

dealing with this year with respect to State and local FEMA grants, for example, and with respect to science and technology investments. There are funding shortfalls in this bill with respect to the headquarters' needs at St. Elizabeth's, with respect to certain administrative needs of the Department, and others that we could name. But under the constraints of the budget allocation there is a good balance in this bill, I think, and one that has required a great deal of accommodation and a great deal of hard work.

I have already said that I think there are some extraneous elements of this bill that are not so constructive: the immigration provisions, the abortion provisions, and some excessive withholding provisions. I sincerely hope that in the debate to come we will not compound that problem.

We know we're going to be dealing with dozens of amendments. We're going to be dealing with additional proposed riders, ill-advised for the most part. We're going to be dealing with some tempting spending provisions that will cannibalize those front office expenses or the science and technology expenses or other accounts in this bill for the sake of amendments that may sound good but really could upset some of the delicate balances that this bill has struck.

So we're going to have, I hope and believe, a probably lengthy and also constructive process of discussion and amendment under the open rule, and I very much hope that the end result of that process will be a bill that can claim broad support. We're going to have a few hours until that process begins, but I look forward to getting on with this and at the end of the week producing a Homeland Security appropriations bill.

I yield back the balance of my time.

Mr. ADERHOLT. As I had mentioned earlier in my opening comments, I do believe this bill is a good bill. It reflects our best efforts to try to address our Nation's most urgent needs: of course, first of all, security, and second of all, fiscal discipline. Both of those are very important in this age in which we live.

So I would urge my colleagues to support this measure as it moves to the floor.

I yield back the balance of my time.

Mr. BILIRAKIS. Mr. Chair, I rise today in support of H.R. 5855, the Fiscal Year 2013 Department of Homeland Security Appropriations Act. I want to commend Chairman ADERHOLT and Ranking Member PRICE for their work on this bill, which provides vital security funding while also being fiscally responsible.

As the Chairman of the Subcommittee on Emergency Preparedness, Response, and Communications, I am particularly pleased that the Appropriations Committee rejected the Administration's proposal to create a new National Preparedness Grant Program. The proposal in the President's budget request lacked detail and was developed without any input from emergency response providers. I appreciate Chairman ADERHOLT's recognition that

this proposal requires consideration by the Committee on Homeland Security. That consideration is underway. The Subcommittee on Emergency Preparedness has been working with FEMA and stakeholders to consider this and other proposals for grant reform. Until that review is complete, it is this body's direction that FEMA should continue to administer the grant programs in accordance with the statutory authorities in the 9/11 Act and the SAFE Port Act.

With that, I urge all Members to support this bill.

The Acting CHAIR. All time for general debate has expired.

Mr. ADERHOLT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. CARTER) having assumed the chair, Mr. FORTENBERRY, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 5855) making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2013, and for other purposes, had come to no resolution thereon.

#### MOTIONS TO INSTRUCT CONFEREES ON H.R. 4348, SURFACE TRANSPORTATION EXTENSION ACT OF 2012, PART II

Mr. FLAKE. I have a motion at the desk.

The SPEAKER pro tempore (Mr. FORTENBERRY). The Clerk will report the motion.

The Clerk read as follows:

Mr. Flake moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 4348 be instructed to recede from disagreement with the provision contained in the matter proposed to be inserted as section 104(c)(1)(B) of title 23, United States Code, by section 1105 of the Senate amendment that reads as follows: "for each State, the amount of combined apportionments for the programs shall not be less than 95 percent of the estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than the Mass Transit Account) in the most recent fiscal year for which data are available".

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentleman from Arizona (Mr. FLAKE) and the gentleman from New York (Mr. NADLER) each will control 30 minutes.

The Chair recognizes the gentleman from Arizona.

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

This motion is simple: it simply ensures that the minimum rate of return for any State under any new highway reauthorization is 95 percent.

As I'm sure everyone is aware, every gallon of gas sold in your State provides money to the highway trust fund via the Federal gas tax. Trust fund money is then dispersed back to the States using very complex mathe-

matical formulas that are determined with each surface transportation reauthorization. A reoccurring issue is the debate surrounding Federal transportation policy. It's been the historic disparity by which a number of States have received less back in funding than they have invested in the highway trust fund through the gas tax. For years, these donor States have fought for more equity and a higher minimum rate of return to ensure that they recoup as large a slice of their own gas tax dollars as possible.

This motion would increase the minimum rate of return to 95 percent, as passed in the Senate-MAP 21 bill. With the influx of general fund moneys to backfill the highway trust fund over the past couple of years, this donor/donee State issue has been a bit blurred, but the issue going forward can't be ignored.

This is not a partisan issue, I should mention. It's simply an issue of fairness. I urge my colleagues to vote "yes" on this motion and just tell the conferees to not agree to anything that gives States less than 95 cents on the dollar for what they pay in. As we know, for years and years, there's been this disparity. States like Arizona, California, Texas, and Florida, are donor States. Under SAFETEA-LU, the minimum rate of return is just 92 cents. These are growing States. Why in the world are we giving a dollar and getting 92 cents back?

This disparity has existed for a long time for a number of reasons. One of the primary reasons has been the existence of earmarks along the way whereby Members of donor State delegations were convinced to go ahead and accept a lower rate of return for their State in exchange for moneys to spend however they wanted with regard to earmarks. And that has not been a good trade for most donor States.

When you add up all the Members of the House of Representatives who represent donor States, it's over 300. So we can all ban together as donor States and say we're not going to sign off on anything that gives us less than 95 cents on the dollar.

Now we all recognize there are reasons why certain States with very small populations and very big infrastructure needs might receive more than the dollar that they put in. But there is no excuse to, in perpetuity, treat States like Arizona and others to a smaller rate of return year after year after year.

□ 1510

It is simply not right. This is simply telling the conferees, agree at least to what the Senate is doing. I should note that we're going to conference in the House with the extension of SAFETEA-LU which is 92 cents on the dollar. We're saying just take it up to 95.

So that's what this motion is about. I would urge my colleagues to agree to it, and I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I rise in opposition to the motion to instruct conferees offered by Mr. FLAKE, and I yield myself such time as I may consume.

This motion directs the transportation reauthorization conferees to agree to a provision contained in the Senate bill increasing the guaranteed minimum percentage rate of return that each State receives in Federal aid highway formula funding from 92 percent to 95 percent of payments in the highway trust fund collected through gas tax contributions in that State.

This is the same old donor/donee argument that we've been having for years, but it is becoming even more ridiculous now that all States are, in effect, donee States. Frankly, I'm not quite sure what the realistic impact of a 95 percent minimum guarantee would be at this point.

For several years, general fund revenue has been filling the gap between what the highway trust fund can support and current funding levels, so now every State gets back more from the program than the amount of gas taxes collected in that State. In effect, every State is a donee State. In fact, under SAFETEA-LU, under the current formula which guarantees 92 percent, Mr. FLAKE mentioned Texas. Texas gets back \$1.03 for every dollar it puts in. California, \$1.19 for every dollar it puts in. There is no State that gets back less than a dollar for a dollar. So increasing the guarantee from 92 to 95 percent, frankly, I don't understand the point of it.

The Senate bill continues to fund the program through nongas tax-related revenue. Unless my colleagues are proposing to raise the gas tax, and I don't think they are, this motion is, frankly, meaningless.

But the idea behind the motion is wrong in any event. It is highly irresponsible to pick out and insist upon one factor that affects the overall funding distribution to the States without a complete picture of how the programs will be funded and apportioned. The Senate did raise the minimum percentage to 95 percent, but within an overall framework that required that each State get the same percentage of funds it got in the last year of SAFETEA-LU. In the Senate bill, all States were held harmless.

The motion to instruct does not insist on adopting the Senate's funding structure. It cherry-picks one factor to benefit certain States at the expense of others. I would caution against anyone voting for something that affects how much transportation funding will go to your State without knowing what the ultimate impact will be.

We know that House Republicans would like a different formula than what's in the Senate bill since they took a different approach in H.R. 7. Depending on how the final bill is structured and what the ultimate funding levels are for the program, raising the minimum to 95 percent could conceiv-

ably result in steep cuts to certain States.

In TEA-21 and SAFETEA-LU, the last two transportation bills we had, we opposed raising the minimum percentage, but ultimately we could live with it because the overall funding levels were increased and States were held harmless; and even though some States got a lower percentage of the funding than they would have gotten without increasing the minimum guarantee, they got more money because the pie was bigger. Each State got an increase in funding, just not as big an increase as some others. Increased funding is highly unlikely in this environment, so this type of motion, although probably meaningless in the long run because every State gets more than 100 percent right now, is potentially dangerous.

I'm sure that Mr. FLAKE and others will say it is the principle of the matter, that those who contribute to the program deserve to benefit from it at the same level. But if that is the principle, why then do they just look at the gas tax? If you truly believe in the principle of user pays, why shouldn't that same theory apply to all revenue that goes into the program? And why apply it just to the highway program?

For example, my State of New York contributes much more to the Federal Government every year than it receives back in Federal expenditures. We have a huge balance of deficit with the Federal Government, and yet the one area where we get more back is the gasoline tax, and so that should be abolished?

This is not about equity. This is about gaming the system by applying this principle to one aspect of one program to benefit certain States at the expense of others. And if you follow the logic through, what these donor arguments are really saying is that each State should get a dollar back for every dollar it puts into the Federal system. If so, why do we have a Federal Government at all? I'm sure some of my colleagues would be happy to have no Federal role in transportation and devolve it completely to the States, but that is not yet the policy of the United States Congress, and I would caution my colleagues about going too far down that road.

The fair thing to do is to spend Federal funds where they are needed. And by the way, one of things that the current formula has done is to say that if a State invests a lot of its own money in efficiency—New York, for example, has a spent billions of dollars of its own money building up a mass transit system. Because of that, we are very energy efficient. We use far less gasoline per capita than other States because we have a mass transit system. That helps the country. It reduces the amount of petroleum that we have to import. And for that, a State that does that should be punished by getting a smaller percentage of highway funds because it invested in mass transit? That doesn't make sense. We should be

encouraging States to invest in energy efficiency.

The fair thing to do is to spend Federal funds where they're needed. We have a national transportation system that benefits everybody. These kinds of debates are illogical and divisive, especially when it has no practical impact at all because every State is now a donee State. Our time would be better spent working together to draft a bill that benefits all States. If the purpose of this bill is to create jobs and spur economic growth, we should ensure that all States benefit.

And by the way, we have, this year, a House bill that didn't go anywhere. The Senate passed a real transportation bill. The House only passed a 90-day extension because the Republicans couldn't agree among themselves on a bill. But the bill that they have and they're trying to use as the basis of a conference committee—which they cannot do legally—air-drops into the conference committee a lot of poison pills that will make sure that no comprehensive bill is adopted. It air-drops into the conference committee a provision that says that hazmat provisions should not apply to certain transportation workers. It air-drops into the bill a completely unrelated provision about the XL pipeline that has nothing to do with the transportation bill.

If we care about employment, we should pass the Senate bill and we shouldn't get involved in side debates over provisions that would be unfair if they could be implemented, like this one, but in any event, cannot be implemented; because to say that every State should get back at least as much as it puts in when every State, in fact, is getting back more than it puts in has no practical impact. And I don't understand why we are wasting our time, frankly, debating a provision and motion to instruct conferees on something that may cause some controversy but really will have no practical impact, will affect no dollars, will direct no dollars to any State or away from any other State at all.

We should be debating how to finance the overall bill. We should be debating how to get more funding for highways, for mass transit, how to get our construction workers back to work in this construction season to reduce the unemployment rate in this country. That is what we should be acting on instead of wasting our time debating entirely theoretical questions that have no practical import whatsoever and that are philosophically wrong.

I reserve the balance of my time.

Mr. FLAKE. It is an amusing discussion what is a side issue or a theoretical issue with no practical application. Sounds just like someone who comes from a State that receives more than a dollar for the dollar they kick in, and that's exactly the case here. It may seem like a side issue or a theoretical issue to somebody else, but it is a very real issue if you come from a donor State.

I suppose by the same argument, when I got here, I think the rate of return was 89 cents. We managed to get it up to 92. That hasn't been theoretical. That's very real dollars that come back to a State that put more in than they are getting back.

So you can strip away everything you just heard and realize that the argument to keep the disparity going is coming from someone who comes from a donee State, a State that is receiving more than they're putting in.

□ 1520

As I mentioned in my opening remarks, because we are backfilling, that line is blurred. Everybody is getting back more than they kicked in because the general fund is kicking it in. That won't always be the case; that better not always be the case. We can't afford for that to always be the case.

So when we go back to the highway trust fund used as it was intended to be used, then it's not theoretical at all for a donor State to require—and the gentleman keeps mentioning get a dollar for dollar. We aren't saying a dollar for dollar, we're saying 95 cents on the dollar.

Now, the gentleman says what's the purpose of the Federal Government? Many of us have introduced legislation to say that what should be sent to Washington should be what is required to maintain the interstate highway system, the purpose for which the gas tax was put in place to begin with. But 18 cents a gallon doesn't need to be sent back because so much of it is sent simply by formula back to the States. And when it does come back to the States, it's encumbered with things like Davis-Beacon requirements, other set-asides, mandates and stipulations that drive up the cost of construction projects in every State. And so what was a dollar you sent to Washington spends like about 70 cents once it comes back, and you don't even get that dollar you sent to Washington.

So the gentleman's point about let's refigure how we do this is well taken. And I've introduced legislation, as have several of my colleagues, to do just that, turn back proposals to ensure that, yes, we still send money to Washington to take care of and to refurbish and to replace and to restructure that which is truly interstate. The interstate highway system is a wonderful thing, but to just send it to Washington to be rewarded with only part of it being sent back, and that part of it that is sent back encumbered with so many stipulations and mandates that it spends a lot less than a dollar isn't right. So the gentleman makes a good point, and I hope that he would join with many of us in the legislation to do just that.

In the meantime, let's at least send a signal to the conferees. We all know that these motions to instruct are not binding. All they are is a signal from the House to act in a certain way when you get into conference. What we're

saying here, and I think the message should be from the more than 300 Members of this body who represent donor States, is let's be treated a little more fairly here. That's all we're asking.

So with that, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume at the moment.

Mr. Speaker, again, there is no donee State. Arizona, over the last 4 years or 5 years, got \$1.07 for every dollar they put in. There is no such thing as a donee State anymore.

Now, it is true, as Mr. FLAKE says, that that is because we are supplementing the gasoline tax with general funds to maintain the highway program, to maintain the mass transit program. He says that it better not continue. Well, we have only several choices:

Number one, we can raise the gasoline tax. I might support that. I think most Members of this House probably wouldn't. I'm sure Mr. FLAKE wouldn't support raising the gasoline tax.

Two, we can fund our transportation system at a totally inadequate level and watch that system deteriorate and watch our country become less competitive with other countries, which is what we're doing now.

Three—and the fact is that we funded the last bill at \$286 billion, SAFETEA-LU. When the Secretary of Transportation under President Bush said that we needed at least \$375 billion for that time period just to keep the system at a system of reasonable repair and reasonable efficiency, never mind major new construction. But we did that because President Bush said no raising the highway taxes and no funding from the general fund, and no use of other revenues.

If we keep doing that, if we try to maintain the system only on the gasoline tax and don't raise the gasoline tax, then that's a declining revenue base. It's declining for two reasons: one, because of inflation, everything costs more and the same amount of money buys less. And, number two, we're becoming more energy efficient. We want to become more energy efficient; we want to use less gasoline. And since the gasoline tax is a per-gallon tax, not a percentage, if you use less gasoline, there's less revenue. So you're going to have less revenue every year, and inflation is not going to be negative—it's going to be something—how do you maintain your system? You don't. So we either have to raise the gasoline tax, or we have to bring in some other source of revenue or else watch the entire transportation system of this country deteriorate and eventually collapse.

So we cannot stop supplementing the gasoline tax for transportation maintenance unless we raise the gasoline tax. Those are our choices: raise the tax or bring in other revenues, as we have been doing on an ad hoc basis for the last couple of years. We can't stop

doing that without raising the gasoline tax or seeing the slow decline and eventual collapse of our transportation system. So we're not going to do that—I hope we're not going to do that. If we don't do that, this motion to instruct is completely meaningless because there's going to be no such thing as a donee State—as a donor State, every State gets more than it puts in.

And by the way, let's talk about what it means to put in. The question is how much gasoline taxes are collected in one State and how much is spent on transportation in that State. There is no principle of equity that says they should match. There is no principle of equity which says that you should get at least as much, or even 95 cents, or any particular percentage of the amount of gasoline taxes collected in your State, because there are a lot of other factors.

It may be that some States, because they are bigger, perhaps, need more money spent on highways because there's more distances. It may be that some States have invested a lot of money in mass transit and therefore are more energy efficient and therefore generate less gasoline tax revenue, but that helps the country. They shouldn't be penalized for that.

There are a lot of different factors that go into this. And to simply say each State should get back the amount that was collected in a gasoline tax is wrong, especially when you consider that there are plenty of—why should this one account be the only one? As I said, New York State annually says—and I'm quoting New York because I happen to know the figure because it's my State—New York State annually sends to the Federal Government between \$14 billion and \$18 billion more in taxes of all kinds than is spent in New York.

Senator Moynihan used to put out that report every year. Is that a terrible thing? Well, some people think it is, it's unfair—New York ought to pay less taxes, other States ought to pay more taxes. But the fact is we have a Federal Union. Taxes ought to be raised where they can be raised most equitably and efficiently and the spending ought to be done where the spending is necessary. That's what one country means. That's why we're one country and Europe isn't.

So the motion to instruct is wrong theoretically. It does not contribute to equity. And it is totally irrelevant for the foreseeable future because there is no State that would be affected by this in any way as long as the gasoline tax is not supporting the entire transportation system, which it is not now or in the foreseeable future.

I reserve the balance of my time.

Mr. FLAKE. I thank the gentleman.

I think we are talking in circles here. The bottom line is those who are receiving more than dollar for dollar, once the general fund revenue is not supplanting or supplementing what is taken in by the gas tax, those who are

receiving more than a dollar are going to argue to keep the current disparity in place. But those of us who represent donor States are going to want a better return. That's the bottom line. That's what this argument is about.

And so the more than 300 Members who represent donor States who will be coming to this floor soon to vote on this motion, that's all they need to remember: let's send a signal to the conferees to give us a better shake and to treat us more fairly.

The gentleman mentions our decaying infrastructure and whatever else around the country, and it is abysmal to look and see what's happening. But you've got to understand from the perspective of a Representative of taxpayers from Arizona who are receiving only 92 cents on the dollar that they kick in, why in the world would they tell me, their Representative, yeah, go raise the Federal gas tax, we enjoy getting 92 cents on the dollar and we'd like to get less of that. Instead, if Arizona was to impose an additional—raise their own gas tax, they get to keep dollar for dollar everything. Plus, it's not encumbered with Davis-Bacon requirements and all the other set-asides which raise the cost of construction projects.

And so if the gentleman is wondering why there is resistance around the country to raising the Federal gas tax, that's it. People look at this disparity and say: Why should we continue to do that? We're funding somebody else, or we're funding these inequities. So this is what this boils down to: if you're from a donor State, then you're going to be saying, hey, let's instruct the conferees to give us a better deal than we've had.

□ 1530

Ninety-two is better than the 89 we were getting a while ago, but let's at least take it to 95. That's pretty reasonable here. That's all we're asking with this.

I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, the argument sounds reasonable, and I have no doubt it's going to pass because there are a lot more people here from so-called donor States than from donee States, and people are going to vote purely on that basis, many of them are. Many people are. But it's not equitable. If it were equitable, why don't we apply the same principle to other things? Why don't we say that the taxes that some States pay for the agriculture program should be reduced because, after all, not all States get the same amount of money in the wheat subsidy. Some States get a lot more back for agricultural assistance than the applicable part of their taxes.

I remember an argument on the floor a number of years ago in which we were debating, I think, funding for the National Endowment for the Arts, and Mr. BURTON of Indiana was orating against the NEA, and he said it's wrong for this reason and that reason and the

other reason. And anyway, he said, all the money goes to New York and Los Angeles.

And I got up and I said, you know, Mr. BURTON, I'm shocked to discover that New York City, with 8.5 million people, doesn't get a penny of the wheat subsidy. How fair is that?

The fact is we don't grow wheat in New York, and the fact is that money should be distributed—and I'm not opposed to the wheat subsidy. It may be—I'm not an expert on the farm program, but it may be that farm States need it, and it may be that other States need other things. But we should spend Federal money where it's needed, and we should tax it where we can tax it efficiently and equitably. And the two may not have the same relationship to each other. And if you start establishing this principle that you have to get at least back as much as you put in on this thing, in this case, transportation, why not on everything else?

And then you'd say, well, it's very unfair that a given State sends more to Washington than it gets back at all. Well, some States do. New York does, other States do. Other States get back more than they send to Washington, but that's the point of a Federal union.

So simply to say on any given area that we send—our State sends more to Washington or more taxes collected than we get back does not demonstrate inequity or equity. There may be good reasons for that. And you may want to make an argument that overall the State has a balance of payments deficit with the Federal Government, but there may be good reasons for that, too.

When many of these formulas were set up, the educational formula, for instance, a lot of States send more money to Washington that gets paid back in education, and then they get it back. Other States are the other way around, because when the allocation formulas were set up, it was deliberately decided that richer States should subsidize poorer States. And I'm not sure that was wrong. But the fact is that's the way a Federal union operates. And if you want to say a Federal union shouldn't operate that way and we should start saying that it's unfair, then you're questioning the entire basis of our Constitution, and frankly, there's no equity in that, especially when you limit it to one subject, to one area.

Again, what we ought to be debating is not this very interesting theory, theoretical thing which has no application in the real world because there is no such thing as a donor State right now and it won't have any real impact at all, because every State will still get the same amount of money under the bill.

But this highway bill has been in conference for 6 weeks. Last Friday, the U.S. Department of Labor reported that more than 2.2 million construction and manufacturing workers remain out of work, and we're in the

height of the summer construction season. The highway bill has been in conference for 6 weeks and the conferees, of whom I'm one, are now wasting precious time as House Republicans are working to air-drop poison pill provisions that never passed the House into the conference report. Without further congressional action, highway and transit investments will entirely shut down at the end of the month.

Why are we wasting time here on this theoretical motion to instruct, which has no practical consequences whatsoever, when the conferees are being faced by Republican poison pills eliminating occupational safety and health protection for hazmat workers, eliminating dedicated funding for transportation enhancement projects, expanding truck weights to destroy our highways faster? That's what's holding up a highway and transportation bill that will get 2 million people back to work. That's what we ought to be saying. Let's move this bill instead of wasting our time on entirely theoretical questions like this one.

I reserve the balance of my time.

Mr. FLAKE. I thank the gentleman.

Again, we're having an argument from somebody who represents a State that's getting a lot more than they kick in, and that's the bottom line. To relate this highway user fee, and it's not a pure user fee because we're kicking money back in from the general fund. But it was meant to be a user fee. To relate that to funding for the arts or whatever is completely an apples and oranges argument. And the notion that because one State receives more in agriculture subsidies than another, some of us don't like those subsidies at all, and we can have that argument on another day.

But we're talking about the highway trust fund here. It's a trust fund that is theoretically supposed to give the States roughly what they put in. Now, like I said, I haven't made the argument at all that every State gets 100 percent of what they put in. The gentleman may have made that argument, but I haven't. What I'm saying is right now the minimum guarantee is 92 cents on the dollar. Can't we just get it to 95? Is that unreasonable?

If the gentleman says that the whole concept of this Federal union is that States share, I understand that, but does that mean that one State should only get 10 percent of what it kicks in? Of course not.

There's a figure at which, a point at which some States, like my own, say, you know, we've been getting 89 cents or 92 cents for decades here. At some point, let's do a little better. And Arizona's not the only State that feels that way.

So again, I would ask those of us who are coming to vote on this later on, check with your offices if you aren't aware and say, Are we a donor State or not?

Is there a minimum guarantee, 92 cents? Isn't it reasonable that that

should be brought up to 95 cents? Is it reasonable for a State, in perpetuity, to be shorted like that? And I don't think it is.

I don't think there's any constitutional justification or theoretic justification or anything. It's just an issue of fairness here. That's all we're asking.

With that, I reserve the balance of my time, and I am prepared to yield back as soon as the gentleman is.

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

I'll just say one thing. I think we've beaten this dead horse about as much as we can.

Is 95 percent reasonable? It's unreasonable, in my opinion; 92 percent is unreasonable; 89 percent is unreasonable. There ought to be no such figure because money should be allocated where needed and should be raised where it can best be raised on the questions of equity, efficiency, et cetera.

And I'll give you one other example. Certain States have coastlines. The gulf coast has a lot of hurricanes. We spend a lot of money there. Should we say, well, gee, we don't have as many hurricanes. We shouldn't spend that percentage of our tax money on hurricane relief in the gulf.

We don't say that because we're one country. We don't say that we shouldn't spend money on relief to States that have other natural disasters because we don't have those kinds of natural disasters.

As a general principle, money should be raised, and there's no difference because you say it's a user fee. All taxes, in some sense, are a user fee. They're the price for civilization, as Mark Twain said.

And maybe you shouldn't have gasoline taxes. You should finance it some other way. That's a whole different discussion.

Yes, as I said before, I'm quite well aware that people are going to come here. They're going to vote, and they're just going to look at are they a theoretical donor State or a theoretical donee State and they're going to vote on that basis, even though no one is, in fact, a donee State right now because everybody gets more than they put in. And this will have no practical effect, but some day it might.

But the fact is that there is no reason to pick the highways as against everything else. Some States contribute a lot more in Federal taxes than they get back in Federal money, others don't. My State does. We don't say it's unfair. We don't say we've got to change the formula.

Maybe specific formulas ought to be changed for various reasons. There are all kinds of reasons for all the formulas. There's a different formula for agriculture, a different formula for education, different formula for everything. They have all kinds of different justifications and different histories. To pick out this one area and say this one area, but no other, has to be 95 per-

cent, why not 75 percent? or 92 percent? It's been going up every time we pass a bill. We think it's beyond fair.

To pick out one particular area and say there's got to be an equivalence or a relationship between how much money comes in and how much goes out or from where it comes in and goes out, whereas we don't do that in the rest of Federal budget, that's not equitable.

And I wish we were spending our time now not on this theoretical discussion—theoretical because it has no practical implication, as I said before, because it will not, in fact, affect any State or any dollars—instead of dealing with the fact that the Republicans are holding up a bill by parachuting poison pills into the conference discussion, that's what we ought to be about.

I yield back the balance of my time.

□ 1540

Mr. FLAKE. This has been an interesting discussion. It went about how I thought it would.

Those of us who are donor States want a little fairer shake. That's all we're asking. So, to those coming to the floor, check and see where your State falls. You'll find that most of you coming to the floor to vote are from a donor State, a State that's giving more than it's getting. All we're asking for is a fairer shake here. We're not looking to solve all the world's problems in all other areas. There are a lot of other formulas that should be changed as well, but right now we're dealing with this one. Let's ensure that those who fill up their cars and spend 18 cents every time they put a gallon in get a little more of that back. That's what this is about.

I urge the adoption of the motion, and I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Without objection, the previous question is ordered on the motion to instruct.

The question is on the motion to instruct.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. FLAKE. 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, further proceedings on this question will be postponed.

Mr. DOGGETT. Mr. Speaker, I have a motion to instruct the conferees on the transportation conference bill.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. Doggett moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 4348 be instructed to recede from disagreement with the provisions contained in section 100201 of the Senate amendment (relating to stop tax haven abuse—authorizing special

measures against foreign jurisdictions, financial institutions, and others that significantly impede United States tax enforcement).

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentleman from Texas (Mr. DOGGETT) and the gentleman from New York (Mr. GRIMM) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

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

This transportation conference bill is appropriately focused on the transportation systems, on improving them and sustaining them across our country. But there is one important provision of this measure, as approved by the United States Senate, that deals with transportation networks of a different type. Those are the secret networks that lead to the exporting of jobs and of revenues that ought to be used in the financing of the operations of the essential services and national defense of our country.

This motion is very narrow, very directed. Since that particular provision concerning "stop tax haven abuse" was not included in the House bill, it simply instructs the conferees to recede to the version approved by the Senate. This is an important provision. It is a provision that will authorize special measures against foreign governments and financial institutions. Here is the key language of the amendment as adopted by the Senate: "that significantly impede U.S. tax enforcement."

This provision will be just one more tool that is available for the Treasury to address what some have estimated is as much as \$100 billion a year that is drained from the United States Treasury as a result of offshore tax abuses. These abuses not only undermine public confidence in our tax system from all the many law-abiding taxpayers, both business and individual taxpayers, but the effect of these abuses is that the deficit is raised and that more of the tax burden is shifted to individual taxpayers and to small businesses that don't have the fancy accountants and attorneys and financial institutions to aid them in hiding their revenues.

As we continue debating how best to deal with our debt and our deficits, I believe that a fundamental principle that should apply is that, before we ask individual taxpayers or business taxpayers to pay additional taxes, we ought to ensure, for those who have abused the system and have avoided paying their fair share of taxes, that we have the enforcement tools to see that they fulfill their responsibilities.

I always find it extremely difficult to explain to a mechanic in San Marcos or to a small restaurant owner in San Antonio why it is that they have to pay a greater proportion—a higher rate—on their taxes than some of these multinationals that manage to shift their revenues offshore because some bankers or accountants are able to use these tax haven banks to hide the accounts in some remote jurisdiction.

Over the years, I've fought against this kind of abuse. It took a decade, but finally, a couple of years ago, I was successful in getting the Economic Substance Doctrine included in other legislation and approved in order to strike down phony transactions that were for no purpose other than that of tax avoidance. I have other legislation that I've offered that deals with schemes that other corporations use to siphon off much-needed tax revenue and jobs out of the United States. It is a big problem that does not have any one legislative solution, but the measure before us that would be encouraged by this motion to instruct does provide one tool that would be very useful.

We know that some foreign banks have peddled a wide array of offshore tax shelters, offering to set up paper firms and accounts in places like Switzerland, Panama, and the British Virgin Islands. Indeed, in 2009, the United States sued Swiss Financial Services and the banking firm UBS to force the disclosure of the thousands of undeclared assets of Americans that were being held in secret accounts abroad.

Just to get an inkling of how big this problem is, Mr. Speaker and colleagues, I will note that at this one bank, at this one Swiss bank, it admitted to \$18 billion in undeclared assets of American clients that could well be taxable. This has cost the United States Treasury billions of dollars over the years, and this was just one bank in one country. Although a settlement was eventually achieved, I don't think we got all of the tax revenues back that we ought to have gotten back. This is really just an indication of how rampant this problem is and how necessary a provision of this type pending in the conference really is.

With that, I reserve the balance of my time.

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

I appreciate my colleague's passion, and I understand this is a very serious and important matter.

Leaving aside the goals of the underlying section of the Senate version of the bill, I think it's extremely important to say that this effort is a distraction from the job at hand, which is to pass a transportation bill. I say again: the job at hand is to pass a transportation bill that is going to keep this country's vital transportation system resilient, robust, and a future contributor to economic growth.

I think it's unfortunate, but it is too often that in Congress efforts are made to slip in extraneous sections into bills that have nothing to do with the issue at hand, regardless of their merits. In this case, the section in question is a tax bill. I say again: it's a tax bill, and it's written into a section of existing law under the sole jurisdiction of the Financial Services Committee, which in turn is being considered in, of all things, a highway bill.

This is why the American people think that there is insanity going on.

This is merely an attempt to paper over spending without actually finding the money to pay for it. This is not how our constituents expect us to do business, Mr. Speaker. This proposal could—and it should come—before both the Ways and Means and Financial Services Committees, where it would get the very serious consideration that it deserves.

The business of this Congress can and must be that of tackling our country's enormous fiscal challenges and getting American workers back into productive jobs. The best way we as Congress can do that is by focusing on the tasks at hand instead of distracting ourselves, and we distract ourselves constantly with issues unrelated to our Nation's pressing infrastructure needs.

□ 1550

When it's time to consider tax law and specifically tax evasion, I'm confident that the Congress will do the right thing. However, this transportation bill is not the right venue for this discussion.

It's important to note that this is a nonbinding procedural vote. A vote for or against this motion does not impact the outcome of the conference negotiations. Therefore, I urge my colleagues to vote "no" on this motion to instruct.

With that, I reserve the balance of my time.

Mr. DOGGETT. Mr. Speaker, I yield myself 30 seconds.

A distraction? A billion dollar distraction. We get a billion dollars more transportation out of this measure available for all of the States, if we approve this section, which the Senate has adopted.

A distraction? Tell that to the cleaning crew that pays a higher rate of taxes when they clean the corporate board room than the corporation does because of these secret tax havens. I think this goes to the core of our responsibilities. And, yes, these powerful lobby groups that line up their limousines outside the Capitol here, they manage to block consideration in these committees, but this Motion brings this important matter directly to the floor for action.

With that, I yield 4 minutes to the gentlewoman from Wisconsin (Ms. MOORE), who serves on the Financial Services Committee and understands how urgent it is to address this problem.

Ms. MOORE. Thank you, Mr. DOGGETT. I am so pleased to join you here today to support this motion to instruct.

I was, of course, one of the original cosponsors of the Stop Tax Haven Abuse Act, which provides the authority for the Treasury to take action against foreign governments and financial institutions that significantly impede U.S. tax enforcement. Treasury already has similar authority to combat money laundering, so the infrastructure and the know-how already exist.

Congress has an opportunity in this transportation bill to transport this very important debt reduction initiative into our proceedings here today. It will stop sophisticated tax avoidance schemes that add to the national debt and ultimately the burden for that debt that honest taxpayers must bear and are concerned with.

In my home State of Wisconsin, it's estimated that every single honest taxpayer in Wisconsin paid an extra \$372 in taxes in 2011 to make up from the revenue lost from corporations, criminals, and wealthy individuals utilizing illegal tax-avoidance schemes. These numbers are even more offensive for Wisconsin small businesses that pay an additional \$2,165 due to these abuses of the Tax Code.

That may not seem like a lot of money to anyone—\$372—but you multiply that by taxpayers and by 50 States, and according to a GAO study, that turns out to be \$100 billion. That's a really nice piece of change.

I have heard this Congress often harp on the percentages and the numbers of United States taxpayers who are so very low income that they have no tax liability, people who make \$10,000, \$11,000 a year, and are so poor that they have no tax liability. Yet 83 of 100 publicly traded companies have one of these offshore tax havens and avoid \$100 billion in tax payments. Compare that with someone trying to get an earned income tax credit.

I've heard from Republicans that this is not germane to the bill. I hope you'll remember that when you put some gun provision in every bill that comes around or some effort to minimize and take away a woman's right to reproductive health in one of your bills, which uses transportation for all of those kind of initiatives.

This is an opportunity to act on the deficit—\$100 billion is not small change—and to stand up for taxpayers. It is not spending, as the gentleman has indicated that it is. All it is is not levying a new tax. It's not spending; it's not imposing additional burdens. It just empowers our Treasury to stop tax-avoidance schemes.

Again, thank you so much for this opportunity. I hope my colleagues will stand up for honest taxpayers and support this measure.

Mr. GRIMM. Mr. Speaker, I reserve the balance of my time.

Mr. DOGGETT. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore. The gentleman from Texas has 21 minutes remaining, and the gentleman from New York has 27 minutes remaining.

Mr. DOGGETT. I want to even the time, and perhaps there is someone else in the House that actually opposes this motion. I want to allow them time to speak. So I would continue to reserve the balance of my time.

Mr. GRIMM. I am ready to close whenever the gentleman is ready to close, Mr. Speaker.

Mr. DOGGETT. Then, Mr. Speaker, I yield myself 15 seconds.

Apparently, there is no other Member who is willing to come out and defend these abusive tax shelters. That says a whole lot about the merits of this motion and how essential it is to adopt it.

With that, I yield 3 minutes to the gentleman from Michigan (Mr. PETERS).

Mr. PETERS. Mr. Speaker, I rise today in support of Representative DOGGETT's motion to instruct conferees on H.R. 4348.

This is a commonsense measure that would direct the surface transportation bill conferees to preserve an amendment offered by Senator CARL LEVIN and agreed to by a voice vote. This provision is pulled from the Stop Tax Haven Abuse Act legislation which I'm very proud to have cosponsored and strongly support. The amendment will give the Treasury the power to go after tax cheats by taking action against foreign governments or banks that significantly impede U.S. tax enforcement.

Michigan's working families and small businesses already pay their fair share in taxes, and they deserve a more just Tax Code. That starts with making sure that we close the tax gap and crack down on tax cheats.

It's estimated that corporations and the wealthiest Americans avoid paying \$100 billion per year by exploiting offshore tax shelters, and it's time that we closed these loopholes. When multinational corporations and the very wealthy abuse the Tax Code to shelter their funds overseas, hardworking Americans and small business owners are left to pick up the tab. These same multinational companies and wealthy individuals enjoy taking advantage of American infrastructure and markets, but they don't come close to paying their fair share in taxes.

Senator LEVIN's amendment and Representative DOGGETT's motion to instruct represent a significant step in the right direction. This measure has real teeth. And by enabling the Treasury to bar U.S. banks from honoring credit cards issued by institutions harboring tax cheats, we can gain leverage over these institutions and tax havens.

Based on the \$100 billion tax gap that we see every year, the average tax filer in Michigan is now paying over \$300 in additional taxes each and every year, and the average small Michigan business is paying over \$1,500 in additional taxes. This is simply unacceptable, and it must be stopped.

I'm committed to continuing the fight for tax policies that put middle class and working Americans first, and I urge my colleagues to support the Doggett motion to instruct.

Mr. GRIMM. I would like to inquire if the gentleman from Texas has anymore speakers.

Mr. DOGGETT. Yes, we do.

I would like to inquire if the gentleman from New York has anyone to defend opposition to this measure.

Mr. GRIMM. I reserve the balance of my time.

Mr. DOGGETT. Mr. Speaker, I yield myself an additional 3 minutes.

Mr. Speaker, this is a truly amazing debate. The motion is a narrow one asking that the House simply join with Republicans and Democrats in the United States Senate to include within this transportation bill a provision that will yield about an additional billion dollars for the repair of bridges, for the construction of transportation systems around the country.

□ 1600

It will do so not by raising taxes or the tax rate on anyone, not even by closing one of the many outrageous loopholes that exist in our tax law that allow some to gain advantage because of the power of their lobbyists and their accountants to write special provisions into the law and then exploit those provisions. No, it doesn't do any of that. It simply gives a tool to our law enforcement to enforce existing laws and to say that you cannot violate the law. Here is a way for the Treasury Department to enforce the laws effectively.

As the gentlewoman from Wisconsin pointed out, there is an infrastructure in place upon which this amendment properly builds and which Senator CARL LEVIN, who is the author of this amendment to the Transportation bill, and who has been a national leader in fighting tax abuse, built on by drawing this provision from legislation that he and I have filed independent of this bill, the Stop Tax Haven Abuse Act.

Special law enforcement provisions are granted by the PATRIOT Act with respect to money-laundering concerns. If the Secretary of the Treasury finds that reasonable grounds exist for concluding that a foreign government or a financial institution is involved in money laundering, the Secretary may impose special measures. That's exactly what this provision would do now for those that are involved in substantial tax abuse.

This particular PATRIOT Act provision has been used sparingly by the Treasury. It has not been abused. It was used, for example, against the country of Burma. It has been used to stop financial firms for laundering funds through the United States financial system. Other times, the Treasury has pinpointed its measures against a single problem financial institution to stop laundered funds from entering the United States.

The Stop Tax Haven Abuse provision that is included in this transportation bill and, which is now under consideration by the conference would empower the Secretary of the Treasury to use the same types of tools it currently has to deal with those that significantly impede U.S. tax enforcement.

In addition to the existing measures available, it would also give the Treasury the authority to block U.S. banks from honoring credit or debit cards from foreign entities that are primarily money-laundering concerns or

that significantly hamper U.S. tax enforcement. Because of these sanctions, the Treasury will have an added tool needed to end offshore tax abuses that allow tax cheats to profit at the expense of honest taxpayers.

The amendment would confer discretionary authority upon the Treasury. The Treasury does not have to use this authority; but it has a new tool, when needed, to address these abuses. These special measures offer the Treasury necessary flexibility in dealing with tax dodgers.

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

Mr. GRIMM. I reserve the balance of my time.

Mr. DOGGETT. Mr. Speaker, I yield myself 10 seconds.

I would observe how extraordinary it is that there are those just like these secret accounts held in abusive places abroad, there are those in the wings of the Capitol that oppose this measure and don't want to end tax abuse, but they are unwilling to come to this floor and speak about it. One person who is willing to come to the floor to speak about it is the victorious BILL PASCRELL of New Jersey. I am honored to have him join me. He has worked with me in the House Ways and Means Committee to speak against this type of abuse.

I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. I think that this is a very important amendment. We talked about reining in tax cheats, and that's what we're talking about here. Given the relationship between offshore tax avoidance—and we've seen chapter and verse of how people avoid taxes—I want everybody in this room to understand when they avoid taxes, that means those who pay taxes have to pay more to make up the difference. We're talking here about a billion dollars to help tackle the Nation's deficit and debt if we follow up on the specifics of this legislation.

We have tax avoidance, and I don't think anybody supports tax avoidance unless you like being taxed more yourself. Tax evasion, the actual attempts to avoid paying specific taxes—in other words, you know what the law is—evasion is a very conscious act, whether it's done by an individual or a business.

Money laundering, we have heard that phrase, which is referred to many practices and activities, that's serious business.

As my brother from Staten Island remembers, the FBI looks into a lot of money laundering. You worked for the FBI and did a stellar job. Money laundering is critical. When money is laundered, the average American gets hurt and the specific connection is very, very ominous.

This is a natural fit, Mr. Speaker, to combat financial crime.

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

Mr. DOGGETT. I yield the gentleman an additional minute.

Mr. PASCRELL. Treasury could prohibit U.S. banks from accepting wire transfers or honoring credit cards from banks found to significantly hinder U.S. tax enforcement. We all support, I would hope, in this body, enforcement of the tax law. As much as we have derided the IRS and its efficiencies and proficiencies, think if we had fewer people in the IRS overseeing these transfers. I don't recommend that; I don't recommend that at all.

This amendment will give the Treasury greater power to fight against offshore tax havens and tax cheats. The counter-argument, my friend, through the Speaker, from New York, I want you to pay particular attention to this. This is my final point.

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

Mr. DOGGETT. I yield the gentleman an additional 30 seconds.

Mr. PASCRELL. You can say you're giving the government more power. Why are we so frightened to give oversight to government? This is what got us into a big jam in the last 20 years when there was very little oversight over financial transactions.

We need to have more power for the Federal Government to fight against offshore tax havens and tax cheats because the bottom line is, if we don't, then more of the burden is placed upon us.

Mr. GRIMM. I reserve the balance of my time.

Mr. DOGGETT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. I would hope that everyone would support this motion to instruct because I think you probably know that nothing annoys American taxpayers more than the notion that offshore tax havens is a place for tax cheats to go so that they don't have to pay their taxes that normal Americans, everyday Americans, have to pay to the government.

This amendment will give the Treasury greater power to fight against offshore tax havens and tax cheats, that will allow the Treasury Department to take a range of measures against foreign governments and financial institutions that significantly stand in the way of U.S. tax enforcement.

These special measures already exist for Treasury in combating money laundering by foreign governments and banks, money that could be used to finance terrorist activities. Now Treasury will have greater power to investigate offshore tax abusers and tax abuses and crack down on offenders and banks that aid them.

For example, Treasury could prohibit U.S. banks from accepting wire transfers or honoring credit cards from banks found to significantly hinder U.S. tax enforcement.

□ 1610

Treasury can impose conditions on foreign banks and prohibit them from

opening or maintaining bank accounts within the United States that are significantly standing in the way of U.S. tax enforcement. Enacting this amendment makes our tax system fairer and helps reduce the deficit.

This is a commonsense amendment that could raise nearly \$1 billion to help tackle the Nation's deficit and debt. The provision ends offshore tax abuses without raising any taxes, without creating any new obligations for Americans, and without amending the Tax Code. We need to crack down on foreign governments and foreign banks that help privileged individuals and corporations dodge taxes while the rest of Americans have to shoulder the extra tax burden. This amendment does that.

Mr. GRIMM. Mr. Speaker, I reserve the balance of my time.

Mr. DOGGETT. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore. The gentleman from Texas has 9½ minutes, and the gentleman from New York has 27 minutes.

Mr. DOGGETT. Does the gentleman from New York anticipate that he will have any further speakers this afternoon?

Mr. GRIMM. We have no more speakers. I'm prepared to close.

Mr. DOGGETT. If the gentleman is ready to close, I will use the balance of my time. I believe I have the right to close on the amendment, and I reserve the balance of my time.

Mr. GRIMM. I would like to emphasize my friend from New Jersey mentioned how money laundering is a very serious matter. Everyone here had a lot of passion. There's no question tax evasion and the things we spoke about here today are of the utmost importance and are extremely serious. I agree. And that's why I stand today in opposition, because the committees of jurisdiction should be given the opportunity and the respect to hear these arguments and to look and make sure that everything is done procedurally correct. This is such a serious matter that I believe it warrants being in order.

Again, I want to emphasize that I'm not here to debate the merits. I'm simply here to say that we have two committees of jurisdiction, two very good committees, one of which I sit on: The Financial Services Committee and Ways and Means. They should have the opportunity to do their jobs. And I think that's what the American people and our constituents demand of us. I believe that in this case, because it is so serious and because it involves very serious amounts of money, money laundering and tax evasion and so on, that regular order should be demanded.

With that, again, I would like to urge my colleagues to vote "no" on this motion to instruct and stick with the process of regular order and give the committees of jurisdiction the proper respect they deserve so this can have the full hearings necessary and all take place in debate.

I yield back the balance of my time.

Mr. DOGGETT. Mr. Speaker, throughout this debate there's only one thing that both sides agree upon, and that is that this transportation bill ought to move forward, and move forward expeditiously.

This transportation bill has not moved forward expeditiously because of obstruction here in the House. It should have become law long ago—months ago, perhaps years ago—so that we could deal with the infrastructure problems in this country and deal with the jobs that could be created by doing the hard work of building things that we need in order to strengthen our economy and improve job growth in the private sector. That's where the agreement begins and that's where the agreement ends, because the basic position of the gentleman in coming to oppose this motion is to present no argument, on the merits, as to why this provision that the Senate has already adopted, with Republican and Democratic Senate support combined, should not become law.

Let me tell you a little of the perspective I bring to this.

About 10 days ago, I went one business to another across San Antonio. I was at a tire shop. They put on wheels, tires, rims on cars and pickups. It's hot, dirty work. They struggle to make a living. They work long hours. They work odd hours. They're not air-conditioned. They've got to deal with local regulations, government at all levels, pay their taxes, meet their payroll, take care of their sick workers.

I was down the street from there at a tamale factory. A woman had a great idea and expanded it so that she's selling tamales all over America, and they're great. It was a good way to begin the day to eat some of her tamales.

Those folks are working hard to make a living and they're like some of the folks with Startup America, the small tech companies that I have represented in Austin, and now increasingly in San Antonio, that have an idea. One group I talked to, their office was at a local coffee shop until they were asked to leave. They sat there with their computers. They came up with an idea, and now they have multiple employees in a new startup.

Why is it that those kind of businesses, whether it's putting on tire rims on a pickup truck or a startup tech company, ought to have to pay a higher rate of taxes than some company that can afford to link up with a foreign bank and a big CPA firm and hide their revenues in a bank in Switzerland or in Panama or in the Cayman Islands?

It cries out that this Congress would correct that injustice. And the fact that that injustice is not being corrected by this Congress tells us so much about the broader problems that we have here in Washington. If you just watched the last hour of this debate, you should be aware of people that linger around this Capitol whispering in

the corridors, hiding in the shadows, coming out only at campaign time, when now, under the campaign rules, they can pour unlimited amounts of secret corporate money into their favorite candidate, and they decide that we haven't had enough process on this issue.

Let me tell you, it took 10 years to get a small provision added through the Ways and Means Committee to simply say you can't go out and do a transaction simply for the purpose of dodging taxes; it has to have some actual "economic substance." Ten years in which some avoided paying their fair share because of an unjustified loophole.

My little company down there in San Antonio that changes tires all day, they've probably never been to Switzerland, much less considered hiring a bank in Switzerland to help them hide their revenues that they worked so hard to earn and which some of these companies involved in these abusive transactions just consider to be rather routine.

You say, well, this is just academic; surely people can't get away with this stuff. Let me tell you what they're getting away with.

I pointed out already that with regard to one bank in Switzerland, UBS, they finally had to disclose \$18 billion—that's billion with a B—\$18 billion of assets of United States citizens sitting there in hidden accounts in that bank. There were some 50,000 such accounts that UBS had to disclose. Eventually, they had to pay over \$700 million in fines. But they're not the only bank that is involved. Currently, the Treasury has under investigation 11 Swiss banks. There's one bank that is under Federal indictment.

This is not an academic problem. It's academic only to those who talk about process instead of solutions. We have a serious problem that undermines the confidence in our government and in our system of tax collection.

Why should somebody who's out there struggling at that tire rim company or that tech startup or just a working family that's out there trying to make ends meet with two people, some working overtime, some working the night shift in order to provide the food and fiber that their family needs to survive, why should they have to comply with our tax laws when you have these kind of companies that could afford the special treatment, that can afford the lobbyists to block measures like this engaged in abuse?

So today I would say to you that there is an opportunity for this House to make itself clear on this issue. Yes, we want to move a transportation bill. And while Republicans have told us we can have transportation without really paying for it, we have a measure adopted by the U.S. Senate on a bipartisan basis, that will provide us a billion dollars more of the transportation we need.

But we not only get that additional transportation, we have an opportunity

today to make our position clear to all of the people of America:

Do you stand on the side of preventing abuse, do you stand on the side of equity and fairness to all American taxpayers, or do you want special treatment? Do you want the few, the privileged, to continue to enjoy the privilege of the connivance that goes on between some of these folks and their lobbyists and their accountants and their high-powered lawyers to get advantages that most Americans don't have or want?

□ 1620

As far as I'm concerned, almost no matter what the topic is on this floor of this House, that's the basic issue involved: whether there will be equity and fairness that gives Americans confidence in this system of government, in this democracy, or whether it again and again will be subverted—and in this case, with one Member coming to offer an objection to the motion, not because the matter doesn't have merit, but because it hadn't been studied enough. We have studied this problem to death. It cries out for an answer today, and this motion is a narrow way of answering it.

It won't solve all of the problems. There will still be ways that these special interests will find to dodge and avoid their fair share of taxes. But it will close one abuse. It will give our law enforcement authorities one more tool to deal with criminal tax evasion. I believe we ought to adopt this very narrow measure and write it into the laws of the United States. Send this bill that has been lingering for so long to the President to be signed, and include in it the fact that this Congress did at least one little thing to address the inequities, the special privileges and advantages that the few enjoy here in Washington. Say "no" to unjustified privileges, and "yes" to prompt action on this transportation bill, and include that \$1 billion of additional transportation revenues.

I urge my colleagues to adopt this motion to instruct and to do it promptly today, and I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DOGGETT. 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, further proceedings on this question will be postponed.

## ENERGY AND WATER DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS ACT, 2013

The SPEAKER pro tempore. Pursuant to House Resolution 667 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the further consideration of the bill, H.R. 5325.

Will the gentleman from New York (Mr. GRIMM) kindly take the chair.

□ 1622

### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 5325) making appropriations for energy and water development and related agencies for the fiscal year ending September 30, 2013, and for other purposes, with Mr. GRIMM (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole rose earlier today, the amendment offered by the gentleman from Texas (Ms. JACKSON LEE) had been disposed of, and the bill had been read through page 56, line 24.

### ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

An amendment by Mr. FORTENBERRY of Nebraska.

An amendment by Ms. JACKSON LEE of Texas.

An amendment by Mr. CONNOLLY of Virginia.

An amendment by Mr. KUCINICH of Ohio.

Amendment No. 9 by Mr. BURGESS of Texas.

An amendment by Mr. REED of New York.

An amendment by Ms. LORETTA SANCHEZ of California.

An amendment by Mr. POLIS of Colorado.

An amendment by Mr. LUJÁN of New Mexico.

An amendment by Mr. CHABOT of Ohio.

An amendment by Mrs. BLACKBURN of Tennessee.

An amendment by Mr. MULVANEY of South Carolina.

An amendment by Mr. FLAKE of Arizona.

An amendment by Mr. KING of Iowa.

An amendment by Mrs. LUMMIS of Wyoming.

The Chair will reduce to 2 minutes the time for any electronic vote after the first vote in this series.

### AMENDMENT OFFERED BY MR. FORTENBERRY OF NEBRASKA

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the first amendment offered by the gentleman from Nebraska (Mr. FORTENBERRY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.