

or execute a bilateral policy, program, order, or contract of any kind to participate, collaborate, or coordinate bilaterally in any way with China or any Chinese-owned company unless such activities are specifically authorized by a law enacted after the date of enactment of this division.”

Pub. L. No. 112-10, 1340.

OSTP informed us that it incurred costs of approximately \$3,500 to participate in the week's activities, including the cost of staff time for nine employees preparing for and participating in the discussions, as well as the cost of the dinner OSTP hosted on May 8. OSTP Response, at 5.

DISCUSSION

At issue in this opinion is whether OSTP violated section 1340's proscription, and, if so, whether the agency violated the Antideficiency Act.

As with any question involving the interpretation of statutes, our analysis begins with the plain language of the statute. *Jimenez v. Quarterman*, 555 U.S. 113 (2009). When the language of a statute is “clear and unambiguous on its face, it is the plain meaning of that language that controls.” *B-307720*, Sept. 27, 2007; *B-306975*, Feb. 27, 2006; see also *Lynch v. Alworth-Stephens Co.*, 267 U.S. 364, 370 (1925).

The plain meaning of section 1340 is clear. OSTP may not use its appropriations to participate, collaborate, or coordinate bilaterally in any way with China or any Chinese-owned companies. Here, OSTP's participation in the Innovation Dialogue and S&ED contravened the appropriations restriction. The Director opened the Innovation Dialogue and moderated discussions therein. OSTP staff prepared materials for and attended the discussions. OSTP then invited U.S. and Chinese officials to a dinner that it paid for using its appropriation. Finally, OSTP participated in the S&ED, during which the Director spoke on multiple occasions, including on climate science. OSTP did not identify, nor are we aware of, any specific authority to do so that was enacted after the date of the Continuing Appropriations Act, 2011.

OSTP does not deny that it engaged in activities prohibited by section 1340. OSTP Response; August Conversation. OSTP argues, instead, that section 1340, as applied to the events at issue here, is an unconstitutional infringement on the President's constitutional prerogatives in foreign affairs. OSTP Response, at 1; August Conversation; Letter from Director, OSTP, to the Speaker of the House of Representatives, Re: Section 1340 of the Department of Defense and Full-Year Continuing Appropriations Act of 2011 (May 16, 2011) (OSTP May 16 Letter). OSTP claims that section 1340 is “unconstitutional to the extent its restrictions on OSTP's use of funds would bar the President from employing his chosen agents for the conduct of international diplomacy.” OSTP Response, at 1. OSTP asserts that the President has “exclusive constitutional authority to determine the time, place, manner, and content of diplomatic communications and to select the agents who will represent the President in diplomatic interactions with foreign nations.” OSTP May 16 Letter. OSTP argues that, for this reason, Congress may not “use its appropriations power to infringe upon the President's exclusive constitutional authority in this area.” *Id.*

It is not our role nor within our province to opine upon or adjudicate the constitutionality of duly enacted statutes such as section 1340. See *B-300192*, Nov. 13, 2002; see also *B-306475*, Jan. 30, 2006. In our view, legislation that was passed by Congress and signed by the President, thereby satisfying the Constitution's bicameralism and present-

ment requirements, is entitled to a heavy presumption in favor of constitutionality. *B-302911*, Sept. 7, 2004. See *Bowen v. Kendrick*, 487 U.S. 589, 617 (1988). Determining the constitutionality of legislation is a province of the courts. U.S. Const. art. III, §2. Cf. *Fairbank v. United States*, 181 U.S. 283, 285 (1901). Therefore, absent a judicial opinion from a federal court of jurisdiction that a particular provision is unconstitutional, we apply laws as written to the facts presented. See *B-114578*, Nov. 9, 1973. In 1955, for example, we stated that we “accord full effect to the clear meaning of an enactment by the Congress so long as it remains unchanged by legislative action and unimpaired by judicial determination.” *B-124985*, Aug. 17, 1955. We see no reason to deviate here. Indeed, we are unaware of any court that has had occasion to review the provision, let alone adjudicate its constitutionality, nor did OSTP advise of any judicial determination or ongoing litigation.

As a consequence of using its appropriations in violation of section 1340, OSTP violated the Antideficiency Act. Under the Antideficiency Act, an officer or employee of the U.S. Government may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation. 31 U.S.C. §1341. See *B-300192*, Nov. 13, 2002. If Congress specifically prohibits a particular use of appropriated funds, any obligation for that purpose is in excess of the amount available. 71 Comp. Gen. 402 (1992); 62 Comp. Gen. 692 (1983); 60 Comp. Gen. 440 (1981). By using its fiscal year 2011 appropriation in a manner specifically prohibited, OSTP violated the Antideficiency Act. Accordingly, OSTP should report the violation as required by the act.

Sincerely,

LYNN H. GIBSON,
General Counsel.

MS. ERIN TREASTER

HON. LOU BARLETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. BARLETTA. Mr. Speaker, I rise to honor Erin M. Treaster for her performance on the basketball court and soccer field, and as she is accepted into the Plains Sports Hall of Fame in Northeastern Pennsylvania.

A graduate of Bishop Hoban High School, Ms. Treaster was a four-year starter on both the soccer and basketball teams. In both sports she excelled, as she was selected as an all conference performer. She was also selected as the most valuable player of the Wyoming Valley Soccer Conference, and she was selected to the All-State Soccer team.

While attending college at Bloomsburg University, Ms. Treaster was a four-year starter for the Huskies in both basketball and soccer. In soccer, she was selected to the Pennsylvania State Athletic Conference (PSAC) second team from 1995 through 1998, a regional All-American in 1996 and 1997, and ranks as the 10th overall soccer assist leader in Bloomsburg University history.

In basketball, Ms. Treaster's performance was equally impressive. She was selected All-Conference PSAC East Rookie of the Year in 1995–1996. With 456 assists, she is the all-time leader in the school's history, and the eighth all-time leader in steals with 202.

Mr. Speaker, it is my pleasure to officially congratulate Ms. Erin M. Treaster for all of her

accomplishments, and especially her induction into the Plains Sports Hall of Fame.

VETERANS OPPORTUNITY TO WORK ACT OF 2011

SPEECH OF

HON. DIANE BLACK

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 11, 2011

Mrs. BLACK. Madam Speaker, as our servicemembers return home from Iraq and Afghanistan, Congress must continue to focus on assisting in their transition back to civilian life. For many of these individuals, the wounds of war are not easily forgotten and it is imperative that we stand by these soldiers.

As the wife, mother and daughter of servicemen I have a strong appreciation for the contributions of our United States military personnel and I am a constant advocate for improving military and veteran benefits. That is why I am a co-sponsor of H.R. 2433, the “Veterans Opportunity to Work Act of 2011.”

H.R. 2433 provides unemployed veterans and active duty members who are about to retire with comprehensive training opportunities and employment assistance. It achieves these goals by: extending training benefits to unemployed veterans to teach them new skills for high-demand jobs; making career and transition courses mandatory for servicemembers leaving the military; strengthening re-employment protections for National Guard and Reservists; and improving licensing and credentialing processes for new veterans.

Recently I held a veterans job fair in my district and got to meet with some of these brave men and women as they looked for jobs. It is an honor to be able to help veterans while at home and this bill serves as a chance for us to help our veterans back home from Washington, DC.

Ensuring that our servicemen are well taken care of is one of our Nation's greatest responsibilities and I am pleased we will take up legislation today that will do just that.

GREATER NEW BEDFORD COMMUNITY HONORS NATE MEDEIROS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. FRANK of Massachusetts. Mr. Speaker, there is no way that those of us who have stayed at home can discharge the debt we owe to the men and women who put their lives and safety at risk as members of the Armed Services, but it is important that we do what we can to show that we understand how deep that debt is. On October 23, I will have the privilege of participating in an effort to do that in the town of Fairhaven, Massachusetts, where the Greater New Bedford Community will gather to honor Army Pfc. Nathan Medeiros. Pfc. Medeiros is recovering from serious shrapnel and burn wounds he sustained from a roadside bomb last month in Afghanistan. His friends and neighbors will be gathering to show how deeply they honor his courage and appreciate his sacrifice.

Mr. Speaker, the wounds from which Nate Medeiros is recovering remind us all that while war is sometimes necessary in national self defense, it is always terrible in the toll it takes of our best and bravest. I am honored to be able to participate in this community effort to show Nate Medeiros how deeply we feel the debt to him, and Mr. Speaker, as an example that the nation should note, I ask that the article from the New Bedford Standard Times from October 11 about this event be printed here.

EVENT SCHEDULED TO HONOR NEW BEDFORD SOLDIER WOUNDED IN AFGHANISTAN
(By Brian Fraga)

NEW BEDFORD.—An event will be held later this month to honor Army Pfc. Nathan Medeiros, a New Bedford native recovering from shrapnel and burn wounds he sustained from a roadside bomb in Afghanistan last month.

"Honoring Our Own: Nate Medeiros" is scheduled for Oct. 23, from 3–7 p.m., at the Seaport Inn in Fairhaven. Due to military regulations, the event is not a benefit, and there will be no admission charge.

"After all, this will be the true epitome and best way to honor Nate for his heroic efforts," said Carl Pires, a friend of Medeiros's family who is coordinating the event, and will serve as its emcee.

The night will also feature performances by local musicians and artists such as poet Charles Perry and singers Tiny Tavares, Candida Rose, Glenn "G-Money" Enos, Navelle "Chops" Turner and Irving Washington III, former lead singer of the R&B group Portrait.

New Bedford Mayor Scott W. Lang, State Sen. Mark C.W. Montigny, D-New Bedford, and U.S. Rep. Barney Frank are also scheduled to be on hand to speak and present resolutions to Medeiros and his family, Pires said.

On Sept. 14, Medeiros, 28, an infantry machine-gunner assigned to the 1st Stryker Brigade Combat Team of the 25th Infantry Division, was on patrol in Afghanistan, clearing roadside bombs from an area known as "IED Alley."

Medeiros said he had just noticed two Afghan men crouching at a distance, and was pointing out their location to his fellow soldiers when a roadside bomb detonated less than 2 feet from where he was standing.

"I turned back around and just as I do this, I'm blown into the air and back onto my side," said Medeiros, who has undergone several surgeries to remove shrapnel and debris from his legs.

Medeiros, a graduate of New Bedford High School's night program, also sustained lacerations to his face and neck, swelling in his hands and partial hearing loss.

He arrived home in New Bedford last week on leave, and will be present for the event.

"It's great to have him home," said Medeiros' mother, Cherele Fortes, who said her son surprised them in coming home.

"He looks good. He's got some scars, some bruising, but he is in great spirits. He is an amazing kid. God still has plans for him. That's why he's still with us," Fortes said.

HONORING THE NAACP—MORRIS COUNTY BRANCH

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to honor the Morris County Branch of

the National Association for the Advancement of Colored People, NAACP, as it celebrates its 80th Anniversary.

Founded in 1909, the NAACP is the nation's oldest and largest grassroots-based civil rights organization. With over a half-million members and supporters both throughout the country and around the world, the NAACP strives to ensure the political, educational, social and economic equality of rights of all persons to eliminate race-based discrimination.

To support the national organization's mission, different branches of the NAACP have been established throughout the United States. The NAACP, Morris County Branch, was established in 1931. Headquartered in Morristown, New Jersey, the Morris County Branch has provided great support to the mission and vision of the national organization.

Throughout its 80 years, the Morris County branch has sought to pursue the elimination of racial prejudice and discrimination through numerous events and fundraisers, most notably their Annual Freedom Banquet. This annual fundraiser, also celebrating its 80th anniversary, brings together people from all races, all economic backgrounds to join together for one common purpose: to ensure equality for our fellow citizens.

The NAACP, Morris County Branch, is a wonderful organization, one of which I am proud to say calls the New Jersey 11th Congressional District home.

Mr. Speaker, I ask you and my colleagues to join me in congratulating the members and staff of the Morris County Branch of the NAACP as they celebrate 80 years of promoting equality for our nation.

INTRODUCTION OF LEGISLATION ENDING A CURRENT LAW LOOPHOLE THAT ALLOWS FOREIGN INSURANCE GROUPS TO STRIP THEIR U.S. INCOME INTO TAX HAVENS TO AVOID U.S. TAX

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. NEAL. Mr. Speaker, today I am pleased to come before the House to introduce legislation ending a current law loophole that allows foreign insurance groups to strip their U.S. income into tax havens to avoid U.S. tax and gain a competitive advantage over American companies. I am pleased to be joined in my efforts by Senator MENENDEZ who is introducing the Senate companion bill.

Many foreign-based insurance companies are using affiliate reinsurance to shift their U.S. reserves overseas into tax havens, thereby avoiding U.S. tax on their all investment income. This provides these companies with a significant unfair competitive advantage over U.S.-based companies, which must pay tax on their investment income. To take advantage of this loophole, several U.S. companies have "inverted" into tax havens and numerous other companies have been formed offshore. And, absent effective legislation, industry experts have predicted that capital migration will continue to grow and other insurers will be forced to redomesticate offshore. As we grapple with significant budget challenges in the years to come, it is essential that we not allow the con-

tinued migration of capital overseas and erosion of our tax base.

The bill I am introducing today does not impact third party reinsurance, which adds needed capacity to the market. It is a fundamental business technique for risk management and is to be fostered. Rather, the bill is targeted solely at reinsurance among affiliates, which adds no additional capacity to the market and is often used for tax avoidance.

There have been previous attempts to address the tax avoidance problem resulting from reinsurance between related entities. Congress first recognized the problem of excessive reinsurance in 1984 and provided specific authority to Treasury under Section 845 of the Tax Code to reallocate items and make adjustments in reinsurance transactions in order to prevent tax avoidance or evasion. In 2003, the Bush Treasury Department testified before Congress that the existing mechanisms were not sufficient. In 2004, Congress amended Section 845 to expand the authority of Treasury to not only reallocate among the parties to a reinsurance agreement but also to recharacterize items within or related to the agreement. Congress specifically cited the concern that these reinsurance transactions were being used inappropriately among U.S. and foreign related parties for tax evasion. Unfortunately, as recent data shows, this grant of expanded authority to Treasury has not stemmed the tide of capital moving offshore.

Since 1996, the amount of reinsurance sent to offshore affiliates has grown dramatically, from a total of \$4 billion ceded in 1996 to \$33 billion in 2008, including nearly \$21 billion to Bermuda affiliates and over \$7 billion to Swiss affiliates. Use of this affiliate reinsurance provides foreign insurance groups with a significant market advantage over U.S. companies in writing direct insurance here in the U.S. We have seen in the last decade a doubling in the growth of market share of direct premiums written by groups domiciled outside the U.S., from 5.1 percent to 10.9 percent, representing \$54 billion in direct premiums written in 2006. Again, Bermuda-based companies represent the bulk of this growth, rising from 0.1 percent to 4 percent. And it should be noted that during this time, the percentage of premiums ceded to affiliates of non-U.S. based companies has grown from 13 percent to 67 percent. Bermuda is not the only jurisdiction favorable for reinsurance. In fact, one company moved from the Cayman Islands to Switzerland citing "the security of a network of tax treaties," among other benefits.

A coalition of U.S.-based insurance and reinsurance companies has been formed to express their concerns to Congress. They wrote to the leadership of the House and Senate tax-writing committees urging passage of my prior bill because, as they wrote, "This loophole provides foreign-controlled insurers a significant tax advantage over their domestic competitors in attracting capital to write U.S. business." With more than 150,000 employees and a trillion dollars in assets here in the U.S., I believe it is a message of concern that we should heed.

That is why I am again filing legislation to end the Bermuda reinsurance loophole. This proposal has been developed working with the tax experts at both the Treasury Department and the staff of the Joint Committee on Taxation to address concerns that have been raised with prior versions of the bill and develop a balanced approach to address this