

SPENDING REDUCTION ACT OF 2012

Mr. RYAN of Wisconsin. Mr. Speaker, pursuant to House Resolution 841, I call up the bill (H.R. 6684) to provide for spending reduction, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 841, the bill is considered read.

The text of the bill is as follows:

H.R. 6684

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Spending Reduction Act of 2012”.

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—AGRICULTURE

Sec. 101. ARRA sunset at March 1, 2013.

Sec. 102. Categorical eligibility limited to cash assistance.

Sec. 103. Standard utility allowances based on the receipt of energy assistance payments.

Sec. 104. Employment and training; workfare.

Sec. 105. End State bonus program for the supplemental nutrition assistance program.

Sec. 106. Funding of employment and training programs.

Sec. 107. Turn off indexing for nutrition education and obesity prevention.

Sec. 108. Extension of Authorization of Food and Nutrition Act of 2008.

Sec. 109. Effective date and application of amendments.

TITLE II—COMMITTEE ON ENERGY AND COMMERCE**Subtitle A—Repeal of Certain ACA Funding Provisions**

Sec. 201. Repealing mandatory funding to states to establish American Health Benefit Exchanges.

Sec. 202. Repealing Prevention and Public Health Fund.

Sec. 203. Rescinding unobligated balances for CO-OP program.

Subtitle B—Medicaid

Sec. 211. Revision of provider tax indirect guarantee threshold.

Sec. 212. Rebasement of State DSH allotments for fiscal year 2022.

Sec. 213. Repeal of Medicaid and CHIP maintenance of effort requirements under PPACA.

Sec. 214. Medicaid payments to territories.

Sec. 215. Repealing bonus payments for enrollment under Medicaid and CHIP.

TITLE III—FINANCIAL SERVICES

Sec. 301. Table of contents.

Subtitle A—Orderly Liquidation Fund

Sec. 311. Repeal of liquidation authority.

Subtitle B—Home Affordable Modification Program

Sec. 321. Short title.

Sec. 322. Congressional findings.

Sec. 323. Termination of authority.

Sec. 324. Sense of Congress.

Subtitle C—Bureau of Consumer Financial Protection

Sec. 331. Bringing the Bureau of Consumer Financial Protection into the regular appropriations process.

Subtitle D—Repeal of the Office of Financial Research

Sec. 341. Repeal of the Office of Financial Research.

TITLE IV—COMMITTEE ON THE JUDICIARY

Sec. 401. Short title.

Sec. 402. Encouraging speedy resolution of claims.

Sec. 403. Compensating patient injury.

Sec. 404. Maximizing patient recovery.

Sec. 405. Punitive damages.

Sec. 406. Authorization of payment of future damages to claimants in health care lawsuits.

Sec. 407. Definitions.

Sec. 408. Effect on other laws.

Sec. 409. State flexibility and protection of States’ rights.

Sec. 410. Applicability; effective date.

TITLE V—COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

Sec. 501. Retirement contributions.

Sec. 502. Annuity supplement.

Sec. 503. Contributions to Thrift Savings Fund of payments for accrued or accumulated leave.

TITLE VI—COMMITTEE ON WAYS AND MEANS**Subtitle A—Recapture of Overpayments Resulting From Certain Federally-subsidized Health Insurance**

Sec. 601. Recapture of overpayments resulting from certain federally-subsidized health insurance.

Subtitle B—Social Security Number Required to Claim the Refundable Portion of the Child Tax Credit

Sec. 611. Social security number required to claim the refundable portion of the child tax credit.

Subtitle C—Human Resources Provisions

Sec. 621. Repeal of the program of block grants to States for social services.

TITLE VII—SEQUESTER REPLACEMENT

Sec. 701. Short title.

Sec. 702. Protecting veterans programs from sequester.

Sec. 703. Achieving \$19 billion in discretionary savings.

Sec. 704. Conforming amendments to section 314 of the Congressional Budget and Impoundment Control Act of 1974.

Sec. 705. Treatment for PAYGO purposes.

Sec. 706. Elimination of the fiscal year 2013 sequestration for defense direct spending.

TITLE I—AGRICULTURE**SEC. 101. ARRA SUNSET AT MARCH 1, 2013.**

Section 101(a)(2) of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5; 123 Stat. 120) is amended by striking “October 31, 2013” and inserting “February 28, 2013”.

SEC. 102. CATEGORICAL ELIGIBILITY LIMITED TO CASH ASSISTANCE.

Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the 2d sentence of subsection (a) by striking “households in which each member receives benefits” and inserting “households in which each member receives cash assistance”, and

(2) in subsection (j) by striking “or who receives benefits under a State program” and inserting “or who receives cash assistance under a State program”.

SEC. 103. STANDARD UTILITY ALLOWANCES BASED ON THE RECEIPT OF ENERGY ASSISTANCE PAYMENTS.

(a) STANDARD UTILITY ALLOWANCE.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in subsection (e)(6)(C) by striking clause (iv), and

(2) in subsection (k) by striking paragraph (4) and inserting the following:

“(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law (other than a law referred to in paragraph (2)(G)) to provide energy assistance to a household shall be considered money payable directly to the household.”.

(b) CONFORMING AMENDMENTS.—Section 2605(f)(2) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)) is amended—

(1) by striking “and for purposes of determining any excess shelter expense deduction under section 5(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e))”, and

(2) in subparagraph (A) by inserting before the semicolon the following: “, except that such payments or allowances shall not be deemed to be expended for purposes of determining any excess shelter expense deduction under section 5(e)(6) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6))”.

SEC. 104. EMPLOYMENT AND TRAINING; WORKFARE.**(a) ADMINISTRATIVE COST-SHARING FOR EMPLOYMENT AND TRAINING PROGRAMS.—**

(1) IN GENERAL.—Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended—

(A) in subsection (a) by inserting “(other than a program carried out under section 6(d)(4) or section 20)” after “supplemental nutrition assistance program” the 1st place it appears, and

(B) in subsection (h)—

(i) by striking paragraphs (2) and (3), and

(ii) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 17(b)(1)(B)(iv)(III)(hh) of the Food and Nutrition Act of 2008 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(hh)) is amended by striking “(g), (h)(2), or (h)(3)” and inserting “or (g)”.

(B) Section 22(d)(1)(B)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(d)(1)(B)(ii)) is amended by striking “, (g), (h)(2), and (h)(3)” and inserting “and (g)”.

(b) ADMINISTRATIVE COST-SHARING AND REIMBURSEMENTS FOR WORKFARE.—Section 20 of the Food and Nutrition Act of 2008 (7 U.S.C. 2029) is amended by striking subsection (g).

SEC. 105. END STATE BONUS PROGRAM FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended by striking subsection (d).

SEC. 106. FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.

For purposes of fiscal year 2013, the reference to \$90,000,000 in section 16(h)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(1)(A)) shall be deemed to be a reference to \$79,000,000.

SEC. 107. TURN OFF INDEXING FOR NUTRITION EDUCATION AND OBESITY PREVENTION.

Section 28(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2037(d)) is amended by striking “years—” and all that follows through the period at the end, and inserting “years, \$375,000,000”.

SEC. 108. EXTENSION OF AUTHORIZATION OF FOOD AND NUTRITION ACT OF 2008.

Section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended by striking “2012” and inserting “2013”.

SEC. 109. EFFECTIVE DATE AND APPLICATION OF AMENDMENTS.

This title and the amendments made by this title shall take effect on the date of enactment of this Act, and shall apply only with respect to certification periods that begin on or after such date.

**TITLE II—COMMITTEE ON ENERGY AND
COMMERCE**

**Subtitle A—Repeal of Certain ACA Funding
Provisions**

**SEC. 201. REPEALING MANDATORY FUNDING TO
STATES TO ESTABLISH AMERICAN
HEALTH BENEFIT EXCHANGES.**

(a) IN GENERAL.—Section 1311(a) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(a)) is repealed.

(b) RESCISSION OF UNOBLIGATED FUNDS.—Of the funds made available under such section 1311(a), the unobligated balance is rescinded.

**SEC. 202. REPEALING PREVENTION AND PUBLIC
HEALTH FUND.**

(a) IN GENERAL.—Section 4002 of the Patient Protection and Affordable Care Act (42 U.S.C. 300u–11) is repealed.

(b) RESCISSION OF UNOBLIGATED FUNDS.—Of the funds made available by such section 4002, the unobligated balance is rescinded.

**SEC. 203. RESCINDING UNOBLIGATED BALANCES
FOR CO-OP PROGRAM.**

Of the funds made available under section 1322(g) of the Patient Protection and Affordable Care Act (42 U.S.C. 18042(g)), the unobligated balance is rescinded.

Subtitle B—Medicaid

**SEC. 211. REVISION OF PROVIDER TAX INDIRECT
GUARANTEE THRESHOLD.**

Section 1903(w)(4)(C)(ii) of the Social Security Act (42 U.S.C. 1396b(w)(4)(C)(ii)) is amended by inserting “and for portions of fiscal years beginning on or after June 1, 2013,” after “October 1, 2011.”

**SEC. 212. REBASING OF STATE DSH ALLOTMENTS
FOR FISCAL YEAR 2022.**

Section 1923(f) of the Social Security Act (42 U.S.C. 1396r–4(f)) is amended—

(1) by redesignating paragraph (9) as paragraph (10);

(2) in paragraph (3)(A) by striking “paragraphs (6), (7), and (8)” and inserting “paragraphs (6), (7), (8), and (9)”; and

(3) by inserting after paragraph (8) the following new paragraph:

“(9) REBASING OF STATE DSH ALLOTMENTS FOR FISCAL YEAR 2022.—With respect to fiscal 2022, for purposes of applying paragraph (3)(A) to determine the DSH allotment for a State, the amount of the DSH allotment for the State under paragraph (3) for fiscal year 2021 shall be treated as if it were such amount as reduced under paragraph (7).”

**SEC. 213. REPEAL OF MEDICAID AND CHIP MAIN-
TENANCE OF EFFORT REQUIRE-
MENTS UNDER PPACA.**

(a) REPEAL OF PPACA MEDICAID MOE.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by striking subsection (gg).

(b) REPEAL OF PPACA CHIP MOE.—Section 2105(d)(3) of the Social Security Act (42 U.S.C. 1397ee(d)(3)) is amended—

(1) by striking subparagraph (A);

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(3) in the paragraph heading, by striking “CONTINUATION OF ELIGIBILITY STANDARDS FOR CHILDREN UNTIL OCTOBER 1, 2019” and inserting “CONTINUITY OF COVERAGE”.

(c) CONFORMING AMENDMENTS.—

(1) Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended by striking paragraph (74).

(2) Effective January 1, 2014, paragraph (14) of section 1902(e) (as added by section 2002(a) of Public Law 111–148) is amended by striking the third sentence of subparagraph (A).

(d) EFFECTIVE DATE.—Except as provided in subsection (c)(2), the amendments made by this section shall take effect on the date of the enactment of this section.

SEC. 214. MEDICAID PAYMENTS TO TERRITORIES.

(a) LIMIT ON PAYMENTS.—Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended—

(1) in paragraph (2)—

(A) by striking “paragraphs (3) and (5)”; and

(B) by inserting “paragraph (3)” after “and subject to”;

(2) in paragraph (4), by striking “(3), and” and all that follows through “of this subsection” and inserting “and (3) of this subsection”; and

(3) by striking paragraph (5).

(b) FMAP.—The first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended by striking “shall be 55 percent” and inserting “shall be 50 percent”.

**SEC. 215. REPEALING BONUS PAYMENTS FOR EN-
ROLLMENT UNDER MEDICAID AND
CHIP.**

(a) IN GENERAL.—Paragraphs (3) and (4) of section 2105(a) of the Social Security Act (42 U.S.C. 1397ee(a)) are repealed.

(b) RESCISSION OF UNOBLIGATED FUNDS.—Of the funds made available by section 2105(a)(3) of the Social Security Act, the unobligated balance is rescinded.

(c) CONFORMING CHANGES.—

(1) AVAILABILITY OF EXCESS FUNDS FOR PERFORMANCE BONUSES.—Section 2104(n)(2) of the Social Security Act (42 U.S.C. 1397dd(n)(2)) is amended by striking subparagraph (D).

(2) OUTREACH OR COVERAGE BENCHMARKS.—Section 2111(b)(3) of the Social Security Act (42 U.S.C. 1397kk(b)(3)) is amended—

(A) in subparagraph (A)—

(i) in clause (i), by inserting “or” after the semicolon at the end; and

(ii) by striking clause (ii); and

(B) by striking subparagraph (C).

TITLE III—FINANCIAL SERVICES

SEC. 301. TABLE OF CONTENTS.

The table of contents for this title is as follows:

Sec. 301. Table of contents.

 Subtitle A—Orderly Liquidation Fund

 Sec. 311. Repeal of liquidation authority.

 Subtitle B—Home Affordable Modification Program

 Sec. 321. Short title.

 Sec. 322. Congressional findings.

 Sec. 323. Termination of authority.

 Sec. 324. Sense of Congress.

 Subtitle C—Bureau of Consumer Financial Protection

 Sec. 331. Bringing the Bureau of Consumer Financial Protection into the regular appropriations process.

 Subtitle D—Repeal of the Office of Financial Research

 Sec. 341. Repeal of the Office of Financial Research.

 Subtitle A—Orderly Liquidation Fund

SEC. 311. REPEAL OF LIQUIDATION AUTHORITY.

(a) IN GENERAL.—Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act is hereby repealed and any Federal law amended by such title shall, on and after the date of enactment of this Act, be effective as if title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act had not been enacted.

(b) CONFORMING AMENDMENTS.—

(1) DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT.—The Dodd-Frank Wall Street Reform and Consumer Protection Act is amended—

(A) in the table of contents for such Act, by striking all items relating to title II;

(B) in section 165(d)(6), by striking “, a receiver appointed under title II,”;

(C) in section 716(g), by striking “or a covered financial company under title II”;

(D) in section 1105(e)(5), by striking “amount of any securities issued under that chapter 31 for such purpose shall be treated in the same manner as securities issued

under section 208(n)(5)(E)” and inserting “issuances of such securities under that chapter 31 for such purpose shall be treated as public debt transactions of the United States, and the proceeds from the sale of any obligations acquired by the Secretary under this paragraph shall be deposited into the Treasury of the United States as miscellaneous receipts”; and

(E) in section 1106(c)(2), by amending subparagraph (A) to read as follows:

“(A) require the company to file a petition for bankruptcy under section 301 of title 11, United States Code; or”.

(2) FEDERAL DEPOSIT INSURANCE ACT.—Section 10(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)(3)) is amended by striking “, or of such nonbank financial company supervised by the Board of Governors or bank holding company described in section 165(a) of the Financial Stability Act of 2010, for the purpose of implementing its authority to provide for orderly liquidation of any such company under title II of that Act”.

(3) FEDERAL RESERVE ACT.—Section 13(3) of the Federal Reserve Act is amended—

(A) in subparagraph (B)—

(i) in clause (ii), by striking “, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or” and inserting “or is subject to resolution under”;

(ii) in clause (iii), by striking “, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or” and inserting “or resolution under”;

(B) by striking subparagraph (E).

**Subtitle B—Home Affordable Modification
Program**

SEC. 321. SHORT TITLE.

This subtitle may be cited as the “HAMP Termination Act of 2012”.

SEC. 322. CONGRESSIONAL FINDINGS.

The Congress finds the following:

(1) According to the Department of the Treasury—

(A) the Home Affordable Modification Program (HAMP) is designed to “help as many as 3 to 4 million financially struggling homeowners avoid foreclosure by modifying loans to a level that is affordable for borrowers now and sustainable over the long term”; and

(B) as of October 2012, only 840,835 active permanent mortgage modifications were made under HAMP.

(2) Many homeowners whose HAMP modifications were canceled suffered because they made futile payments and some of those homeowners were even forced into foreclosure.

(3) The Special Inspector General for TARP reported that HAMP “benefits only a small portion of distressed homeowners, offers others little more than false hope, and in certain cases causes more harm than good”.

(4) Approximately \$30 billion was obligated by the Department of the Treasury to HAMP, however, approximately only \$4.34 billion has been disbursed.

(5) Terminating HAMP would save American taxpayers approximately \$2.84 billion, according to the Congressional Budget Office.

SEC. 323. TERMINATION OF AUTHORITY.

Section 120 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5230) is amended by adding at the end the following new subsection:

“(c) TERMINATION OF AUTHORITY TO PROVIDE NEW ASSISTANCE UNDER THE HOME AFFORDABLE MODIFICATION PROGRAM.—

“(1) IN GENERAL.—Except as provided under paragraph (2), after the date of the enactment of this subsection the Secretary may not provide any assistance under the Home Affordable Modification Program under the

Making Home Affordable initiative of the Secretary, authorized under this Act, on behalf of any homeowner.

“(2) PROTECTION OF EXISTING OBLIGATIONS ON BEHALF OF HOMEOWNERS ALREADY EXTENDED AN OFFER TO PARTICIPATE IN THE PROGRAM.—Paragraph (1) shall not apply with respect to assistance provided on behalf of a homeowner who, before the date of the enactment of this subsection, was extended an offer to participate in the Home Affordable Modification Program on a trial or permanent basis.

“(3) DEFICIT REDUCTION.—

“(A) USE OF UNOBLIGATED FUNDS.—Notwithstanding any other provision of this title, the amounts described in subparagraph (B) shall not be available after the date of the enactment of this subsection for obligation or expenditure under the Home Affordable Modification Program of the Secretary, but should be covered into the General Fund of the Treasury and should be used only for reducing the budget deficit of the Federal Government.

“(B) IDENTIFICATION OF UNOBLIGATED FUNDS.—The amounts described in this subparagraph are any amounts made available under title I of the Emergency Economic Stabilization Act of 2008 that—

“(i) have been allocated for use, but not yet obligated as of the date of the enactment of this subsection, under the Home Affordable Modification Program of the Secretary; and

“(ii) are not necessary for providing assistance under such Program on behalf of homeowners who, pursuant to paragraph (2), may be provided assistance after the date of the enactment of this subsection.

“(4) STUDY OF USE OF PROGRAM BY MEMBERS OF THE ARMED FORCES, VETERANS, AND GOLD STAR RECIPIENTS.—

“(A) STUDY.—The Secretary shall conduct a study to determine the extent of usage of the Home Affordable Modification Program by, and the impact of such Program on, covered homeowners.

“(B) REPORT.—Not later than the expiration of the 90-day period beginning on the date of the enactment of this subsection, the Secretary shall submit to the Congress a report setting forth the results of the study under subparagraph (A) and identifying best practices, derived from studying the Home Affordable Modification Program, that could be applied to existing mortgage assistance programs available to covered homeowners.

“(C) COVERED HOMEOWNER.—For purposes of this subsection, the term ‘covered homeowner’ means a homeowner who is—

“(i) a member of the Armed Forces of the United States on active duty or the spouse or parent of such a member;

“(ii) a veteran, as such term is defined in section 101 of title 38, United States Code; or

“(iii) eligible to receive a Gold Star lapel pin under section 1126 of title 10, United States Code, as a widow, parent, or next of kin of a member of the Armed Forces person who died in a manner described in subsection (a) of such section.

“(5) PUBLICATION OF MEMBER AVAILABILITY FOR ASSISTANCE.—Not later than 5 days after the date of the enactment of this subsection, the Secretary of the Treasury shall publish to its Website on the World Wide Web in a prominent location, large point font, and boldface type the following statement: ‘The Home Affordable Modification Program (HAMP) has been terminated. If you are having trouble paying your mortgage and need help contacting your lender or servicer for purposes of negotiating or acquiring a loan modification, please contact your Member of Congress to assist you in contacting your lender or servicer for the purpose of negotiating or acquiring a loan modification.’

“(6) NOTIFICATION TO HAMP APPLICANTS REQUIRED.—Not later than 30 days after the date of the enactment of this subsection, the Secretary of the Treasury shall inform each individual who applied for the Home Affordable Modification Program and will not be considered for a modification under such Program due to termination of such Program under this subsection—

“(A) that such Program has been terminated;

“(B) that loan modifications under such Program are no longer available;

“(C) of the name and contact information of such individual’s Member of Congress; and

“(D) that the individual should contact his or her Member of Congress to assist the individual in contacting the individual’s lender or servicer for the purpose of negotiating or acquiring a loan modification.’

SEC. 324. SENSE OF CONGRESS.

The Congress encourages banks to work with homeowners to provide loan modifications to those that are eligible. The Congress also encourages banks to work and assist homeowners and prospective homeowners with foreclosure prevention programs and information on loan modifications.

Subtitle C—Bureau of Consumer Financial Protection

SEC. 331. BRINGING THE BUREAU OF CONSUMER FINANCIAL PROTECTION INTO THE REGULAR APPROPRIATIONS PROCESS.

Section 1017 of the Consumer Financial Protection Act of 2010 is amended—

(1) in subsection (a)—

(A) by amending the heading of such subsection to read as follows: “BUDGET, FINANCIAL MANAGEMENT, AND AUDIT.—”;

(B) by striking paragraphs (1), (2), and (3);

(C) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively; and

(D) by striking subparagraphs (E) and (F) of paragraph (1), as so redesignated;

(2) by striking subsections (b), (c), and (d);

(3) by redesignating subsection (e) as subsection (b); and

(4) in subsection (b), as so redesignated—

(A) by striking paragraphs (1), (2), and (3) and inserting the following:

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$200,000,000 to carry out this title for each of fiscal years 2013 and 2014.”; and

(B) by redesignating paragraph (4) as paragraph (2).

Subtitle D—Repeal of the Office of Financial Research

SEC. 341. REPEAL OF THE OFFICE OF FINANCIAL RESEARCH.

(a) IN GENERAL.—Subtitle B of title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act is hereby repealed.

(b) CONFORMING AMENDMENTS TO THE DODD-FRANK ACT.—The Dodd-Frank Wall Street Reform and Consumer Protection Act is amended—

(1) in section 102(a), by striking paragraph (5);

(2) in section 111—

(A) in subsection (b)(2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively;

(B) in subsection (c)(1), by striking “subparagraphs (C), (D), and (E)” and inserting “subparagraphs (B), (C), and (D)”;

(3) in section 112—

(A) in subsection (a)(2)—

(i) in subparagraph (A), by striking “direct the Office of Financial Research to”;

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), and (N) as subparagraphs (B), (C), (D), (E),

(F), (G), (H), (I), (J), (K), (L), and (M), respectively; and

(B) in subsection (d)—

(i) in paragraph (1), by striking “the Office of Financial Research, member agencies, and” and inserting “member agencies and”;

(ii) in paragraph (2), by striking “the Office of Financial Research, any member agency, and” and inserting “any member agency and”;

(iii) in paragraph (3)—

(I) by striking “, acting through the Office of Financial Research,” each place it appears; and

(II) in subparagraph (B), by striking “the Office of Financial Research or”;

(iv) in paragraph (5)(A), by striking “, the Office of Financial Research.”;

(4) in section 116, by striking “, acting through the Office of Financial Research,” each place it appears; and

(5) by striking section 118.

(c) CONFORMING AMENDMENT TO THE PAPERWORK REDUCTION ACT.—Effective as of the date specified in section 1100H of the Dodd-Frank Wall Street Reform and Consumer Protection Act, section 1100D(a) of such Act is amended to read as follows:

“(a) DESIGNATION AS AN INDEPENDENT AGENCY.—Section 3502(5) of subchapter I of chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act) is amended by inserting ‘the Bureau of Consumer Financial Protection,’ after ‘the Securities and Exchange Commission.’”

(d) TECHNICAL AMENDMENTS.—The table of contents for the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended—

(1) by striking the item relating to section 118; and

(2) by striking the items relating to subtitle B of title I.

TITLE IV—COMMITTEE ON THE JUDICIARY

SEC. 401. SHORT TITLE.

This title may be cited as the “Help Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act of 2012”.

SEC. 402. ENCOURAGING SPEEDY RESOLUTION OF CLAIMS.

The time for the commencement of a health care lawsuit shall be 3 years after the date of manifestation of injury or 1 year after the claimant discovers, or through the use of reasonable diligence should have discovered, the injury, whichever occurs first. In no event shall the time for commencement of a health care lawsuit exceed 3 years after the date of manifestation of injury unless tolled for any of the following—

(1) upon proof of fraud;

(2) intentional concealment; or

(3) the presence of a foreign body, which has no therapeutic or diagnostic purpose or effect, in the person of the injured person.

Actions by a minor shall be commenced within 3 years from the date of the alleged manifestation of injury except that actions by a minor under the full age of 6 years shall be commenced within 3 years of manifestation of injury or prior to the minor’s 8th birthday, whichever provides a longer period. Such time limitation shall be tolled for minors for any period during which a parent or guardian and a health care provider or health care organization have committed fraud or collusion in the failure to bring an action on behalf of the injured minor.

SEC. 403. COMPENSATING PATIENT INJURY.

(a) UNLIMITED AMOUNT OF DAMAGES FOR ACTUAL ECONOMIC LOSSES IN HEALTH CARE LAWSUITS.—In any health care lawsuit, nothing in this title shall limit a claimant’s recovery of the full amount of the available economic damages, notwithstanding the limitation in subsection (b).

(b) **ADDITIONAL NONECONOMIC DAMAGES.**—In any health care lawsuit, the amount of noneconomic damages, if available, may be as much as \$250,000, regardless of the number of parties against whom the action is brought or the number of separate claims or actions brought with respect to the same injury.

(c) **NO DISCOUNT OF AWARD FOR NONECONOMIC DAMAGES.**—For purposes of applying the limitation in subsection (b), future noneconomic damages shall not be discounted to present value. The jury shall not be informed about the maximum award for noneconomic damages. An award for noneconomic damages in excess of \$250,000 shall be reduced either before the entry of judgment, or by amendment of the judgment after entry of judgment, and such reduction shall be made before accounting for any other reduction in damages required by law. If separate awards are rendered for past and future noneconomic damages and the combined awards exceed \$250,000, the future noneconomic damages shall be reduced first.

(d) **FAIR SHARE RULE.**—In any health care lawsuit, each party shall be liable for that party's several share of any damages only and not for the share of any other person. Each party shall be liable only for the amount of damages allocated to such party in direct proportion to such party's percentage of responsibility. Whenever a judgment of liability is rendered as to any party, a separate judgment shall be rendered against each such party for the amount allocated to such party. For purposes of this section, the trier of fact shall determine the proportion of responsibility of each party for the claimant's harm.

SEC. 404. MAXIMIZING PATIENT RECOVERY.

(a) **COURT SUPERVISION OF SHARE OF DAMAGES ACTUALLY PAID TO CLAIMANTS.**—In any health care lawsuit, the court shall supervise the arrangements for payment of damages to protect against conflicts of interest that may have the effect of reducing the amount of damages awarded that are actually paid to claimants. In particular, in any health care lawsuit in which the attorney for a party claims a financial stake in the outcome by virtue of a contingent fee, the court shall have the power to restrict the payment of a claimant's damage recovery to such attorney, and to redirect such damages to the claimant based upon the interests of justice and principles of equity. In no event shall the total of all contingent fees for representing all claimants in a health care lawsuit exceed the following limits:

(1) Forty percent of the first \$50,000 recovered by the claimant(s).

(2) Thirty-three and one-third percent of the next \$50,000 recovered by the claimant(s).

(3) Twenty-five percent of the next \$500,000 recovered by the claimant(s).

(4) Fifteen percent of any amount by which the recovery by the claimant(s) is in excess of \$600,000.

(b) **APPLICABILITY.**—The limitations in this section shall apply whether the recovery is by judgment, settlement, mediation, arbitration, or any other form of alternative dispute resolution. In a health care lawsuit involving a minor or incompetent person, a court retains the authority to authorize or approve a fee that is less than the maximum permitted under this section. The requirement for court supervision in the first two sentences of subsection (a) applies only in civil actions.

SEC. 405. PUNITIVE DAMAGES.

(a) **IN GENERAL.**—Punitive damages may, if otherwise permitted by applicable State or Federal law, be awarded against any person in a health care lawsuit only if it is proven by clear and convincing evidence that such person acted with malicious intent to injure

the claimant, or that such person deliberately failed to avoid unnecessary injury that such person knew the claimant was substantially certain to suffer. In any health care lawsuit where no judgment for compensatory damages is rendered against such person, no punitive damages may be awarded with respect to the claim in such lawsuit. No demand for punitive damages shall be included in a health care lawsuit as initially filed. A court may allow a claimant to file an amended pleading for punitive damages only upon a motion by the claimant and after a finding by the court, upon review of supporting and opposing affidavits or after a hearing, after weighing the evidence, that the claimant has established by a substantial probability that the claimant will prevail on the claim for punitive damages. At the request of any party in a health care lawsuit, the trier of fact shall consider in a separate proceeding—

(1) whether punitive damages are to be awarded and the amount of such award; and

(2) the amount of punitive damages following a determination of punitive liability. If a separate proceeding is requested, evidence relevant only to the claim for punitive damages, as determined by applicable State law, shall be inadmissible in any proceeding to determine whether compensatory damages are to be awarded.

(b) **DETERMINING AMOUNT OF PUNITIVE DAMAGES.**—

(1) **FACTORS CONSIDERED.**—In determining the amount of punitive damages, if awarded, in a health care lawsuit, the trier of fact shall consider only the following—

(A) the severity of the harm caused by the conduct of such party;

(B) the duration of the conduct or any concealment of it by such party;

(C) the profitability of the conduct to such party;

(D) the number of products sold or medical procedures rendered for compensation, as the case may be, by such party, of the kind causing the harm complained of by the claimant;

(E) any criminal penalties imposed on such party, as a result of the conduct complained of by the claimant; and

(F) the amount of any civil fines assessed against such party as a result of the conduct complained of by the claimant.

(2) **MAXIMUM AWARD.**—The amount of punitive damages, if awarded, in a health care lawsuit may be as much as \$250,000 or as much as two times the amount of economic damages awarded, whichever is greater. The jury shall not be informed of this limitation.

(c) **NO PUNITIVE DAMAGES FOR PRODUCTS THAT COMPLY WITH FDA STANDARDS.**—

(1) **IN GENERAL.**—

(A) No punitive damages may be awarded against the manufacturer or distributor of a medical product, or a supplier of any component or raw material of such medical product, based on a claim that such product caused the claimant's harm where—

(i) (I) such medical product was subject to premarket approval, clearance, or licensure by the Food and Drug Administration with respect to the safety of the formulation or performance of the aspect of such medical product which caused the claimant's harm or the adequacy of the packaging or labeling of such medical product; and

(II) such medical product was so approved, cleared, or licensed; or

(ii) such medical product is generally recognized among qualified experts as safe and effective pursuant to conditions established by the Food and Drug Administration and applicable Food and Drug Administration regulations, including without limitation those related to packaging and labeling, unless the Food and Drug Administration has determined that such medical product was

not manufactured or distributed in substantial compliance with applicable Food and Drug Administration statutes and regulations.

(B) **RULE OF CONSTRUCTION.**—Subparagraph (A) may not be construed as establishing the obligation of the Food and Drug Administration to demonstrate affirmatively that a manufacturer, distributor, or supplier referred to in such subparagraph meets any of the conditions described in such subparagraph.

(2) **LIABILITY OF HEALTH CARE PROVIDERS.**—A health care provider who prescribes, or who dispenses pursuant to a prescription, a medical product approved, licensed, or cleared by the Food and Drug Administration shall not be named as a party to a product liability lawsuit involving such product and shall not be liable to a claimant in a class action lawsuit against the manufacturer, distributor, or seller of such product. Nothing in this paragraph prevents a court from consolidating cases involving health care providers and cases involving products liability claims against the manufacturer, distributor, or product seller of such medical product.

(3) **PACKAGING.**—In a health care lawsuit for harm which is alleged to relate to the adequacy of the packaging or labeling of a drug which is required to have tamper-resistant packaging under regulations of the Secretary of Health and Human Services (including labeling regulations related to such packaging), the manufacturer or product seller of the drug shall not be held liable for punitive damages unless such packaging or labeling is found by the trier of fact by clear and convincing evidence to be substantially out of compliance with such regulations.

(4) **EXCEPTION.**—Paragraph (1) shall not apply in any health care lawsuit in which—

(A) a person, before or after premarket approval, clearance, or licensure of such medical product, knowingly misrepresented to or withheld from the Food and Drug Administration information that is required to be submitted under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) or section 351 of the Public Health Service Act (42 U.S.C. 262) that is material and is causally related to the harm which the claimant allegedly suffered

(B) a person made an illegal payment to an official of the Food and Drug Administration for the purpose of either securing or maintaining approval, clearance, or licensure of such medical product; or

(C) the defendant caused the medical product which caused the claimant's harm to be misbranded or adulterated (as such terms are used in chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.)).

SEC. 406. AUTHORIZATION OF PAYMENT OF FUTURE DAMAGES TO CLAIMANTS IN HEALTH CARE LAWSUITS.

(a) **IN GENERAL.**—In any health care lawsuit, if an award of future damages, without reduction to present value, equaling or exceeding \$50,000 is made against a party with sufficient insurance or other assets to fund a periodic payment of such a judgment, the court shall, at the request of any party, enter a judgment ordering that the future damages be paid by periodic payments, in accordance with the Uniform Periodic Payment of Judgments Act promulgated by the National Conference of Commissioners on Uniform State Laws.

(b) **APPLICABILITY.**—This section applies to all actions which have not been first set for trial or retrial before the effective date of this title.

SEC. 407. DEFINITIONS.

In this title:

(1) **ALTERNATIVE DISPUTE RESOLUTION SYSTEM; ADR.**—The term "alternative dispute

resolution system” or “ADR” means a system that provides for the resolution of health care lawsuits in a manner other than through a civil action brought in a State or Federal court.

(2) CLAIMANT.—The term “claimant” means any person who brings a health care lawsuit, including a person who asserts or claims a right to legal or equitable contribution, indemnity, or subrogation, arising out of a health care liability claim or action, and any person on whose behalf such a claim is asserted or such an action is brought, whether deceased, incompetent, or a minor.

(3) COMPENSATORY DAMAGES.—The term “compensatory damages” means objectively verifiable monetary losses incurred as a result of the provision of, use of, or payment for (or failure to provide, use, or pay for) health care services or medical products, such as past and future medical expenses, loss of past and future earnings, cost of obtaining domestic services, loss of employment, and loss of business or employment opportunities, damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation, and all other nonpecuniary losses of any kind or nature. The term “compensatory damages” includes economic damages and non-economic damages, as such terms are defined in this section.

(4) CONTINGENT FEE.—The term “contingent fee” includes all compensation to any person or persons which is payable only if a recovery is effected on behalf of one or more claimants.

(5) ECONOMIC DAMAGES.—The term “economic damages” means objectively verifiable monetary losses incurred as a result of the provision of, use of, or payment for (or failure to provide, use, or pay for) health care services or medical products, such as past and future medical expenses, loss of past and future earnings, cost of obtaining domestic services, loss of employment, and loss of business or employment opportunities.

(6) HEALTH CARE LAWSUIT.—The term “health care lawsuit” means any health care liability claim concerning the provision of health care goods or services or any medical product affecting interstate commerce, or any health care liability action concerning the provision of health care goods or services or any medical product affecting interstate commerce, brought in a State or Federal court or pursuant to an alternative dispute resolution system, against a health care provider, a health care organization, or the manufacturer, distributor, supplier, marketer, promoter, or seller of a medical product, regardless of the theory of liability on which the claim is based, or the number of claimants, plaintiffs, defendants, or other parties, or the number of claims or causes of action, in which the claimant alleges a health care liability claim. Such term does not include a claim or action which is based on criminal liability; which seeks civil fines or penalties paid to Federal, State, or local government; or which is grounded in anti-trust.

(7) HEALTH CARE LIABILITY ACTION.—The term “health care liability action” means a civil action brought in a State or Federal court or pursuant to an alternative dispute resolution system, against a health care provider, a health care organization, or the manufacturer, distributor, supplier, marketer, promoter, or seller of a medical product, regardless of the theory of liability on which the claim is based, or the number of plaintiffs, defendants, or other parties, or

the number of causes of action, in which the claimant alleges a health care liability claim.

(8) HEALTH CARE LIABILITY CLAIM.—The term “health care liability claim” means a demand by any person, whether or not pursuant to ADR, against a health care provider, health care organization, or the manufacturer, distributor, supplier, marketer, promoter, or seller of a medical product, including, but not limited to, third-party claims, cross-claims, counter-claims, or contribution claims, which are based upon the provision of, use of, or payment for (or the failure to provide, use, or pay for) health care services or medical products, regardless of the theory of liability on which the claim is based, or the number of plaintiffs, defendants, or other parties, or the number of causes of action.

(9) HEALTH CARE ORGANIZATION.—The term “health care organization” means any person or entity which is obligated to provide or pay for health benefits under any health plan, including any person or entity acting under a contract or arrangement with a health care organization to provide or administer any health benefit.

(10) HEALTH CARE PROVIDER.—The term “health care provider” means any person or entity required by State or Federal laws or regulations to be licensed, registered, or certified to provide health care services, and being either so licensed, registered, or certified, or exempted from such requirement by other statute or regulation.

(11) HEALTH CARE GOODS OR SERVICES.—The term “health care goods or services” means any goods or services provided by a health care organization, provider, or by any individual working under the supervision of a health care provider, that relates to the diagnosis, prevention, or treatment of any human disease or impairment, or the assessment or care of the health of human beings.

(12) MALICIOUS INTENT TO INJURE.—The term “malicious intent to injure” means intentionally causing or attempting to cause physical injury other than providing health care goods or services.

(13) MEDICAL PRODUCT.—The term “medical product” means a drug, device, or biological product intended for humans, and the terms “drug”, “device”, and “biological product” have the meanings given such terms in sections 201(g)(1) and 201(h) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 321(g)(1) and (h)) and section 351(a) of the Public Health Service Act (42 U.S.C. 262(a)), respectively, including any component or raw material used therein, but excluding health care services.

(14) NONECONOMIC DAMAGES.—The term “noneconomic damages” means damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation, and all other nonpecuniary losses of any kind or nature.

(15) PUNITIVE DAMAGES.—The term “punitive damages” means damages awarded, for the purpose of punishment or deterrence, and not solely for compensatory purposes, against a health care provider, health care organization, or a manufacturer, distributor, or supplier of a medical product. Punitive damages are neither economic nor non-economic damages.

(16) RECOVERY.—The term “recovery” means the net sum recovered after deducting any disbursements or costs incurred in connection with prosecution or settlement of the claim, including all costs paid or advanced by any person. Costs of health care incurred by the plaintiff and the attorneys’ office overhead costs or charges for legal

services are not deductible disbursements or costs for such purpose.

(17) STATE.—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision thereof.

SEC. 408. EFFECT ON OTHER LAWS.

(a) VACCINE INJURY.—

(1) To the extent that title XXI of the Public Health Service Act establishes a Federal rule of law applicable to a civil action brought for a vaccine-related injury or death—

(A) this title does not affect the application of the rule of law to such an action; and

(B) any rule of law prescribed by this title in conflict with a rule of law of such title XXI shall not apply to such action.

(2) If there is an aspect of a civil action brought for a vaccine-related injury or death to which a Federal rule of law under title XXI of the Public Health Service Act does not apply, then this title or otherwise applicable law (as determined under this title) will apply to such aspect of such action.

(b) OTHER FEDERAL LAW.—Except as provided in this section, nothing in this title shall be deemed to affect any defense available to a defendant in a health care lawsuit or action under any other provision of Federal law.

SEC. 409. STATE FLEXIBILITY AND PROTECTION OF STATES’ RIGHTS.

(a) HEALTH CARE LAWSUITS.—The provisions governing health care lawsuits set forth in this title preempt, subject to subsections (b) and (c), State law to the extent that State law prevents the application of any provisions of law established by or under this title. The provisions governing health care lawsuits set forth in this title supersede chapter 171 of title 28, United States Code, to the extent that such chapter—

(1) provides for a greater amount of damages or contingent fees, a longer period in which a health care lawsuit may be commenced, or a reduced applicability or scope of periodic payment of future damages, than provided in this title; or

(2) prohibits the introduction of evidence regarding collateral source benefits, or mandates or permits subrogation or a lien on collateral source benefits.

(b) PROTECTION OF STATES’ RIGHTS AND OTHER LAWS.—(1) Any issue that is not governed by any provision of law established by or under this title (including State standards of negligence) shall be governed by otherwise applicable State or Federal law.

(2) This title shall not preempt or supersede any State or Federal law that imposes greater procedural or substantive protections for health care providers and health care organizations from liability, loss, or damages than those provided by this title or create a cause of action.

(c) STATE FLEXIBILITY.—No provision of this title shall be construed to preempt—

(1) any State law (whether effective before, on, or after the date of the enactment of this Act) that specifies a particular monetary amount of compensatory or punitive damages (or the total amount of damages) that may be awarded in a health care lawsuit, regardless of whether such monetary amount is greater or lesser than is provided for under this title, notwithstanding section 303(a); or

(2) any defense available to a party in a health care lawsuit under any other provision of State or Federal law.

SEC. 410. APPLICABILITY; EFFECTIVE DATE.

This title shall apply to any health care lawsuit brought in a Federal or State court,

or subject to an alternative dispute resolution system, that is initiated on or after the date of the enactment of this Act, except that any health care lawsuit arising from an injury occurring prior to the date of the enactment of this Act shall be governed by the applicable statute of limitations provisions in effect at the time the injury occurred.

TITLE V—COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

SEC. 501. RETIREMENT CONTRIBUTIONS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) INDIVIDUAL CONTRIBUTIONS.—Section 8334(c) of title 5, United States Code, is amended—

(A) by striking “(c) Each” and inserting “(c)(1) Each”; and

(B) by adding at the end the following:

“(2) Notwithstanding any other provision of this subsection, the applicable percentage of basic pay under this subsection shall—

“(A) except as provided in subparagraph (B) or (C), for purposes of computing an amount—

“(i) for a period in calendar year 2013, be equal to the applicable percentage under this subsection for calendar year 2012, plus an additional 1.5 percentage points;

“(ii) for a period in calendar year 2014, be equal to the applicable percentage under this subsection for calendar year 2013 (as determined under clause (i)), plus an additional 0.5 percentage point;

“(iii) for a period in calendar year 2015, 2016, or 2017, be equal to the applicable percentage under this subsection for the preceding calendar year (as determined under clause (i) or this clause, as the case may be), plus an additional 1.0 percentage point; and

“(iv) for a period in any calendar year after 2017, be equal to the applicable percentage under this subsection for calendar year 2017 (as determined under clause (iii));

“(B) for purposes of computing an amount with respect to a Member for Member service—

“(i) for a period in calendar year 2013, be equal to the applicable percentage under this subsection for calendar year 2012, plus an additional 2.5 percentage points;

“(ii) for a period in calendar year 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this subsection for the preceding calendar year (as determined under clause (i) or this clause, as the case may be), plus an additional 1.5 percentage points; and

“(iii) for a period in any calendar year after 2017, be equal to the applicable percentage under this subsection for calendar year 2017 (as determined under clause (ii)); and

“(C) for purposes of computing an amount with respect to a Member or employee for Congressional employee service—

“(i) for a period in calendar year 2013, be equal to the applicable percentage under this subsection for calendar year 2012, plus an additional 2.5 percentage points;

“(ii) for a period in calendar year 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this subsection for the preceding calendar year (as determined under clause (i) or this clause, as the case may be), plus an additional 1.5 percentage points; and

“(iii) for a period in any calendar year after 2017, be equal to the applicable percentage under this subsection for calendar year 2017 (as determined under clause (ii)).

“(3)(A) Notwithstanding subsection (a)(2), any excess contributions under subsection (a)(1)(A) (including the portion of any deposit under this subsection allocable to excess contributions) shall, if made by an employee of the United States Postal Service or the Postal Regulatory Commission, be deposited to the credit of the Postal Service Fund under section 2003 of title 39, rather than the Civil Service Retirement and Disability Fund.

“(B) For purposes of this paragraph, the term ‘excess contributions’, as used with respect to contributions made under subsection (a)(1)(A) by an employee of the United States Postal Service or the Postal Regulatory Commission, means the amount by which—

“(i) deductions from basic pay of such employee which are made under subsection (a)(1)(A), exceed

“(ii) deductions from basic pay of such employee which would have been so made if paragraph (2) had not been enacted.”.

(2) GOVERNMENT CONTRIBUTIONS.—Section 8334(a)(1)(B) of title 5, United States Code, is amended—

(A) in clause (i), by striking “Except as provided in clause (ii),” and inserting “Except as provided in clause (ii) or (iii),”; and

(B) by adding at the end the following:

“(iii) The amount to be contributed under clause (i) shall, with respect to a period in any year beginning after December 31, 2012, be equal to—

“(I) the amount which would otherwise apply under clause (i) with respect to such period, reduced by

“(II) the amount by which, with respect to such period, the withholding under subparagraph (A) exceeds the amount which would otherwise have been withheld from the basic pay of the employee or elected official involved under subparagraph (A) based on the percentage applicable under subsection (c) for calendar year 2012.”.

(b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—

(1) INDIVIDUAL CONTRIBUTIONS.—Section 8422(a)(3) of title 5, United States Code, is amended—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) by inserting after subparagraph (A) the following:

“(B) Notwithstanding any other provision of this paragraph, the applicable percentage under this paragraph for civilian service by employees or Members other than revised annuity employees shall—

“(i) except as provided in clause (ii) or (iii), for purposes of computing an amount—

“(I) for a period in calendar year 2013, be equal to the applicable percentage under this paragraph for calendar year 2012, plus an additional 1.5 percentage points;

“(II) for a period in calendar year 2014, be equal to the applicable percentage under this paragraph for calendar year 2013 (as determined under subclause (I)), plus an additional 0.5 percentage point;

“(III) for a period in calendar year 2015, 2016, or 2017, be equal to the applicable percentage under this paragraph for the preceding calendar year (as determined under subclause (II) or this subclause, as the case may be), plus an additional 1.0 percentage point; and

“(IV) for a period in any calendar year after 2017, be equal to the applicable percentage under this paragraph for calendar year 2017 (as determined under subclause (III));

“(ii) for purposes of computing an amount with respect to a Member—

“(I) for a period in calendar year 2013, be equal to the applicable percentage under this paragraph for calendar year 2012, plus an additional 2.5 percentage points;

“(II) for a period in calendar year 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this paragraph for the preceding calendar year (as determined under subclause (I) or this subclause, as the case may be), plus an additional 1.5 percentage points; and

“(III) for a period in any calendar year after 2017, be equal to the applicable percentage under this paragraph for calendar year 2017 (as determined under subclause (II)); and

“(iii) for purposes of computing an amount with respect to a Congressional employee—

“(I) for a period in calendar year 2013, 2014, 2015, 2016, or 2017, be equal to the applicable percentage under this paragraph for the preceding calendar year (including as increased under this subclause, if applicable), plus an additional 1.5 percentage points; and

“(II) for a period in any calendar year after 2017, be equal to the applicable percentage under this paragraph for calendar year 2017 (as determined under subclause (I)).”; and

(C) in subparagraph (C) (as so redesignated by subparagraph (A))—

(i) by striking “9.3” each place it appears and inserting “12”; and

(ii) by striking “9.8” each place it appears and inserting “12.5”.

(2) GOVERNMENT CONTRIBUTIONS.—Section 8423(a)(2) of title 5, United States Code, is amended—

(A) by striking “(2)” and inserting “(2)(A)”; and

(B) by adding at the end the following:

“(B)(i) Subject to clauses (ii) and (iii), for purposes of any period in any year beginning after December 31, 2012, the normal-cost percentage under this subsection shall be determined and applied as if section 501(b)(1) of the Spending Reduction Act of 2012 had not been enacted.

“(ii) Any contributions under this subsection in excess of the amounts which (but for clause (i)) would otherwise have been payable shall be applied toward reducing the unfunded liability of the Civil Service Retirement System.

“(iii) After the unfunded liability of the Civil Service Retirement System has been eliminated, as determined by the Office, Government contributions under this subsection shall be determined and made disregarding this subparagraph.

“(iv) The preceding provisions of this subparagraph shall be disregarded for purposes of determining the contributions payable by the United States Postal Service and the Postal Regulatory Commission.”.

SEC. 502. ANNUITY SUPPLEMENT.

Section 8421(a) of title 5, United States Code, is amended—

(1) in paragraph (1), by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”; and

(2) in paragraph (2), by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”; and

(3) by adding at the end the following:

“(4)(A) Except as provided in subparagraph (B), no annuity supplement under this section shall be payable in the case of an individual who first becomes subject to this chapter after December 31, 2012.

“(B) Nothing in this paragraph applies in the case of an individual separating under subsection (d) or (e) of section 8412.”.

SEC. 503. CONTRIBUTIONS TO THRIFT SAVINGS FUND OF PAYMENTS FOR ACCRUED OR ACCUMULATED LEAVE.

(a) AMENDMENTS RELATING TO CSRS.—Section 8351(b) of title 5, United States Code, is amended—

(1) by striking paragraph (2)(A) and inserting the following:

“(2)(A) An employee or Member may contribute to the Thrift Savings Fund in any pay period any amount of such employee’s or Member’s basic pay for such pay period, and may contribute (by direct transfer to the Fund) any part of any payment that the employee or Member receives for accumulated and accrued annual or vacation leave under section 5551 or 5552. Notwithstanding section 2105(e), in this paragraph the term ‘employee’ includes an employee of the United States Postal Service or of the Postal Regulatory Commission.”;

(2) by striking subparagraph (B) of paragraph (2); and

(3) by redesignating subparagraph (C) of paragraph (2) as subparagraph (B).

(b) AMENDMENTS RELATING TO FERS.—Section 8432(a) of title 5, United States Code, is amended—

(1) by striking all that precedes paragraph (3) and inserting the following:

“(a)(1) An employee or Member—

“(A) may contribute to the Thrift Savings Fund in any pay period, pursuant to an election under subsection (b), any amount of such employee’s or Member’s basic pay for such pay period; and

“(B) may contribute (by direct transfer to the Fund) any part of any payment that the employee or Member receives for accumulated and accrued annual or vacation leave under section 5551 or 5552.

“(2) Contributions made under paragraph (1)(A) pursuant to an election under subsection (b) shall, with respect to each pay period for which such election remains in effect, be made in accordance with a program of regular contributions provided in regulations prescribed by the Executive Director.”; and

(2) by adding at the end the following:

“(4) Notwithstanding section 2105(e), in this subsection the term ‘employee’ includes an employee of the United States Postal Service or of the Postal Regulatory Commission.”.

(c) REGULATIONS.—The Executive Director of the Federal Retirement Thrift Investment Board shall promulgate regulations to carry out the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect 1 year after the date of the enactment of this Act.

TITLE VI—COMMITTEE ON WAYS AND MEANS

Subtitle A—Recapture of Overpayments Resulting From Certain Federally-subsidized Health Insurance

SEC. 601. RECAPTURE OF OVERPAYMENTS RESULTING FROM CERTAIN FEDERALLY-SUBSIDIZED HEALTH INSURANCE.

(a) IN GENERAL.—Paragraph (2) of section 36B(f) of the Internal Revenue Code of 1986 is amended by striking subparagraph (B).

(b) CONFORMING AMENDMENT.—So much of paragraph (2) of section 36B(f) of such Code, as amended by subsection (a), as precedes “advance payments” is amended to read as follows:

“(2) EXCESS ADVANCE PAYMENTS.—If the”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2013.

Subtitle B—Social Security Number Required to Claim the Refundable Portion of the Child Tax Credit

SEC. 611. SOCIAL SECURITY NUMBER REQUIRED TO CLAIM THE REFUNDABLE PORTION OF THE CHILD TAX CREDIT.

(a) IN GENERAL.—Subsection (d) of section 24 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(5) IDENTIFICATION REQUIREMENT WITH RESPECT TO TAXPAYER.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to any taxpayer for any taxable year unless the taxpayer includes the taxpayer’s Social Security number on the return of tax for such taxable year.

“(B) JOINT RETURNS.—In the case of a joint return, the requirement of subparagraph (A) shall be treated as met if the Social Security number of either spouse is included on such return.

“(C) LIMITATION.—Subparagraph (A) shall not apply to the extent the tentative minimum tax (as defined in section 55(b)(1)(A)) exceeds the credit allowed under section 32.”.

(b) OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Subparagraph (I) of section 6213(g)(2) of such Code is amended to read as follows:

“(I) an omission of a correct Social Security number required under section 24(d)(5) (relating to refundable portion of child tax credit), or a correct TIN under section 24(e) (relating to child tax credit), to be included on a return.”.

(c) CONFORMING AMENDMENT.—Subsection (e) of section 24 of such Code is amended by inserting “WITH RESPECT TO QUALIFYING CHILDREN” after “IDENTIFICATION REQUIREMENT” in the heading thereof.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

Subtitle C—Human Resources Provisions

SEC. 621. REPEAL OF THE PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

(a) REPEALS.—Sections 2001 through 2007 of the Social Security Act (42 U.S.C. 1397–1397f) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 404(d) of the Social Security Act (42 U.S.C. 604(d)) is amended—

(A) in paragraph (1), by striking “any or all of the following provisions of law:” and all that follows through “The” and inserting “the”;

(B) in paragraph (3)—

(i) by striking “RULES” and all that follows through “any amount paid” and inserting “RULES.—Any amount paid”;

(ii) by striking “a provision of law specified in paragraph (1)” and inserting “the Child Care and Development Block Grant Act of 1990”;

(iii) by striking subparagraph (B); and

(C) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 422(b) of the Social Security Act (42 U.S.C. 622(b)) is amended—

(A) in paragraph (1)(A)—

(i) by striking “administers or supervises” and inserting “administered or supervised”;

(ii) by striking “subtitle 1 of title XX” and inserting “subtitle A of title XX (as in effect before the repeal of such subtitle)”;

(B) in paragraph (2), by striking “under subtitle 1 of title XX.”.

(3) Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(A) in paragraph (4), by striking “, under subtitle 1 of title XX of this Act.”; and

(B) in paragraph (8), by striking “XIX, or XX” and inserting “or XIX”.

(4) Section 472(h)(1) of the Social Security Act (42 U.S.C. 672(h)(1)) is amended by striking the 2nd sentence.

(5) Section 473(b) of the Social Security Act (42 U.S.C. 673(b)) is amended—

(A) in paragraph (1), by striking “(3)” and inserting “(2)”;

(B) in paragraph (4), by striking “paragraphs (1) and (2)” and inserting “paragraph (1)”;

(C) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(6) Section 504(b)(6) of the Social Security Act (42 U.S.C. 704(b)(6)) is amended in each of subparagraphs (A) and (B) by striking “XIX, or XX” and inserting “or XIX”.

(7) Section 1101(a)(1) of the Social Security Act (42 U.S.C. 1301(a)(1)) is amended by striking the penultimate sentence.

(8) Section 1128(h) of the Social Security Act (42 U.S.C. 1320a–7(h)) is amended—

(A) by adding “or” at the end of paragraph (2); and

(B) by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(9) Section 1128A(i)(1) of the Social Security Act (42 U.S.C. 1320a–7a(i)(1)) is amended by striking “or subtitle 1 of title XX”.

(10) Section 1132(a)(1) of the Social Security Act (42 U.S.C. 1320b–2(a)(1)) is amended by striking “XIX, or XX” and inserting “or XIX”.

(11) Section 1902(e)(13)(F)(iii) of the Social Security Act (42 U.S.C. 1396a(e)(13)(F)(iii)) is amended—

(A) by striking “EXCLUSIONS” and inserting “EXCLUSION”;

(B) by striking “an agency that determines eligibility for a program established under the Social Services Block Grant established under title XX or”.

(12) The heading for title XX of the Social Security Act is amended by striking “BLOCK GRANTS TO STATES FOR SOCIAL SERVICES” and inserting “HEALTH PROFESSIONS DEMONSTRATIONS AND ENVIRONMENTAL HEALTH CONDITION DETECTION”.

(13) The heading for subtitle A of title XX of the Social Security Act is amended by striking “Block Grants to States for Social Services” and inserting “Health Professions Demonstrations and Environmental Health Condition Detection”.

(14) Section 16(k)(5)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(k)(5)(B)(i)) is amended by striking “, or title XX.”.

(15) Section 402(b)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(3)) is amended by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(16) Section 245A(h)(4)(I) of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a(h)(4)(I)) is amended by striking “, XVI, and XX” and inserting “and XVI”.

(17) Section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) is amended—

(A) in subsection (a)(2)—

(i) in subparagraph (B)—

(I) by striking “—” and all that follows through “(i)”;

(II) by striking “or” at the end of clause (i); and

(III) by striking clause (ii); and

(ii) in subparagraph (D)(ii), by striking “or title XX”;

(B) in subsection (o)(2)(B)—

(i) by striking “or title XX” each place it appears; and

(ii) by striking “or XX”.

(18) Section 201(b) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1931(b)) is amended by striking “titles IV–B and XX” each place it appears and inserting “part B of title IV”.

(19) Section 3803(c)(2)(C) of title 31, United States Code, is amended by striking clause (vi) and redesignating clauses (vii) through (xvi) as clauses (vi) through (xv), respectively.

(20) Section 14502(d)(3) of title 40, United States Code, is amended—

(A) by striking “and title XX”;

(B) by striking “, 1397 et seq.”.

(21) Section 2006(a)(15) of the Public Health Service Act (42 U.S.C. 300z–5(a)(15)) is amended by striking “and title XX”.

(22) Section 203(b)(3) of the Older Americans Act of 1965 (42 U.S.C. 3013(b)(3)) is amended by striking “XIX, and XX” and inserting “and XIX”.

(23) Section 213 of the Older Americans Act of 1965 (42 U.S.C. 3020d) is amended by striking “or title XX”.

(24) Section 306(d) of the Older Americans Act of 1965 (42 U.S.C. 3026(d)) is amended in each of paragraphs (1) and (2) by striking “titles XIX and XX” and inserting “title XIX”.

(25) Section 2605 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624)

is amended in each of subsections (b)(4) and (j) by striking “under title XX of the Social Security Act.”.

(26) Section 602 of the Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901) is repealed.

(27) Section 3(d)(1) of the Assisted Suicide Funding Restriction Act of 1997 (42 U.S.C. 14402(d)(1)) is amended by striking subparagraph (C) and redesignating subparagraphs (D) through (K) as subparagraphs (C) through (J), respectively.

(c) EFFECTIVE DATE.—The repeals and amendments made by this section shall take effect on January 1, 2013.

TITLE VII—SEQUESTER REPLACEMENT

SEC. 701. SHORT TITLE.

This title may be cited as the “Sequester Replacement Act of 2012”.

SEC. 702. PROTECTING VETERANS PROGRAMS FROM SEQUESTER.

Section 256(e)(2)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

SEC. 703. ACHIEVING \$19 BILLION IN DISCRETIONARY SAVINGS.

(a) REVISED 2013 DISCRETIONARY SPENDING LIMIT.—Paragraph (2) of section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(2) with respect to fiscal year 2013, for the discretionary category, \$1,047,000,000,000 in new budget authority.”.

(b) DISCRETIONARY SAVINGS.—Section 251A(7)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(A) FISCAL YEAR 2013.—

“(i) FISCAL YEAR 2013 ADJUSTMENT.—On January 2, 2013, the discretionary category set forth in section 251(c)(2) shall be decreased by \$19,104,000,000 in budget authority.

“(ii) SUPPLEMENTAL SEQUESTERATION ORDER.—On January 15, 2013, OMB shall issue a supplemental sequestration report for fiscal year 2013 and take the form of a final sequestration report as set forth in section 254(f)(2) and using the procedures set forth in section 253(f), to eliminate any discretionary spending breach of the spending limit set forth in section 251(c)(2) as adjusted by clause (i), and the President shall order a sequestration, if any, as required by such report.”.

SEC. 704. CONFORMING AMENDMENTS TO SECTION 314 OF THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

Section 314(a) of the Congressional Budget Act of 1974 is amended to read as follows:

“(a) ADJUSTMENTS.—

“(1) IN GENERAL.—The chair of the Committee on the Budget of the House of Representatives or the Senate may make adjustments as set forth in paragraph (2) for a bill or joint resolution, amendment thereto or conference report thereon, by the amount of new budget authority and outlays flowing therefrom in the same amount as required by section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(2) MATTERS TO BE ADJUSTED.—The chair of the Committee on the Budget of the House of Representatives or the Senate may make the adjustments referred to in paragraph (1) to—

“(A) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a);

“(B) the budgetary aggregates as set forth in the appropriate concurrent resolution on the budget; and

“(C) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget.”.

SEC. 705. TREATMENT FOR PAYGO PURPOSES.

The budgetary effects of this Act and any amendment made by it shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

SEC. 706. ELIMINATION OF THE FISCAL YEAR 2013 SEQUESTERATION FOR DEFENSE DIRECT SPENDING.

Any sequestration order issued by the President under the Balanced Budget and Emergency Deficit Control Act of 1985 to carry out reductions to direct spending for the defense function (050) for fiscal year 2013 pursuant to section 251A of such Act shall have no force or effect.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. RYAN) as the designee of the majority leader and the gentleman from Maryland (Mr. VAN HOLLEN) as the designee of the minority leader each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin.

GENERAL LEAVE

Mr. RYAN of Wisconsin. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 6684, the Spending Reduction Act.

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

There was no objection.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 1 minute.

This is what we should be doing almost every day here—cutting spending. In particular, this cuts \$236 billion over the next 10 years in net spending cuts to pay for 1 year of the sequester. It sets aside the sequester on defense and nondefense discretionary spending. It cuts \$218 billion in mandatory spending and \$19 billion in discretionary spending by lowering those caps. The result of this is we believe it's better to identify specific spending cuts, waste, fraud, and abuse in the Federal Government in order to prevent the sequester from occurring. This sets aside this question for 1 year. But in exchange for that, it has a net spending reduction of \$236 billion. We think the path forward is even lower spending, which is what this achieves.

I yield 5 minutes to the chairman of the House Armed Services Committee, Mr. MCKEON.

Mr. MCKEON. I thank the gentleman for yielding, and I thank him for his efforts on this bill.

Today, we will send to the Senate a way out of this fiscal crisis. Rather than react in defense of the President's position, I urge the other body to treat this package as a good faith effort to protect America's middle class and small businesses from harmful tax hikes and to reduce spending to resolve sequestration. We know that the President is willing to put adjustments to entitlements on the table. This proposal provides a framework for us to reach bipartisan agreement on how to do that.

If we fail to act, on January 2 a hammer's strike will fall on America's

Armed Forces. It will be one of the most significant and damaging blows to our troops and our national security in history. Without even the stroke of a pen, sequester will do incredible injury to a military that took generations to build. It will take generations to fix. And the blow will not come from an enemy, but from our own inability to fulfill the basic obligations of governance.

We must stop substituting regular order with brinksmanship. We must not allow impasses of our own doing to harm our Armed Forces. I call on the President to lead rather than create a new crisis. We cannot stand idly by while we have American men and women fighting to keep us safe across the globe. It's a disgrace that the President decided to use them as pawns in these negotiations, and it's a disgrace that we haven't managed to rescue them yet.

My leadership made me a promise: sequestration would not happen. Today, for the sixth time, they are bringing a measure to the floor in an effort to keep that promise. I thank them for what they have done and wish we could have done even more. The American people were also promised that sequestration would not happen. Many times over his campaign and in the presence of our troops and veterans the Commander in Chief made that promise: sequestration would not happen. Yet as we stand here today, days away from the catastrophe, the President of the United States hasn't lifted a finger to keep that promise.

If the Senate fails to take our offer seriously, we will likely return to Washington after Christmas. But the 68,000 American troops in Afghanistan don't have that luxury. We ask them to bear the pain of combat. I hope we will not ask them to shoulder the weight of Washington's irresponsibility. Every man and woman who serves in this Chamber, in the one down the hall, and in the Oval Office down the street are the stewards of a sacred trust. We have all put our left hand on a Bible and raised our right hand and made a sacred pledge. Part of that pledge is to defend the men and women who put their lives on the line to defend us. If we allow the year to end without resolving sequestration, we will all be in direct and unforgivable violation of that trust. I have debated and reasoned with my colleagues, and now I beg you, do not let the year end without ending sequestration.

I urge passage of this measure.

Mr. VAN HOLLEN. I yield myself such time as I may consume.

At the outset, I just want to say to my friend, the chairman of the Budget Committee, I have great respect for him. And I hope he won't take it the wrong way, but I'm glad to have you back, and look forward to actually working with you next year. I actually hoped that we'd be able to work in a bipartisan way, starting right now. Unfortunately, that doesn't appear to be

the case, and we are engaged here in the House on this floor today in what has become a ridiculous political stunt which will actually take us much closer as a country to going over the fiscal cliff. We're wasting valuable time. The Speaker should be engaged with the President of the United States in negotiations rather than having walked away from those negotiations with the President. That walking away is becoming a bad habit.

The President put on the table a balanced budget plan that calls for shared responsibility. It calls for \$1.2 trillion in additional revenues from high-income earners over the next 10 years, and \$1.2 trillion in additional cuts, if you include the interest savings over the next 10 years. And by the way, Mr. Speaker, that \$1.2 trillion in cuts comes on top of the over \$1 trillion in cuts that have already been agreed to this year.

And to our colleague, the distinguished chairman of the Armed Services Committee, when he says that the President hasn't lifted a finger to remove the sequester on defense, that's just not true. It's just not true. In fact, the President's proposal to cut the \$1.2 trillion would also remove the sequester for at least 1 year—and maybe for 10. And it's more cuts total than what we're talking about on the floor here today.

So what we really have, Mr. Speaker, is the fact that too many of our Republican colleagues still think that compromise is a dirty word. And that's what brings us to the floor today in this political exercise.

□ 1650

As has, unfortunately, been the case throughout the year, the Republican package that we're dealing with today has two objectives. One objective is to minimize the impact of the budget challenge on high-income earners and to shift that burden on the middle-income earners and working people.

The numbers tell the story, Mr. Speaker. Because if we go over the fiscal cliff, people earning over \$1 million will face a significant income tax hike. But under the Republican Plan B, compared to the Senate plan that is before this House right now, the House Republican plan would give those millionaires a \$50,000 tax break on average.

But do you know who would pay more under a Republican Plan B? A whole lot of middle class families. Eleven million families will see an average of \$1,100 tax increase because the Republican Plan B takes away the tuition tax credit. Twelve million families will lose the enhanced child tax credit; they will face \$800 more burden. EITC, 6 million families will pay more. The typical U.S. Army private—including those men and women serving us in Afghanistan today—married with a newborn infant will see a \$453 increase in taxes as a result of Republican Plan B. On average, 25 million families will pay an average of \$1,000 more so that 402,000

families who make over \$1 million can get an average tax break of \$50,000. That's the tax part of Republican Plan B.

We're here today right now talking about the cutting part of Republican Plan B. I think all of us recall during the election the Republican Presidential candidate said:

There are 47 percent of the people who will vote for the President no matter what.

And then he went on to say:

And so my job is not to worry about those people.

Well, you know what? The Republican sequester-cutting plan today is making their nominee's promise come true. It sends a signal that our Republican colleagues just don't care about the 47 percent. Because you know who gets hit? Here's what it would do. This is according to the Congressional Budget Office.

By the way, Mr. Speaker, this is a recycled version. We had virtually the same bill on the floor last spring; we're just doing it again. That bill did not get one single Democratic vote, and now it's brought here under the premise of some kind of bipartisan approach. The reason it didn't get Democratic support is, while they're providing these tax breaks to people making over \$1 million compared to what it would be if we went over the fiscal cliff, 22 million children will face reduced or eliminated food benefits. That's according to the Congressional Budget Office. 1.8 million Americans will permanently lose their food assistance, and of those, nearly 300,000 children will lose their school free or reduced lunch program.

So what this sequester-avoidance plan does is make good on the promise that Republicans don't care about the 47 percent. That's why it didn't get any Democratic votes last spring. That's why, Mr. Speaker, I urge my colleagues to vote against it today.

I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

My friend started off by saying this is a farce, this is not real. This is what Congress is supposed to do.

Let's review what this legislation is or is not.

Number one, six congressional committees went through their areas of jurisdiction to look for areas where spending can be reduced—to look for areas where there was government duplication, to look for areas where there was government waste and fraud—reported out of those committees savings, spending cuts, and we package it together here. We ought to be doing this each and every year.

More to the point, Mr. Speaker, this package of spending cuts are built on top of the fact that we actually passed a budget to pay off the debt. We actually passed a budget to make sure that nobody gets a tax increase. That's a lot more than the President can say.

The President's budget was voted down unanimously in the House and

the Senate. The Senate, they haven't passed a budget in 3 years. We don't just have a fiscal cliff, we have a fiscal abyss in front of us, and that is the debt crisis that is on our horizon.

Failure to address this debt crisis means not just 47 percent of Americans, but every American gets hurt. Every American gets a lower standard of living. Every American, especially the next generation, receives a lower standard of living if we don't fix this mess.

So what is this we're doing here today? We're saying we don't think the crude across-the-board sequester is good policy. We think it will harm our national security—the first and primary responsibility of the Federal Government—and we want to replace next year's cuts with even more spending cuts that we think are smart spending cuts.

The gentleman is talking about all these people who will lose food stamps and free and reduced lunches. Let me say it really clearly: Every single person who qualifies for food stamps will get food stamps. Every single child who qualifies for a free and reduced lunch will get their free and reduced lunch. What we're saying is you actually have to qualify for these benefits to get these benefits, and that's not the case today. We are spending so much money from this government that people who don't even qualify for these benefits, who make more than they should to qualify for them, are getting these benefits.

There is a lot of waste. There's a lot of fraud. There's a lot of abuse in how our Federal tax dollars are being spent, and we're beginning to rein that in with this down payment of spending cuts.

With respect to taxes, what we are trying to do here is limit the damage to the taxpayer. There's not a single tax increase that we're proposing here—not a single. What we're saying is prevent as many tax increases as possible from hitting anybody in this economy. Because you know what? It's not a very good economy. Look, elections have consequences. We understand that. I, of all people, understand that. The consequence of this election is we have a President who in every proposal he has given us has called for net spending increases along with tax increases.

He used to say we ought to cut \$3 of spending for every \$1 of tax increases. He's not even doing that. The latest proposals say let's raise taxes and then raise spending. Mr. Speaker, that's what got us in trouble in the first place.

With that, I'd like to yield 4 minutes to the gentleman from Alabama (Mr. BACHUS), the chairman of the Financial Services Committee.

Mr. BACHUS. Mr. Speaker, the gentleman from Maryland (Mr. VAN HOLLEN) says that this is political theater, that this is a waste of time. Well, let me tell you that the Financial Services

Committee has cut \$35 billion of unnecessary wasteful spending. We started with bailout money, \$29 billion that Dodd-Frank said, if a too-big-to-fail company goes broke, we're going to pay off their creditors and counterparties. Now, didn't the American people tell us in 2008 and 2009 what they felt about using their money to bail out creditors and counterparties? People that are making \$40,000 and \$50,000 a year would have to help pay \$29 billion.

We also do away with the HAMP program. Now, is that a waste of time, doing away with this program? The special inspector general for TARP, the Congressional Oversight Panel, and the Government Accounting Office—the Government Accounting Office, many of those employees are your constituents in Maryland—even the editorial writers of *The New York Times* said—now, this is *New York Times*. They said HAMP does more harm than good. It's a wasteful program. Even my Democratic colleagues on the Financial Services Committee said, It doesn't work, but we can make it work. Well, let's shut it down.

□ 1700

\$2.8 billion. Is that a waste of our time today?

Third, this legislation saves over \$5 billion. Is that inconsequential? Is that theater? Because it gives real accountability to a government agency that right now has not, the CFPB. They have unlimited funds. Then it takes \$4.9 billion in savings from just by making reforms that this Congress, this House, voted by over 400 Members to do; but the Senate, even though this will save \$4.9 billion, they haven't even taken this bill up. 414 of us voted for this bill, and the Senate hasn't taken it up. But I guess I shouldn't be surprised. As the budget chairman said, they haven't passed a budget for 3 years.

My gosh, let's quit talking about this group of Americans or that group of Americans. Let's talk about America as if it's one country. Let's don't engage in class warfare. Let's don't pit one income group or one group against each other.

We're going to take a very small step today, but it's a first step, and it's not an unimportant step towards cutting the national debt. The national debt in the last 4 years has gone up 70 percent. That's a staggering amount.

Now, let me say this. Chairman Bernanke, for 6 years, but particularly the last 4 years, has come before our committee, and he said that the national debt is imperiling our economic future. Let me use his words.

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

Mr. RYAN of Wisconsin. I yield the gentleman an additional 1 minute.

Mr. BACHUS. He said:

Our economic security is at risk if we don't cut down on the debt.

Mr. MCKEON was here speaking. Secretary Bob Gates said that it's imper-

iling our national security. Is that theater? Is the national debt an illusion? Americans don't think so, and today we'll start acting. We'll start acting. And we'll do something else: We'll cut taxes. We'll preserve those tax cuts, except for those millionaires, people making over \$1 million, as Mr. VAN HOLLEN said. We're going to let those tax rates go back up, which is exactly what NANCY PELOSI proposed. We're going to take her proposal. And, do you know, as Mr. VAN HOLLEN says, it probably won't get one Democratic vote for something that your leader proposed 3 months ago.

That's political theater, Mr. VAN HOLLEN.

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

I wish the outgoing chairman of Financial Services would check his facts.

Ms. PELOSI, the Democratic leader, did not make a tax proposal that would give people over \$1 million a year a \$50,000 tax break, which is exactly what the Republican plan would do, number one.

Number two, the proposal that the President has put on the table has \$1.2 trillion cuts if you include interest savings, which is more than the cuts here, and will also deal with the sequester.

Number three, the Republican proposal out of Financial Services will increase the likelihood that taxpayers have to bail out the financial industry again, not reduce it.

And number four, they strip away the independence of the Consumer Finance Protection Board so that lobbyists can meddle in exactly how they do their work so that they're looking out for lobbyists' interests rather than the interests of the American people.

So this whole approach that we're seeing right here is another example of trying to help the folks at the very top at the expense of the rest of the country.

And, Mr. BACHUS, it wasn't me making the 40 percent comment talking about dividing America. That was the comment made by the Republican candidate for President.

With that, I yield 1½ minutes to the distinguished lady from New York, a member of the Appropriations Committee, Ms. LOWEY, and I congratulate her on becoming the new ranking member.

Ms. LOWEY. And I congratulate you on the wisdom which you generously share with all of us.

Mr. Speaker, I rise in strong opposition to the bill.

Instead of putting forth a serious, comprehensive, and balanced deficit reduction plan, the Republicans are taking a timeout so the House can embark on yet another futile effort to pass portions of the Ryan budget—the same Ryan budget that would end Medicare as we know it, walk away from the caps on discretionary spending agreed to in the Budget Control Act, and has no chance of being signed into law.

Our constituents want us to negotiate and agree to a solution to avoid economic catastrophe. I have concerns with some of the proposals the President has made in his negotiations with the Speaker, but at least the President was seeking a workable compromise.

Instead, the majority walked away from the negotiating table and away from a \$2.4 trillion deficit reduction package. Given everything our country has been through in the last 2 months, from Superstorm Sandy to the tragedy in Newtown, the last thing Americans need is for politicians to refuse to compromise while risking market collapse, credit downgrade, and putting the brakes on economic growth and job creation.

I urge my colleagues to end the political charade. Let's get back to the serious task of negotiating a balanced deficit reduction plan. Let's do it now, today. We can do it.

Mr. RYAN of Wisconsin. Mr. Speaker, I, too, want to add my congratulations to the fine gentlewoman from New York on becoming the ranking member of the Appropriations Committee. She has our respect and our congratulations.

With that, I'd like to yield 1 minute to the distinguished majority leader, Mr. CANTOR.

Mr. CANTOR. Mr. Speaker, I thank the gentleman from Wisconsin, the chairman of our Budget Committee.

Mr. Speaker, I rise today to urge support for the measures before us to replace the sequester and reduce the deficit and to extend permanent tax relief for the middle class and hundreds of thousands of small business people.

For the past weeks and months, as people have been looking for jobs and budgeting for their expenses, we've been working to keep taxes from going up and offering commonsense spending reforms. The Spending Reduction Act at issue today reduces our deficit and protects our national security by replacing indiscriminate cuts that are neither strategic nor balanced.

Mr. Speaker, we all agree that our current spending path is unsustainable and poses a real threat to the economy, to job creation, and to our ability to remain competitive in the global economy. We must address the underlying issue that faces this country, which is the mounting deficit and load of debt that we are going to leave to this generation and the next. But the President has been unwilling to consider serious spending cuts or offer a serious and balanced plan to avoid the fiscal cliff.

The risks of unchecked spending are grave. The consequences of our debt crisis will be felt by every student looking for a job that matches their skills after graduation, by every retiree counting on Social Security and Medicare, and by every small business owner looking to expand and hire.

We have passed bills and put forward reforms that would save programs like Social Security, Medicare, and Medicaid from certain and predictable failure, yet we cannot find cooperation,

Mr. Speaker, from the White House or the other side of the aisle to help solve these problems.

It is unfortunate that we find ourselves in this place just 11 days from the new year. For months, we have been ready and willing to work with the President to prevent the fiscal cliff from impacting small businesses and hardworking families.

The math shows that the President's push to hike taxes won't reduce the deficit, and, left unchecked, his government spending will bankrupt our future. Our plan will protect 740,000 additional small businesses that would otherwise be hit by the tax hike the President is proposing.

We don't believe taxes should go up on anybody, but if we can prevent taxes from going up on as many people as possible, on 99.81 percent of American families and small businesses, we must and need to do so.

Americans are looking for jobs, small businesses are deciding whether they should hire or invest in growing, and many Americans are struggling to make ends meet. We are all committed to creating an economy where everyone has an opportunity to succeed.

House Republicans are offering a plan today similar to one that received 53 Democratic votes in the U.S. Senate only 2 years ago, and the Spending Reduction Act is a serious start toward reducing our deficit and protecting our national security.

□ 1710

Absent a balanced offer from the President, this is our Nation's best option, and Senate Democrats should take up both of these measures immediately.

The President has a choice, Mr. Speaker. He can support these measures or be responsible for reckless spending and the largest tax hike in American history.

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

What is unbalanced is the Republican package that we see on the floor today. We already talked about the numbers of the Republican Plan B tax proposal which compared to going over the fiscal cliff and the Senate alternative would actually provide millionaires with a \$50,000 tax cut on average while 25 million American families will actually see a tax increase of \$1,000 on average, including, Mr. Speaker, some of our soldiers on the front line in Afghanistan today.

The majority leader talked about doing the math. Then do the math on the tax plan, because that's exactly what it shows. What the President has called for is a balanced plan that asks for the wealthiest to share the burden of our deficit challenge and make sure that we get our economy in full gear.

With that, I yield 1½ minutes to the distinguished ranking member of the Ways and Means Committee, Mr. LEVIN.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. I did not know that I would follow the distinguished majority leader.

I just want to say, and I mostly want to talk about Plan C, but for him or anybody else to come on the floor and say that the President hasn't proposed spending cuts isn't true, and it undercuts the necessary level of trust to find common ground. That kind of a statement should not be made.

I sat in the Rules Committee for 3 hours and participated for 2 hours last night. There was no reference to Plan C, and it came up just a few minutes secretly before midnight. The purpose of Plan C is to try to get votes for Plan B within the Republican Conference. What it does is to undermine the Affordable Care Act by eliminating the true-up protections, and the joint task committee says it would result in the loss of health insurance coverage for 420,000 people. It would also repeal the Social Services Block Grant which provides services for millions of Americans.

It wasn't many years ago when Chairman CAMP wrote:

SSBG has been a key source of flexible funding for critical social services.

So now in a desperate effort to find votes for Plan B, you turn your back on that.

Finally, it would harm millions of low-income families and their kids. The estimate is it would affect 1 million families and more than 3 million kids.

Searching for votes for Plan B with that kind of an approach, I think, is abominable.

Mr. RYAN of Wisconsin. I reserve the balance of my time.

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

The SPEAKER pro tempore. The gentleman from Maryland has 17½ minutes remaining, and the gentleman from Wisconsin has 15½ minutes remaining.

Mr. VAN HOLLEN. I yield 1½ minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, the Republican majority needs to do what Americans do every day in labor negotiations and real estate offices and other places around this country, and that's to negotiate rather than simply restate their position.

The President asked for higher tax rates on income above \$250,000, and he compromised and moved it up to \$400,000. The President started with a spending cut number that was \$500 billion or \$600 billion, and he moved it up to \$1.2 trillion. And he included within that a very controversial proposal dealing with Social Security increases.

The President has compromised. The Republicans once again are simply re-

gurgitating their same old position, a tax provision that has a \$50,000-a-year tax cut for millionaires and a tax increase for 25 million working families, including servicemembers and their children, and a proposal that cuts jobs on transportation projects, daycare centers, and nursing homes across the country.

We should stop wasting our time on one-sided bills, follow the President's lead, lift our sights higher, and negotiate. That is the way out of this conundrum. And I would urge my friends on the majority side to stop pontificating and start negotiating.

Mr. RYAN of Wisconsin. I yield myself 30 seconds to say, Follow the President's lead? I wish he were leading.

The gentleman from Michigan said he's offered all these specifics. I wish it were so. Where are they? We hear numbers, we hear platitudes, we see budget gimmicks and accounting tricks; but we don't see specifics. We have yet to see a specific solution from this President to deal with his debt crisis.

He's claimed he wants to cut \$3 of spending for every \$1 of tax increase. We've seen a lot of specific tax increase proposals come from the President, but we haven't seen a specific spending cut proposal from the President. That's the problem.

With that, Mr. Speaker, I yield 3 minutes to the chairman of the Agriculture Committee, the gentleman from Oklahoma (Mr. LUCAS).

Mr. LUCAS. Mr. Speaker, I rise in support of this legislation.

It's no secret we're facing a severe debt crisis right now. We're at the \$16 trillion mark in debt piled up. If we don't act quickly, we'll be passing a crushing burden along to our children and grandchildren. Reducing government spending is never an easy task. We face difficult choices, but House Republicans have lived up to our responsibilities to find ways to cut our costs so that we can once again live within our means.

The Agriculture Committee did its part by finding \$33 billion in savings over 10 years. We did this by making credible, commonsense reforms to the supplemental assistance program, SNAP—food stamps if you want to call it that. These provisions reduce waste and abuse and close program loopholes.

I'd like to make it absolutely clear that none of these recommendations will prevent families that qualify for assistance under SNAP from receiving those benefits. Think about that. All they have to do is demonstrate their income level, demonstrate their asset level, fill out their paperwork, qualify, and they will receive their benefits. We're working hard to better target the program and improve its integrity so that families in need can continue to receive nutrition assistance.

Every one of these provisions represents common sense and good government in times of fiscal restraint. I would also like to note that the policies included in this bill are not the

only changes that the House Agriculture Committee has passed that would cause deficit reduction. In July, the Ag Committee passed a comprehensive farm bill by a strong bipartisan vote, a majority of Republicans and a majority of Democrats. The bill will save \$35 billion in the agricultural baseline. Our bill makes reforms to commodity programs, conservation programs, as well as significant reforms to the food stamp program.

My committee is doing everything it can to provide a variety of options for all sides and all parties to consider. We've made workable reforms to all programs within our jurisdiction, saving taxpayers billions of dollars. We want to be a part of the solution. We have proven time and time again we're willing to do our part.

Again, I urge my colleagues to adopt these reforms. Yes, it means you'll have to apply. Yes, it means you'll have to demonstrate your assets and your income. But if you're qualified, you will receive the help you need. You just have to demonstrate you need the help. Is that unreasonable?

□ 1720

With a \$16 trillion deficit—is that unreasonable?—and with a \$1 trillion annual spending deficit? Demonstrate you need the help and we'll help you. That's not unreasonable.

Mr. VAN HOLLEN. Mr. Speaker, a couple of points here.

First, the chairman of the Budget Committee said that the President hadn't put any specific spending cuts on the table. That's just not true. His proposal has been available to the public for well over a year now. As to just one specific proposal, the President has said we should get rid of excessive agriculture subsidies. He has called for \$30 billion on that item alone.

Mr. RYAN of Wisconsin. Will the gentleman yield?

Mr. VAN HOLLEN. I yield to the gentleman.

Mr. RYAN of Wisconsin. I meant "net."

Mr. VAN HOLLEN. In reclaiming my time, that also is not true, and on that, we will have a longer discussion.

The reality is ag subsidies are one very concrete example. Interestingly, this bill that our Republican colleagues have brought to the floor, again, while cutting deeply into the food and nutrition programs, doesn't take one penny from ag subsidies for agrabusineses.

Now, Mr. Speaker, it's also important to correct another statement that has been made by both the chairman of the Budget Committee and the chairman of the Ag Committee with respect to the food program. I think the chairman knows that the SNAP statute provides in statute two routes for people to be eligible for food and nutrition assistance—one is the specific income and asset test, or they can become eligible under the SNAP statute based on participation in other programs in which they have to show income-based need.

Nobody wants fraud. We should find every dollar of wasted money and get rid of it, but don't pretend that people who qualify under the statute are engaged in fraud. What you're proposing to do in this Republican bill is to deny millions of those people on nutrition programs their legal support, and we do not think we should be doing that. At the same time, we are giving millionaires a \$50,000 average tax cut.

With that, Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. I thank my colleague from Maryland.

Mr. Speaker, Republicans are, once again, trying to undermine the recovery of the American middle class. House Republicans have rejected a balanced approach to addressing our deficits and, instead, have opted for draconian cuts to the people who can afford them the least in an effort to protect the wealthy. The Republican plan may as well be called the "reverse Robin Hood agenda," by which they take from the poor to give to the rich:

It starts by literally taking food out of the mouths of children by cutting the critical Supplemental Nutrition Assistance Program, SNAP;

Next, they move on to one of their favorite pastimes—trying to repeal the Affordable Care Act, specifically the provisions that help make health care more affordable for women, children, seniors, and the poor; 300,000 low-income children will lose access to health care thanks to cuts to Medicaid and to the Children's Health Insurance Program. Women will lose access to critical health services covered in the ACA, like cancer screenings and immunizations;

Finally, the last step is to go after another favorite GOP target, and that's Social Security.

Mr. Speaker, House Republicans have only one constituency to protect, and that's the wealthiest Americans. It couldn't be more obvious.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 3 minutes to the chairman of the Energy and Commerce Committee, the gentleman from Michigan (Mr. UPTON).

Mr. UPTON. Today, we take a stand for future generations as we work to get our \$16 trillion national debt under control and as we put ourselves on a path towards a more sound fiscal future.

In the Spending Reduction Act of 2012, we identified key areas to sensibly reduce spending in the effort to replace the blunt instrument known as the "sequester." Without this thoughtful, balanced package of savings, in 2 weeks the sequester is going to cut discretionary spending indiscriminately while shielding the lion's share of the government's budget from reductions.

Critical priorities, such as important cancer research at the NIH and FDA review and inspection budgets to help keep foods and medicines safe, are on the chopping block because we have

failed to engage in a substantive discussion on reforming entitlement programs that, in fact, threaten to derail the long-term solvency of the U.S.

I am proud of the work of our committee. It has identified over \$100 billion in savings over the next decade, and we accomplished it in a sensible, responsible manner. We say enough is enough to the litany of slush funds tucked into ObamaCare, slush funds that we discovered, through aggressive oversight, to be blank checks given to HHS that are going to cost taxpayers billions of dollars.

We made commonsense changes to Medicaid that are going to put important programs on firmer ground. Among other reforms, we eliminated the Medicaid maintenance-of-effort requirement. This Federal mandate impedes a State's ability to implement program integrity measures, and it actually weakens the safety net by making it more difficult for States to target resources to the most vulnerable Americans. We achieved significant savings, as well, in something that was noticeably absent in the President's health care law, that being tort reform. The President declared in his 2011 State of the Union Message:

I am willing to look at other ideas to bring down costs, including one that Republicans suggested last year—medical malpractice reform to rein in frivolous lawsuits.

After 2 years of empty promises, now is the time for the President to fulfill that pledge and to finally put doctors, patients, and taxpayers first. That's in this bill.

The House passed a budget and now legislation again that truly cuts spending to offset the automatic spending cuts, or sequester. Our debt grows by nearly \$4 billion a day, and it's our kids and our grandkids who are going to pay the price if we stand by and do nothing. Without action, a \$20 trillion debt could soon be a reality.

So, if not us, who is going to do it? If not now, when is it going to happen? Our work is not easy, but it's necessary. It's time to make the tough choices to get this deficit down. Let's vote for this bill.

Mr. VAN HOLLEN. Mr. Speaker, I now yield 1½ minutes to the gentlelady from California (Ms. WATERS), and I congratulate her on becoming the ranking member of the Financial Services Committee.

Ms. WATERS. Thank you very much. While it is clear that the Republican majority's H.R. 6684 is an attempt to generate votes for Speaker BOEHNER's Plan B, when it comes to protecting the American middle class from another taxpayer bailout, H.R. 6684 gets a failing grade:

First, the plan repeals our financial regulators' existing authority, which was created in the Dodd-Frank Wall Street Reform Act, to end the era of too-big-to-fail institutions;

H.R. 6684 would also tie the hands of the Consumer Financial Protection Bureau, an agency we formed under Dodd-

Frank to make sure financial institutions play by the rules when it comes to mortgage and student loans, credit cards, and payday lenders. H.R. 6684 would eliminate that independent funding and, instead, tie their hands by making the Bureau basically have to go through the appropriations process;

The plan likewise eliminates the Office of Financial Research, an Agency tasked with collecting information on the health of our financial markets and conducting research on financial stability issues;

Finally, H.R. 6684 would just kill the Home Affordable Modification Program. We need to improve our ability to do loan modifications, not kill it.

It is unfortunate that, at the end of another session of Congress, the Republicans are again playing with the U.S. economy when they should be working in a bipartisan manner with the House Democrats in order to avert the fiscal cliff.

Ladies and gentlemen, I know that many of you didn't know that all of this was in this bill; but we have this plan, this orderly way, of dissolving these financial institutions when they put our economy at risk. So vote "no" on this particular bill.

Mr. RYAN of Wisconsin. I reserve the balance of my time.

Mr. VAN HOLLEN. May I inquire as to how much time remains on both sides.

The SPEAKER pro tempore. The gentleman from Maryland has 11½ minutes remaining, and the gentleman from Wisconsin has 9 minutes remaining.

Mr. VAN HOLLEN. Mr. Speaker, I will just say a few words again about the priorities reflected in this Republican package.

If you look at Plan B, the tax part, you're giving people who earn over \$1 million a year on average a \$50,000 tax cut compared to what it would be under the Senate proposal. At the same time, under this proposal that we're talking about here on the floor of the House, you're talking about eliminating important support in food and nutrition programs for millions of Americans, including for 300,000 kids who would no longer be on school lunch programs.

□ 1730

What this boils down to once again, Mr. Speaker, is a question of priorities. We've got to reduce our deficit, and we've got to get the economy moving again. But we have to deal with the deficit in a balanced way, not in a way that provides additional tax breaks to the wealthiest Americans at the expense of the rest of the country.

I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 1 minute.

The food stamp program has grown over the last 10 years by 270 percent. That's far in excess of the recession. With these kinds of reforms, it will have grown by 260 percent. Hardly the

kind of draconian cuts the gentleman seems to suggest. What we're saying with these programs is that you need to be eligible for the actual benefit to receive the benefit. That's not asking too much. If we can't put commonsense reforms like this in place, we'll never get anywhere in dealing with this debt crisis.

The gentlelady from the Financial Services Committee says it's just wrong to submit the Consumer Financial Protection Bureau agency to the appropriations process. I find that an amazing critique.

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

Mr. RYAN of Wisconsin. I yield myself another 30 seconds.

This is an agency that gets its money from the Federal Reserve without ever having to go through Congress. When we uphold the Constitution to take office, let's never forget that the power of the purse lies in the legislative branch. All of these executive agencies should have to go through the appropriations process. That's not gutting a program; that's bringing accountability to a program.

With that, I yield 3 minutes to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY of Georgia. Mr. Speaker, I rise in support of the underlying bill, H.R. 6684, the Spending Reduction Act of 2012, because as Chairman RYAN said, we are not only facing a fiscal cliff, but as he put it, we're facing a fiscal abyss. Indeed, if you will, a fiscal Grand Canyon.

I want to address my remarks to title IV of the bill, which was just referenced by the chairman of the Energy and Commerce Committee, the gentleman from Michigan. That's the Help Efficient, Accessible, Low-cost, Timely Healthcare Act of 2012, or the HEALTH Act, to implement reasonable, comprehensive, and effective health care liability reforms; indeed, exactly what the President has been calling for for the last 5 years, even in the first election when he was campaigning and speaking to the American Medical Association in Chicago.

As a physician for over 30 years, I fully understand the importance of finding balance in medical liability by keeping doctors and hospitals accountable for their actions while limiting the frivolous lawsuits that contribute to inflated health care costs and rising insurance premiums. We need to reform the system so that patients who have been duly wronged receive a deserved settlement but, at the same time, protect our Nation's physicians who work hard every day to ensure that their patients receive quality care.

Therefore, I once again introduced the HEALTH Act in this 112th Congress to ensure that those who have valid liability claims are supported while, at the same time, discouraging the practice of jackpot justice.

If enacted, this title in H.R. 6684 would make health care delivery more

accessible and cost effective in the United States by limiting the amount of patient awards that are available for plaintiff attorney's fees. Among other things, the legislation would ensure that all settlements against medical providers are proportional to their responsibility for the patient's injury.

Mr. Speaker, the nonpartisan Congressional Budget Office has stated that if the HEALTH Act were enacted, the Federal Government alone would save \$48 billion over the next 10 years. Other studies have shown the savings to be much higher, some as high as \$200 billion annually over all of health care, which indeed constitutes, as my colleagues know, nearly one-fifth of our entire economy.

Tort reform will also help end the practice of defensive medicine, which is one of the largest cost drivers of health care. When physicians are forced to order these excessive tests simply to avoid malpractice suits, health care costs go up and patient safety goes down.

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

Mr. RYAN of Wisconsin. I yield the gentleman an additional 30 seconds.

Mr. GINGREY of Georgia. I thank the gentleman.

I wholeheartedly believe that the HEALTH Act takes an important step to improve health care delivery in this country. This is the kind of commonsense, market-based reform that a health care system requires.

Mr. Speaker, I fully support H.R. 6684 and, more specifically, the immense benefits that the HEALTH Act will not only have on the Federal budget but on the health of our Nation.

Mr. VAN HOLLEN. Mr. Speaker, I yield myself such time as I may consume. Let's talk a little bit about what this Republican package will and will not do with respect to health issues.

First of all, while their bill would replace much of the sequester, they leave in place the 2 percent across-the-board Medicare cut. Let me say that again. Despite all the talk we're hearing today on the floor about their efforts to replace these across-the-board cuts, they leave them in place for Medicare, which will hit providers and have an impact on the Medicare system.

Second, with respect to children's health, they cut about \$20 billion from Medicaid and the Children's Health program over the next 10 years, even though those programs are protected from the sequester. So if we were to go over the fiscal cliff—which apparently is the way our Republican colleagues want to take us right now because we're not down talking with the President but we're here on the floor. If we go over the fiscal cliff, those children's health care is protected. But if we adopt the Republican proposal, those children will actually see less health security. In fact, according to the Congressional Budget Office, in 2015, there will be 300,000 children who no longer have coverage under the Children's

Health Insurance Program. That's what they're proposing here, even as their tax Plan B provides millionaires with an average tax break of \$50,000 compared to the Senate plan, and even though their tax plan, while providing millionaires that average rate compared to the Senate plan, is going to increase the tax burden on 25 million families. So an average tax cut for millionaires of \$50,000 compared to the Senate plan, and at the same time a sequester proposal that would result in 300,000 kids in the year 2015 losing their Children's Health Insurance coverage, according to the Congressional Budget Office.

There you have, Mr. Speaker, the priorities in the Republican plan. That's not balance.

Look, the reason we're here is because our Republican colleagues refuse to compromise. They bring this bill to the floor in the name of a productive contribution to compromise when this virtually identical bill did not get a single Democratic vote last spring—not one. And that's compromise?

The Senate has already said it's not going to take up this bill. That old bill has been sitting over there, and the President has said he would veto it. We are wasting the people's time, Mr. Speaker. It's time for the Speaker of this House to negotiate with the President.

Now, we know what the problem is. There's this book, Mr. Speaker, which is very aptly titled, "It's Even Worse Than It Looks." This book was written by two scholars of the Congress, one person in a Democratic-leaning think tank and the other in a Republican-leaning think tank. Here's what they say, and they say it with great regret. They say:

The problem is that in the House today, we have a Republican Party that's become an insurgent outlier, ideologically extreme, contemptuous of the inherited social and economic policy regime, and scornful of compromise.

That's from two independent, non-partisan scholars. And, Mr. Speaker, that's exactly the problem we've got here today.

□ 1740

It's time for the Speaker to actually follow the good counsel of many members of his caucus. Either take up the Senate bill and pass it, or let's get serious and negotiate with the President, who's put forward a balanced plan, a plan, as many of my colleagues have said, that a lot of Democrats don't like.

In fact, there are going to be Democrats who don't vote for even the proposals the President's put forward already. Many are still reserving judgment.

That's the test of compromise, not a bill that comes to the floor that's never had a single Democratic vote. That's not compromise.

The American people want us to work together. Let's stop playing these

political games, Mr. Speaker. Let's not bring to the floor of the House bills that have never gotten a Democratic vote before, and which the President has already indicated he will veto because they fail the important test of balance.

I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, let me just say, over the past decade Medicaid spending increased by 150 percent. Over the next decade it's projected to increase by 225 percent, and an effort to slow the increase is called a cut. That's our problem.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ISSA), the chairman of the Government Reform and Oversight Committee.

Mr. ISSA. Mr. Speaker, shame on this body. We have a \$10 trillion hole in the difference between our spending and our revenue, and we can't find a way to compromise?

The gentleman from Maryland said that it didn't receive a single Democratic vote. This is the most humble and minimal proposal I could imagine. The chairman of the Budget Committee, himself, would recognize that we're not getting close to a balanced budget with this. We're simply making a down payment on it.

My committee marked up one of the largest portions of these improvements, which aligns the Federal workforce's compensation, including Members of Congress and their staffs, a little closer to the rest of the workforce, a little closer to the rest of hard-working Americans, and yet we can't get a single Democratic vote.

I say to the Democrats, quite frankly, shame on you for not being able to make a down payment on a \$10 trillion shortfall. And to my colleagues on the Republican side, this isn't enough. This isn't nearly enough, but at least we're showing that we don't have a partner in the White House and we don't have a partner in this body that will work with us to begin a down payment on \$10 trillion worth of shortfall.

In closing, even if, in fact, the President got his original wish, that we were going to go over the cliff and raise \$538 billion in new revenue, we would still have \$500 billion worth of excess spending that has built up since Bill Clinton left office.

I hope the American people are watching. I hope they'll demand that we do more than just make a small down payment and then argue about it; that, in fact, we need to address \$10 trillion over 10 years—\$1 trillion a year—and we're not even beginning to do that.

I hope that this will pass, because, in fact, we need the Democrats to realize this is only the beginning of what will be a much tougher, tougher effort on behalf of the American people.

Mr. VAN HOLLEN. Mr. Speaker, it's true that our Republican colleagues are not going to have a partner for a totally lopsided, unbalanced approach, that, once again, minimizes the respon-

sibility of the wealthiest of the country at the expense of everybody else.

I yield 1½ minutes to the gentleman from Massachusetts (Mr. FRANK), the ranking member on the Financial Services Committee.

Mr. FRANK of Massachusetts. The previous speaker complained about not being willing to make cuts. That's right after the House is apparently about to vote on a defense bill in which Members boasted about how they were putting weapons systems into play that the Pentagon didn't want, far more expensive than the kinds of things I've been concerned about.

What troubles me most about this, and it's a tough choice, is the attack on the Consumer Financial Protection Bureau. Now, I know my Republican colleagues hated the idea of an independent bureau responsive to consumers and not financial institutions. We created an independent one. They didn't have the votes to stop it. They don't have the willingness to take it on head-on.

This buries in this large bill, which isn't subject to amendment, a provision that would take away the independence of the consumer bureau. It would say that they are now going to be subject to annual appropriations.

Oh, but I'm told that's a matter of principle. But it's apparently not a matter of principle for a financial regulatory institution that the bankers like.

I offered a motion in committee to subject the Federal Reserve System to annual appropriations. That was voted down by the Republicans.

Oh, the consumer bureau, that's dangerous. There they go getting people refunds on credit cards. But the Federal Reserve, oh no, they can stay autonomous. The controller of the currency, the Federal Deposit Insurance Corporation. So this strong principle my Republican colleagues discovered only came to light when we try to protect consumers. And with regard to every other financial institution, they say it's okay.

They also would abolish the Office of Financial Research, a nonpartisan entity that's just to get information. There was a wide consensus that we had a problem in the first part of the century when we didn't know what was happening. The Republicans want us to vote for continued ignorance.

Mr. RYAN of Wisconsin. May I inquire as to how much time remains?

The SPEAKER pro tempore. The gentleman from Wisconsin has 2 minutes remaining, and the gentleman from Maryland has 3½ minutes remaining.

Mr. RYAN of Wisconsin. I'll reserve the balance of my time since we have no more speakers for closing, and leave it to the gentleman from Maryland.

Mr. VAN HOLLEN. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Let me thank the Speaker for the service that he's given to the Congress.

Some day someone may review our conduct here in the House, and one of the speakers on the other side, I guess he's gone, but he said shame on the Congress. I just wanted to join with him on that.

But I also want history to record that they may ask what the heck was RANGEL doing down there when this was going on? What happened?

And I hope the RECORD is abundantly clear that this was outlined in a campaign. It was a Presidential campaign. And the President said that as a result of America getting into wars and not paying for it, and as a result of wrongdoing in Wall Street, and the result of a whole lot of people getting out of work, that we had to have a program to raise the money and to pay down on the deficit by cutting back programs.

It seems as though what has happened here is that the Republican Party missed something. Maybe it was election night. Maybe it was a small group of the Republican Party. But they really didn't believe, or don't believe that the President won.

And this whole idea of protecting 2 percent of the population actually was on a vote. The people voted, and the President said he was going to protect 98 percent of the taxpayers. And so somehow this is not being understood.

Further from that, if you have to have more savings, and I agree that we do, why would you go, of all places, to the most vulnerable?

My friend from Wisconsin often tells me how fast food stamps have arisen in the last 2, 4, 6 years. I wonder whether he's ever taken time to find out whether there's any relationship between the increase in unemployment and increase in food stamps.

So I just want to be recorded, Mr. Speaker, this ain't for real.

Mr. VAN HOLLEN. Mr. Speaker, I yield 1 minute to the distinguished ranking member from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, and my colleagues, we've seen this business all over and over again from the Republicans. Plan B, Plan C. Let's work on a bipartisan agreement to avoid the fiscal cliff.

But what they presented to us today would slash Medicaid, which will hurt hundreds of thousands of people, including cutting off 300,000 children from health insurance, hurting some of our most vulnerable citizens. It would impede implementation of the health reform law that's already benefiting millions of Americans.

It fails to protect Medicare from billions of dollars in cuts under the sequestration. It establishes a Federal medical malpractice system trampling on the rights of States. It undermines our future health by cutting today's prevention and public health investments.

This is so unacceptable. We have nothing to solve the looming physician payment cuts.

These are exactly the same Republican proposals that were rejected by

the American people. They don't want more tax breaks for the millionaires and billionaires and big corporations paid for by cuts to our poorest Americans.

□ 1750

Mr. VAN HOLLEN. I yield 1 minute to the gentleman from Pennsylvania (Mr. FATTAH).

Mr. FATTAH. I want to thank the gentleman for yielding.

I know that people may be confused by some of this debate, so I just want to bring some common sense to it.

In every instance, A is the preferable option. Whether you get your ticket to heaven or you get to go free or you get the present you want under the Christmas tree, when somebody suggests to you option B, it's something less than the best.

We have the very best country on the face of the Earth. We're the wealthiest, strongest, most powerful nation in the world. And what they're asking us to do is to choose, rather than a grand bargain to put our fiscal house in order, they want us to go with Plan B.

I hope that the House would reject Plan B. Doing something less than our best as a Nation is not worthy of this House. It's not even worthy of the majority to bring this here today, because they know it's not going anywhere. We know it's not going anywhere. And if we want to move our country forward, which is what the American people voted for on the last Election Day, we need to choose the A option rather than Plan B.

Plan B is not the way to go unless we're trying to get in second place to countries like China and others. If we want to stay in the lead, we need to get our fiscal House in order and reject this Plan B.

The SPEAKER pro tempore. All time on the Democratic side has expired. The gentleman from Wisconsin has 2 minutes remaining.

Mr. RYAN of Wisconsin. Mr. Speaker, let's take a step back to remind us where we are.

On January 1, if we do nothing, every American taxpayer will see a massive tax increase. That will dramatically hurt our economy and families. Then, on the next day, we'll face a 10 percent cut in our defense budget.

Americans chose divided government, whether it was intended or not. The President won. The House is still a Republican House. We're going to have to find a way to make this work. This is what we're attempting to do today. We want to avert this crisis, this cliff, but that means to begin to get spending under control, that means to prevent as many tax increases from hitting Americans as possible.

My friend—and I mean this sincerely—my friend from Maryland says we need a balanced approach. The President, in all of his latest proposals, says more taxes and even more net spending. Hardly a balanced approach.

Here's the problem: Our problem is not balanced. Even if all the current

tax rates are extended, those taxes still go up. The problem is spending goes way up. Spending is our problem.

The size of our government will double over the course of this generation as a share of the economy. The President has shown no leadership on dealing with the drivers of our debt. We have. We have passed our budget. We put the specifics out there.

Let's avert a fiscal cliff and let's get on to the business of preventing the fiscal abyss, which is the coming debt crisis that will not be resolved until we have real leadership; and that, unfortunately, is sorely lacking.

With that, I urge passage of this. Let's prevent taxpayers from tax increases, get a down payment on spending cuts, and let's pass this bill.

I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I rise today in strong support of H.R. 6684, the Spending Reduction Act of 2012. This bill is essential in stopping the devastating across-the-board sequestration cuts set to take place across the entire federal government in just a few weeks. Half of those cuts would come from the Department of Defense and our national security programs.

The Department of Defense, industry, and the Congressional Defense Committees, have repeatedly and consistently warned of the consequences of letting sequestration take place. If allowed to happen, the impact to the Department of Defense would be a reduction of 8.2 percent or \$54.6 billion from the fiscal year 2013 budget. The total sequestration reduction for Defense through fiscal year 2021 amounts to roughly \$492 billion—almost half a trillion dollars.

With military pay and personnel costs exempt from the cuts, the actual cut to all other accounts increases to 9.4 percent. Even though the Department of Defense has some limited flexibility to allocate sequestration cuts in the operating accounts, a computer will cut all procurement and research accounts proportionally—which will directly impact more than 2,500 programs and projects. The impact on our national security and readiness will be severe.

Base operating budgets will be cut, negatively impacting readiness. Training could be significantly reduced, resulting in unprepared troops and higher risk to those who deploy. Civilian personnel will certainly be affected, possibly resulting in hiring freezes and unpaid furloughs. Fewer weapon systems will be bought, which starts a vicious circle of rises in unit prices for the remaining weapons. Other major weapon systems will be reduced or terminated, and current contracts may have to be terminated or renegotiated, resulting in additional costs to the government and a loss of favorable contract terms in some cases. Procurement and Depot Maintenance schedules will be severely impacted, which is enormously disruptive, especially in shipbuilding and maintenance when future deployments rely on maintaining schedules.

Earlier this year, Secretary of Defense Leon Panetta testified that the impact of sequestration on the Department of Defense alone would drive up our nation's unemployment rate by a full percent. Jobs will be lost but more importantly, infrastructure and manufacturing capabilities critical to our national security will be lost. Already prime contractors have

notified their suppliers and subcontractors that programs are on hold. This has left thousands of small businesses with no choice but to close their doors and lay off workers as work orders have dried up.

Our nation's manufacturing base relies upon these workers and their special skills. We rely on these small businesses to supply critical components for important weapons systems and platforms.

Mr. Speaker, as you know, the impact of sequestration is very real and is very imminent. Just consider that if sequestration remains in place for its full nine years, our nation will be left with the smallest ground force since 1940, the smallest number of ships since 1915, and the smallest Air Force in history.

When we talk about the impending cliff, these across-the-board cuts to our defense budget will result in not only an economic fiscal cliff, but of greatest concern to me, a cliff off which our national security will fall. This will impact our readiness, our ability to defend our nation, and our ability to ensure the safety of our all volunteer force as they operate around the world.

Mr. Speaker, I want to commend you for keeping the impact sequestration will have on our nation's security at the forefront of your negotiations with President Obama. We cannot, and we must not, let these devastating cuts happen. Unfortunately, only the House has acted to do anything about it, passing a bill on May 10 and considering this bill today. I urge my colleagues in the House to approve this legislation today and for the Senate to follow suit quickly to ensure that sequestration does not become a stark reality just 13 short days from now. Failing to take action will cause irreversible harm to our nation's security and violate our Constitutional responsibility to "provide for the common defense."

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

Pursuant to House Resolution 841, the previous question is ordered on the bill.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. VAN HOLLEN. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. VAN HOLLEN. I am opposed.

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

The Clerk read as follows:

Mr. Van Hollen moves to recommit the bill H.R. 6684 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

At the end of the bill, add the following:

TITLE VIII—DISCLOSURE OF HIGHER BENEFICIARY COSTS AND PROVIDER CUTS UNDER MEDICARE, MEDICAID, AND CHIP CUTS

SEC. 801. DISCLOSURE OF HIGHER BENEFICIARY COSTS AND PROVIDER CUTS UNDER MEDICARE, MEDICAID, AND CHIP CUTS.

(a) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act

and annually thereafter, the Secretary of Health and Human Services shall publish, on the public Internet Web site of the Department of Health and Human Services, the information described in subsection (b) with regard to each congressional district in the United States (including the District of Columbia and each of the territories of the United States).

(b) REQUIRED INFORMATION.—The information described in this subsection, with respect to a congressional district, is—

(1) the number of Medicare beneficiaries in such district, the number of Medicaid beneficiaries in such district, and the number of Children's Health Insurance Program beneficiaries in such district, who, at any time during the ten-year period beginning on the first day of the first fiscal year that begins after the date of the enactment of this Act, will—

(A) lose coverage under the Medicare program under title XVIII of the Social Security Act, under a State plan or waiver under the Medicaid program under title XIX of such Act, or under a State child health plan under the Children's Health Insurance Program under title XXI of such Act, respectively, as a result of the implementation of this Act; or

(B) experience an increase in premiums, cost-sharing, or other out-of-pocket costs under such respective program as a result of the implementation of this Act; and

(2) the name and location of each hospital and nursing facility that would experience a reduction in payments under the Medicare program, a State plan or waiver under the Medicaid program, or a State child health plan under the Children's Health Insurance Program as a result of the implementation of this Act.

TITLE IX—END TAXPAYER SUBSIDIES FOR BIG OIL

SEC. 901. DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES NOT ALLOWED WITH RESPECT TO OIL AND GAS ACTIVITIES OF MAJOR INTEGRATED OIL COMPANIES.

(a) IN GENERAL.—Subparagraph (A) of section 199(d)(9) of the Internal Revenue Code of 1986 is amended by inserting "(9 percent in the case of any major integrated oil company (as defined in section 167(h)(5)(B)))" after "3 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2012.

SEC. 902. PROHIBITION ON USING LAST-IN, FIRST-OUT ACCOUNTING FOR MAJOR INTEGRATED OIL COMPANIES.

(a) IN GENERAL.—Section 472 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection: "(h) MAJOR INTEGRATED OIL COMPANIES.—Notwithstanding any other provision of this section, a major integrated oil company (as defined in section 167(h)(5)(B)) may not use the method provided in subsection (b) in inventorying of any goods."

(b) EFFECTIVE DATE AND SPECIAL RULE.—(1) IN GENERAL.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2012.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendment made by this section to change its method of accounting for its first taxable year beginning after December 31, 2012—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Rev-

enue Code of 1986 shall be taken into account ratably over a period (not greater than 8 taxable years) beginning with such first taxable year.

SEC. 903. LIMITATION ON DEDUCTION FOR INTANGIBLE DRILLING AND DEVELOPMENT COSTS OF MAJOR INTEGRATED OIL COMPANIES.

(a) IN GENERAL.—Section 263(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: "This subsection shall not apply to amounts paid or incurred by a taxpayer in any taxable year in which such taxpayer is a major integrated oil company (as defined in section 167(h)(5)(B))."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2012.

Mr. RYAN of Wisconsin (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the reading of the motion.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Maryland is recognized for 5 minutes.

Mr. VAN HOLLEN. Thank you, Mr. Speaker.

The chairman of the Budget Committee began his closing remarks by saying, "Let's take a step back." Unfortunately, Mr. Speaker, that's exactly what this package of bills does for the country; it takes us many steps back. And the reason it takes us back is because the Speaker of this House has backed out of negotiations with the President for a balanced approach to dealing with our deficit and making sure that we accelerate economic growth and job creation in this country.

The issue has never been whether or not to reduce our long-term deficit. The question has always been: How? And how you do it reflects your priorities. The President has made clear his priority is not to give higher income individuals another tax break relative to what would happen if we went over the fiscal cliff, and yet that's exactly what this package of proposals would do.

□ 1800

I've used this chart a couple of times, Mr. Speaker. I'm going to use it again, and with good reason, because no one has or can dispute the facts in this chart.

The reality is, while folks who earn more than \$1 million a year, about 402 families in this country—and God bless them, we want people to keep making more money; the issue here is shared responsibility for reducing our deficit—under the Republican plan relative to the Senate bill, they're going to get a \$50,000 average tax break, while over 25 million Americans will see an increase in their tax obligation compared with where we are today. We don't think that's balanced. That's not even balanced within their tax plan.

At the same time, they bring to the floor today a bill, a sequestration bill

that, by the way, leaves in place the cuts to Medicare and then cuts support for kids on food stamps and children under the health insurance bill, groups that, frankly, would be protected if we went over the fiscal cliff under current law.

So, Mr. Speaker, this is a question of priorities. So what this motion to recommit does is say, you know what, we think it's time that we end the taxpayer giveaways and subsidies to the Big Oil companies. My goodness, why should all of us be providing them one more round of tax breaks? Gas prices are high, their profits are going through the roof, taxpayers should not be subsidizing that. And we certainly shouldn't be subsidizing that when we have before us a bill that removes about 300,000 kids from the school lunch program and removes about 300,000 kids from the Children's Health Insurance Program in the year 2015, according to the Congressional Budget Office.

So, again, this is about priorities. What this very simple motion to recommit does, in addition to asking that oil companies no longer keep getting taxpayer subsidies, is just to disclose to the public what the impact of these cuts will be on citizens throughout this country. It says, tell us what the impact of the Medicare and Medicaid and Children's Health Insurance Program cuts will be on kids and others in our congressional districts.

At the very least, we should know what we're doing. The Congressional Budget Office had told us, but anybody who thinks that that independent, non-partisan group has its projections wrong, we'll get a real world check. So this is simple accountability. This is understanding what the impact of your vote will be. So I would hope that our colleagues would recognize that at this time, when oil companies are doing just great, they don't need welfare from the U.S. Government.

We should also understand very clearly what the impact of these cuts will be because the projections by the nonpartisan Congressional Budget Office are that it's going to have a very serious negative impact on kids' health, as well as in terms of the support under the preventive health fund for women around the country. So, for example, with the \$10 billion cut to the prevention fund, 326,000 women would not get breast cancer screenings; 284,000 women would not get cervical cancer screenings they are slated to receive in 2013.

These cuts have real impact. So the question is not whether to make cuts—we have to make cuts. The President has put \$1.2 trillion in additional cuts forward on top of the \$1 trillion. We're just asking for balance. We're asking for common sense in our priorities. I urge people to support the motion to recommit.

I yield back the balance of my time. Mr. RYAN of Wisconsin. Mr. Speaker, I rise in opposition to the motion.

The SPEAKER pro tempore (Mr. BASS of New Hampshire). The gentleman from Wisconsin is recognized for 5 minutes.

Mr. RYAN of Wisconsin. Mr. Speaker, I enjoy this. It's good reading. It has a very rich irony, "Title VIII. Disclosure of higher beneficiary costs from provider cuts under Medicare, Medicaid, and CHIP cuts." Where was this when they passed ObamaCare? Where was this need for disclosure on the beneficiaries of Medicare when they took \$716 billion from Medicare to spend on ObamaCare? Where was this concern when they raised \$1 trillion in taxes to pay for ObamaCare? Where was all of this need for disclosure when they were hitting providers and beneficiaries in Medicare to pay for their vaunted ObamaCare program?

The gentleman talks about cuts to food stamps and Medicaid. Food stamps will have grown by 260 percent instead of 270 percent under this bill. Medicaid has grown by 150 percent over the last decade, and it is projected to grow by 225 percent over the next decade. Slowing the growth of spending isn't a cut, it's slowing the growth of spending. This is our problem, Mr. Speaker. If we lambaste these commonsense ideas as draconian cuts, we're never going to fix this problem. If we keep this kind of language and definition, heaven help us.

The other part on oil companies, all these taxes. Look, I've been a member of the Ways and Means Committee for 12 years. A number of years ago we put in place a policy that says: We want more manufacturing in America. We want to reward manufacturing jobs. So if you manufacture something in America, you will pay effectively lower tax rates than if you make something overseas. The idea would be more U.S. manufacturing jobs. Here's what they do. They say ah, ah, ah, not if you're in the oil industry. So, if you're working in the oil fields in North Dakota or the Marcellus shale in Pennsylvania or the Woodford in Texas, we don't want your jobs, because if you manufacture oil in America, we're raising your taxes. We're not going to raise your taxes if you manufacture oil overseas, but if you create American-made energy jobs, this raises your taxes. Not only does it raise our taxes and costs American energy jobs, it raises our gas prices. How is that good for consumers and families?

So, it's an anti-American energy job, pro-high gas tax bill that all of a sudden calls for the kind of disclosure that they weren't willing to disclose when they jammed ObamaCare through. This is not serious and I reject this motion.

I urge all Members to vote against the motion to recommit.

I yield back the balance of my time. The previous question was ordered.

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

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

Mr. VAN HOLLEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of H.R. 6684, if ordered; adoption of the conference report on H.R. 4310; and suspension of the rules with regard to 3197, if ordered; H.R. 6443, if ordered; and S. 925, if ordered.

The vote was taken by electronic device, and there were—yeas 179, nays 243, not voting 9, as follows:

[Roll No. 643]
YEAS—179

Ackerman	Frank (MA)	Owens
Altmire	Fudge	Pallone
Andrews	Garamendi	Pascarell
Baca	Gonzalez	Pastor (AZ)
Baldwin	Grijalva	Payne
Barber	Gutierrez	Perlmutter
Bass (CA)	Hahn	Peters
Becerra	Hanabusa	Peterson
Berkley	Hastings (FL)	Pingree (ME)
Berman	Heinrich	Polis
Bishop (GA)	Higgins	Price (NC)
Bishop (NY)	Himes	Quigley
Blumenauer	Hinchey	Rahall
Bonamici	Hinojosa	Rangel
Boswell	Hirono	Richardson
Brady (PA)	Hochul	Richmond
Bralley (IA)	Holden	Ross (AR)
Brown (FL)	Holt	Rothman (NJ)
Butterfield	Honda	Roybal-Allard
Capps	Hoyer	Ruppersberger
Capuano	Israel	Rush
Carnahan	Johnson (GA)	Ryan (OH)
Carney	Johnson, E. B.	Sánchez, Linda
Carson (IN)	Jones	T.
Castor (FL)	Kaptur	Sanchez, Loretta
Chandler	Keating	Sarbanes
Chu	Kildee	Schakowsky
Ciциlline	Kind	Schiff
Clarke (MI)	Kissell	Schrader
Clarke (NY)	Kucinich	Schwartz
Clay	Langevin	Scott (VA)
Cleaver	Larsen (WA)	Scott, David
Clyburn	Larson (CT)	Serrano
Cohen	Lee (CA)	Sewell
Connolly (VA)	Levin	Sherman
Conyers	Lewis (GA)	Shuler
Cooper	Lipinski	Sires
Costello	Loeb sack	Slaughter
Courtney	Lofgren, Zoe	Smith (WA)
Critz	Lowey	Sutton
Crowley	Lujan	Thompson (CA)
Cummings	Lynch	Thompson (MS)
Curson (MI)	Maloney	Tierney
Davis (CA)	Markey	Tonko
Davis (IL)	Matsui	Towns
DeFazio	McCarthy (NY)	Tsongas
DeGette	McCollum	Van Hollen
DeLauro	McDermott	Velázquez
DelBene	McGovern	Viscosky
Deutch	McIntyre	Walz (MN)
Dicks	McNerney	Wasserman
Dingell	Meeks	Schultz
Doggett	Michaud	Waters
Donnelly (IN)	Miller (NC)	Watt
Doyle	Miller, George	Waxman
Edwards	Moore	Welch
Ellison	Moran	Wilson (FL)
Engel	Murphy (CT)	Woolsey
Eshoo	Nadler	Yarmuth
Farr	Napolitano	
Fattah	Neal	

NAYS—243

Adams	Barton (TX)	Boren
Aderholt	Bass (NH)	Boustany
Akin	Benishek	Brady (TX)
Alexander	Berg	Brooks
Amash	Biggert	Broun (GA)
Amodet	Bilbray	Buchanan
Austria	Bilirakis	Bucshon
Bachmann	Bishop (UT)	Burgess
Bachus	Black	Burton (IN)
Barletta	Blackburn	Calvert
Barrow	Bonner	Camp
Bartlett	Bono Mack	Campbell

Canseco
Cantor
Capito
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Costa
Cravaack
Crawford
Crenshaw
Cuellar
Denham
Dent
DesJarlais
Diaz-Balart
Dold
Dreier
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Emerson
Farenthold
Fincher
Fitzpatrick
Flake
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gingrey (GA)
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (MO)
Green, Al
Green, Gene
Griffin (AR)
Griffith (VA)
Grimm
Guinta
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Hayworth
Heck
Hensarling
Herger

Herrera Beutler
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jackson Lee
(TX)
Jenkins
Johnson (IL)
Johnson (OH)
Jordan
Kelly
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kline
Labrador
Lamborn
Lance
Landry
Lankford
Latham
LaTourette
Latta
Lewis (CA)
LoBiondo
Long
Lucas
Luetkemeyer
Lummis
Lungren, Daniel
E.
Mack
Manzullo
Marchant
Marino
Massie
Matheson
McCarthy (CA)
McCaul
McClintock
McHenry
McKeon
McKinley
McMorris
Rodgers
Meehan
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mulvaney
Murphy (PA)
Myrick
Neugebauer
Noem
Nugent
Nunes
Olson
Palazzo
Paul
Paulsen
Pearce
Pence
Petri
Pitts
Platts

Poe (TX)
Pompeo
Poey
Price (GA)
Quayle
Reed
Rehberg
Reichert
Renacci
Ribble
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross (FL)
Royce
Runyan
Ryan (WI)
Scalise
Schilling
Schmidt
Schock
Schweikert
Scott (SC)
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Speier
Stearns
Stivers
Stutzman
Sullivan
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner (NY)
Turner (OH)
Upton
Walberg
Walden
Walsh (IL)
Webster
West
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Young (AK)
Young (FL)
Young (IN)

NOT VOTING—9

Buerkle
Culberson
Johnson, Sam

Nunnelee
Oliver
Pelosi
Reyes
Rivera
Stark

□ 1828

Mr. HALL, Mrs. BACHMANN, Messrs. CANTOR, COFFMAN of Colorado, GARY G. MILLER of California, SMITH of Texas, GARRETT, REED, BACHUS, and BILIRAKIS changed their vote from “yea” to “nay.”

Ms. WASSERMAN SCHULTZ, Messrs. LEVIN and POLIS changed their vote from “nay” to “yea.”

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. LEVIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 215, nays 209, answered “present” 1, not voting 6, as follows:

[Roll No. 644]

YEAS—215

Adams
Aderholt
Akin
Alexander
Amodei
Austria
Bachmann
Bachus
Barletta
Bartlett
Barton (TX)
Bass (NH)
Benishek
Berg
Biggart
Bilbray
Bilirakis
Black
Blackburn
Bonner
Bono Mack
Boustany
Brady (TX)
Brooks
Buchanan
Bucshon
Buerkle
Burgess
Burton (IN)
Calvert
Camp
Campbell
Canseco
Cantor
Capito
Chabot
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Cravaack
Crawford
Crenshaw
Denham
Dent
DesJarlais
Diaz-Balart
Dold
Dreier
Duffy
Duncan (SC)
Ellmers
Emerson
Farenthold
Fincher
Fitzpatrick
Flake
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gingrey (GA)
Goodlatte

NAYS—209

Ackerman
Altmire
Amash
Andrews
Baca
Baldwin
Barber
Barrow
Bass (CA)
Becerra
Berkley
Berman
Bishop (GA)
Bishop (NY)
Blumenauer
Bonamici
Boren
Boswell
Brady (PA)
Braley (IA)
Broun (GA)
Brown (FL)
Butterfield
Capps
Capuano
Carnahan
Carney

Carson (IN)
Cassidy
Castor (FL)
Chandler
Chu
Cicilline
Clarke (MI)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Courtney
Critz
Crowley
Cuellar
Cummings
Curson (MI)
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
DelBene
Deutch
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Duncan (TN)
Edwards
Ellison
Engel
Eshoo
Farr
Fattah
Fitzpatrick
Frank (MA)
Fudge
Garamendi
Gibson
Gohmert
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hahn
Hanabusa
Hastings (FL)
Heinrich
Herrera Beutler
Higgins
Himes
Hinchev
Hinojosa
Hirono
Hochul
Holden
Holt
Honda
Hoyer
Huelskamp
Israel
Jackson Lee
(TX)
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones
Kaptur
Keating
Kildee
Kind
Kissell
Kucinich
Labrador
Landry
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsock
Lofgren, Zoe
Lowey
Lujan
Lynch
Maloney
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNerney
Meeks
Michaud
Miller (NC)
Miller, George
Moore
Moran
Murphy (CT)
Nadler
Napolitano
Neal
Oliver
Owens
Pallone
Pascrell
Pastor (AZ)
Paul
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree (ME)
Platts
Polis
Price (NC)
Quigley
Rahall
Rangel
Richardson
Richmond
Ross (AR)
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sánchez, Linda
T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schradler
Schwartz
Schweikert
Scott (VA)
Scott, David
Serrano
Sewell
Sherman
Shuler
Sires
Slaughter
Smith (WA)
Speier
Sutton
Thompson (CA)
Thompson (MS)
Tierney
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walsh (IL)
Walz (MN)
Wasserman
Schultz
Waters
Watt
Waxman
Welch
Whitfield
Wilson (FL)
Wolf
Woolsey
Yarmuth

ANSWERED “PRESENT”—1

Bishop (UT)

NOT VOTING—6

Costello
Culberson
Johnson, Sam
Reyes
Rivera
Stark

□ 1836

So the bill was passed.
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 4310, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2013

The SPEAKER pro tempore. The unfinished business is the question on adoption of the conference report on the bill (H.R. 4310) to authorize appropriations for fiscal year 2013 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes, on which the yeas and nays were ordered.