

international market in order to ensure a reliable nuclear fuel supply for Vietnam. This political commitment by Vietnam has been reaffirmed in the preamble of the proposed Agreement. The Agreement also contains a legally binding provision that prohibits Vietnam from enriching or reprocessing U.S.-origin material without U.S. consent.

The proposed Agreement will have an initial term of 30 years from the date of its entry into force, and will continue in force thereafter for additional periods of 5 years each. Either party may terminate the Agreement on 6 months' advance written notice at the end of the initial 30 year term or at the end of any subsequent 5-year period. Additionally, either party may terminate the Agreement on 1 year's written notice. I recognize the importance of executive branch consultations with the Congress regarding the status of the Agreement prior to the end of the 30-year period after entry into force and prior to the end of each 5-year period thereafter. To that end, it is my strong recommendation that future administrations conduct such consultations with the appropriate congressional committees at the appropriate times.

The proposed Agreement permits the transfer of information, material, equipment (including reactors), and components for nuclear research and nuclear power production. It does not permit transfers of Restricted Data, sensitive nuclear technology, sensitive nuclear facilities, or major critical components of such facilities. In the event of termination of the Agreement, key nonproliferation conditions and controls continue with respect to material, equipment, and components subject to the Agreement.

Vietnam is a non-nuclear-weapon state party to the Treaty on the Non-Proliferation of Nuclear Weapons. Vietnam has in force a comprehensive safeguards agreement and an Additional Protocol with the International Atomic Energy Agency. Vietnam is a party to the Convention on the Physical Protection of Nuclear Material, which establishes international standards of physical protection for the use, storage, and transport of nuclear material, and has ratified the 2005 Amendment to the Convention. A more detailed discussion of Vietnam's intended civil nuclear program and its nuclear nonproliferation policies and practices, including its nuclear export policies and practices, is provided in the NPAS and in a classified annex to the NPAS submitted to you separately. As noted above, the Director of National Intelligence will provide an addendum to the NPAS containing a comprehensive analysis of Vietnam's export control system with respect to nuclear-related matters.

I have considered the views and recommendations of the interested departments and agencies in reviewing the proposed Agreement and have determined that its performance will pro-

mote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the Agreement and authorized its execution and urge that the Congress give it favorable consideration.

This transmission shall constitute a submittal for purposes of both sections 123b. and 123d. of the Act.

My Administration is prepared to begin immediately the consultations with the Senate Foreign Relations Committee and the House Foreign Affairs Committee as provided for in section 123b. Upon completion of the 30 days of continuous session review provided for in section 123b., the 60 days of continuous session review provided for in section 123d. shall commence.

BARACK OBAMA.
THE WHITE HOUSE, May 8, 2014.

AMERICAN RESEARCH AND COMPETITIVENESS ACT OF 2014

Mr. CAMP. Mr. Speaker, pursuant to House Resolution 569, I call up the bill (H.R. 4438) to amend the Internal Revenue Code of 1986 to simplify and make permanent the research credit, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 569 and House Resolution 576, the amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, and the further amendment printed in part B of House Report 113-444, are adopted. The bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 4438

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 "American Research and Competitiveness Act of 2014".

SEC. 2. RESEARCH CREDIT SIMPLIFIED AND MADE PERMANENT.

(a) IN GENERAL.—Subsection (a) of section 41 of the Internal Revenue Code of 1986 is amended to read as follows:

“(a) IN GENERAL.—For purposes of section 38, the research credit determined under this section for the taxable year shall be an amount equal to the sum of—

“(1) 20 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined,

“(2) 20 percent of so much of the basic research payments for the taxable year as exceeds 50 percent of the average basic research payments for the 3 taxable years preceding the taxable year for which the credit is being determined, plus

“(3) 20 percent of the amounts paid or incurred by the taxpayer in carrying on any trade or business of the taxpayer during the taxable year (including as contributions) to an energy research consortium for energy research.”.

(b) REPEAL OF TERMINATION.—Section 41 of such Code is amended by striking subsection (h).

(c) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 41 of such Code is amended to read as follows:

“(c) DETERMINATION OF AVERAGE RESEARCH EXPENSES FOR PRIOR YEARS.—

“(1) SPECIAL RULE IN CASE OF NO QUALIFIED RESEARCH EXPENDITURES IN ANY OF 3 PRECEDING TAXABLE YEARS.—In any case in which the taxpayer has no qualified research expenses in any one of the 3 taxable years preceding the taxable year for which the credit is being determined, the amount determined under subsection (a)(1) for such taxable year shall be equal to 10 percent of the qualified research expenses for the taxable year.

“(2) CONSISTENT TREATMENT OF EXPENSES.—

“(A) IN GENERAL.—Notwithstanding whether the period for filing a claim for credit or refund has expired for any taxable year taken into account in determining the average qualified research expenses, or average basic research payments, taken into account under subsection (a), the qualified research expenses and basic research payments taken into account in determining such averages shall be determined on a basis consistent with the determination of qualified research expenses and basic research payments, respectively, for the credit year.

“(B) PREVENTION OF DISTORTIONS.—The Secretary may prescribe regulations to prevent distortions in calculating a taxpayer's qualified research expenses or basic research payments caused by a change in accounting methods used by such taxpayer between the current year and a year taken into account in determining the average qualified research expenses or average basic research payments taken into account under subsection (a).”.

(2) Section 41(e) of such Code is amended—

(A) by striking all that precedes paragraph (6) and inserting the following:

“(e) BASIC RESEARCH PAYMENTS.—For purposes of this section—

“(1) IN GENERAL.—The term ‘basic research payment’ means, with respect to any taxable year, any amount paid in cash during such taxable year by a corporation to any qualified organization for basic research but only if—

“(A) such payment is pursuant to a written agreement between such corporation and such qualified organization, and

“(B) such basic research is to be performed by such qualified organization.

“(2) EXCEPTION TO REQUIREMENT THAT RESEARCH BE PERFORMED BY THE ORGANIZATION.—In the case of a qualified organization described in subparagraph (C) or (D) of paragraph (3), subparagraph (B) of paragraph (1) shall not apply.”.

(B) by redesignating paragraphs (6) and (7) as paragraphs (3) and (4), respectively, and

(C) in paragraph (4) as so redesignated, by striking subparagraphs (B) and (C) and by redesignating subparagraphs (D) and (E) as subparagraphs (B) and (C), respectively.

(3) Section 41(f)(3) of such Code is amended—

(A)(i) by striking “, and the gross receipts” in subparagraph (A)(i) and all that follows through “determined under clause (iii)”.

(ii) by striking clause (iii) of subparagraph (A) and redesignating clauses (iv), (v), and (vi), thereof, as clauses (iii), (iv), and (v), respectively,

(iii) by striking “and (iv)” each place it appears in subparagraph (A)(iv) (as so redesignated) and inserting “and (iii)”.

(iv) by striking subclause (IV) of subparagraph (A)(iv) (as so redesignated), by striking “, and” at the end of subparagraph (A)(iv)(III) (as so redesignated) and inserting a period, and by adding “and” at the end of subparagraph (A)(iv)(II) (as so redesignated),

(v) by striking “(A)(vi)” in subparagraph (B) and inserting “(A)(v)”.

(vi) by striking “(A)(iv)(II)” in subparagraph (B)(i)(II) and inserting “(A)(iii)(II)”;

(B) by striking “, and the gross receipts of the predecessor,” in subparagraph (A)(iv)(II) (as so redesignated);

(C) by striking “, and the gross receipts of,” in subparagraph (B);

(D) by striking “, or gross receipts of,” in subparagraph (B)(i)(I), and

(E) by striking subparagraph (C).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2013.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to amounts paid or incurred after December 31, 2013.

SEC. 3. PAYGO SCORECARD

(a) PAYGO SCORECARD.—The budgetary effects of this Act shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

(b) SENATE PAYGO SCORECARD.—The budgetary effects of this Act shall not be entered on any PAYGO scorecard maintained for purposes of section 201 of S. Con. Res. 21 (110th Congress).

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) and the gentleman from Michigan (Mr. LEVIN) each will control 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. CAMP).

GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous material on H.R. 4438.

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

There was no objection.

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

Mr. Speaker, our current Tax Code is broken. It is hurting families and hurting our ability to create good-paying jobs in this country.

Last week we learned that the economy grew 0.1 percent in the first quarter of 2014. One-tenth of a percent of growth is unacceptable. Hardworking families and small businesses are struggling in this economy, wages are flat, and businesses are not growing.

Beyond having the dubious distinction of the highest corporate rate in the world, the United States is the only country that also allows important pieces of its Tax Code, like the research and development tax credit, to expire on a regular basis.

Businesses can't grow and invest when the Tax Code is riddled with instability and uncertainty. The research and development credit, the permanent extension we have before us today, has been part of the U.S. Tax Code since 1981. Renewed year after year, the credit has long been bipartisan and an effective way to incentivize U.S. companies to innovate, create new products, and invest in the United States.

The bill we have before us is a result of years of work that the Ways and Means Committee members have put into tax reform. By simplifying the credit, we eliminate the burden on

businesses to do substantial amounts of recordkeeping, maintain countless receipts, and perform complex calculations.

Notably, the R&D credit has been historically bipartisan. In fact, just a few years ago, Congressman LEVIN, now ranking Democrat on Ways and Means, and I cosponsored the House bill to extend the research and development tax credit. Today the bill is led by Mr. BRADY and Mr. LARSON and has many other Republican and Democrat cosponsors.

Many on the other side of the aisle have commented about the fact that this job-creating provision is unpaid for. I would note that this provision, among other extenders, has historically not been paid for. All together, Ways and Means Democrats have cast 71 votes on this floor in favor of unpaid extensions of this policy. That amounts to 15 years' worth of extensions.

While the change of tune may be for political reasons, I think we can all agree that this is the right policy. Making the R&D tax credit permanent is an important first step to achieving growth and putting us on a path toward comprehensive reform that lowers rates and makes the Code simpler and fairer. It also supports good-paying jobs. According to the National Association of Manufacturers, 70 percent of R&D credit dollars are used to pay salaries of R&D workers.

The United States was once the world leader in providing research incentives to U.S. companies so that U.S. companies could innovate and create new technologies and products, but we have fallen far behind. Other countries are moving past the United States, putting American companies at risk of falling further behind. Countries like Japan, the United Kingdom, Canada, Russia, and Slovenia have all invested more in research and development support than the United States.

□ 1730

This is unacceptable and we can do better. A strong permanent credit not only provides the certainty employers need, but the Joint Committee on Taxation estimates that making the R&D credit permanent will increase the amount of research and development American companies undertake by up to 10 percent. That translates into more workers, higher wages, and increased innovation here in the United States.

Mr. Speaker, I yield 1 minute to the gentleman from Virginia, Leader CANTOR.

Mr. CANTOR. Mr. Speaker, I thank the chairman, the gentleman from Michigan.

Mr. Speaker, I rise today in strong support of the American Research and Competitiveness Act.

Mr. Speaker, right now, America isn't working for too many people. Last month alone, 800,000 people left the workforce, and many more con-

tinue to search for a job. Working people are having a tough time too. They are having a tough time climbing the economic ladder of success, partly because America is struggling to remain competitive in the global marketplace.

However, we have an opportunity to change that today by passing this legislation and improving the R&D tax credit and making it permanent.

This action will grant the U.S. a chance to compete for more research and development investment dollars while manufacturers are being courted by other countries that have more stable R&D tax incentives and lower corporate tax rates. But the positive economic impact will not be constrained to manufacturing alone. It will also bring new investments to the energy industry, medical research, STEM advancements, and information technology, among others.

A 2011 study by Ernst & Young found that strengthening the R&D tax credit would raise wages by up to \$3 billion in the short term and \$8 billion in the long term. It would also increase employment related to research by 130,000 in the short term and over 300,000 jobs in the long term. With the American economy sputtering along, this bill creates an opportunity that we simply cannot afford to pass up.

Mr. Speaker, to put it simply, this legislation is about jobs. This legislation is about giving American workers and middle class families a chance at new opportunities. This legislation is about creating an America that works again, an America that works again for everybody.

Let's stand together in a bipartisan fashion and pass this bill so that we can help turn this economy around and begin to move in the right direction once again.

I want to thank Chairman CAMP for his leadership in bringing this bill forward, for Congressman BRADY in the Chamber from Texas, and the rest of the Ways and Means Committee for their hard work on this issue.

I urge my colleagues in the House to support this bill.

Mr. LEVIN. Mr. Speaker, I yield as much time as he may consume to the gentleman from Maryland (Mr. VAN HOLLEN), the ranking member on the Budget Committee.

Mr. VAN HOLLEN. Mr. Speaker, I want to thank my friend and colleague, the ranking member of the Ways and Means Committee, for all the work he has done on tax policy to make sure we have a tax policy that is both pro-growth and works for the country. And I want to commend the chairman of the Ways and Means Committee for his efforts on tax reform.

I wish what we were doing today was talking about real tax reform. Many of us agree that we need to reform our corporate Tax Code, that we do need to deal with the rates and we need to deal with the base.

But that is not what this is about. The Speaker decided not to bring before this full House the tax reform bill

that the chairman of the Ways and Means Committee has worked on, and that is not what we are dealing with today. Nor is what we are dealing with today whether we are for or against the research and development tax credit.

The chairman of the committee said there is bipartisan support for the R&D tax credit. I agree, it is a pro-growth tax policy.

The issue is whether we extend it on a permanent basis and unpaid for, not one penny of it paid for. The chairman mentioned that we had raised this on an annual basis in the past. That is true. One of the reasons we didn't take it up on a permanent basis was because everybody realized what impact it would have on our long-term deficit and said, you know, that is not good fiscal policy, that is not good fiscal discipline, let's try and work together to get it done in a fiscally responsible way.

But instead of doing that, we now have our colleagues coming forth and doing it in a way that puts it on a credit card, puts it on a credit card. Not one penny is paid for. We have this R&D tax credit bill before us today. There are four other business tax incentive bills that are coming out of the Ways and Means Committee. Together they add \$310 billion to the deficit. That means \$310 billion on our national credit card.

Now, what is interesting is it was probably less than a month ago that on the floor of this very House we had a debate on the Republican budget. We were told then that the most important thing we could do for long-term economic growth was to reduce long-term deficits. That was the be-all and end-all. It is important. And do you know what? We agree it is important to reduce the long-term deficits. The question is not whether, it is how.

So we proposed, in addition to some of the cuts we have already made in this House, that we also close some of the unproductive wasteful special interest tax breaks that happen to go to different interests around the country, not because it is important to our economy, not because it helps the economy grow, but because they happen to have a lot of influence here in Washington. So we should get rid of some of those to help pay for pro-growth tax policy like the R&D tax credit. But our Republican colleagues said no. They wouldn't close one, not one special interest tax break to help reduce the deficit, not one.

So here we are today after all that talk just a few weeks ago about reducing the deficit doing a permanent and unpaid-for extension of the R&D tax credit—the first installment of, as I said, five bills that will add \$310 billion to the deficit, all on a credit card.

In fact, Mr. Chairman, I don't know if all the Members know, they had to waive their own rules because this bill is inconsistent with the budget that was passed in this House a few weeks ago—inconsistent. In fact, if you look

at the five bills coming forward, they put the Republican budget at a balance even on its own terms. They used funny math to claim that their budget was balanced. They actually used the revenue from the Affordable Care Act—ObamaCare—even when they said they are getting rid of it. But let's give them that for a moment.

By their own terms, these five bills now mean that their own budget, Republican budget, is not in balance anymore. We are in favor of the R&D tax credit. We would like to find a way to permanently extend it, but let's do it in a fiscally responsible manner.

Here is the thing, Mr. Chairman—all of us know this. When you don't pay for it, when you put it on a credit card, at the end of the day somebody is paying for it. Now, last night we pointed out that the Republican proposal was actually going to pay for it by hitting Medicare. They left in place a Medicare sequester under statutory PAYGO. They were going to ask Medicare to pay for these tax credits. I am glad they reconsidered that. But at the end of the day someone has got to pay. Who pays?

Let's go back and look at the Republican budget from a few weeks ago. I will tell you who pays. Because that budget refuses to close any of those wasteful tax breaks, whether it is for corporate jets—whether it is for big oil companies, whether it is for hedge fund owners—because they refuse to do any of those to reduce the deficit they come after our kids' education: deep cuts in Head Start, deep cuts in K through 12, deep cuts in helping more students afford college, deep cuts in medical research, scientific research. We are talking about the importance of giving the private sector incentives to invest in R&D—that is right.

But when you cut the nondefense discretionary budget by 25 percent compared to now over the next 10 years, you are also cutting our capacity as a country to invest in cutting-edge R&D. After all, there were Federal Government investments that helped launch the Internet, which has had huge economic benefits. Investments in scientific research at NIH, huge benefits.

That's why it is so important to do this in a fiscally responsible manner. Because when you add \$310 billion to the deficit somebody pays at the end of the day.

What we have said is, let's pay for it in a way that makes sense, a combination of cuts, many of which have been made, but also getting rid of the unproductive wasteful tax breaks that are in the Tax Code, which are there not because of the economic benefit, but because of the power of a lobby here in Washington.

I would hope we would go back to what the chairman of the committee actually wanted to do when he started the effort of tax reform a couple of years ago and beyond, which was, yes, let's do real tax reform, let's do it in a way that makes sense, let's do it in a

way that doesn't bust the deficit wide open and leave our kids having to pick up the tab either through higher interest rates or cuts to their education. That is not right.

I urge my colleagues to vote against this legislation.

Mr. CAMP. Mr. Speaker, I would just note for the record that the previous speaker, the gentleman from Maryland, has voted four times to extend the research and development tax credit, none of them paid for, for a total of 7½ years.

With that, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), a distinguished member of the Ways and Means Committee and chairman of the Joint Economic Committee.

Mr. BRADY of Texas. Mr. Speaker, I thank the chairman for bringing this important bill, the American Research and Competitiveness Act, to the House floor.

This is a bipartisan bill. I am glad not only to be the lead sponsor, but to be working with my friend, a Democrat, JOHN LARSON from Connecticut, on this important bill. We follow in the footsteps of two other bipartisan leaders, Chairman DAVE CAMP and Ranking Member SANDY LEVIN, who carried this bill together in a bipartisan way with strong support from Republicans and Democrats.

In the day and age where we look at our smart phone or our tablet and we see sort of the impact of technology on our lives, many of us have family members and parents for whom medical breakthroughs have saved lives, lengthened lives, given back quality of life. We see people who are disabled through technology now able to live full lives and work full lives because America is innovative. This is about jobs, but it is about people as well.

America used to lead the world in research incentives, but today we have fallen to 27th. China, Russia, and other global competitors are quickly surpassing us in their share of the economy devoted to research. If we don't permanently commit to encouraging new innovation in technology, in manufacturing, in energy, in medical breakthroughs, over time we will lose our place as the largest economy in the world.

We need to make permanent this key tax incentive that encourages American companies to increase their investments in America in research and development of new product breakthroughs. When we do that, when we make this temporary provision—temporary for 34 years by the way—when we make it permanent we will create over 300,000 new American jobs and raise workers' wages by almost \$10 billion.

What this bill does is it simplifies this provision so that small- and medium-size businesses can also take advantage of this credit.

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

Mr. CAMP. I yield an additional 30 seconds to the gentleman from Texas.

Mr. BRADY of Texas. According to the Joint Committee on Taxation, making it permanent will lead to a 10 percent increase in new research here in America. The fact is American companies are going to invest in research. The question is, are they going to do it in America or are they going to do it overseas? We can't allow foreign countries to take this research, the jobs that go with technology. It is time to come together—Republicans and Democrats—to make this law permanent.

Mr. LEVIN. Mr. Speaker, I now yield 3 minutes to the gentleman from Illinois (Mr. DANNY K. DAVIS), another distinguished member of the Ways and Means Committee.

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, I rise in opposition to this legislation.

H.R. 4438 would add \$156 billion to the deficit to provide permanent tax breaks for businesses while doing nothing for the 2.6 million Americans living the constant nightmare of long-term unemployment.

H.R. 4438 does nothing to help low-income working families by permanently extending the earned income tax credit or the child tax credit used by over 100,000 of my constituents and credits that keep millions of Americans out of poverty.

□ 1745

Further, H.R. 4438 does nothing to incentivize businesses to hire hard-to-employ workers via the work opportunity tax credit, to help revitalize distressed communities via the new markets tax credit, to help the elderly donate to charities via the IRA charitable rollover, to create affordable housing via the low-income housing tax credit, to reimburse the 3.7 million teachers the hundreds of dollars a year that they pay out of their own pockets.

In the name of fiscal responsibility, the Republican leadership has justified refusing to help the unemployed and slashing food stamps for poor families, cutting health care and services for seniors and limiting services for foster care.

Even worse, the Republican leadership understands that, as a law, H.R. 4438's failure to pay for its \$156 billion price tag will cause automatic cuts to Medicare, to student loans, and to other mandatory safety net programs because the bill violates PAYGO.

I strongly urge my colleagues to vote "no" on this business giveaway.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Washington State (Mr. REICHERT), a distinguished member of the Ways and Means Committee.

Mr. REICHERT. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the American Research and Competitive-ness Act. This bill takes a couple of important steps in improving a tax credit that supports tens of thousands of jobs in my home State of Washington State.

First of all, it makes the credit permanent. This credit has been extended

15 times since it was first enacted in 1981, making it impossible for businesses to plan their research and development activities in the future.

When businesses have certainty, they can plan for the future, and when they can plan for the future, they have the confidence to hire workers and to create jobs.

Second, Mr. Speaker, there was a time when it was understood that businesses would perform their research and development activities right here in the United States of America. Today, that is not the case.

In my home State of Washington, we don't have to look too far to see exactly what other countries are doing to attract research and development. Let's just take Canada, for example, which is just right north of Washington State.

In Canada, not only have they reduced their federal corporate tax rate to 15 percent, but they have made it permanent. On top of this, the various provinces and territories have added their own research tax incentives.

For example, in British Columbia, there is an additional 10 percent research and development tax credit. We can't compete with that in the United States of America. We can't compete with that in Washington State.

Mr. BRADY's bill helps get us back in the game of competing for research and development dollars. It provides a permanent tax credit of 20 percent and allows expenditures on supplies and software to be a part of the credit's base.

This bill represents a step in the right direction of fixing our Tax Code, making our economy competitive. Most importantly, Mr. Speaker, this bill is about creating jobs for Americans, so I urge my colleagues to support its passage.

Mr. LEVIN. Mr. Speaker, I now yield such time as he may consume to the distinguished gentleman from Wisconsin (Mr. KIND), a member of our committee.

Mr. KIND. I thank my friend for yielding me this time.

Mr. Speaker, I rise in strong support of the goal to permanently extend the research and development tax credit. Our businesses, large and small, need that certainty. They can't be trying to make budgetary decisions in order to help grow the economy and create jobs on these short-term measures that have been coming through Congress.

What I have an objection to this evening and where the problem lies with this legislation before us today is that none of it is paid for. We have been to this dance before. We know what works and what doesn't work when it comes to the fiscal management of our Nation.

What works is pay-as-you-go budgeting rules. If there is going to be a revenue reduction or a spending increase, you have to find an offset in the budget to pay for it to maintain balance.

We had that system in place during the 1990s, thanks to the budget agree-

ment of 1990 that President George H.W. Bush signed into law and then followed by the budget agreement of 1993, when President Clinton was in office.

Subsequently, with the strength of a vibrant, growing economy in which 24 million private sector jobs were created, along with pay-as-you-go budgeting rules that were in place, President Clinton saw 4 years of budget surpluses at the end of his term, when we were paying down the national debt, rather than adding to it.

Thank God we were at that time because, when September 11 hit—that unexpected disaster against our Nation—we had financial resources with which to respond.

After my Republican colleagues took complete control of the Federal Government during the 2000s, with President Bush's election, they reverted back to bad habits—with two large tax cuts that weren't paid for; with two major wars that weren't paid for; with the passage of a new prescription drug bill, which was the largest expansion of entitlement spending since Medicare was created in '65—and not a nickel of it paid for; the largest increase in discretionary spending since the Great Society—none of it paid for.

When President Obama took office, he inherited a \$1.5 trillion budget deficit in his first year. They have not been shy in laying the blame of fiscal mismanagement in the structural annual budget deficits at the current President's doorstep, and yet this is exactly what gets us into this spot.

Now, with regard to the policy behind the permanent extension, you are not going to hear much dispute or much debate about that. This is all about who is going to be fiscally responsible and do the hard work of trying to find offsets in the budget to do it the right way, so we are not leaving a legacy of debt to our children, so we are not continuing to borrow from China.

We can go back over the last 4 years and repeat the same statements that we have heard from my Republican friends about the need for fiscal management and tough decisions in budgeting.

What is perhaps the height of cynicism this evening is that, in a few short weeks after having passed the Republican Ryan budget resolution, they are violating it here tonight. It called for offsets for any permanent extension in the Tax Code, and that is not what we are doing here.

What is really disheartening is there is a plan B. To Chairman CAMP's credit, a few weeks ago, he released a comprehensive tax reform draft discussion in order to simplify the Code, to make us more competitive, to broaden the base, and to lower the rates; but he paid for it through some tough decisions with expenditures that don't make sense to help us be competitive in the 21st century.

We can go back to that proposal and look for some of the items that Chairman CAMP, himself, was proposing as a

way to pay for this permanent extension tonight. Earlier this year, President Obama, in the budget he submitted, had items of pay-fors within the Tax Code that we can scrub because there is overlap between the two.

Really, what this comes down to is who is serious about doing the tough stuff, which is finding offsets in order to do the good policy that we are missing here this evening. Yes, we should be finding a way to permanently extend the R&D credit. Our businesses, large and small, need that certainty.

My name is on this bill, but it was always under the proviso that we would be fiscally responsible in moving forward and not leave this legacy for future generations. I also think we ought to be doing a permanent 179 expensing for our small businesses and family farmers.

It is another expensive item, but there are areas in the Tax Code we can look to in order to find offsets to pay for it, which I also think is important for the job creation and economic growth we need in this Nation.

We are \$17 trillion in debt, and people are wondering who is to blame. You can look this evening at a bill before us today that calls for \$156 billion over the next 10 years—not a nickel of it paid for.

We can do better. We have to do better for our children and for future generations. The clock is ticking on all of this. We don't have this luxury of delaying the tough decisions anymore.

There are other avenues that we can take, and I am confident, if we were to sit down and talk to each other, we could find some common ground and bipartisan agreement of what would be acceptable offsets in the Revenue Code in order to do this permanent extension here tonight.

That requires a little more effort, and that requires—God forbid—having to say no to some constituents and powerful special interest groups in this town from time to time.

The easiest thing in the world is to offer a tax cut without paying for it. Who doesn't want tax relief? That is not difficult, but it is also not the tough budget decisions that they were talking about just a few weeks ago on the floor, when they were passing the Ryan Republican budget resolution.

If you would go back and look at it again, to its credit, it called for offsets for permanent extensions.

So what is true here? Are they truly committed to the fiscal responsibility that is called for in that budget resolution? Or is that all just a numbers game, in order to make the numbers add up?

With the first opportunity they have to violate that resolution, they are going to do so tonight with an unpaid-for permanent extension, and that is just \$156 billion in the first 10 years. This will be a gift that keeps on giving, if we don't find offsets in the future.

I would encourage my colleagues to think hard and long about this because

this is just the first of six tax extenders that will inevitably be coming up. I hope this isn't the pattern we are going to be seeing with the five additional ones, in that they are going to come forward without any pay-fors and say: let's load up the debt, and let's claim that the economy is going to grow and that everything is going to be fine afterwards.

We know that hasn't worked in the past. It is not going to work tonight. I encourage my colleagues to vote "no."

We have got time. We can work with the Senate, and we can work with what Chairman CAMP was proposing and with what the administration was proposing in its budget. We can find the appropriate offsets and do the responsible thing.

Let's end this legacy of deficit financing, and let's give our children the hope and opportunity that they deserve.

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

I would just say that the previous speaker, the gentleman from Wisconsin, has voted five times to extend the research and development tax credit—for 12½ years—with not a nickel of it paid for, to use his words.

Let me just say that our friends in the Senate are advancing an "unpaid-for" extension of all of the extenders to the tune of \$85 billion. I just think, to follow their line of logic, they would say we need to raise taxes to keep taxes the same. That makes no sense. We haven't done it for almost 30 years, and we shouldn't do it now.

I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, with all due respect to the chairman of the committee—and I do respect him, and he is a friend of mine—he knows as well as anyone that there is a big difference between permanency in the Tax Code and short-term measures to give us some time in order to find out what the appropriate permanent solution will be.

That is, really, what we ought to be doing right now, is trying to find that permanent solution once and for all, but in a fiscally responsible manner. That is how we should be approaching this.

Again, to the chairman's credit, the discussion draft he just released a few weeks ago calls for offsets to the Revenue Code in order to do comprehensive reform, so he belies his own argument from just a minute ago that tax cuts shouldn't be met with corresponding offsets.

I mean, if that is true, then what have we been doing for the last 3 years in trying to do comprehensive reform while still paying for it, so we are not blowing a hole in future budget deficits?

Mr. CAMP. Mr. Speaker, I continue to reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, it is now my pleasure to yield 2 minutes to the

gentlelady from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I regrettably rise in opposition to H.R. 4438, a bill that would simplify and make the research and development tax credit permanent.

As ranking member of the Science, Space, and Technology Committee, I have been a longtime supporter and advocate for making the R&D tax credit permanent. The R&D tax credit promotes innovation and encourages the creation and retention of jobs in the United States.

Unfortunately, since being created in the early 1980s, the R&D tax credit has been allowed to lapse and has needed to be extended year after year. The business community needs certainty when planning long-term research and development investments, and many have called for this important tax credit to be made permanent.

In the famous National Academies' "Rising Above the Gathering Storm" report, making the R&D tax credit stronger and permanent was one of their 10 recommendations on congressional actions to improve our Nation's competitiveness.

Private sector leaders also agree that there is a clear and necessary role for government in all aspects of our innovation ecosystem, from the direct funding of fundamental research, to incentives for the private sector to increase their R&D investments.

Often, private sector R&D investments are built upon years of direct government research funding. For example, the Internet and the GPS were developed with DARPA and National Science Foundation funding, but private sector innovation carried these technologies to their full commercial potential, with immeasurable benefit for our Nation.

However, the conversation about how best to modify the R&D tax credit and make it permanent should be part of a larger conversation about tax reform and tax extenders, and that conversation should include other tax provisions that are important for millions of working families and students, including the earned income tax credit, the child tax credit, and education tax credits.

Further, we should be debating how to offset this tax credit, instead of ignoring how it would add \$156 billion to the deficit over the next 10 years.

□ 1800

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

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BECERRA), the chairman of our Caucus.

Mr. BECERRA. I thank the gentleman for yielding.

Today's vote on H.R. 4438 and on five other Republican bills to come that would permanently extend other tax breaks without paying for them will increase the deficit by \$310 billion and

lead to Republican cuts to services like Medicare, health research, and school funding.

How much is \$310 billion?

That is five times what we spend on services to our veterans. We have over 21 million Americans who have served in uniform who are veterans of this country.

That \$310 billion is three times what the Federal Government invests in education, job training, and social services for an entire year. It is over 10 times what we spend annually on medical research to come up with the innovations and the lifesaving treatments that Americans rely upon.

We hear from our colleagues on the Republican side that they are fiscally responsible, that they are fiscal hawks, but they pass these severe budgets that would cut schools, that would cut medical research, that would cut Medicare funding for our seniors, that would cut Social Security, but they have to do it because we have to get rid of that deficit.

Here we have the fiscal pretenders.

In this bill, H.R. 4438, our Republican colleagues propose to blow the deficit wide open by adding \$310 billion to that deficit by passing these unpaid-for tax breaks. Yet when it is time to make the tough choices, when it comes to providing the services that our middle class families want for their children to go to college, they can't do it. But there is a free pass for these corporate tax breaks.

What American citizen and taxpayer would trust this Republican math from our colleagues?

I urge colleagues to vote against this budget-busting legislation and turn our focus to building an economy that works for all Americans, not just a select few.

Mr. CAMP. Mr. Speaker, I would just say the gentleman from California voted three times to extend the R&D tax credit unoffset for a length of time of 8 years.

I continue to reserve the balance of my time.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 4438 is postponed.

ESTABLISHING SELECT COMMITTEE ON BENGHAZI

The SPEAKER pro tempore. The unfinished business is the vote on adoption of the resolution (H. Res. 567) providing for the Establishment of the Select Committee on the Events Surrounding the 2012 Terrorist Attack in Benghazi, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The vote was taken by electronic device, and there were—yeas 232, nays 186, not voting 14, as follows:

[Roll No. 209]

YEAS—232

| | | |
|---------------|-----------------|---------------|
| Aderholt | Graves (MO) | Peterson |
| Amash | Griffin (AR) | Petri |
| Amodei | Griffith (VA) | Pittenger |
| Bachus | Grimm | Pitts |
| Barber | Guthrie | Poe (TX) |
| Barletta | Hall | Pompeo |
| Barr | Hanna | Posey |
| Barrow (GA) | Harper | Price (GA) |
| Barton | Harris | Rahall |
| Benishek | Hartzler | Reichert |
| Bentivolio | Hastings (WA) | Renacci |
| Bilirakis | Heck (NV) | Ribble |
| Bishop (UT) | Hensarling | Rice (SC) |
| Black | Herrera Beutler | Rigell |
| Blackburn | Holding | Roby |
| Boehner | Hudson | Roe (TN) |
| Boustany | Huelskamp | Rogers (AL) |
| Brady (TX) | Huizenga (MI) | Rogers (KY) |
| Bridenstine | Hultgren | Rogers (MI) |
| Brooks (AL) | Hunter | Rohrabacher |
| Brooks (IN) | Hurt | Rokita |
| Brown (GA) | Issa | Rooney |
| Buchanan | Jenkins | Ros-Lehtinen |
| Bucshon | Johnson (OH) | Roskam |
| Burgess | Johnson, Sam | Ross |
| Byrne | Jolly | Rothfus |
| Calvert | Jones | Royce |
| Camp | Jordan | Runyan |
| Campbell | Joyce | Ryan (WI) |
| Cantor | Kelly (PA) | Salmon |
| Capito | King (IA) | Sanford |
| Carter | King (NY) | Scalise |
| Cassidy | Kinzing (IL) | Schock |
| Chabot | Kline | Schweikert |
| Chaffetz | Labrador | Scott, Austin |
| Coffman | LaMalfa | Sensenbrenner |
| Cole | Lamborn | Sessions |
| Collins (GA) | Lance | Shimkus |
| Collins (NY) | Lankford | Shuster |
| Conaway | Latham | Simpson |
| Cook | Latta | Sinema |
| Cotton | LoBiondo | Smith (MO) |
| Cramer | Long | Smith (NE) |
| Crenshaw | Lucas | Smith (NJ) |
| Culberson | Luetkemeyer | Smith (TX) |
| Daines | Lummis | Southerland |
| Davis, Rodney | Marchant | Stewart |
| Denham | Marino | Stivers |
| Dent | Massie | Stockman |
| DeSantis | McCarthy (CA) | Stutzman |
| DesJarlais | McCaul | Terry |
| Diaz-Balart | McClintock | Thompson (PA) |
| Duncan (SC) | McHenry | Thornberry |
| Duncan (TN) | McIntyre | Tiberi |
| Ellmers | McKeon | Tipton |
| Farenthold | McKinley | Turner |
| Fincher | McMorris | Upton |
| Fitzpatrick | Rodgers | Valadao |
| Fleischmann | Meadows | Wagner |
| Fleming | Meehan | Walberg |
| Flores | Messer | Walden |
| Forbes | Mica | Walorski |
| Fortenberry | Miller (FL) | Weber (TX) |
| Fox | Miller (MI) | Webster (FL) |
| Franks (AZ) | Miller, Gary | Wenstrup |
| Frelinghuysen | Mullin | Westmoreland |
| Gardner | Mulvaney | Whitfield |
| Garrett | Murphy (FL) | Williams |
| Gerlach | Murphy (PA) | Wilson (SC) |
| Gibbs | Neugebauer | Wittman |
| Gibson | Noem | Wolf |
| Gingrey (GA) | Nugent | Womack |
| Gohmert | Nunes | Woodall |
| Goodlatte | Olson | Yoder |
| Gosar | Palazzo | Yoho |
| Gowdy | Paulsen | Young (AK) |
| Granger | Pearce | Young (IN) |
| Graves (GA) | Perry | |

NAYS—186

| | | |
|---------------|-------------|--------------|
| Bass | Carney | Costa |
| Beatty | Carson (IN) | Courtney |
| Becerra | Cartwright | Crowley |
| Bera (CA) | Castor (FL) | Cuellar |
| Bishop (NY) | Castro (TX) | Cummings |
| Blumenauer | Chu | Davis (CA) |
| Bonamici | Cicilline | Davis, Danny |
| Brady (PA) | Clark (MA) | DeFazio |
| Braley (IA) | Clarke (NY) | Delaney |
| Brown (FL) | Clay | DeLauro |
| Brownley (CA) | Cleaver | DelBene |
| Bustos | Clyburn | Deutch |
| Butterfield | Cohen | Dingell |
| Capps | Connolly | Doggett |
| Capuano | Conyers | Doyle |
| Cardenas | Cooper | Duckworth |

| | | |
|----------------|----------------|------------------|
| Edwards | Larson (CT) | Price (NC) |
| Ellison | Lee (CA) | Quigley |
| Engel | Levin | Rangel |
| Enyart | Lewis | Richmond |
| Eshoo | Lipinski | Roybal-Allard |
| Esty | Loeb | Ruiz |
| Farr | Lofgren | Ruppersberger |
| Fattah | Lowenthal | Ryan (OH) |
| Foster | Lowey | Sánchez, Linda |
| Frankel (FL) | Lujan Grisham | T. |
| Fudge | (NM) | Sanchez, Loretta |
| Gabbard | Lujan, Ben Ray | Sarbanes |
| Gallego | (NM) | Schakowsky |
| Garamendi | Lynch | Schiff |
| Garcia | Maffei | Schneider |
| Grayson | Maloney, | Schrader |
| Green, Al | Carolyn | Scott (VA) |
| Green, Gene | Maloney, Sean | Serrano |
| Grijalva | Matheson | Sewell (AL) |
| Gutiérrez | Matsui | Shea-Porter |
| Hahn | McCarthy (NY) | Sherman |
| Hanabusa | McCollum | Sires |
| Hastings (FL) | McDermott | Slaughter |
| Heck (WA) | McGovern | Smith (WA) |
| Higgins | McNerney | Speier |
| Himes | Meeks | Swalwell (CA) |
| Hinojosa | Meng | Takano |
| Holt | Michaud | Thompson (CA) |
| Honda | Miller, George | Thompson (MS) |
| Horsford | Moore | Tierney |
| Hoyer | Moran | Titus |
| Huffman | Nadler | Tonko |
| Israel | Napolitano | Tsongas |
| Jackson Lee | Neal | Van Hollen |
| Jeffries | Negrete McLeod | Vargas |
| Johnson (GA) | Nolan | Veasey |
| Johnson, E. B. | O'Rourke | Vela |
| Kaptur | Owens | Velázquez |
| Keating | Pallone | Visclosky |
| Kelly (IL) | Pascarell | Walz |
| Kennedy | Pastor (AZ) | Wasserman |
| Kildee | Payne | Schultz |
| Kilmer | Perlmutter | Waters |
| Kind | Peters (CA) | Waxman |
| Kirkpatrick | Peters (MI) | Welch |
| Kuster | Pingree (ME) | Wilson (FL) |
| Langevin | Pocan | Yarmuth |
| Larsen (WA) | Polis | |

NOT VOTING—14

| | | |
|-------------|------------|--------------|
| Bachmann | Duffy | Reed |
| Bishop (GA) | Kingston | Rush |
| Coble | McAllister | Schwartz |
| Crawford | Nunnelee | Scott, David |
| DeGette | Pelosi | |

□ 1829

Mr. BLUMENAUER changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MODIFICATION OFFERED BY MR. SESSIONS

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that H. Res. 567 be modified in the manner I have placed at the desk.

The SPEAKER pro tempore (Mr. CULBERSON). The Clerk will report the modification.

The Clerk read as follows:

Modification offered by Mr. SESSIONS of Texas:

Page 6, line 3, strike "clause (2)" and insert "clause 2".

Page 6, line 6, strike "clause (2)" and insert "clause 2".

The SPEAKER pro tempore. Without objection, the modification is agreed to.

There was no objection.

AMERICAN RESEARCH AND COMPETITIVENESS ACT OF 2014

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 4438 will now resume.