemember and Veteran beneficiaries are well-protected.

I reserve the balance of my time.

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

By the way, I didn't see a copy of the agreement. What is the date of that agreement, Mr. BUYER?

I yield to the gentleman.

Mr. BUYER. September 13, 2010.

Mr. FILNER. I thank the gentleman from Indiana.

The ranking member and I have no disagreement that this law before us is not about substance. There is an investigation ongoing. Our committee is investigating. We will have hearings on this. But it's not politics over substance. It's accountability transparency over substance. And all of the leading organizations which have to deal with the beneficiaries, with the survivors of those killed in action support this bill. The National Military Family Association, the Gold Star Wives, amongst others.

So this legislation is about transparency. It's about accountability. It's about disclosure. It's about people understanding the process. This bill doesn't condone anything. It just says that those grief-stricken survivors know what's happening to them under the procedure that we have. Whether it's a proper procedure, whether it's based on an illegal account is something that the courts are working out and we're investigating.

Right now everybody just wants to know what is going on and to have the insurance company, Prudential, disclose everything in advance so a decision can be made by the grief-stricken survivors. That is all we are doing in this bill, and it is needed. It is, in fact, demanded by those who represent the survivors that we act quickly to give some measure of accountability and disclosure to those beneficiaries. We need this bill, and we need it now.

I reserve the balance of my time.

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

Here is our challenge. I don't know what about these other groups, Mr. Chairman, that you have had a chance to talk to. I just spoke to the new chairman of the American Legion.

Mr. FILNER. Mr. Speaker, how much time does each side have?

The SPEAKER pro tempore. The gentleman from California has 9½ minutes remaining. The gentleman from Indiana has 8½ minutes remaining.

Mr. BUYER. I am going to take all of it. I will even take your time, if you will give it to me.

You know, you can stand up and say, Well, this veterans group supports it, and this one doesn't. You cited the American Legion. I just spoke to a brand-new commander of the American Legion who supports my position, so I don't know what the disconnect is.

I can assure you, now that I am speaking about the fact that there is a legal problem, the fact that I informed the executive of Prudential with regard to this way forward that you have signed with the VA does not get you out of the hot water that you are in. There is a legal problem here. And the four corners of the document that we have before us is actually legislation that uses this clever and artful language about maintaining the lump sum

payment. What do you mean, "maintaining the lump sum payment"? It's almost like a code word for saying, We want to maintain our current business practice of the retained asset account because that's what the way forward agreement is. It's very clever. This is very wrong.

Here is what we ought to do, Mr. Speaker. I have never done this before on the House floor with anyone in my 18 years, but I am going to ask this of Chairman FILNER: Would the gentleman ask that this legislation be pulled from the floor at this time so we may work out the details rather than having this heated debate? You said that you would have a hearing on it. Let's go have a hearing. Let's work this out with our leading experts, and let's bring a work product to the floor that we can be proud of. And I want to ask the gentleman if he would withdraw this legislation.

I yield to the gentleman.

□ 1350

Mr. FILNER. The gentleman stands behind Mrs. HALVORSON's bill, and we will not withdraw it.

Mr. BUYER. Well, all right. Reclaiming my time, this was a very good moment for bipartisanship, to actually bring a work product to the floor that we could all agree on. And I am greatly disappointed, BOB, that you made that judgment call. But this is not right. This isn't right at all.

The suspension calendar, Mr. Speaker, is supposed to be for legislation that is noncontroversial. It is supposed to be for legislation that the parties have worked out in a collegial manner, not to take something for which there is utter and complete disagreement, not to take something that there have been no hearings on, not to take an issue that it now finds itself in attorney generals' investigations and class action lawsuits, and we are just going to, like, bring it to the floor, even though we are going to pass a statute that is in complete contradiction of an existing statute. What are we doing?

I mean, this is really a time-out moment here. This is a time-out moment, Mr. Speaker. And it is very, very bothersome to me that something like this would be placed on the suspension calendar, especially when this was the week in which we were supposed to be holding hearings on it.

I know, Mr. Speaker, that you are anxious to get out of here and you want us to adjourn for an election, but don't take legislation to the floor that is not properly prepared for the floor. And you have permitted that to occur, and that is not right. It is wrong, in my book.

But you are the majority, and you have actually been able to show that you can do as you please, and the rules don't always matter, I guess, around here.

But I want the RECORD to reflect my views on what is happening here. Also, I will file additional views with the bill

and the report to explain in greater detail the legality of what I feel that we are facing, and I will do everything in my power to ensure that this bill does not become law until it is fixed.

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

Mr. FILNER. Mr. Speaker, we had a little lecture on the suspension calendar, which is supposed to be items of consensus. This item was discussed and voted on by our committee. If I recall, there was one "no," the ranking member. There were no other "no" votes. The ranking member confuses his singular and personal opposition to the fact that, oh, I guess everybody disagrees with it. No, this came out of our committee with one "no" vote. So the gentleman just doesn't understand what consensus means. He thinks if he alone is against it—as I recall, he was the only one in this whole body that voted against a truly interesting new way to approach financing, and that was advanced appropriations.

Mr. Speaker, the gentleman gave us a lecture on suspension calendar and consensus. He was the only "no" vote. He was the only "no" vote when we had advance appropriations. Everybody else is wrong but the gentleman.

This bill, as I said before, and as Mrs. HALVORSON said very distinctly and very eloquently, is about disclosure, accountability, transparency. The survivors need to know what is going on.

We will, as the gentleman requested, have and are pursuing the investigation. We are pursuing whether the so-called retained asset account is the legal structure that should happen. The VA is pursuing that. And we will get to that.

But right now, right now, as men and women are dying in action, their survivors need to know what is going on. We can't wait for this process to go on and on and on and on, especially when they face a huge insurance company.

The gentleman asked what organizations support us. The American Legion has a letter supporting us. I didn't hear any letter that the gentleman had. As Mrs. HALVORSON read, the National Military Families Association supports this bill. And the Gold Star Wives of America, the preeminent group that works for the benefit of survivors of those who are killed in action, has sent us the following letter:

"In light of the recent news that insurance companies could potentially use group life insurance policies to profit from accounts it maintains for families of fallen soldiers, Gold Star Wives of America supports H.R. 5993. It would ensure that insurance companies authorized by VA to administer the SGLI accounts are fully open and honest about its practices for those policies on which so many servicemembers rely to ensure financial security for their families.

"The bill, the SAVINGS Act introduced by Representative Debbie Halvorson of Illinois, would mandate that the Secretary of Veterans Affairs

require insurance companies that provide coverage through this program to offer financial counseling and improved disclosure of information to family members and survivors.

"It is critical that the options and information available for survivors offered under the SGLI program involve more disclosure and greater transparency. H.R. 5993 would do that by guaranteeing that survivors of our fallen heroes have access to oral and written financial counseling. These greater disclosure requirements and counseling would better help survivors to understand their options so that they make sound decisions during a stressful and sorrowful time.

"Gold Star Wives of America supports H.R. 5993 so that we can do everything in our power to protect the families and survivors of our fallen soldiers. Their loved ones have answered the call and their survivors deserve these protections."

GOLD STAR WIVES OF
AMERICA, INC.,

Bellevue, NE, September 26, 2010.

Chairman BOB FILNER,
Committee on Veterans' Affairs, Cannon House
Office Building, Washington, DC.

In light of recent news that insurance companies could potentially use group life insurance policies to profit from accounts it maintains for the families of fallen soldiers, Gold Star Wives of America, Inc. supports H.R. 5993. H.R. 5993 would ensure that insurance companies authorized by VA to administer SGLI accounts are fully open and honest about its practices for these policies on which so many servicemembers rely to ensure financial security for their families.

H.R. 5993, the Securing America's Veterans Insurance Needs and Goals (SAVINGS) Act of 2010, introduced by Representative Debbie Halvorson, would mandate that the Secretary of Veterans Affairs require insurance companies that provide coverage through the Servicemembers' Group Life Insurance (SGLI) program, to offer financial counseling and improved disclosure information to family members and survivors of fallen soldiers. It would also require an annual report to Congress by VA to ensure that insurance companies are being responsive to military families and survivors and that the Office of Survivors Assistance will be a greater resource in this effort.

It is critical that the options and information available for survivors offered under the SGLI program involve more disclosure and greater transparency. H.R. 5993 would do that by guaranteeing that survivors of our fallen heroes have access to oral and written financial counseling. This greater disclosure requirements and counseling would better help survivors to understand their options so that they can make sound decisions during a stressful and sorrowful time.

Gold Star Wives of America, Inc. supports H.R. 5993 so that we can do everything in our power to protect the families and survivors of our fallen soldiers. Their loved ones have answered the call and their survivors deserve these protections.

Respectfully,

MARTHA M. DIDAMO,
Board Chair,

Mr. Speaker, in support of H.R. 5993, as amended, I am submitting letters of support from The American Legion, Veterans of Foreign Wars of the United States, Gold Star Wives of America, Inc., and the National Military Family Association.

THE AMERICAN LEGION,
OFFICE OF THE NATIONAL COMMANDER,
Washington, DC, September 27, 2010.
Hon. DEBBIE HALVORSON,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE HALVORSON: In light of recent news that insurance companies contracted by the Department of Veterans Affairs (VA) to administer the Servicemembers' Group Life Insurance program (SGLI) could potentially use group life insurance policies to obtain profits from the families of fallen soldiers, The American Legion supports proposed legislation which seeks to ensure that insurance companies are open and honest about the policies on which so many military families rely.

The legislation you recently introduced, H.R. 5993, Securing America's Veterans Insurance Needs and Goals (SAVINGS) Act, would mandate the VA Secretary to require those insurance companies offering coverage through the SGLI program to provide the beneficiaries of fallen soldiers with financial counseling and disclosure information. In addition, this Act would obligate the VA to provide a report to Congress annually to ensure that those insurance companies are being responsive to military families.

It is critical to insure complete transparency, full disclosure, and increased information be afforded to military families on insurance matters. This legislation would guarantee the families of our fallen heroes have access to oral and written financial counseling. This counseling would better help family members understand their options so that they can make sound fiscal decisions during a stressful and harrowing period.

The American Legion supports H.R. 5993 as introduced so that we can protect the military families of our fallen soldiers. However, The American Legion has additional concerns not addressed in the original bill which are equally as important.

This legislation does not address Retained Asset Accounts (RAA) for disbursement of benefits. This is a common practice used by many insurers for distribution of benefits. However, The American Legion is concerned this method of disbursement may be a violation of Title 38 USC §1970(d) which requires payments be in 36 monthly installments or one lump sum. The practice should be either stopped or the law needs to be changed. Of further concern to The American Legion is that this legislation does not address the practice of the insurance company executing the program making a profit on the account after the death of a service member and actually misrepresenting or over representing the "interest bearing account," benefit of the program to a payee.

It is standard policy of the insurance industry to reinvest the money not withdrawn by the payee and to collect interest on that money. The insurer then passes on to the payee a small amount of the interest. While legal and a common industry practice, it should be forbidden by law in the case of military members who have given their lives for the Nation. Precedence has been made in setting aside veterans and military in the case of health care insurance and other entitlements due to military service. The American Legion feels that ALL interest received on investments after servicemember's death should be passed on to the payees of the policy.

Sincerely,

JIMMIE L. FOSTER,
National Commander.L

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, September 28, 2010.
Hon. DEBORAH HALVORSON,
House of Representatives,
Washington DC.

DEAR CONGRESSWOMAN HALVORSON: On behalf of the 2.1 million members of the Veterans of Foreign Wars and its Auxiliaries, I would like to offer our support for H.R. 5993, the Securing America's Insurance Needs and Goals (SAVINGS) Act.

In light of recent disclosures that insurance companies could potentially profit from their holding of funds guaranteed to the families of fallen soldiers through the Veterans Group Life Insurance (VGLI) plan, we believe this legislation is necessary to reassure families of the fallen by ensuring insurance companies are open and honest about the policies on which so many military families rely.

H.R. 5993 would mandate that the Secretary of Veterans Affairs require that insurance companies that provide coverage through the VGLI program provide measures to ensure transparency, financial counseling and disclosure information to family members of fallen soldiers. This counseling, both in writing and during in-person counseling sessions with trained professionals, would better help family members understand their options so that they can make sound fiscal decisions during a stressful and harrowing period. It would also require an annual report to Congress by the VA to ensure that insurance companies are being responsive to military families.

Beneficiaries of the VGLI program have made tremendous sacrifices, and we must do everything in our power to protect them from any unscrupulous entities or practices that would seek to take advantage of their tragic fortunes. The VFW looks forward to working with you and your staff on this and other measures to properly care for our veterans and their families.

Sincerely,

GERALD T. MANAR,
Deputy Director,
National Veterans Service.

GOLD STAR WIVES OF
AMERICA, INC.,
Bellevue, NE, September 26, 2010.

Chairman BOB FILNER,
House Committee on Veterans' Affairs, Washington, DC.

In light of recent news that insurance companies could potentially use group life insurance policies to profit from accounts it maintains for the families of fallen soldiers, Gold Star Wives of America, Inc supports H.R. 5993. H.R. 5993 would ensure that insurance companies authorized by VA to administer SGLI accounts are fully open and honest about its practices for these policies on which so many servicemembers rely to ensure financial security for their families.

H.R. 5993, the Securing America's Veterans Insurance Needs and Goals (SAVINGS) Act of 2010, introduced by Representative Debbie Halvorson, would mandate that the Secretary of Veterans Affairs require insurance companies that provide coverage through the Servicemembers' Group Life Insurance (SGLI) program, to offer financial counseling and improved disclosure information to family members and survivors of fallen soldiers. It would also require an annual report to Congress by VA to ensure that insurance companies are being responsive to military families and survivors and that the Office of Survivors Assistance will be a greater resource in this effort.

It is critical that the options and information available for survivors offered under the SGLI program involve more disclosure and greater transparency. H.R. 5993 would do

that by guaranteeing that survivors of our fallen heroes have access to oral and written financial counseling. This greater disclosure requirements and counseling would better help survivors to understand their options so that they can make sound decisions during a stressful and sorrowful time.

Gold Star Wives of America, Inc supports H.R. 5993 so that we can do everything in our power to protect the families and survivors of our fallen soldiers. Their loved ones have answered the call and their survivors deserve these protections.

Respectfully,

MARTHA M. DIDAMO,
Board Chair,

NATIONAL MILITARY FAMILY
ASSOCIATION,
Alexandria, VA, September 23, 2010.

Hon. DEBORAH L. HALVORSON,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE HALVORSON: The National Military Family Association has long been an advocate for improving the quality of life of our military family members, who have sacrificed greatly in support of our Nation. We are writing today in support of H.R. 5993 which seeks to ensure that insurance companies provide appropriate information and financial counseling to survivors who receive payments from the Servicemembers Group Life Insurance (SGLI).

H.R. 5993, the Securing America's Veterans Insurance Needs and Goals (SAVINGS) Act, which you have introduced, would mandate that the Secretary of Veterans' Affairs (VA) require insurance companies providing coverage through the SGLI program to provide financial counseling and disclosure information to family members of fallen soldiers. It would also require an annual report to Congress by the VA to make certain insurance companies are being responsive to military families.

It is critical that these insurance policies provide more transparency, more disclosure, and more information for military families. H.R. 5993 does that by guaranteeing the families of our fallen heroes access to oral and written financial counseling. This counseling would assist family members in understanding their options so that they can make sound fiscal decisions during a most stressful time.

Thank you again for your support of our service members, retirees, veterans, their families, and survivors. Our contact, should you have any questions, is Kathleen Moakler, Government Relations Director.

The National Military Family Association is the leading non-profit organization committed to improving the lives of military families. Our over 40 years of service and accomplishments have made us a trusted resource for families and the Nation's leaders. As the only non-profit organization that represents the families of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration, the Association protects benefits vital to all families, including those of the deployed, wounded, and fallen.

Sincerely,

MARY SCOTT,
Chairman, Board of Governors.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. FILNER) that the House suspend the rules and pass the bill, H.R. 5993, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. BUYER. 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 and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1400

ALL-AMERICAN FLAG ACT

Mr. DRIEHAUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2853) to require the purchase of domestically made flags of the United States of America for use by the Federal Government, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2853

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 "All-American Flag Act".

SEC. 2. REQUIREMENT FOR PURCHASE OF DOMESTICALLY MADE UNITED STATES FLAGS FOR USE BY FEDERAL GOVERNMENT.

Only such flags of the United States of America, regardless of size, that are 100 percent manufactured in the United States, from articles, materials, or supplies 100 percent of which are grown, produced, or manufactured in the United States, may be acquired for use by the Federal Government.

SEC. 3. REQUIREMENT TO USE WORKERS AUTHORIZED TO WORK IN THE UNITED STATES.

In carrying out section 2, the Federal Government may purchase flags only from a manufacturer that certifies that—

(1) the manufacturer does not employ aliens who are not authorized to be employed in the United States; and

(2) the manufacturer participates in the E-Verify Program under section 401 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note).

SEC. 4. EFFECTIVE DATE.

Section 2 shall apply to purchases of flags made on or after 180 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. DRIEHAUS) and the gentleman from California (Mr. BILBRAY) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

GENERAL LEAVE

Mr. DRIEHAUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks.

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

There was no objection.

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

Mr. Speaker, H.R. 2853, the All-American Flag Act, ensures that the flags

purchased by the Federal Government will be made right here in the United States, ensuring that tax dollars used for these purchases will stay here in our economy.

H.R. 2853 was introduced by our colleague, the gentleman from Iowa, Representative BRUCE BRALEY, on June 12, 2009. It was referred to the House Committee on Oversight and Government Reform, which ordered the measure reported by unanimous consent on July 28, 2010.

This bill requires that all flags of the United States of America, of any size, purchased by the Federal Government be 100 percent manufactured here in the United States. This also includes any articles, materials, or supplies used to manufacture or produce those flags. Those materials must all be produced here. This represents a vast improvement over existing law, which only requires 50 percent of these materials to be American made.

Mr. Speaker, H.R. 2853 ensures that the flag of this country, flown by this country, will be made in this country.

I would like to thank my colleagues for their hard work on this bill, and I encourage them to join me in supporting this commonsense legislation.

I reserve the balance of my time.

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

I would like to thank the author of the bill and the committee working on this. I think that we have been able to not only address the issue of where flags are made and what material goes into those flags but, because of the overwhelming bipartisan support for my amendment, we are also going to make sure that those flags are made by legal Americans. I think that is something that was overlooked. In fact, if I remember right, the vote in committee was unanimous except for one vote; let's say that. I think that bipartisan support for the fact that we want flags flying over our Capitol that are made in America, with American material and by Americans who are legally here, was a great message to send. I think that is the kind of bipartisan support and consensus that the American people have been asking about for a long time.

I think that one of the things that we clarify here is that, with the amendment that the majority accepted from me, we were able to point out that there may be a lot of disagreements about the immigration issue, a lot of differences about where jobs go, but if there is one place that we can kind of meet together, the one thing that seems to be working, a very moderate consensus builder, was the success of E-Verify. One place the Bush administration and the Obama administration agrees on: The expansion of E-Verify as being the minimum standard that we make sure employers take, including those who are making the flags for our country that are going to fly over this Capitol.

I think the only place that I can actually think about when it comes to

immigration that Arizona and Massachusetts agree on is that employers should E-Verify, not just to make sure that those who are here legally are working, but also to make sure that we do not prejudice employees before. One of the great things is that E-Verify doesn't ask the employer to make a determination based on just sheer observation is somebody a U.S. citizen or a foreign national; it treats everybody equally. I think that is one of the big successes here.

So I would just like to say, again, I think one of the big successes of this bill is not just that the American people will know that the flags that fly over our Capitol are made in America, with American material and with legal Americans, but the fact is symbolic of the success of the majority supporting my amendment, and that this bill will actually show, too, that: America, we can agree on one thing on immigration, and that is that E-Verify seems to be a success that all of us can get around.

Mr. Speaker, I yield 1½ minutes to the gentlewoman from North Carolina (Ms. FOX).

Ms. FOX. Mr. Speaker, I appreciate my colleague from California's yielding the time.

We are requiring flags to be made in the United States because our colleagues say they are concerned about jobs. Well, House Republicans are also very much concerned about jobs in this country, and we have been listening to the American people.

Unemployment near 10 percent is one of the chief concerns of the people in this country, so they want to know why Democrats are allowing both chambers to adjourn this week without stopping this massive \$3.9 trillion tax increase that will hurt small businesses and kill more jobs.

Our friends across the aisle can adjourn the House this week and walk away from their responsibility to govern, or Speaker PELOSI could allow full and open debate on tax increases before this House is adjourned. We want an up-or-down vote now. We can't allow the American people and small businesses to face this uncertainty.

We were elected to serve the people in our districts, not to put our personal political gain ahead of our constituents' welfare. Certainly, we want to make efforts to keep jobs in America, such as through bills like this one, but especially by giving certainty to businesses.

Let's vote before we adjourn to extend tax cuts for all Americans. No family and no job-creating small business owner should face a tax increase on January 1.

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

Mr. Speaker, again, this bill is about creating American flags in the United States of America purchased by the Federal Government.

I very much appreciate the gentle lady's concern over small businesses and business creation. That is why this House and the Senate came together