

People give the government its power is one of those. Government exists to protect our God-given rights. Men are not perfect, so neither is our government. So it must be limited, checked, and balanced.

Our great Nation rests on these principles. If we still believe in those principles, we must recognize another simple but profound truth: good government must live within its means.

So that's why I believe the balanced budget amendment to our Constitution is crucial at this time. When we face \$15 trillion of debt, we're handing off and saddling our children and every person in this country \$48,000 of debt per individual. Unemployment has held steady at historic high rates. Confidence is declining, and Washington, like a spoiled child, continues to talk about tax increases and stimulus programs that just do not work.

I believe we owe it to our generation, to future generations, to pass a balanced budget amendment to our Constitution that requires the Federal Government to live within its means just like every American family and just like businesses across this country that are going to move this economy forward.

I thank the gentleman from Virginia for his efforts with the balanced budget amendment, and I am proud to stand here today and support it; and I believe this is a great opportunity for Congress to stand with the American people. This is our opportunity, and we must not fail.

Mr. GOODLATTE. I thank the gentleman.

I have to say that we've seen support from all across the country, from east coast States like New Jersey and Virginia all the way to the west coast to Oregon. We've heard from Members of both parties, we've heard from Members from States along the Canadian border, and Members from States on the gulf coast.

This amendment has broad, broad support in the Congress, but it has a high hill to climb in needing 290 Members to vote for it. We're continuing to work to find that support. It's not a new idea. It's been around for almost as long as our Constitution.

Thomas Jefferson has been cited, and I'll read that again here. He said, "I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our government. I mean an additional article taking from the Federal Government the power of borrowing." He said that in 1798. That's the only thing he said.

Later in his life he said, "There does not exist an engine so corruptive of the government and so demoralizing of the Nation as a public debt. It will bring on us more ruin at home than all the enemies from abroad against whom this Army and Navy are to protect us." Thomas Jefferson said that in 1821.

And about our future generations, which several Members have com-

mented on here tonight, Thomas Jefferson said in 1789, the year that our Constitution went into effect, "Then I say, the Earth belongs to each of these generations during its course fully, and in its own right. The second generation receives it clear of the debts and encumbrances of the first, the third of the second, and so on. For if the first could charge it with a debt, then the Earth would belong to the dead and not to the living generation."

Thomas Jefferson wrote that to James Madison in 1789, and how prescient was that as our new Nation was starting work under a new Constitution that he would observe that we are where we are today where we are passing on to future generations debt that is unsustainable.

How ironic it is that we borrow money today to pay for programs today and put that burden on the backs of our children and grandchildren and those not yet even born with the likelihood that if we do not change from this course, we will find that those very children and grandchildren will not have these programs when they need to depend upon it. They will only have the debt.

□ 1640

This is what Thomas Jefferson meant when he said the Earth would belong to the dead and not to the living.

Finally, let me give you one more quote:

"To preserve the independence of the people, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty or profusion and servitude."

Mr. ROKITA. Just a quick note to the gentleman from Virginia.

As we're talking about "why this hill"—and I think you mentioned the hill being so high and so hard to climb—there might be people at home watching right now, maybe even some in this Chamber right now, who are wondering: Why would this be so difficult? We had others come up and say they had a telephone town hall where over 80 percent of their constituents were in favor of this. Why is this so hard?

We have to think of it this way:

There are two groups of constituents, and we can't appease both sets all the time. There is a constituency that's the here and now that will ensure that, if we do things they want, they'll give us another election; they'll let us serve longer. Yet there is another constituency that doesn't even exist yet. No matter what we do, we won't be around for them to reward us. I would just suggest that everyone here in this House of Representatives serve that latter constituency: our kids, our grandkids, those who don't even exist yet. Vote for them to make sure that we keep the Republic.

For those of you who are watching, make sure you tell your Representatives, Hey, I want you to vote, not for me, not so that I can have more on my

plate now; I want you to vote for our future.

If the people of this country demand that of their Representatives and their Senators, we will keep the Republic as Franklin demanded.

Mr. GOODLATTE. Mr. Speaker, that's an excellent note on which to close.

I want to thank the gentleman from Indiana and everyone else who has participated and the other gentleman from Indiana.

With that, I yield back the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PALAZZO). Members are reminded to address the Chair and not the viewing audience.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2930, ENTREPRENEUR ACCESS TO CAPITAL ACT, AND PROVIDING FOR CONSIDERATION OF H.R. 2940, ACCESS TO CAPITAL FOR JOB CREATORS ACT

Mr. SESSIONS, from the Committee on Rules (during the Special Order of Mr. GOODLATTE), submitted a privileged report (Rept. No. 112-265) on the resolution (H. Res. 453) providing for consideration of the bill (H.R. 2930) to amend the securities laws to provide for registration exemptions for certain crowdfunded securities, and for other purposes, and providing for consideration of the bill (H.R. 2940) to direct the Securities and Exchange Commission to eliminate the prohibition against general solicitation as a requirement for a certain exemption under Regulation D, which was referred to the House Calendar and ordered to be printed.

MEDICAL TECHNOLOGY CAUCUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Minnesota (Mr. PAULSEN) is recognized for 30 minutes.

Mr. PAULSEN. Thank you, Mr. Speaker.

For the next few minutes, some of us who are members of the Medical Technology Caucus are going to share some of our thoughts about some of the recent troubling developments that are threatening this American industry. I will tell you, as cochair of the Medical Technology Caucus, in Minnesota, I get a chance to tour these companies. We all know the big names of the big titan companies; but nearly every week, I get a chance to tour one of these small companies that might have five employees, that might have 10 employees—companies that are not yet profitable.

They're working on these really innovative and neat technologies that are there to help patients improve their lives and save their lives. In fact,

Mr. Speaker, from 1980 to 2000, the medical technology firms were responsible for a 4 percent increase in U.S. life expectancy, a 16 percent decrease in mortality rates, and also an astounding 25 percent decline in elderly disability rates. I think, as we'll hear from some of our colleagues, particularly from the Indiana delegation, which is where we were just about a week and a half ago, we're learning there are some new hurdles on the horizon.

Number one, there is a medical device tax that will be imposed in just a little over a year. It's a \$20 billion tax, and studies have shown it's going to cost the industry about 10 percent of their workforce. It's about 43,000 jobs that will be at risk. In fact, I just met with an owner of a company today who mentioned that he believes this excise tax, if put in place 1 year from now, will cost his company at least 50 high-paying jobs.

Then you have the other issue of just an FDA that has become so bureaucratic, so unpredictable, so inconsistent, and so nontransparent that it's becoming more difficult for these companies to bring these lifesaving technologies to market to make sure that the patients have access to them.

I have traveled the country—to California, to Boston, to New York, and we'll have a chance to go to North Carolina—where these pockets of industries in the medical technology field are really strong and vibrant. One area in particular was Indiana.

We were there just a little over a week and a half ago, and I will tell you, of the folks who testified there—the companies and the presence there and the jobs there—it was compelling. In fact, I'll never forget the words from one of the testifiers there at the committee when he mentioned, when he gets asked for advice on where to invest, on where to start up, that his advice to new companies is, Go to Europe. Go to Europe.

That is the wrong message.

Mr. Speaker, in this down economy, when we are trying to save jobs, when we are trying to encourage job creation, we're encouraging one of our best American success stories, one of our few net exporters, to move overseas.

We've got legislation that's actually moving forward now. Many of these members are coauthors of not only repealing the tax but also of streamlining and modernizing the FDA to make sure we're doing what Europe is doing, for instance, and to make sure we don't have as high a hurdle. We want to make sure there is a strong, relevant, rigorous process at the FDA because these companies want the gold standard. They want the gold standard of approval, but they don't want the goalpost moved in the middle of the process to make it so ridiculous that their investments are not going to be worthy of the risk/reward that they hope to have pay off.

When we were in Indiana, we had a bipartisan gathering of Mr. ROKITA, Mr. YOUNG, Mr. STUTZMAN, and Mr. DONNELLY who were there, along with Representative GUTHRIE from the Energy and Commerce Committee. They took the time to come out, to listen to these companies that testified and also, more importantly, to listen to the patients. We had a patient testify as well, Sheila Fraser, who is a young high school student who was testifying about a device that was implanted in her leg. It truly is an amazing success story because, in a lot of cases, folks like her have to have amputations, and this is a device that is now improving her life.

So I think, as much as we like to talk about the jobs and the economic benefits, it's also just as important to hear it from the patients' perspectives as to how these lifesaving technologies are helping them and how these life-improving technologies are helping them.

As I mentioned earlier, we've been to California, and Mr. BILBRAY is going to talk in a little while. This is an industry that covers many spectrums of the economy across the country. So I just want folks who are watching out there in America to understand there are some of us who really care about this industry. We're fighting for it, and we appreciate the input and dialogue that we've had as a part of that.

With that, Mr. Speaker, I want to first yield to the gentleman from Indiana (Mr. ROKITA), who has been a leader already on this issue and has helped us get coauthors to repeal that onerous innovation tax.

Mr. ROKITA. I thank the gentleman for yielding. I also thank the gentleman for his leadership.

We were pleased to welcome you to Indiana, and I know you get that same kind of welcome all over the Nation.

The gentleman from Minnesota, I think, has done an excellent job in making sure that this issue not only was formulated the right way, not only was formulated in a bipartisan way, but is now on the verge of going through committee and coming to the floor so we can take action.

What action are we speaking of?

There is an insidious tax that was put in the new health care law, a law colloquially referred to as ObamaCare. It is a 2.3 percent tax on innovation. I often get asked in Indiana's Fourth District and in other places around the State: How do we stay competitive? Why are you letting jobs go overseas?

I am the first to point out that to succeed in this country, to succeed in this Nation, if we are to be prosperous—to maintain and increase our prosperity in the 21st century—we have got to stay a step or two or five ahead of our competition. In Indiana, we're not competing with people in Fort Wayne or in Jeffersonville or in Terre Haute. We're competing with people from places that we can barely pronounce, meaning not in the United

States. No country was ever ultimately successful by building a wall, whether it's a physical wall like we found in ancient China or an economic wall like we see with tariffs or, in this case, with taxes on companies and on an industry that continues to innovate, that continues to keep us on the cutting edge of what the world is doing in this area. That's important. That is the key to our success.

By taxing these devices, by taxing this industry, you're not going to get more of it; you're not going to get more innovation. You're going to get less. If you want less of something, you tax it. By the way, when you do that, you're not even going to get more revenue to pay for that all-inclusive, government-run, bureaucrat-interpreted health care system.

□ 1650

I'm really pleased to be a cosponsor. I continue to learn on this issue. I learned a lot from the field hearing that was done.

I would like to echo the point that was made: This was a bipartisan hearing. Just like in the last hour, we saw in a bipartisan way that we have to live within our means, and we can do that through a balanced budget amendment. We had Democrats come to speak on that.

At the field hearing we had on the repeal bill of the medical device tax, we had that same kind of bipartisanship. Bipartisanship does exist. It exists in Indiana. And with this bill, it can exist here on the House floor as well.

I was alarmed as well. The person testifying was Steve Ferguson from the Cook Group. Mr. Cook, when he started his company, he started from a spare bedroom in his apartment and grew it to a multibillion dollar operation. He is one of the best examples of an American success story. And his partner, Mr. Steve Ferguson, who testified—I will back up Mr. PAULSEN in this—said, when new startups come to him, when young men and women come with an idea and want to start a company, he says, go to Europe. Not because he isn't a true-blooded American patriot, but because he's giving honest advice.

Now what does that say about our Federal Government? What does that say about our bureaucracy when, instead of going through the FDA approval process, the best advice is to go through the bureaucracy of a union of countries that can barely stay afloat because of the debt they're incurring? Where does that put us in a 21st century world? Where does that put us in terms of our ability to continue innovating, in terms of our ability to be prosperous?

We have got to put the swords down, as it was said earlier. We have got to come together and realize that it's that innovation, it's that economic freedom, it's that liberty to associate and provide an equal opportunity for one's own success that has made us the best and most successful experiment in self-governance that the world has ever known

and, as a result, has kept us on the cutting edge of profit-making innovations that employ people, that keep taxes low, where we've proven time and time again that the way to success is doing the opposite of levying a tax, by letting individual men and women rise and fall on their own decisions. That's what this medical device bill does.

Thank you for sponsoring this time, Representative PAULSEN. It's been an honor and a privilege and a pleasure to work with you.

Mr. PAULSEN. I thank the gentleman again for his leadership. I just want to mention too, you had mentioned all the authors of this bill that are trying to repeal this onerous tax. There are actually 204 Members now, Mr. Speaker, that want to repeal this tax, bipartisan support. The amount of money this tax is expected to raise is actually equal annually to the amount of money that's invested in the industry every year. So it is a very wrong-headed move.

One of the first coauthors of this bill that would repeal this tax and who, I think, recognizes the importance of this industry is my friend and colleague from Pennsylvania. I yield to him and thank him for his leadership and for being a part of the caucus effort.

Mr. ALTMIRE. I thank the gentleman from Minnesota. I can't think of anybody in the Congress who has done more for medical innovation, his leadership on the medical device tax, on FDA reform issues, than Mr. PAULSEN. It's an honor for me to be here tonight to discuss this issue before the House.

What we have done in a very strong and forceful bipartisan way, which is critically important and something we don't do nearly enough of in this Chamber, is to send a message that we want to protect the medical device industry in America. The innovations that are created in this country are second to none. The way that we handle the FDA process could be improved, and we are going to talk about that shortly.

But with regard to medical device issues in particular, I'm fortunate that the district I represent is home to a number of large and small medical device manufacturers that are doing great work right here in America, producing medical devices that we rely on in this country, that millions of Americans depend on.

And when we last year, in the last session of Congress, went through the debate and eventually passage of the health care reform bill—which I voted against—one of the issues that was in there was the medical device tax, which seemed pretty arbitrary. They were looking for sources of funding. They were looking for ways to make the bill come into balance. And one of the industries that they targeted for the tax was the medical device industry. I believe very forcefully that it was shortsighted. I think it was some-

thing that should not have been done. That's an industry that we have international leadership on in this country. It's an industry that millions of Americans have an everyday benefit from.

What we did was say, Well, you look at the portion of overall health care costs in the country that that industry represents, and you are going to create a tax that's going to pay for approximately that portion of that industry to go towards the health care bill. I didn't think it made sense then. I don't think it makes sense now. What I want to do, along with the gentleman from Minnesota and the other 202—the total of 204 cosponsors of this legislation—is just put common sense back in place to say, we want to continue to have those innovations take place in America, not in other countries; to continue to show the worldwide leadership that we have shown and to continue to allow American citizens to benefit from the great work that's being done across the spectrum, large and small, of medical device manufacturers in this country.

So the \$20 billion cost that's associated with this tax is just the tip of the iceberg. We're going to lose a lot more than just the cost of what it's going to take to pay that tax if you're in the medical device industry. We're going to lose the innovation. We're going to lose the talent because we're competing with other countries for the top talent in the world, and where individual people want to reside when they undertake research and development of new drugs, new pharmaceuticals, and also new medical devices. This tax is absolutely the wrong thing to do, and I strongly support the gentleman's effort to repeal the tax. We're going to talk later on, and I'm going to join the discussion on FDA reform and some of the things we're doing, working together, but this medical device tax, the reason it has attracted bipartisan support for the repeal is because it makes no sense. It's burdensome, and it's absolutely the wrong thing to do.

Mr. PAULSEN. I thank the gentleman again for his leadership and for really standing up for Pennsylvania companies and understanding this is an American success story, as he outlined. He is actually a coauthor of some bills that are there to streamline and modernize the FDA, which we will talk about in a second as well.

We also have my friend, the gentleman from Indiana, here as well. Mr. STUTZMAN, I think you were at the hearing. Maybe you could share some of what you learned from the hearing in Indiana.

Mr. STUTZMAN. I thank the gentleman from Minnesota. It was a great day for us because of the things that we learned from those folks who testified at the hearing there in Indianapolis.

Those of us in Indiana, we love racing, we love agriculture, we love manufacturing. But we also have an industry there that we are very proud of and is one of the emerging businesses for the

world. The orthopedic industry has \$36 billion worldwide in revenue. And I am fortunate enough to represent Indiana's Third Congressional District, which includes the city of Warsaw and the areas surrounding Warsaw, which is the orthopedics capital of the world.

I can tell you, you hear a lot of the great stories about racing from Indiana. There are also great stories about companies that started in apartments or in a garage from folks in Indiana in this particular industry. It's an industry that I believe is so beneficial to people in a personal way. I can tell you myself that my grandmother had two of her hips replaced. And that is the industry that we are talking about; knees, joints, hips, other parts of our body that can be replaced to increase the quality of life that we enjoy.

□ 1700

My grandmother had her hips replaced, and I know what it did for her. This industry was really started about helping people and increasing the quality of life that people have. We had a young lady there, Sheila Fraser, who the gentleman from Minnesota mentioned. What a great story. What an amazing young lady. She is a senior from Mishawaka, Indiana, who had a knee replaced because of cancer in her bone. They can take this particular device and extend it. As she grows taller, as her body grows, they can adjust this particular device inside her leg as she continues to grow. It's amazing technology, and that's why it's so important for us to protect this industry, to do no harm to the industry because it's growing fast. At a time when America is facing high unemployment rates, this industry continues to grow. These are high-paying jobs.

I know it is a huge benefit to the part of Indiana that I represent. The jobs that are created, these are jobs that pay well and the type of jobs that we want to keep right here in America.

As we talked about this tax, it is going to be a burden on these businesses and on these jobs. I can tell you already after talking to the folks in northeast Indiana at these businesses that there are other countries like China. China has a growing population. You have other countries that are starting to advance in bioscience, and this is why it is so important for us to make sure that we don't affect this industry in a way that it will start looking to other countries like China or India, other places around the world. Europe, obviously, is already a mature market. China is an emerging market, and they want these particular devices built there. If we build them here, we can export them to countries like China, and they can be buying American-made products from companies and people who live in my community where they are building these particular devices.

As was mentioned, 204 Members of the House of Representatives are signed on to the repeal of this tax

which I believe is a great number, almost a majority. I would urge our leadership to bring this bill forward to the floor for a vote because we know if this tax stays in place, these companies are going to start looking elsewhere because this is a huge burden upon them.

I thank each Member who was at the hearing in Indianapolis. We saw some fantastic, amazing things that are being developed. And if we can keep government from hindering this type of technology, this type of growth, we're going to lead in new ways in manufacturing. We have the automobile industry and the steel industry. This is an emerging market that will continue to grow as people gain in wealth and they gain in access to these types of services in the health care industry.

I would just encourage all of my colleagues to sign on to this piece of legislation because we don't want to see this type of industry move outside of the United States. I appreciate Mr. PAULSEN and his leadership.

Mr. PAULSEN. As you mentioned, I think one of the things that folks don't often recognize, the medical device industry is high-value manufacturing. Boy, I think of a State like California and the high-value manufacturing that exists there. I visited some companies in California one time, and I would like to yield to Mr. BILBRAY who has been a leader on moving some of the packages of bills to help streamline the FDA and to modernize the FDA as well.

Mr. BILBRAY. I thank the gentleman.

Mr. Speaker, the gentleman is leading on not just an issue of jobs. This is an issue of jobs and lives. I think that is one thing we overlook so often. I am glad to hear about the hearing in Indianapolis because we had a hearing in San Diego. I'm sure that you guys are glad that you didn't have to come to the hearing in San Diego because we were in La Jolla overlooking the beach and the surf at the Scripps Institution of Oceanography. But maybe some day you will be able to break away and come to one of our hearings down in San Diego.

But, Mr. Speaker, we're talking about an issue that is not discussed enough. I guess one of the issues that I'm really excited about on this one is it's a bipartisan effort. If there was one thing I want everyone to know about Washington, D.C.—Democrats, Republicans or Independents—the biggest problem with this town isn't that Washington tries new things or that Washington makes mistakes; but when Washington tries new things and makes mistakes, they're not willing to go back and correct it and straighten it out. They ignore it.

In fact, a lot of times they think the only problem is just throw more money or taxes at it or more regulation, and somehow it will make it better. I think this is one of those items where Democrats and Republicans should get together and say, Look, this was rushed through, really wasn't looked into in

depth and needs to be corrected and straightened out.

That is what this bill, both the gentleman's bill and my bill say: We need a step back period, a cooling off time, and let's look at this and straighten this out. And the first thing we have to do is take this huge tax off the back of not just the producers but the American consumer. We're talking about a tax of \$20 billion on an industry that can ill afford this kind of burden, especially at this time. We're talking in California alone 112,000 jobs, and something that all of us will say later if we lose these jobs, Oh, my God, how could we have done this. More importantly, we are talking about those lives of the people who depend on not just those devices that are out there today, but those that will be out there in the future.

Is there anyone here that can assure themselves that their children or grandchildren or granddaughter or grandson or even their mother or father won't need to have medical devices somewhere down the line, not just to improve the quality of life, but to ensure life extension? Or the fact of just being able to survive certain medical crises? Those are all questions that we need to ask ourselves individually. But as a Nation, we need to ask ourselves: Was this the right step for us to take at this time or at any time? And if it wasn't, we have to be brave enough to do what Washington doesn't do enough, and that is go back and correct the mistakes and move on in a much better and much more secure form, something that can be substantiated.

Let me be very blunt, as someone who has a major medical device industry in my community, that there are ways we can correct these things. ANNA ESHOO and I, back in the 1990s, actually did tort reform for medical devices. There was a kind of bipartisan support of it saying put politics aside and put people first, and when it comes down to it, you do not provide health care to the public by taxing it out of the country. You're not going to make those kinds of opportunities available to either the people who need the jobs or those who need the medical breakthrough.

I want to say again that I look forward to working on this, and I look forward to working on a bipartisan effort with my colleagues on both sides of the aisle, things like FDA reform, which is going to be another essential step that we have to do to make sure that we keep this vibrant industry here, or we will all rue the day, Democrat and Republican, if we allow it to leave the country and the jobs and medical breakthroughs go with them.

Also, the huge resources that we have for more research and development to be brought back into this country by repatriating American money that is overseas, that is being kept overseas, but because of punitive actions of the Federal Government here in Washington, D.C., \$2 trillion that could

come back to help do research and development, to save lives, to develop the next generation of medical devices, to be able to create that opportunity in economics and in medical breakthroughs, that's the kind of thing that we need to see Democrats and Republicans work together on.

I look forward to building on the cooperation we see in this bill, and work on it in other bills related to public health and the economic opportunities of creating jobs in America with American jobs on American soil.

Mr. PAULSEN. I thank the gentleman for being a leader. When folks think of States like California, they think of high technology and medical devices, but it's the investors who have a large component in States like California that invest in these companies. Unfortunately, the FDA has become so risk averse that the investors aren't investing the resources needed to start the new products, and that's the pipeline going over to Europe. That's the challenge we have.

Someone else at the hearing a little over a week ago was my friend and colleague, Mr. YOUNG, who also heard some of these personal stories not only from the patient perspective but the innovator perspective.

I want to thank the gentleman from Indiana for his leadership and for inviting me to be a part of that hearing in Indiana.

Mr. YOUNG of Indiana. I thank the gentleman from Minnesota for his leadership and I certainly share your desire to lighten the burden on this high-value-added industry. We need to ensure that all of the manufacturing jobs, all of the job and economic growth opportunities that we can help create an environment for, a nurturing environment for, that we do.

□ 1710

One thing that I hear as I travel around southeastern Indiana and listen to my constituents, there's a lot of feedback about the level of uncertainty within our economy. There's regulatory uncertainty, there's uncertainty about future tax rates, and there's uncertainty about energy rates and health care costs. And so these medical device manufacturers are certainly laboring under the burden of uncertainty with respect to the FDA regulatory process. And then here we add an additional excise tax to their bottom line. And so I'm happy to support H.R. 436, which would lighten that burden.

I don't think probably many people appreciate—I certainly didn't appreciate it until I started looking into it—exactly how burdensome this device tax could be on the medical device industry. The tax is 2.3 percent of gross sales. So that's a top-line tax before all the other deductions and costs come out. So, essentially, that would translate into about 15 percent taxation on profits of many of these medical device companies. You add that 15 percent profit tax to 35 percent corporate tax

and the 5 percent tax when you add together the State and the local corporate tax burden, and you're north of 50 percent of tax on profits. So it's no wonder that so many of these device makers are instead deciding to expand their operations or start up new operations overseas. And we have to do what we can to prevent that.

Now, in my home State of Indiana, approximately 40 percent of all life sciences sector jobs are related to this devices industry, this high value-added industry that improves the lives of so many patients and certainly all the workers who work at these companies. My district, in particular, has some employers that we'd like to keep around, like the Cook Group in Bloomington, my hometown. And then as we head further south to Jeffersonville, Indiana, we have MedVenture. And there are people everywhere in between that work at this company.

The tax impact is going to burden not just the large companies, however. There are 300-plus FDA-approved medical device manufacturers in the State of Indiana. And as my colleague from Minnesota just indicated, they're all searching for financing. They're searching for venture capital to bring their fledgling operations to the next level. So a Cook Group could probably weather this storm and figure out some way to remain profitable, but it's the next Cook of the world, the next tinkerer in their garage or their spare bedroom that may not be able to grow their business and create the jobs that our constituents are all demanding should this device tax go into effect January 1 of next year as it's currently scheduled to do.

The regulatory challenges which I've already mentioned are also very important. They must be addressed separately. I know there's separate legislation out there to do that, and I will be supporting that initiative as well. But the bottom line here is that there are jobs at stake and there are people's lives at stake as well.

We heard very powerful testimony from Sheila Fraser. Her name has been mentioned here before. She is an outstanding young lady, a high school student, who at a very young age contracted cancer, and she was going to have to have her leg amputated. And because of the ingenuity and the entrepreneurship of people in my home State of Indiana, they were able to put together a company and sell these products and develop a product that benefited Sheila Fraser directly. And now she's living a very productive life, and she has both of her legs, thank the Lord. And we need other people to benefit from similar sorts of innovations in the future.

I am most proud to be here to speak on behalf of H.R. 436. I urge my colleagues to sign on to this legislation and to vote in favor of it.

Mr. PAULSEN. I thank the gentleman. I'm not sure how much time we have left in our colloquy, Mr. Speaker.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PAULSEN. Thank you, Mr. Speaker.

CIVILIAN PROPERTY REALIGNMENT ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from California (Mr. DENHAM) is recognized for 30 minutes.

Mr. DENHAM. Mr. Speaker, I am here this afternoon to talk about H.R. 1734, the Civilian Property Realignment Act. Here we have an opportunity to not only cut waste, but also to create jobs and to bring in new revenue without raising taxes. Here's an opportunity for Republicans and Democrats to agree and send the President actually something he is asking for.

What the Civilian Property Realignment Act would do would be to have greater oversight over leasing authority. We would also have redevelopment of underutilized property, the best use possible, and combine agencies. Where you may have 50 percent of an agency in one building, 50 percent in another, we're going to combine them into one agency.

And then we're going to sell off the things we just don't need, properties that we have around the entire Nation, some of which have sat vacant, some of them are declared excess, underutilized, sell off the things we just don't need.

And then, finally, we want to create transparency. We want to shrink the size of government by creating transparency, showing how many employees are going to be housed in which buildings, and before we go out and lease new space or buy new space actually let people know before we go out and hire new employees. This is the best opportunity, I believe, to shrink the size of government.

I want to go through these one by one. First of all, oversight of leasing authority. We held a hearing several months ago. The Security Exchange Commission went out over a weekend and secured 1 million square feet over the next 10 years at the cost of \$550 million. Over half a billion dollars of taxpayer dollars were committed on a weekend with no oversight, with no authority, and today we still have a vacant space because the employees that may have been hired have never been hired, and there's no proposal to ever hire the employees, yet taxpayers are now on the hook for \$550 million.

We need new oversight. We need greater oversight. The SEC, the Securities and Exchange Commission, we have now pulled back their oversight, but this is happening in many different areas of the bureaucracy. Many different agencies have this authority today and still have the ability to go out and secure these types of leases. It is time to bring it all under one department. GSA has the opportunity to

manage all of our leases, all of our portfolios, and make sure that we are actually making sound business decisions. What a philosophy that is for government—actually see what we need, what agencies have how many employees, what are their leasing needs, have the transparency and the oversight before we go secure a new lease.

Redevelopment—we need to redevelop some of these properties. The Old Post Office right down the street here about a block away from the White House, a property that we had built in the late 1800s, it's a beautiful property. It's one of the tallest buildings in the capital region. It has a big clock. It is a nice historic building. That's one we don't want to sell off. But rather than spend \$6½ million every year in upkeep, rather than have this vacant building that could be utilized, why not redevelop it? Why not make that a showpiece? Why not allow constituents and visitors to the Washington, D.C., area to actually go up into this national monument, go up into the clock tower and be able to take in one of the greatest views that our country has to offer? And let's do it and make a profit. We have offers coming in now from Trump, Waldorf Astoria, and Marriott Properties that all want to redevelop this property, create hundreds of jobs in the short term just in the redevelopment process, but also create hundreds of jobs in the long term by making sure that we have an employment base for years to come in this capital region.

But this isn't just about Washington, D.C. We have properties like this across the Nation. If it's a historic property, then let's redevelop it. Let's make sure that the infrastructure is there, done by a private investor that is going to go out and redevelop this property and then have the long-term job effect afterwards. It can be done, it can be replicated, this one jobs investment.

The companies that are talking about moving into the Old Post Office is \$140 million total private investment, \$100 million in materials, 300 immediate jobs. If you go around the D.C. area, you can see that we could use the 300 jobs just in this one project.

□ 1720

Then another 275 permanent jobs for year in, year out in this one beautiful new hotel that would be redeveloped. That's \$11.2 million in annual revenues to the D.C. area. This is a way to get Republicans and Democrats to agree on something that not only creates jobs, not only gets rid of waste in \$6.5 million that we spend every year just in operating costs anyway, but get a property moving again in the right way.

We also need to combine agencies, collocate. There are too many properties out there where we have 25 percent utilization, 50 percent utilization. Why wouldn't we have close to 100 percent utilization on every property? You would in business. There's no business