NOT VOTING—12

Byrne	DesJarlais	Nunnelee
Campbell	Hanabusa	Rush
Carney	Kingston	Southerland
Davis, Rodney	Miller, Gary	Williams

□ 1652

Messrs. FORTENBERRY, REICHERT, FINCHER, and DUNCAN of South Carolina changed their vote from ''yea'' to ''nay.''

Mrs. KIRKPATRICK, Ms. ROYBAL-ALLARD, Messrs. YARMUTH and CLEAVER 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.

RECORDED VOTE

Mr. BLUMENAUER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

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

The vote was taken by electronic device, and there were—ayes 367, noes 55, not voting 10, as follows:

[Roll No. 414]

AYES—367

Aderholt	Coffman	Foster
Amodei	Cohen	Frankel (FL)
Bachmann	Cole	Frelinghuysen
Bachus	Collins (NY)	Fudge
Barber	Conaway	Gabbard
Barletta	Connolly	Gallego
Barr	Conyers	Garamendi
Barrow (GA)	Cook	Garcia
Barton	Cooper	Gardner
Bass	Costa	Gerlach
Beatty	Cotton	Gibbs
Becerra	Courtney	Gibson
Benishek	Cramer	Gingrey (GA)
Bentivolio	Crawford	Goodlatte
Bera (CA)	Crenshaw	Granger
Bilirakis	Crowley	Graves (GA)
Bishop (GA)	Cuellar	Graves (MO)
Bishop (NY)	Culberson	Grayson
Bishop (UT)	Cummings	Green, Al
Black	Daines	Green, Gene
Blackburn	Davis (CA)	Griffin (AR)
Bonamici	Davis, Danny	Griffith (VA)
Boustany	Davis, Rodney	Grijalva
Brady (PA)	DeFazio	Grimm
Brady (TX)	DeGette	Guthrie
Braley (IA)	Delaney	Hahn
Brooks (IN)	DeLauro	Hanna
Brown (FL)	DelBene	Harper
Brownley (CA)	Denham	Hartzler
Buchanan	Dent	Hastings (FL)
Bucshon	Deutch	Hastings (WA)
Burgess	Diaz-Balart	Heck (NV)
Bustos	Dingell	Heck (WA)
Butterfield	Doyle	Hensarling
Calvert	Duckworth	Herrera Beutler
Camp	Duffy	Higgins
Cantor	Duncan (TN)	Himes
Capito	Edwards	Hinojosa
Capps	Ellison	Holding
Capuano	Ellmers	Honda
Cárdenas	Engel	Horsford
Carson (IN)	Enyart	Hoyer
Cartwright	Eshoo	Hudson
Cassidy	Esty	Huffman
Castor (FL)	Farenthold	Huizenga (MI)
Castro (TX)	Farr	Hunter
Chaffetz	Fattah	Hurt
Chu	Fincher	Israel
Cicilline	Fitzpatrick	Issa
Clark (MA)	Fleischmann	Jackson Lee
Clarke (NY)	Fleming	Jeffries
Cleaver	Flores	Jenkins
Clyburn	Forbes	Johnson (GA)
Coble	Fortenberry	Johnson (OH)
Johnson, E. B.	Moran	Schneider
Johnson, Sam	Mullin	Schock
Jolly	Murphy (FL)	Schrader
Joyce	Murphy (PA)	Schwartz
Kaptur	Nadler	Scott (VA)
Keating	Napolitano	Scott, David
Kelly (IL)	Neal	Serrano
Kelly (PA)	Negrete McLeod	Sessions
Kennedy	Neugebauer	Sewell (AL)
Kildee	Noem	Shea-Porter
Kilmer	Nolan	Sherman
Kind	Nunes	Shimkus
King (IA)	O'Rourke	Shuster
King (NY)	Owens	Simpson
Kinzinger (IL)	Palazzo	Sinema
Kirkpatrick	Pallone	Sires
Kline	Pascrell	Slaughter
Kuster	Pastor (AZ)	Smith (MO)
LaMalfa	Paulsen	Smith (NE)
Lance	Payne	Smith (NJ)
Langevin	Pearce	Smith (TX)
Larsen (WA)	Pelosi	Smith (WA)
Larson (CT)	Perlmutter	Southerland
Latham	Perry	Speier
Latta	Peters (MI)	Stewart
Lee (CA)	Peterson	Stivers
Levin	Petri	Swalwell (CA)
Lewis	Pingree (ME)	Takano
Lipinski	Pittenger	Terry
LoBiondo	Pitts	Thompson (CA)
Loebsack	Pocan	Thompson (MS)
Lofgren	Poe (TX)	Thompson (PA)
Long	Polis	Thornberry
Lowenthal	Price (GA)	Tiberi
Lowey	Price (NC)	Tierney
Lucas	Quigley	Tipton
Luetkemeyer	Rahall	Titus
Lujan Grisham (NM)	Rangel	Tonko
	Reed	Tsongas
Luján, Ben Ray (NM)	Reichert	Turner
	Renacci	Upton
Lynch	Rice (SC)	Valadao
Maffei	Richmond	Van Hollen
Maloney, Carolyn	Rigell	Vargas
	Roby	Veasey
Maloney, Sean	Roe (TN)	Vela
Marchant	Rogers (AL)	Velázquez
Marino	Rogers (KY)	Visclosky
Massie	Rogers (MI)	Wagner
Matsui	Rohrabacher	Walberg
McAllister	Rokita	Walden
McCarthy (CA)	Rooney	Walorski
McCarthy (NY)	Ros-Lehtinen	Walz
McCaul	Roskam	Wasserman Schultz
McCollum	Ross	
McGovern	Rothfus	Waxman
McHenry	Roybal-Allard	Webster (FL)
McIntyre	Royce	Wenstrup
McKeon	Ruiz	Whitfield
McKinley	Runyan	Wilson (FL)
McMorris Rodgers	Ruppersberger	Wilson (SC)
	Rush	Wittman
McNerney	Ryan (OH)	Wolf
Meehan	Ryan (WI)	Womack
Meeks	Sánchez, Linda T.	Woodall
Meng		Yarmuth
Mica	Sanchez, Loretta	Yoder
Michaud	Sarbanes	Young (AK)
Miller (FL)	Scalise	Young (IN)
Miller (MI)	Schakowsky	
Moore	Schiff	

NOES—55

Amash	Hall	Olson
Blumenauer	Harris	Peters (CA)
Bridenstine	Holt	Pompeo
Brooks (AL)	Huelskamp	Posey
Broun (GA)	Hultgren	Ribble
Carter	Jones	Salmon
Chabot	Jordan	Sanford
Clawson (FL)	Labrador	Schweikert
Clay	Lamborn	Scott, Austin
Collins (GA)	Lankford	Sensenbrenner
DeSantis	Lummis	Stockman
Doggett	Matheson	Stutzman
Duncan (SC)	McClintock	Waters
Foxx	McDermott	Weber (TX)
Franks (AZ)	Meadows	Welch
Garrett	Messer	Westmoreland
Gohmert	Miller, George	Yoho
Gosar	Mulvaney	
Gowdy	Nugent	

NOT VOTING—10

Byrne	Gutiérrez	Nunnelee
Campbell	Hanabusa	Williams
Carney	Kingston	
DesJarlais	Miller, Gary	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1659

Mr. RUSH changed his vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4719, FIGHTING HUNGER INCENTIVE ACT OF 2014

Mr. BISHOP of Utah, from the Committee on Rules, submitted a privileged report (Rept. No. 113–522) on the resolution (H. Res. 670) providing for consideration of the bill (H.R. 4719) to amend the Internal Revenue Code of 1986 to permanently extend and expand the charitable deduction for contributions of food inventory, which was referred to the House Calendar and ordered to be printed.

NOTICE OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 3230, PAY OUR GUARD AND RESERVE ACT

Mr. GALLEGO. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby give notice of my intention to offer a motion to instruct conferees on H.R. 3230, the conference report on Veterans Access and Accountability.

The form of the motion is as follows:

Mr. Gallego moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the Senate amendment to the bill H.R. 3230 (an Act to improve the access of veterans to medical services from the Department of Veterans Affairs, and for other purposes) be instructed to recede from disagreement with section 601 of the Senate amendment (relating to authorization of major medical facility leases).

The SPEAKER pro tempore. The gentleman's notice will appear in the RECORD.

FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2015

The SPEAKER pro tempore. Pursuant to House Resolution 661 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the further consideration of the bill, H.R. 5016.

Will the gentleman from Pennsylvania (Mr. THOMPSON) kindly take the chair.

□ 1703

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole

House on the state of the Union for the further consideration of the bill (H.R. 5016) making appropriations for financial services and general government for the fiscal year ending September 30, 2015, and for other purposes, with Mr. THOMPSON of Pennsylvania (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole rose earlier today, an amendment offered by the gentlewoman from California (Ms. WATERS) had been disposed of, and the bill had been read through page 152, line 15.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, I yield to the gentleman form Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I thank my dear friend from New York (Mr. SERRANO) for yielding.

I rise to speak on this bill, but not to offer an amendment. I don't offer an amendment because, to offer an amendment, I would have to identify an offset within the body of this bill. This bill is deeply and harmfully underfunded. Therefore, I will not seek to take from an object that already is underfunded to fund the elimination of the Election Assistance Commission.

At the outset, I want to say that I served on this subcommittee for 23 years. I know a little bit about the subject of this committee. Not only that, I was the sponsor of the Help America Vote Act with Bob Ney, my friend from Ohio. That bill overwhelmingly passed with over 350 bipartisan votes. Unfortunately, too frequently, bipartisanship eludes us in this body today.

I voted against Ryan-Murray because I said at that point in time it did not provide sufficient resources to meet the responsibility this Nation has to stay strong, stay free, and to grow our economy and grow jobs for our people.

As I said, I was the sponsor of the Help America Vote Act. Within that bill, we created the Election Assistance Commission. Again, it was overwhelmingly supported by both sides of the aisle and the United States Senate and signed into law by President Bush. The offices and programs covered under that program were focused on trying to assist States and local governments to ensure the appropriate administration of elections.

Is there anything, I ask my colleagues, more important in a democracy than ensuring that elections are well run and that every voter's vote counts? I suggest to you there is not.

The Election Assistance Commission, established by the Help America Vote Act in the aftermath of the 2000 Presidential election debacle, to be specific, had 357 Members of this body vote for it. The appropriations bill on this floor today, however, would essentially eliminate that commission.

I am not surprised because, frankly, when the Republicans became the majority in this House, it was at that point in time they started focusing on the elimination of the Election Assistance Commission, as I said, designed to make our elections more efficient, fairer, and more honest.

Initially, my Republican colleagues suggested that the duties of the Election Assistance Commission would be done by the Federal Election Commission, which has a totally different responsibility, and that is a responsibility to make sure that the funding of elections is done appropriately and within the law.

I am going to vote against this bill not simply because of the zeroing out of the Election Assistance Commission. Very frankly, I am chagrined and disappointed that my Republican colleagues too often are trying to undermine America's right to vote, undermine America's incentive to vote, undermine the facilitating of Americans voting. Frankly, I don't understand that.

The Election Assistance Commission, for the first time in history, said that for over 200 years States and localities had run Federal elections. They were concurrent with State elections and local elections. But they ran our elections with no assistance from us—for President, Vice President of the United States, United States Senators, and Members of the House of Representatives. We did not participate.

Under HAVA, we have contributed a substantial sum of money so that they could update and make efficient the election systems that they had. But recently, the Republican Party, Mr. Chairman, has refused to recommend appointments for the Commission, and now they want to eliminate the Commission.

Mr. Chairman, in a country that looks at the right to vote and the exercising of franchise as central to our democracy, I would urge us to defeat this bill, to re-fund this critically important agency, and to do what we ought to do as Americans and as Members of this Congress.

Mr. SERRANO. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. FRELINGHUYSEN

Mr. FRELINGHUYSEN. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ___. The amount otherwise provided by this Act for ''National Security Council and Homeland Security Council—Salaries and Expenses'' for the National Security Council is hereby reduced by $4,200,000.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from New Jersey and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, this amendment would reduce the amount available for the National Security Council staff by $4.2 million, or by approximately one-third.

The National Security Council staff is the President's staff. They serve solely to provide advice to the President on national security matters. They have no authority to manage programs. They have no authority to allocate funds or otherwise decide spending levels. And they have no authority to determine or dictate congressional access to classified information involving sensitive military matters or operations. As the President's staff, it is appropriate that they are accountable to him, just as our staff is only accountable to us. Therefore, they are not subject to congressional questioning nor other forms of oversight.

Over the past few years, the size of the National Security Council's staff has grown, and it appears that they have moved beyond their Presidential advisory role to involve themselves in decisions which are not in their purview. Over the last few months, we have had several instances in which the National Security staff has mandated that the Department of Defense and other agencies selectively withhold information from congressional oversight committees.

While the President has constitutional authority as Commander in Chief to provide for the Nation's defense, this Congress was vested exclusively with the constitutional authority to fund that defense, a constitutional authority that is vested in the Appropriations Committee.

Mr. Chairman, it is important that all appropriate oversight committees are not restricted from the information they need to have to do their jobs.

I reserve the balance of my time.

Mr. VISCLOSKY. Mr. Chairman, I ask unanimous consent to claim the time in opposition to the gentleman's amendment, although I am not opposed to it.

The Acting CHAIR. Without objection, the gentleman from Indiana is recognized for 5 minutes.

There was no objection.

Mr. VISCLOSKY. Mr. Chairman, I appreciate the recognition, and I would strongly emphasize that I join with my chairman and colleague from New Jersey in support of his amendment. So that there is clarity as to the purpose of his offering this amendment, I would reiterate two of his remarks.

Over the last few months, we have had several instances in which National Security staff has mandated that the Department of Defense and other agencies selectively withhold information from congressional oversight committees, and in one case specifically, excluding the Appropriations Committee. As the chairman rightfully pointed out, the Congress is vested exclusively with the constitutional authority to fund that defense, and the authority in this instance rests with the Appropriations Committee.

The committee has included clear direction in the Fiscal Year 2014 Defense

Appropriations Act and in the House-passed Defense Appropriations bill for fiscal year 2015 for the Department to report on the conduct of various programs as well as the obligation and expenditure of associated funding.

□ 1715

This direction addresses not only funds expressly provided in the Department's appropriations bill but Department actions that may cause the reprogramming of funds provided by the Congress.

Accurate, complete, and timely reporting by the Department of Defense is essential for the committee to conduct its oversight responsibilities. It informs committee deliberations to prepare the annual appropriations bills. It helps prepare the committee for negotiations with the Senate, and at present, it will help the committee formulate recommendations on the recently submitted fiscal year 2015 budget amendment on the overseas contingency operations.

The committee's responsibilities for funding are specific. Article I, section 9 of the Constitution states:

No money shall be drawn from the Treasury but in consequence of appropriations made by law, and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

I strongly urge the adoption of the gentleman's amendment, which underscores the constitutional prerogative of the Congress as well as of the Committee on Appropriations.

I yield back the balance of my time.

Mr. FRELINGHUYSEN. Let me thank Chairman CRENSHAW and Ranking Member SERRANO for this opportunity to propose this amendment.

Mr. Chairman, I am happy to yield the remainder of my time to the gentleman from Florida (Mr. CRENSHAW), the chairman of the committee.

Mr. CRENSHAW. I thank the chairman for yielding and for bringing this to the attention of the full House. I will refer to the gentleman as ''chairman'' because I have the pleasure of serving on the Defense Subcommittee, and he acts as the chairman of that.

Mr. Chairman, as the chairman has said, the National Security Council and the National Security Adviser have gotten into a bad habit, I think, of bypassing the Appropriations Committee, including the chairman of the Defense Subcommittee and the ranking member of the subcommittee, when it comes to issues of national security. I can tell you firsthand that I have had situations in which I have asked for an update on some matters, and they haven't been followed up on.

I want to thank the chairman for his leadership in all things defense. I want to encourage my colleagues to follow his lead, and I urge that we adopt this amendment.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New Jersey (Mr. FRELINGHUYSEN).

The amendment was agreed to.

AMENDMENT OFFERED BY MS. DELAURO

Ms. DELAURO. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used to enter into any contract with an incorporated entity if such entity's sealed bid or competitive proposal shows that such entity is incorporated or chartered in Bermuda or the Cayman Islands, and such entity's sealed bid or competitive proposal shows that such entity was previously incorporated in the United States.

Ms. DELAURO (during the reading). Mr. Chair, I ask unanimous consent that the amendment be considered as read.

The Acting CHAIR. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

The Acting CHAIR. Pursuant to House Resolution 661, the gentlewoman from Connecticut and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Connecticut.

Ms. DELAURO. Mr. Chair, I yield myself 2 minutes.

My amendment would prohibit Federal contracts from going to entities incorporated in Bermuda and the Cayman Islands—the two nations most often abused as tax havens.

In the past few weeks, this body has accepted similar provisions for the Department of Defense Appropriations bill; the Transportation, Housing and Urban Development bill; and the Energy and Water bill. The latter passed on a rollcall vote.

As before, we should not be spending taxpayers' money on Federal contracts for companies that have renounced their American citizenship in favor of an island tax haven.

Let me quote from an article from Saturday's Washington Post by Allan Sloan, a senior-editor-at-large from Fortune, and the title of the article is: ''Tax-Dodging Firms Are Sticking Us with the Bill.''

He writes:

These companies don't hesitate to take advantage of the great things that make America America—our deep financial markets, our democracy and rule of law, our military might, our intellectual and physical infrastructure, our national research programs, all the terrific places our country offers for employees and families to live—but inverters do hesitate, totally, when it is time to ante up their fair share of financial support for our system.

He is right, and we should not be rewarding bad behavior and gifting these firms with lucrative Federal contracts.

Nearly two-thirds of the companies that have established subsidiaries in tax havens have registered at least one in Bermuda or in the Cayman Islands. If a firm is going to abuse tax loopholes by pretending to be from these two island nations, we should make sure we are doing business with companies that are paying their fair shares instead.

We now have taken strong, decisive, and bipartisan action against these tax havens in three appropriations bills. I urge all of my colleagues to act here as well and stand for American businesses that are meeting their responsibilities to our Nation.

I reserve the balance of my time.

Mr. SERRANO. Mr. Chairman, I claim the time in opposition even though I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from New York is recognized for 5 minutes.

There was no objection.

Mr. SERRANO. Mr. Chairman, very briefly, this is one of those issues that really gets you angry. Both sides believe that people should play by the rules, and what you have are people not playing by the rules. People in my district, people in Ms. DELAURO's district and people in Mr. CRENSHAW's district have to pay their taxes and pay their taxes where they live. They don't have the option of doing these kinds of things. For me, it is not only a legislative issue but a personal issue—the fact that these folks continue to get away with this kind of a situation.

This is an issue that Ms. DELAURO has been working on for years. It is one that she deserves a lot of credit for, and that is why we have to thank her for it.

I would like to take this opportunity to yield the balance of my time to the gentlewoman from Connecticut (Ms. DELAURO).

The Acting CHAIR. Without objection, the gentlewoman from Connecticut will control the remaining time of the gentleman from New York.

Ms. DELAURO. Mr. Chairman, how much time remains?

The Acting CHAIR. The gentlewoman from Connecticut has 5¼ minutes remaining.

Ms. DELAURO. I thank the gentleman for yielding.

Mr. Chairman, at this time, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Thank you for your good work on this amendment. This will be the third bill that we have amended on it.

Mr. Chairman, seldom has a day gone by recently without a headline about some American company that is running for the border to avoid its tax bill. Indeed, today's New York Times has ''Patriot Flees Homeland,'' ''Drug Firms Make Haste to Elude Tax,'' and an excellent piece in Fortune magazine and The Washington Post that Ms. DELAURO referenced by Allan Sloan, entitled, ''Positively un-American tax dodges.''

It all gives new meaning to the term ''sunshine patriot'' when some corporation renounces its citizenship and

claims it is a citizen of the Cayman Islands or of Bermuda, where it does little or no business other than tax evasion.

The willingness of corporations to renounce their citizenship and leave America behind, at least in name only and at least when the tax bill is due but not when the desire for a government contract is there, has been recognized in the Senate Finance Committee, where Senator WYDEN will conduct hearings next week on the best legislative approach to put a stop to this. But we can do something today to put a stop to what are called ''inversions,'' which are truly perversions of the Tax Code. As Mr. Sloan writes, ''Inverters are deserters.''

Today, Members can respond to this desertion by denying them government contracts. I would like to do more, but I believe this legislation adopted now in these other appropriations acts—repeating it for every one of them—will do a great deal to send a message about those who shirk their responsibilities to America at the same time they ask other taxpayers to use their tax money to finance government contracts.

The Acting CHAIR. The time of the gentleman has expired.

Ms. DELAURO. I yield the gentleman an additional 15 seconds.

Mr. DOGGETT. The amendment says, if you renounce your citizenship and go abroad to avoid paying taxes, don't come with your hand outstretched to ask other taxpayers who stayed here and worked and contributed to the success of America—those that are proud to be American businesses and are paying their fair share—to pay for you to get a government contract. Don't ask them to put up their tax dollars to pay for your success.

We believe that this approach provides protection to the Treasury and responds to those corporations that have abandoned America.

Ms. DELAURO. Mr. Chairman, I yield myself such time as I may consume.

I mentioned Mr. Sloan's article of this past weekend, and I just want to read this quote because I think it really puts this whole issue into perspective:

> How much mone are we talking about inverters sucking out of the U.S. Treasury? There is no number available for the tax revenue loss that is caused by the inverters and the never-heres so far, but it is clearly in the billions. Congress' Joint Committee on Taxation projects that failing to limit inversions from evading their responsibility like this will cost the Treasury at least another $19.5 billion over 10 years and possibly much, much more.

At a time when we struggle here day by day to look for the resources to extend unemployment benefits, to pass a highway trust fund, to increase the minimum wage, to increase the dollars for biomedical research, to look for funds for education in this Nation for our children, we have corporations that are siphoning off $19.5 billion. Not only do they do that, but they take with them, and we give to them, billions in Federal contracts. No more should we do it.

I and others long fought for this. We have passed through the appropriations process a ban on Federal contracts for U.S. companies that acquire businesses in lower tax jurisdictions, and then they claim that their headquarters are there despite still being U.S. companies. We can send another strong statement to these companies today as we have already done on Defense, on Energy and Water, on Transportation-HUD, by coming together and passing this amendment. I urge all of my colleagues to support it. Tell them that they are not allowed to give up their American citizenship and, yet, claim it for billions in Federal contracts.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Connecticut (Ms. DELAURO).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. BACHUS

Mr. BACHUS. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

> At the end of the bill (before the short title), insert the following:
>
> SEC. ____. None of the funds made available by this Act may be used to reinstall the Red Mountain sculpture on the plaza of the Hugo Black Courthouse in Birmingham, Alabama.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Alabama and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Alabama.

Mr. BACHUS. Mr. Chairman, this is a very straightforward amendment, which I am joined by my colleague, Ms. TERRI SEWELL, in offering.

The chief judge of the Northern District of Alabama, Karon Bowdre, and the U.S. marshal who was appointed under the previous administration but who serves under this administration, Martin Keeley, have designated this statue as a security risk. We are more concerned over the opinions of the senior officials in that bill than we are of the GSA's in not having that statue located where it poses a security risk to the employees and visitors to that courthouse. Accordingly, I ask for the support of this important amendment.

Mr. CRENSHAW. Will the gentleman yield?

Mr. BACHUS. I yield to the gentleman from Florida.

□ 1730

Mr. CRENSHAW. I just want to let you know that we are happy to accept your amendment.

Mr. BACHUS. Thank you.

Mr. Chairman, I yield the balance of my time to the gentlewoman from Alabama (Ms. SEWELL).

Ms. SEWELL of Alabama. I want to thank the gentleman from my home State of Alabama for yielding.

Mr. Chairman, I rise in support of my colleague's amendment to prohibit funding in the underlying bill from being used to reinstall the Red Mountain sculpture on the plaza of the Hugo Black Federal courthouse in Birmingham, Alabama.

Despite the security concerns shared by both the United States marshal and the chief justice, Karen Bowdre, the GSA has planned to reinstall the sculpture. Both Chief Justice Bowdre and Marshal Keely believe that the sculpture is nonessential and will pose a serious security risk if reinstalled.

Chief Justice Bowdre noted, in correspondence to GSA, that the location of the statue will be roughly 10 to 12 feet from the only public entrance door, which is completely made of glass and, further, that the monument would create a fatal funnel where someone could hide behind the statue and possibly not be seen and cause a security risk.

Federal law clearly states that the United States marshals have the final authority regarding the security requirements for the judicial branch of the Federal Government. The Administrative Office of the United States Court has also agreed with the chief justice and the U.S. marshal that the final authority over these matters should lie with the U.S. marshal.

If the marshal and the chief justice believe that putting the sculpture back could threaten the safety of our court, then GSA should follow the law and not put the monument back up. Unfortunately, GSA is ignoring the concerns of the court and has plans to reinstall the statue.

Now, while I am a steadfast supporter of the arts, I also believe that the safety of our courts and the citizens must come first. This amendment simply reinforces that GSA must follow the law by prohibiting the reinstallation of the sculpture at the Birmingham, Alabama, Federal courthouse.

I want to thank my friend, Congressman SPENCER BACHUS from Alabama, for introducing this bipartisan amendment and urge my colleagues to join me in support of it.

Mr. BACHUS. Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Alabama (Mr. BACHUS).

The amendment was agreed to.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, I yield to the gentleman from New York (Mr. MAFFEI) for the purpose of a colloquy.

Mr. MAFFEI. Thank you, Ranking Member JOSÉ SERRANO.

Mr. Chairman, I am here because, on March 14, 2013, in my upstate New York district, a school librarian named Lori Bresnahan and a 10-year-old child were attacked in a mall parking lot.

The attacker was facing Federal child pornography charges and was out on bail and ordered to wear an electronic monitoring bracelet. He disabled the bracelet, left his home, stabbed Mrs. Bresnahan to death, and sexually assaulted the young girl.

In the days following the attack, it was revealed that the attacker had been removing and reassembling the GPS monitoring bracelet. The device sent out tamper alerts every time he disabled the device, but the Federal probation office responsible for monitoring this defendant before his trial failed to respond to 46 total tamper alerts.

On the day of the attack, he again disabled his bracelet, and the office again ignored the alert. If they had investigated any of these 46 tamper alerts, maybe this tragedy could have been avoided.

This appropriations bill funds the Administrative Office of the United States Courts, the organization tasked with overseeing the system of Federal probation offices all over this country.

After this case, I wrote to the Administrative Office of the United States Courts, asking them to investigate this gross negligence. In their response was, ''Nothing can excuse the deficiencies in the supervision of this case,'' but it also said, ''Reduced resources due to the sequester is harming the efforts to keep it from happening again.''

Mr. Chairman, we have addressed the sequester for now, but serious funding issues remain. The administrative office is continuing to use their funding to backfill cuts they have had to make in previous years.

We cannot allow funding issues to hamper efforts to prevent cases like this from happening again, and to be clear, this has happened again around the country.

I ask that the committee take note of the serious problem and ensure that the administrative office gets the funds it needs to enact real reform and protect our communities.

I want to thank particularly the ranking member's willingness to work with me, Chairman CRENSHAW and your staff and the minority staff, your willingness to work with me on this.

Tragedies do happen, but this one could have, should have been avoided, and I am dedicated to help Congress do anything in our power to make sure it never happens again in central New York or anywhere in this great country.

Mr. SERRANO. I thank the gentleman.

The gentleman is seeking to bring the salaries and expense of the courts of appeals, district courts, and other judicial services up to an appropriate level in part, as he mentioned, to address a tragic incident that took place in his district.

It highlights the problems the judiciary suffered while under sequestration and with the lower funding levels that agencies in the executive branch have also had to face.

We will work with the gentleman, the majority, and with the judiciary, as we do every year, to ensure that we can meet their funding needs and address the gentleman's concerns.

Mr. Chairman, I yield back the balance of my time.

Mr. CRENSHAW. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from Florida is recognized for 5 minutes.

Mr. CRENSHAW. Mr. Chairman, I would like to engage the gentleman from Florida (Mr. YOHO) in a colloquy and I yield to the gentleman.

Mr. YOHO. Mr. Chairman, in 2010, this body passed the Hiring Incentives to Restore Employment Act, the HIRE Act. Included in that measure was the Foreign Account Tax Compliance Act, or FATCA.

FATCA requires U.S. citizens living abroad to prepare tax returns that include both non-U.S. income and non-U.S. financial accounts. Additionally, FATCA requires financial institutions in other countries to report on assets held by American clients to the IRS.

If those institutions do not supply that information, they would be subject to a 30 percent withholding tax. In a recent report, nearly 77,000 institutions have agreed to hand over that information to the IRS.

The unintended consequences of this law are affecting over 7 million Americans living overseas. Due to the additional reporting burden, many institutions are simply denying access to our citizens.

Simply put, added regulations from the Federal Government are putting our citizens at a competitive disadvantage around the world, and foreign firms now view our citizens as too much of a hassle and a liability to hire, making America less competitive.

One of the solutions to this would be to switch from a citizen-based taxation to a territorial or to simply repeal FATCA.

The U.S. citizens who live and work abroad are our Nation's biggest spokesmen for our America and our way of life and what America stands for. They represent our country in areas of the world that typically see Americans in a skewed light. We, as those in government, should give them every opportunity to succeed throughout the world.

However, we have so many stories like the American living in Australia, where her husband is an Australian citizen and they share a mutual bank account, but they have to comply with IRS rules, and she has no income; or the gentleman from Thailand who has retired. He worked for a U.S. company for the last 15 years, and he has to abide by U.S. tax laws, even though he has been over there and he resides outside of the U.S.

What Fidelity Mutual told him is we can no longer accept your money and invest because you live outside of the U.S., but you are a U.S. citizen.

Mr. Chairman, this is unacceptable. We in government should do everything possible to bring certainty to our citizens, regardless of where they live, and as a sign of a true great Nation, it is the ability for the Nation's citizens to travel and work wherever they choose in the world, without being disadvantaged by their own government.

I look forward to working with my colleague from Florida.

Mr. CRENSHAW. I thank the gentleman.

As you point out, this is an extensive regulation. It is going to have a profound and far-reaching impact on our economy.

I believe these regulations, as you pointed out, are fraught with unintended consequences. As you point out, the regulation is creating headaches for many Americans who must report their foreign financial activities on the U.S. tax return, so they spend countless hours to prepare and file their tax forms necessary to comply with the regulation.

Mr. Chairman, we don't need more burdensome regulations. We need some pro-growth tax reform, to make it easier for Americans, whether living at home or living abroad, to comply with our tax laws.

Now, it is good to go after tax dodgers, that is understandable, but this is overkill, and I look forward to working with the gentleman to address these unintended consequences.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MS. SCHAKOWSKY

Ms. SCHAKOWSKY. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available in this Act may be used to enter into a contract with any person whose disclosures of a proceeding with a disposition listed in section 2313(c)(1) of title 41, United States Code, in the Federal Awardee Performance and Integrity Information System include the term ''Fair Labor Standards Act.''.

The Acting CHAIR. Pursuant to House Resolution 661, the gentlewoman from Illinois and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Illinois.

Ms. SCHAKOWSKY. Mr. Chairman, all of us know that hardworking men and women in all of our districts are having a rough time these days. Many are paid low wages or wages that are not enough to meet their family's basic needs. Those problems are made even worse when workers are the victims of wage theft.

Billions of dollars are actually stolen from workers through wage theft, and wage theft occurs when workers are forced to work off the clock, denied earned overtime pay, or paid less than the minimum wage. Workers can lose pay because of illegal paycheck deductions, be denied their final paychecks, or not be paid at all.

Interfaith Worker Justice, based in Chicago, has been working to stop wage theft for years. In 2008, its executive director, Kim Bobo, wrote a book called ''Wage Theft in America: Why Millions of Working Americans Are Not Getting Paid—And What We Can Do About It.''

My amendment is one step we can take to do something about it. My amendment is simple. The idea is the same idea that has been offered on the House floor by my friend and colleague, Representative KEITH ELLISON, and is supported by the Congressional Progressive Caucus.

It says that Federal contractors have a duty to pay their workers their legally-earned wages and that corporations that don't pay their workers their legally-earned wages shouldn't benefit from Federal contracts. Similar language has successfully been added to the Energy and Water and Department of Defense Appropriations bills.

Wage theft has been documented. One study of workers in Chicago, Los Angeles, and New York City found that 26 percent were paid below legal minimum wage levels, 76 percent were denied earned overtime, and 70 percent were not paid for work outside of their regular shifts.

The North Carolina Justice Center found that workers in that State lost $33 million in pay because of wage theft over the course of 5 years. The Economic Policy Institute found that, ''In total, the average low-wage worker loses a stunning $2,634 per year in unpaid wages, representing 15 percent of their income.''

This is a problem in many sectors, and that includes Federal contractors. A report by the Senate Health, Education, and Labor and Pensions Committee revealed that 32 percent of the largest Department of Labor penalties for wage theft were levied against Federal contractors.

National Employment Law Project found that 21 percent of Federal contract workers were not paid overtime and 11 percent had been forced to work off the clock.

Federal contract employees deserve to receive the dollars they have earned, the dollars that they need, the dollars they would spend in their communities, and the dollars that taxpayers awarded the contractors for those wages.

All workers should be safe from wage theft, but my amendment is much more modest. It just says that a contract under this FY 2015 Appropriations bill can't be awarded to a corporation found to be in violation of wage requirements under the Fair Labor Standards Act.

It says that corporations that cheat their employees out of hard-earned wages are not deserving of taxpayer-funded Federal contracts. It sends a clear message: obey the law, pay your workers the wages they have earned, or we won't give you the benefit of a taxpayer-financed Federal contract.

□ 1745

Allowing corporations to get away with violating the law is not just bad for their workers and taxpayers, it is unfair to the businesses that are competing for Federal contracts but won't engage in wage theft to get a competitive edge.

Do we really want to tell corporations that they can violate the law and steal wages from their workers and still get a Federal contract, or do we want to take a small stand by saying that only companies that play by the wage rules we have enacted will be eligible?

I hope we can agree that breaking the law in order to underpay workers is not acceptable, certainly should not be rewarded, and certainly not with taxpayer dollars. I urge my colleagues to help the workers who work for us. Support the Congressional Progressive Caucus amendment.

I certainly urge a ''yes'' vote on the amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Illinois (Ms. SCHAKOWSKY).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. MEEHAN

Mr. MEEHAN. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of the bill, before the short title, insert the following:

SEC. _____. None of the funds made available in this Act may be used to modify or rebuild any portion of the White House bowling alley, including using phenolic synthetic material.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Pennsylvania and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania.

Mr. MEEHAN. Mr. Chairman, I rise today to offer an amendment to the FY15 Financial Services Appropriations bill.

But first, before I start, I would like to commend Chairman CRENSHAW for his tireless commitment to stopping the culture of spending and continuing the culture of savings that we have seen from his subcommittee chairmanship. Given our country's current fiscal situation, we need to be mindful of our limited resources and that we need to do more with less. And one of the most basic concepts in budgeting is balancing wants versus needs. A need is something that you have to have, something you can't do without. A want is something that you would like to have. A good example is calcium. You know, calcium is necessary for survival, but ice cream, on the other, hand is a want. Everyone needs calcium, but plenty of people would do just fine without ice cream.

What will my amendment do? It will demonstrate to the taxpayers that this Congress understands the difference between wants and needs. My amendment prohibits any funds from this bill being spent by the General Services Administration towards the renovation of the bowling alley in the White House Eisenhower Office Building.

With our Nation $17 trillion in debt, upgrading the President's private bowling alley shouldn't be a priority. A spiffy new bowling alley may suit the wants for Commander in Chief, but I think I speak for the taxpayers of the Seventh Congressional District when I assert that it is certainly not a need. I think when the administration came forward with this proposal, they rolled a gutter ball.

The hardworking Americans expect and deserve better. These are difficult times in our country. This is no time for business as usual.

Mr. Chairman, I reserve the balance of my time.

Mr. SERRANO. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, this has very little to do with a bowling alley. This is not even about the picture of Richard Nixon fully dressed, bowling at the White House. This is about this desire of Republicans and the Tea Party segment of Republicans, in some cases, to make Barack Obama seem like an illegitimate President.

The legitimacy of his Presidency has been questioned on and on. There were questions about his birthplace. There were questions about what he said his religion was. There were questions about whether he was old enough to be President. There have been questions about everything. So now, these petty attacks continue.

This is a nonissue. This is a nonstarter. First of all, this was about fixing up a bowling alley that has been there forever. I don't think the American public, with all due respect to the people in the gentleman's district, really spend a lot of time concerned about the fact that all Presidents—and I mean all Presidents—are not allowed just to pick up and go to a local place to have a beer or bowl a game of bowling or whatever. So this is not an issue that we should be dealing with.

But what is important about it is that GSA, furthermore, has canceled the project. The Federal contractor posting was pulled on July 9. So I am sure that the other side knows that this no longer is an issue, but it continues to be something that sounds good. I am sure people will be writing about it tonight, that the bowling alley was going to be built at the White House. No. This was an existing one that was going to be refurbished. That contract has been pulled back. That idea has been pulled back.

There just continues to be more and more and more of this petty attack on a President. And I think it is not so

much that he was elected President, which caused a lot of pain for a lot of people, but the fact that he was reelected. That really has turned a lot of people to a point where they will come up with anything.

So by tonight, we may see even the plumbing at the White House attacked, as we did a couple of years ago. And at that time, I remarked that there hadn't been any plumbers at the White House since the Nixon administration, and that was the truth. We have leaks. We have a White House that needs fixing, and this Congress wastes time on these kinds of issues.

So I would just hope that the gentleman would pull his amendment. If he doesn't, then I would hope we could defeat the amendment because it is just silly and not necessary at all.

I reserve the balance of my time.

Mr. MEEHAN. Mr. Chairman, I suspect it is only silly if you are the people who don't care about the important expenditures of the taxpayers of the United States of America. This isn't some trivial issue. This is a question of priorities at a time where every family is struggling.

And the justification here in Time magazine of one of the individuals was this needs renovations. Would you believe it? According to their first-person testimony—and this is just the staffers and the President—there is no electric scoreboard down there, so you have to score by hand. And that is just debilitating when you are focused on bowling a 300 like I am.

Well, maybe we ought to have people who are focused on other kinds of things at this point in time. This is a serious issue in terms of the mispriority of spending Federal dollars.

Mr. Chairman, I urge my colleagues on both sides of the aisle to assert the appropriate priorities in terms of our spending, and I urge a ''yes'' vote.

Mr. Chairman, I yield back the balance of my time.

Mr. SERRANO. Mr. Chairman, just in closing, it is silly. And I am not suggesting the gentleman is silly.

We spend money, large amounts of money on the military and on other things that we never, ever, ever attack. We send money overseas in misguided military situations, and we don't complain about that. But it makes good headlines to say that today we stopped the bowling alley from being built at the White House. ''Refurbished'' was the question at hand, and it has been pulled back since July 9. There is no plan whatsoever to do anything with the existing old, decrepit bowling alley at the White House.

So this is not a gutter ball. This is not a strike for anyone. This is just more of their silliness that we will see for the next 24 hours.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MEEHAN).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. SERRANO. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Pennsylvania will be postponed.

AMENDMENT OFFERED BY MR. GRAYSON

Mr. GRAYSON. I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used to enter into a contract with any offeror or any of its principals if the offeror certifies, pursuant to the Federal Acquisition Regulation, that the offeror or any of its principals—

(1) within a three-year period preceding this offer has been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property; or

(2) are presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (1); or

(3) within a three-year period preceding this offer, has been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.

Mr. GRAYSON (during the reading). Mr. Chair, I ask unanimous consent to dispense with the reading.

The Acting CHAIR. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Florida and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. GRAYSON. Mr. Chairman, this amendment is identical to other amendments that have been inserted by voice vote into every appropriations bill that has been considered under an open rule during this Congress. It is also identical to the amendment I offered to last week's Energy and Water bill, which was passed by voice vote.

My amendment expands the list of parties with whom the Federal Government is prohibited from contracting due to serious misconduct on the part of the contractors. It is my hope that this amendment will remain uncontroversial, as it has been, and will again be passed unanimously by this House.

Mr. CRENSHAW. Will the gentleman yield?

Mr. GRAYSON. I yield to the gentleman from Florida.

Mr. CRENSHAW. I would be pleased to accept the amendment.

Mr. GRAYSON. I thank the gentleman and yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. GRAYSON).

The amendment was agreed to.

Mr. CRENSHAW. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from Florida is recognized for 5 minutes.

Mr. CRENSHAW. I would like to engage in a colloquy with the gentleman from Pennsylvania, and I yield to the gentleman.

Mr. ROTHFUS. I thank the gentleman for his offer to engage in a colloquy.

Mr. Chairman, as you know, money market funds are an important tool used by a variety of different organizations, such as businesses, State and local governments, school districts, pension funds, nonprofits, and more. In fact, it is estimated that between 1985 and 2008, people and organizations that invested in money market funds have earned $450 billion more than they otherwise would have earned.

Since the financial crisis, there has been significant discussion about regulating the industry further. In 2010, the Securities and Exchange Commission, or SEC, put in place new rules to prevent future runs by imposing additional disclosure and liquidity standards.

Even after these changes, the Federal Reserve, through the Financial Stability Oversight Council, has attempted to usurp the jurisdiction and expertise of the SEC and proposed additional regulations on money markets. While the FSOC has since backed off their proposal, the SEC is poised to vote soon on a rule to impose a floating net asset value on certain funds.

I share many of the concerns that commenters on the SEC's rule raised about how a floating net asset value would adversely impact money market funds and the people and organizations that rely on them. In fact, it is worth noting that, of the 1,428 comments on the rule, 98 percent were against the floating net asset value.

Before regulators impose any additional changes on money markets, they must be certain that the costs and benefits have been thoroughly weighed. This includes ensuring that the likely tax changes that will need to be considered with a floating NAV are reviewed by the public in an open and transparent manner before moving forward. We should not eliminate money markets as an option for businesses, communities, workers, and retirees to grow and thrive.

In closing, I would like to thank the committee for its positive report language with respect to money market funds and thank the chairman for his time and consideration of this important matter.

Mr. CRENSHAW. Well, I appreciate the gentleman giving attention to this issue.

As you noted, we have included report language on money market funds within the bill. We are concerned about the issue, and we will work with you as this bill moves forward.

Mr. ROTHFUS. I thank the gentleman and look forward to working with him on this important issue.

Mr. CRENSHAW. I yield back the balance of my time.

AMENDMENT OFFERED BY MR. SHERMAN

Mr. SHERMAN. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used to implement, administer, or enforce final leasing accounting standard rules, regulations, or requirements in FASB Project 2013-270, Accounting Standards Update Topic 842.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from California and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

□ 1800

Mr. SHERMAN. So much of what we do on this floor is so partisan, going over the same old issues. I bring to you an amendment that I cowrote with the Chamber of Commerce which deals with an issue that has not yet been discussed on this floor.

The Financial Accounting Standards Board is funded by the SEC through a convoluted process designed to claim that they are not a government agency, but they are funded by a mandatory tax, and if you don't follow their prescriptions, you can, indeed, face criminal, as well as civil, penalties.

If it is not broke, don't fix it. For 100 years, we had good rules on how to account for leases. The tenant pays rent, the owner of the building owns the building, and the financial statements disclose in the footnotes all the details any financial analyst would want to see.

Since it is not broke, the folks at the Financial Accounting Standards Board have decided to fix it. They want to list on every balance sheet in America the future amount that will be paid in all lease payments as a liability. The effect of that is to increase the liabilities shown on the balance sheets of American business by $2 trillion. That is right, this is a $2 trillion issue that has not yet been discussed on this floor.

The Financial Accounting Standards Board has done some outreach and taken some testimony. By the standards of the accounting world, they have listened. But by the standards of democracy that we are familiar with, trust me, far more is done before you permit a single three-story apartment building.

Mr. Chairman, almost 70 Members of Congress have urged the Financial Accounting Standards Board to stop. They keep going. They want to act in concert with the European International Accounting Standards Board, and that board is beholden to the European Parliament in Brussels. That is right. Those who, in effect, enact American law are not listening to Congress; they are listening to the only Parliament in the world held in lower esteem than Congress.

What will be the effect on our economy? Well, this will add $2 trillion to the balance sheet liabilities of American businesses. It will put a tremendous disincentive on businesses to sign long-term leases. If your tenant won't sign a long-term lease, you can't fund a new building project, a new shopping center, or a new industrial park. So that is why an economic study funded by the American Association of Realtors, the Economic Roundtable, the Business Owners and Management Association, and others says that the best-case scenario is that this will destroy 190,000 American jobs and reduce our GDP by almost $28 billion a year. The worst-case scenario is over 3 million jobs and nearly half a trillion dollars decline in our GDP.

It is time for us to tell the Financial Accounting Standards Board not to go down this road in an effort to fix something that isn't broken.

It is time, also, to focus on an additional disadvantage of this accounting proposal, and that is it will cause tens of thousands—hundreds of thousands—of businesses in this country to be in violation of their loan covenants, which means that they will have to immediately pay off their liabilities or renegotiate with their bankers, who will insist upon higher personal guaranties and higher interest rates, et cetera.

Thousands and thousands of long-term bonds that have been sold in the public market will be held to be in violation of their loan covenants and will become immediately due—not because the businesses were wrong, but because the accounting standards changed.

Now, I have often thought that accounting principles ought to be written by the Financial Accounting Standards Board and not by Congress. I am clinging to that belief. As I see this disaster unfold in the preliminary—in the discussions of the Financial Accounting Standards Board, it is harder and harder to cling to that belief. But I still retain hope that the accounting standards board will change direction and will not adopt this new policy, which solves no problem and which will add $2 trillion to the liabilities of American business and cost us hundreds and hundreds of thousands of jobs.

Mr. Chairman, because I am hopeful that they will change course, I ask unanimous consent to withdraw this amendment.

The Acting CHAIR. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT NO. 1 OFFERED BY MR. FLEMING

Mr. FLEMING. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR (Mr. WENSTRUP). The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used to implement guidance FIN-2014-G001 (relating to BSA Expectations Regarding Marijuana-Related Businesses) issued on February 14, 2014.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Louisiana and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Louisiana.

Mr. FLEMING. Mr. Chairman, I rise today to stop the implementation of Treasury guidance that is in direct conflict with the Federal anti-money laundering statutes.

On February 14, 2014, the Department of the Treasury Financial Crimes Enforcement Network, FinCEN, issued compliance guidance for ''Bank Secrecy Act, BSA, expectations for financial institutions seeking to provide services to marijuana-related businesses.''

I am concerned that Treasury forgot one detail: the Bank Secrecy Act and Federal anti-money laundering laws are explicitly clear that banks and financial institutions may not engage in marijuana-related transactions.

Despite trending State laws, Federal law remains unchanged. The Controlled Substances Act prohibits the manufacture, possession, and distribution of marijuana. Anything but compliance with the CSA, the law of the land, will trigger criminal anti-money laundering penalties, fines, and possible incarceration for perpetrators.

Instead of issuing guidance to reinforce Federal prohibitions, the FinCEN memo offers banks ways to report suspicion activities as required under Federal law, while blatantly ignoring the fact that banks are not allowed to participate in any marijuana transactions, without exceptions. In other words, instead of enforcing the law, there is just a suspicion alert sent out, which we don't even know if anyone is even going to pay attention to. The very act of depositing drug money runs afoul of Federal law.

Mr. Chairman, it is important to note that the Department of Justice also issued a memo in 2014, ''Guidance Regarding Marijuana Financial Crimes.'' This separate memo reinforces Federal law and outlines possible prosecution and criminal offense for ''transactions involving proceeds generated by marijuana-related conduct.''

My amendment would stop the Department of the Treasury from implementing their February 2014 guidance, which is confusing and is actually creating problems throughout the industry. And it is the government, again, it

is the administration not enforcing its own laws. This is nothing short of tacit approval for money laundering, all the while encouraging banks, credit unions, and other financial institutions to engage in illegal and criminal activities.

With that, Mr. Chairman, I would like to yield some time to my good friend from Florida (Mr. CRENSHAW).

Mr. CRENSHAW. Well, I thank the gentleman for yielding, and let me see if I got this straight. Right now, manufacturing, distributing, or dispensing marijuana is still illegal under federal law. Right?

Mr. FLEMING. That is correct, sir.

Mr. CRENSHAW. And the Bank Secrecy Act still prohibits banks from laundering the proceeds of illegal activities. Is that right?

Mr. FLEMING. Right.

Mr. CRENSHAW. But in spite of the Controlled Substances Act and despite the Bank Secrecy Act, Treasury has given banks guidance on how to facilitate the sale of marijuana. That seems wrong, absolutely wrong. This amendment corrects that wrong, so I urge my colleagues to adopt this amendment.

Mr. FLEMING. Mr. Chairman, I reserve the balance of my time.

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, there are a couple of other speakers, so I will be very brief.

This really has very little to do with the substance that we are talking about, or that appears to be marijuana. It is about the fact that, whether we like it or not, there are States that have already legalized either recreational use, in two cases, or medical use in 22 States, and those situations require banking decisions and banking abilities. Jack Lew, Secretary of the Treasury, said at our hearing:

Without any guidance there will be a proliferation of cash-only businesses, and that would make it impossible to see when there are actions going on that violate both Federal and State law.

So an attack on the use of marijuana may be misleading here because what we are doing is really ignoring the banking aspect of this and the fact that there have to be some regulations and some issues put in place to do the right thing and to uphold the law, the banking laws and other laws.

With that, I would like to yield to the gentleman from Colorado (Mr. PERLMUTTER).

Mr. PERLMUTTER. Mr. Chairman, I say to my friend, Dr. FLEMING, and to the chairman of the committee that the guidance has already been implemented—the guidance from the Justice Department, the guidance from the Treasury Department to banks and to the regulators how to report activity around a marijuana business.

Mr. Chairman, there are now 22 States that allow for medical marijuana. There are two States that have legalized it for all adult purposes. We are at 24 States, and by the end of this year, we will be at about 30 States.

What is happening is because banks may not be following—they are doing what Dr. FLEMING would like to see. They are operating just in cash, which creates its own potential for crime, robbery, assault and battery. You cannot track the money. There is skimming and tax evasion. So the guidance by the Justice Department and the guidance by the Treasury Department is to bring this out into the open.

Mr. Chairman, I will insert in the RECORD yesterday's article in USA Today concerning the security issues dealing with all cash accounts, and the Treasury officials there say:

Our goal is to promote financial transparency and make sure law enforcement receives the reporting from financial institutions that it needs to police this activity.

[From USA Today, July 13, 2014]

POTS OF MARIJUANA CASH CAUSE SECURITY CONCERNS

(By Trevor Hughes)

DENVER.—The unmarked armored truck rumbles to a stop in a narrow alley, and former U.S. Marine Matthew Karr slides out, one hand holding a folder, the other hovering near the pistol holstered at his hip.

With efficient motions he retrieves a locked, leather-bound satchel from a safe set into the truck's side and presses a buzzer outside the door. It swings open to reveal a cavernous warehouse filled with marijuana and a safe stuffed with cash.

Welcome to the rear guard of Colorado's rapidly expanding legal marijuana industry, where eager users pour millions of dollars—most of it in small bills—into buying pot, hashish, and marijuana-infused foods and drinks. All that cash adds up, and there are few places to put it: Federal regulations, which still classify pot as an illegal drug, make it difficult for marijuana producers to deposit their profits into traditional bank accounts.

And those cash-heavy small businesses make awfully attractive—and vulnerable—targets for criminals.

That's where Karr and the company he works for come in.

Heading through the warehouse where workers tend young marijuana plants, Karr greets a young woman, and the two empty a safe of tens of thousands of dollars in cash neatly packed in plastic envelopes. Like every room in this combined marijuana store and grow house, the smell of pot hangs heavy in the air. Karr double-checks the ledger, locks his satchel and hustles outside, where former cop Phil Baca waits at the wheel of the armored car.

Karr opens the truck's safe, pitches the satchel inside and climbs back into the passenger seat, an AR–15 rifle stashed behind him. It's a scene that plays out six times in three hours. Their take for the day: somewhere close to $100,000 in cash.

''For the first three months, people were just keeping the money everywhere—in the walls, in mattresses, at home,'' says Sean Campbell, CEO of Blue Line Protection Group, which provides marijuana security services, including Karr, Baca and the armored car. ''And banks don't even want to deal with it. You have a quarter-of-a-million dollars in cash show up all at once. The counting time alone is going to take an hour.''

The unusual problem of having too much cash is forcing business owners to hire security firms like Campbell's, especially after Denver police warned in June of a credible threat against marijuana stores and couriers.

Marijuana-store owners have suffered some smash-and-grab robberies over the last several years but surveillance systems and close police attention have solved many of them. Experts say those robberies were largely committed by amateurs, rather than sophisticated crime rings.

Campbell said he believes it will take a serious high-dollar heist to force smaller marijuana stores to take their security more seriously.

State law requires marijuana businesses to have security cameras and systems on the premises, and many have armed guards, but they remain easy targets. The stores and grow operations often are in remote industrial areas, in warehouses that have not been hardened against a determined intruder. Many stores have large amounts of pot sitting around in rooms secured only by flimsy wooden doors.

Options are limited, however. Unlike most other businesses, marijuana-store owners can't easily open bank accounts for fear of running afoul of federal law. Despite Washington state joining Colorado last week in legalizing sales of marijuana for recreational purposes and 23 states plus the District of Columbia permitting medical pot, the federal government still classifies the plant as an illegal drug more dangerous than cocaine or methamphetamine.

By opening a bank account, pot growers and shop owners run the risk of being charged with money laundering, because federal banking laws and regulations are deliberately aimed at tracking large flows of cash like those generated by both legal and illegal drug sales. A single such charge can bring decades in prison, and most banks and pot-shop owners don't want to run that risk.

''When you go into the business, and you know it's federally illegal, you're taking your chances,'' said Tom Gorman, who runs the federally funded Rocky Mountain High Intensity Drug Trafficking Area task force. ''That's the problem when the state legalizes something that remains illegal at the federal level.''

While declining to be quoted by name, many marijuana store owners interviewed by USA TODAY shared tales of playing cat-and-mouse with banks, managing to keep accounts open for only a few months at a time before getting shut down.

U.S. Treasury officials require banks to file what are known as ''suspicious activity reports'' whenever they suspect someone is trying to launder money. Anyone bringing in a pile of cash sets off internal alarms for bank workers, pot-shop workers say. Federal financial-crimes investigators encourage banks to report suspected marijuana transactions because pot remains illegal at the federal level.

''Our goal is to promote financial transparency and make sure law enforcement receives the reporting from financial institutions that it needs to police this activity and to make it less likely that this financial activity will run underground and be much harder to track,'' said Steve Hudak, a spokesman for the Treasury Department's Financial Crimes Enforcement Network.

Tax-and-marijuana attorney Rachel Gillette said she's seen banks' concerns firsthand—several banks she deals with said they wouldn't let her open an account, even though both the federal and state government are allowed to deposit tax payments from pot sellers. Gillette said federally regulated banks say it's just easier for them not to risk getting their hands tainted by pot.

''They literally told me they would not take my account because I do business with

the marijuana industry,'' Gillette said. ''That seems fundamentally unfair—the state is taking that money and putting it in the bank; the IRS is taking that money and putting it in the bank.''

Gillette is suing the IRS on behalf of one of her clients who has been paying federal payroll tax bills with cash. The IRS calls for electronic payments and adds a 10% surcharge for cash payments, she said. With some marijuana businesses paying payroll taxes of $100,000 a quarter, those penalties are substantial.

Colorado has tried to solve the problem with a new state law permitting creation of marijuana banking cooperatives, which would have the power to accept deposits, lend money and make electronic payments. But that system likely won't begin operating for at least another year, said Gov. John Hickenlooper, and even then federal officials would need to bless the plan.

The amount of cash already flowing through the fast-growing system has forced state tax officials to change how they accommodate payments. While Colorado allows businesses to pay their taxes in cash, most pay electronically. Marijuana businesses, however, must trek to a central Denver office, cash in hand, where they're met at the curb by armed guards and escorted inside. ''Some people walk in with shoe boxes. Some people have it in locked briefcases. We've had people bring it in buckets,'' said Natriece Bryant, a spokeswoman for the Colorado Department of Revenue.

Campbell, who runs the armored-car company, said the vast cash flows are a clear come-on for criminals. He said he's working with banks to offer alternatives for marijuana businesses, including vault services. For many in the marijuana industry, the scene from the Emmy-winning television series Breaking Bad of a storage unit filled with drug cash hits uncomfortably close to reality.

Says Campbell, ''You're effectively creating a magnet for crime.''

Mr. PERLMUTTER. So I would urge a big ''no'' vote on this amendment. It is going backwards.

Mr. SERRANO. Mr. Chairman, I yield the remainder of my time to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. So many have spoken on this floor in favor of states' rights. A majority of Americans live in States in which medical marijuana is legal, and yet we have this bizarre circumstance where these have to be all cash businesses. The result, as the gentleman from Colorado points out, is tax evasion—or potentiality for tax evasion—and also an invitation to crime—violent street crime—as people figure out how they can invade with guns a store that is licensed by my State or his State and try to steal huge quantities of cash.

It is absolutely absurd to tell people that they cannot use medical marijuana when they are in physical pain and they live in a State where that is allowed, and it is even more absurd to have to keep millions of dollars of cash there for the possible criminal taking because we have businesses that are actually operating that are outside the banking system.

Mr. SERRANO. Mr. Chairman, I yield back the balance of my time.

Mr. FLEMING. Mr. Chairman, how much time do I have remaining?

The Acting CHAIR. The gentleman from Louisiana has 1½ minutes remaining.

Mr. FLEMING. Mr. Chairman, first of all, it is absolutely a fact that marijuana, the use of marijuana and the sale of marijuana, is against federal law. Now, you may want to change that law, but that is the law.

Also, our banking system, even those that are State banks, State charter banks, fall under a Federal banking system.

You are talking about money laundering. Well, what about other drugs? What about heroin? What about methamphetamines? Should we also have exemptions and carve-outs for those as well? Why even have a system that detects money laundering and actually enforces that if we are going to begin to create exemptions and carve-outs for that as well?

Also, I would remind folks that with regard to medical marijuana, that is still very controversial. The reason why marijuana is still a Schedule I drug, illegal, is that it is neither known nor accepted by authorities that raw marijuana has an acceptable medical use.

□ 1815

Now, yes, extracts of marijuana, even Marinol—which is synthetic THC—is a schedule III, like hydrocodone, and that can be prescribed and monitored by a physician. There is no problem with that, and the money can go into any banking system.

So if there are beneficial parts of the marijuana, we can extract that and create medication from it, whether it is liquid or tablet, injection or whatever, and then that will certainly be delivered, prescribed by physicians.

I urge a ''yes'' vote on this amendment.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Louisiana (Mr. FLEMING).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. FLEMING. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Louisiana will be postponed.

AMENDMENT OFFERED BY MR. GOSAR

Mr. GOSAR. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used to pay a performance award under section 5384 of title 5, United States Code, to any employee of the Internal Revenue Service.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Arizona and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. GOSAR. Mr. Chairman, I rise today to offer one final amendment to the Financial Services and General Government Appropriations Act for the fiscal year 2015.

Let me first say that I am especially grateful to Chairman CRENSHAW and Ranking Member SERRANO for working with me on my variety of amendments to this bill. They have been exceptionally cooperative and congenial. I would also like to thank the staff of the Financial Services Subcommittee. They have also been very courteous and cooperative with my staff.

My final amendment to the bill seeks to effectuate a policy of accountability in government. Historically, the IRS has never been liked by the American people. The agency takes our hard-earned wages and enforces the Internal Revenue Code.

I would argue that the power wielded by this agency is matched only by the Department of Defense because, as we all know, the power to tax is the power to destroy, and although no one ever liked the IRS, most Americans quietly trusted them.

They trusted that the agency was enforcing the law with fairness and impartiality and were beyond reproach in terms of political pressure. That trust has not only been questioned, it has been annihilated.

This year, House Republicans have gone above and beyond to hold this President and his lawless administration accountable for their actions and inactions, and this is another opportunity to act rather than to speak.

My final amendment to the bill follows in the footsteps of another that I cosponsored and supported in the MilCon-VA Appropriations Act just a few weeks ago. This amendment would prohibit bonuses or performance awards to be paid to senior executive employees at the IRS.

The saying goes with great power comes great responsibility. The IRS is responsible for administering tax laws fairly and justly. They have failed at that responsibility, and they now must be held accountable. Senior management should never have let this happen.

Moreover, they should not be given performance awards in the wake of one of the largest scandals in recent history. Giving out bonuses is ludicrous and amounts to a slap in the face to the American public.

I would also like to quickly note that I appreciate the committee's inclusion of a provision, section 112, in the bill. That section prescribes that, before a bonus may be awarded to an IRS employee, an assessment of the employee's conduct, in addition to a mandatory check for back taxes or delinquent taxes, must be performed and taken into account.

As a duly-elected Member of Congress representing hundreds of thousands of Arizonans, I cannot, in good

conscience, allow any sort of bonus to be awarded to senior management at this rogue agency.

As long as I remain a Member of this body, I will seek to ensure that this policy becomes law each and every fiscal year. It is my hope that this amendment will ultimately be signed into law and that no bonuses at all will be awarded in the next fiscal year.

None should have been given this last year, but Commissioner John Koskinen decided to dole out bonuses anyway, despite the anger he knew it would cause. Overall, my hope is that this amendment will incentivize one of these senior executives at the IRS to come forth with copies of Lois Lerner's magically vanishing emails.

Should that day come and should the Congress and the American people receive closure to this scandal, I will cease my efforts to prohibit these awards, and the IRS may begin the process of rebuilding the trust it has so blatantly violated.

This agency has shown contempt for the American taxpayer, and the ensuing outrage at the IRS has been bipartisan. When the House voted on House Resolution 565 to demand that Attorney General Eric Holder appoint a special counsel to look into the scandal, 26 Democrats voted to support that measure.

As I mentioned with my last IRS amendment, if you disapprove of the IRS leaking tax information about the President's political opponents, then support my amendment.

If you disapprove of the IRS targeting conservative groups for their political beliefs, then support my amendment. If you disapprove of the IRS ignoring congressional subpoenas, then support my amendment.

If you disapprove of this agency stonewalling Congress, destroying evidence, and lying to the American people, then support my amendment. Finally, if you disapprove of IRS senior executives receiving bonuses for their failures, then support my amendment.

Again, I thank the chairman and ranking member for their continued work on the committee.

Mr. CRENSHAW. Will the gentleman yield?

Mr. GOSAR. I will certainly yield to the chairman.

Mr. CRENSHAW. The gentleman has made a couple of interesting points that I think bear emphasis. Some of the actions of the IRS have been outrageous, and we have talked about that from time to time. As the gentleman pointed out, this year, $63 million in bonuses were paid to IRS employees.

It is interesting they were paid by the new Commissioner when the prior Commissioner had decided that it was not appropriate to pay those bonuses, and then the new Commissioner testified before our subcommittee how he was outraged that he didn't have enough money to answer more than 61 percent of his phone calls.

I said: Sir, what is outrageous to me is you don't have enough money to answer the phone calls, which is the first thing you ought to do, yet you paid $63 million in bonuses, and then we find out that some of the people who received the bonuses were delinquent on their taxes.

I urge adoption of the amendment

Mr. GOSAR. I thank the gentleman, and I yield back the balance of my time.

Mr. SERRANO. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, I get tired of saying this, but it has to be said. I realize that the other side's desire is to bring the IRS down to nothing. It is a constitutional question. We have the power to collect taxes. One would argue that we must have a department that collects taxes.

They may not always be the department—the agency—we want them to be. Both sides, whether one believes it or not, were outraged that something wrong might have been done, but to suggest and paint with a broad brush the whole IRS and say that everyone there at the senior level is not worthy of a bonus or not worthy of our respect is really to do a disservice to public service employees. These folks do a job. They do a job on a daily basis.

Are there problems with the IRS? There have always been problems at the IRS. Has the IRS been an agency that is loved by the American public? No, because we as Americans would love somehow to do everything we need to do, but have taxes that are either very low or nonexistent.

That is not a knock on us. We would all rather pay less taxes than we pay, but we continuously just spend time knocking and knocking. If you measure the time that we have spent on this bill so far and you measure how much of that time has been allocated to the IRS and to bringing it down, not to helping it in any way, not to coming up with any solutions—the whole argument has been they did something wrong, we are going to punish them.

We are not talking about children. We are not talking about a foreign government that attacked us. We are talking about an agency that might not have done everything the way we want them to do it, and therefore, we have to use our resources, our power, and our legislative ability to make them do a better job, to help them along the way, not to destroy them.

So here we are saying if you have executives at the higher level that are doing a good job, you can't help them in any way. You have to ignore that.

Now, we talk about morale. We talk about morale with our staff. We talk about morale with our Membership. Why do we have so many Members who are retiring?

If you asked them, a lot of them are retiring because we don't get along the way we used to or maybe because we spend so much time on wasteful issues.

So we can't paint with a brush the whole IRS. We have to find a way to help, to make them a better agency—yes, to use tough love.

Absolutely, I will be the first one to agree to that and to join the majority in doing that, but this whole word of punishing of a worthless institution, of a corrupt institution, of an institution that does not follow the law, that is not true, that is not fair, and that is not correct.

That is why this amendment is misguided, and it may do just the opposite, like so many of these amendments. By punishing, you bring down morale, and you bring down the support of those who could help us do a better job at the IRS like we all would like.

I hoped that we would get Mr. GOSAR to withdraw his amendment, but his facial expression tells me that I am crazy in asking that question. You don't have to agree that I am crazy in asking that question, but I think we should defeat this amendment.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Arizona (Mr. GOSAR).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. GOSAR. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

AMENDMENT OFFERED BY MR. HECK OF WASHINGTON

Mr. HECK of Washington. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available in this Act may be used, with respect to the States of Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Washington, or Wisconsin or the District of Columbia, to prohibit or penalize a financial institution from providing financial services to an entity solely because the entity is a manufacturer, producer, or person that participates in any business or organized activity that involves handling marijuana or marijuana products and engages in such activity pursuant to a law established by a State or a unit of local government.

Mr. CRENSHAW. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The Acting CHAIR. A point of order is reserved.

Pursuant to House Resolution 661, the gentleman from Washington and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Washington.

Mr. HECK of Washington. Mr. Chairman, I offer this bipartisan amendment to carry forth an important issue of public safety to provide legally-constituted marijuana businesses access to banking services. To do otherwise is to render them an all-cash sector of the economy, which is fraught with peril.

If you supported the Rohrabacher amendment to the Commerce-Justice and Science Appropriations which passed clearly, then you will support this as well. It brings forth the terms and conditions of the Department of Justice and Financial Crimes Enforcement Network.

Yesterday morning, on the very front page of USA Today was an article setting forth the dangers of all-cash businesses in our States that have approved legally marijuana-related businesses. In the words of the Attorney General:

You don't want just huge amounts of cash in these places. They want to be able to use the banking system. It is a public safety component. Huge amounts of cash, substantial amounts of cash just kind of lying around with no place for it to be appropriately deposited is something that worries me, just from a law enforcement perspective.

□ 1830

If you support public safety, if you supported the Rohrabacher amendment to the Commerce, Justice, and Science bill, you will support this amendment as well. In the interest of public safety, you will do this. Because in the words of the Department of Justice, the two most important terms and conditions: keep marijuana out of the hands of children and keep cash out of the hands of gangs and the cartels. To oppose this amendment is to support that, and I know you don't want that.

So, I urge you in the strongest terms to support this amendment, this bipartisan amendment, as was adopted earlier on the Commerce, Justice, and Science Appropriations bill.

Mr. Chairman, I reserve the balance of my time.

POINT OF ORDER

Mr. CRENSHAW. Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill and, therefore, violates clause 2 of rule XXI.

The rule states in pertinent part:

''An amendment to a general appropriation bill shall not be in order if changing existing law.''

The amendment requires a new determination.

Therefore, I ask for a ruling from the Chair.

The Acting CHAIR. Does any other Member wish to be heard on the point of order?

Mr. PERLMUTTER. Yes, I do.

The Acting CHAIR. The gentleman from Colorado is recognized on the point of order.

Mr. PERLMUTTER. Mr. Chairman, I would just urge the Chair, in ruling, that this does not change the law in any respect. It respects the guidance that has been promulgated by the Justice Department and the Treasury Department and does not make a change and is not outside of the rules.

I would say to my friend from Florida that his point of order is incorrect, and would ask the Chair to rule that the gentleman's amendment is in order.

The Acting CHAIR. The Chair is prepared to rule.

The Chair finds that this amendment includes language requiring a new determination as to the reason a financial institution provides financial services to an entity.

The amendment, therefore, constitutes legislation in violation of clause 2 of rule XXI.

The point of order is sustained, and the amendment is not in order.

AMENDMENT OFFERED BY MR. WALBERG

Mr. WALBERG. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ___. None of the funds made available in this Act may be used in contravention of chapter 29, 31, or 33 of title 44, United States Code.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Michigan and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. WALBERG. Mr. Chairman, I rise to offer an amendment which builds off the good work accomplished by Chairman CRENSHAW and Ranking Member SERRANO in the underlying bill.

At a recent Oversight and Government Reform Committee hearing, we had the opportunity to hear testimony from David Ferriero, the Archivist of the United States and head of the National Archives and Records Administration, which oversees the Federal Records Act.

In his testimony before Congress, Mr. Ferriero gave an account of how the IRS failed to notify him about the unauthorized disposal of Lois Lerner's hard drive, a hard drive which contained key emails and information about her actions in the targeting of conservative groups. In fact, during my questioning of Mr. Ferriero, he stated that the IRS ''did not follow the law.''

It is clear the IRS has not made it a priority to comply with the intent of the law, whether in the form of intimidating taxpayers, ignoring congressional requests for documents, or ignoring requirements to document valuable records that are in the public interest. My amendment would address one of these failures and prohibit any funds in this bill to be used by the IRS to act in contravention of the Federal Records Act.

It is a commonsense check on the IRS's recent behavior, and I urge my colleagues to support it.

Mr. CRENSHAW. Will the gentleman yield?

Mr. WALBERG. I yield to the gentleman from Florida.

Mr. CRENSHAW. I just want you to know that in the bill we have a provision that applies to the IRS. This is a little bit broader, but I think it is a good amendment, so I encourage folks to support it.

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

Mr. SERRANO. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, the gentleman is primarily concerned with records management at the IRS, which does not surprise us—the IRS again. However, this bill already contains a provision preventing the use of funds by the IRS to violate these very same sections of the code. In other words, the bill that we are debating today, the full bill, already accomplishes what the gentleman seeks to do. Every agency is already required to follow Federal records management law, so this amendment seems particularly unnecessary.

I realize Members on the other side want to continue to issue press releases stating how tough they are on the IRS, but there is no need to restate current law. I think that this one is different in the sense that while other amendments that I may not approve of or support speak to an issue that hasn't been spoken to before or repeat something we have dealt with before, this one speaks to an issue that Mr. CRENSHAW already took care of in the bill.

That is my opposition to it, and that is why I think the amendment is unnecessary.

I yield back the balance of my time.

Mr. WALBERG. Mr. Chairman, I thank my colleague from New York for his concern about this. I am concerned as well.

I appreciate the fact what the chairman has said, that this expands the reach; it expands the authority. If, indeed, all of our agencies had a requirement under the Federal Records Act and they followed it, I wouldn't be here. But under significant questioning of the Archivist of our Nation, he indicated to me under significant questioning that the IRS ''did not follow the law.''

That is the purpose of this amendment: to make sure there are more teeth available even than what is put in this good bill to make sure that the IRS follows the law.

I ask my colleagues for support for this amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Michigan (Mr. WALBERG).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FARENTHOLD

Mr. FARENTHOLD. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), add the following:

SEC. ____. None of the funds in this Act may be available for the Office of Management and Budget to process or approve an apportionment request that does not include the following phrase: ''Apportioned amounts are not available for any position that is held by an employee with respect to whom the President of the Senate or the Speaker of the House of Representatives has certified a statement of facts to a United States attorney under section 104 of the Revised Statutes (2 U.S.C. 194).''.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Texas and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. FARENTHOLD. Mr. Chairman, today I rise to offer an amendment that would prohibit funding to any Federal employee who has been found in contempt of Congress.

As a member of the Oversight and Government Reform Committee, I have had serious concerns about the nonresponsiveness of certain Federal officials to legitimate congressional oversight activities. In some of these situations, the actions have been taken by this House to hold these officials in contempt of Congress.

Specifically, my amendment prevents funds from being made available for the Office of Management and Budget to process or approve an apportionment request from an executive agency that does not include the following language:

Apportioned amounts are not available for any position that is held by an employee with respect to whom the President of the Senate or Speaker of the House of Representatives have certified a statement of facts to a United States attorney under section 104 of the Revised Statutes (2 U.S.C. 194).

What the experts and lawyers tell me this means is we won't pay folks who have been held in contempt of Congress. The taxpayers don't need to be funding somebody who is not cooperating with their elected representative, and it has gotten so bad that this entire body has held them in contempt.

If somebody has failed to do his or her job in the private sector or in any other environment, they wouldn't get paid, and I think the Federal Government needs to follow this.

Let me give you a little bit of background on the process so you understand how this is going to work.

Funds apportioned to executive agencies are apportioned or handed out by the OMB. Executive agencies must submit a request to the OMB 40 days before the start of the fiscal year or within 15 days of the enactment of the appropriations act. The OMB then determines how the executive agency's fund will be apportioned.

This amendment would require an executive agency to include the quoted language in their apportionment request to the OMB, which would prevent the OMB from allocating funds to an agency for the salaries of Federal employees who have been found in contempt of Congress.

To me, this is just common sense. We don't pay employees who don't cooperate with their boss. We are the elected representatives of the people. We are the boss, and we need to enact this legislation to ensure those in contempt of Congress do not continue to receive taxpayer funds.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. FARENTHOLD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GRAYSON

Mr. GRAYSON. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. _____. None of the funds made available by this Act may be used to pay any individual at an annual rate of Grade 1, Steps 1, 2, 3, 4, 5, or 6; or Grade 2 Step 1 or 2 as defined in the ''Salary Table 2014–GS'' published by the Office of Personnel Management. Further, none of the funds made available by this Act may be used to pay any individual at an hourly basic rate of Grade 1, Steps 1, 2, 3, 4, 5, or 6; or Grade 2, Step 1 or 2.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Florida and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. GRAYSON. Mr. Chairman, this amendment would end the Federal Government's practice of paying poverty wages to its workers and hopefully set an example for the private sector to stop paying poverty wages to its workers.

My metropolitan area of Florida has the lowest average wages of any of the 50 biggest cities in America. It is time to end this and to pay people fairly. A fair day's work should result in a fair day's pay.

The reason why we have to end poverty wages in America is simple. It is just too expensive to be poor in America. If you are poor, it is difficult to buy or rent a place to live, to buy or lease a car to drive, even to get electricity from a utility company, to save any money at all, or even open a bank account. It is just too expensive to be poor in America.

Journalist Barbara Ehrenreich put it best:

If you can't afford the first month's rent and security deposit you need in order to rent an apartment, you may get stuck in an overpriced residential motel.

If you don't have a kitchen or even a refrigerator and microwave, you will find yourself falling back on convenience store food, which—in addition to its nutritional deficits—is also alarmingly overpriced.

If you need a loan, as most poor people eventually do, you will end up paying an interest rate many times more than what a more affluent borrower would be charged.

To be poor—especially with children to support and care for—is a perpetual high-wire act.

□ 1845

Mr. Chairman, when I say ''it's too expensive to be poor in America,'' I am not just quoting a poverty advocate. I am quoting Noah Wintroub, an official for JPMorgan Chase. Yes, even the bankers are telling us that it is too expensive to be poor in America.

Right now, the Federal Government can pay as little as $8.62 an hour for a grade 1, step 1 worker. That is not enough. You get what you pay for. That is the capitalist way. If a government worker has to take another job just to get by, then that worker can't focus on doing a good job serving the public. If a Federal worker is working 80 hours a week instead of 40 just to survive, he is not going to do a good job at either job.

My amendment simply would not allow the government to pay anyone less than $10.10 an hour—still a very modest amount. According to CBO, it doesn't cost the government a single dime extra. It is supported by the American Federation of Government Employees. Paying Federal workers $10.10 an hour is still not enough, but at least it is a start.

Right now, the minimum wage gives you $1,200 a month to live on if you work a full-time job for 40 hours a week. From that $1,200 a month, you must pay your Social Security taxes, your Medicare taxes, pay for your food, your clothing, your housing, your transportation. You must also pay, by the way, for the food and clothing of your children.

That is not possible. It is simply not possible to live that way, and we can't expect people to do that. In fact, the taxpayers end up subsidizing them through food stamps, Medicaid, the earned income credit, and a dozen other ways that we make up for the shortfall when their employers are not paying them enough to keep them alive.

I think it is time that we take a stand. I hope this body sees the wisdom of paying at least Federal workers, to start, above poverty wages. I urge this body to accept this amendment and set a proper standard for labor in this country. Let's have $10.10, not $7.25. You can't survive on $7.25.

I reserve the balance of my time.

Mr. CRENSHAW. Mr. Chairman, I claim the time in opposition.

The Acting CHAIR. The gentleman from Florida is recognized for 5 minutes.

Mr. CRENSHAW. Mr. Chairman, I just got this amendment a little bit ago. I don't quite understand what the gentleman is trying to do.

As I read the amendment, it basically says you just can't pay Federal employees. If I am a Federal employee and somebody says you can't pay me this wage, I guess I can either come to work and not get paid or I can just decide that you decided not to pay me so I don't think I will come to work anymore.

I don't know how many people are affected by this, but I have got to believe

a lot of people would look at this and say: Gee, the gentleman from Florida says we are just not going to pay you.

I guess on behalf of the Federal employees, I have to oppose that, because I think all Federal employees ought to be paid. I don't think we should pass legislation saying they can't be paid.

So I would urge my colleagues to oppose this amendment, and I reserve the balance of my time.

Mr. GRAYSON. Mr. Chairman, I appreciate the creativity of my colleague from Florida's argument, but no one is suggesting Federal employees have to work for free. All this amendment does is simply eliminate the poverty rates set forth in the General Schedule and replaces them with the existing higher rates.

All we are saying here is that grade 1, steps 1, 2, 3, 4, and 5 are below poverty level; grade 2, steps 1 and 2 are below poverty level.

I don't see how this amendment could possibly lead to the scenario that the gentleman from Florida, the chairman, is describing. It simply would mean that these workers would no longer be paid poverty wages. They would be paid under the existing GSA schedule a proper day's pay for a proper day's work.

Therefore, and given the fact that the AFGE, which is responsible for representing these workers, supports this amendment and rejects the nightmare scenario described by the gentleman from Florida, I would hope to have the gentleman from Florida's consent and support for this amendment.

I yield back the balance of my time.

Mr. CRENSHAW. Mr. Chairman, I just want to read this again. It says that none of the funds made available by this act may be used to pay any individual at an annual rate of grade 1, step 1, 2, 3, 4, 5, or 6.

So if you are grade 1, step 6, it says you can't be paid at that rate. It doesn't say anything about raising your salary or lowering your salary. It just says you can't be paid.

I really think that this is something we ought to reject. I urge my colleagues to vote ''no,'' and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. GRAYSON).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. GRAYSON. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida will be postponed.

AMENDMENT OFFERED BY MR. MASSIE

Mr. MASSIE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ___. None of the funds made available by this Act, including amounts made available under titles IV or VIII, may be used by any authority of the government of the District of Columbia to prohibit the ability of any person to possess, acquire, use, sell, or transport a firearm except to the extent such activity is prohibited by Federal law.

Mr. SERRANO. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The Acting CHAIR. A point of order is reserved.

Pursuant to House Resolution 661, the gentleman from Kentucky (Mr. MASSIE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Kentucky.

Mr. MASSIE. Mr. Chair, I rise today to offer an amendment that would stop the District of Columbia from taking any action to prevent law-abiding citizens from possessing, using, or transporting a firearm.

Despite the U.S. Supreme Court's decision in District of Columbia v. Heller that struck down the unconstitutional D.C. handgun ban, it is still difficult for D.C. residents to exercise their God-given right to bear arms. Congress has the authority to legislate in this area pursuant to article I, section 8, clause 17 of the Constitution, which gives Congress the authority ''to exercise exclusive legislation in all cases whatsoever'' over the District of Columbia.

Through unreasonable regulation, arbitrary time limits and waiting periods, and a ridiculous registration renewal process for guns that have already been registered, the government bureaucrats of the District continue to interfere with the District's residents' right to self-defense.

As the Washington Times reported earlier this year, the District of Columbia has passed the first law ever in the United States that requires a citizen who has already legally registered a gun to pay for reregistration, go to police headquarters and submit to invasive photographing and fingerprinting. This is pure harassment.

Why would the D.C. government want to punish and harass law-abiding citizens who simply want to defend themselves from criminals? As everyone with even the smallest bit of common sense knows, criminals, by definition, don't care about the laws. They will get the guns any way they can.

Does anyone actually believe that strict gun control laws will prevent criminals from getting guns? Strict gun control laws do nothing but prevent good people from being able to protect themselves and their families in the event of a robbery, home invasion, or other crime.

I reserve the balance of my time.

POINT OF ORDER

Mr. SERRANO. Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill and, therefore, violates clause 2 of rule XXI.

The rule states in pertinent part:

''An amendment to a general appropriation bill shall not be in order if changing existing law.''

It also adds a requirement on D.C. that it doesn't add anywhere else. It imposes additional duties by requiring law enforcement or the D.C. Council to determine what is prohibited by Federal law before they are allowed to legislate.

We know that folks like to sound good on certain issues by legislating from here, but the city council should not be asked to incur these extra duties that they don't have now.

I ask for a ruling from the Chair.

The Acting CHAIR. Does any other Member wish to be heard on the point of order?

Mr. MASSIE. Mr. Chair, I certainly disagree with the gentleman's points there.

First of all, Congress has the constitutional authority to legislate and exercise over all matters in the District of Columbia. Furthermore, if a law enforcement officer in the District of Columbia is not already familiar with Federal laws, then I question whether he should be a law enforcement officer.

But most of all, I would make the point that the underlying bill already contains language that is virtually identical in form to the amendment that I have offered. For instance, section 809 states that ''none of the Federal funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substance Act.''

There are multiple examples in the underlying bill where the structure of those portions of the bill are identical to my amendment and require knowledge of law.

The Acting CHAIR. The Chair finds that this amendment includes language requiring a new determination by the District of Columbia as to the state of Federal firearms law. The gentleman has not shown that this determination is already required.

The amendment, therefore, constitutes legislation in violation of clause 2 of rule XXI.

The point of order is sustained, and the amendment is not in order.

Mr. MASSIE. Mr. Chairman, I move to appeal the ruling of the Chair.

The Acting CHAIR. The question is, Shall the decision of the Chair stand as the judgment of the Committee?

The question was taken; and the Acting Chair announced that the ayes had it.

So the decision of the Chair stands as the judgment of the Committee.

□ 1900

AMENDMENT OFFERED BY MR. MARINO

Mr. MARINO. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ___. None of the funds made available by this Act may be used to collect any underpayment of any tax imposed by the Internal Revenue Code of 1986 to the extent such underpayment is attributable to the taxpayer's loss of records (except in the case of fraud).

Mr. CRENSHAW. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The Acting CHAIR. A point of order is reserved.

Pursuant to House Resolution 661, the gentleman from Pennsylvania and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania.

Mr. MARINO. I thank the chair and the ranking member for their hard work and dedication during the appropriations process, and I look forward to working with them on a number of important issues surrounding the treatment of taxpayers by the IRS.

Mr. Chairman, I will be withdrawing this amendment at the conclusion of my allotted time. However, I wish to make a point.

I agree with the steps the committee has taken within this legislation, but feel more must be done to ensure equal treatment for all taxpayers. My amendment would prohibit the IRS from pursuing claims against taxpayers for underpayment where the issue is lost records, except in the case of fraud.

According to its own publications, the IRS recommends that taxpayers keep records up to 7 years—and more in some cases—to respond to potential audits. This is often necessary for individuals and corporations to retain records for years and potentially longer for businesses depending upon the circumstances and types of records.

The loss of records can have significant repercussions for the taxpayer and can result in penalty fees and payments of back taxes with interest. Should these taxpayers be audited, the burden is on them—yes, the burden is on them—to produce proper records, not the IRS. While these regulations make sense, as we do not want taxpayers improperly withholding taxes they properly owe under the current tax system, it is unfortunate that the one agency promulgating the regulations does not follow these strict standards.

We now know the IRS, through its employee Ms. Lois Lerner, Director of Exempt Organizations, unfairly targeted and scrutinized conservative groups in their applications for tax-exempt status. Under the IRS' rules, Ms. Lerner was required to retain her records discussing policy decisions and discussions in paper form, including those related to the decision to probe conservative organizations. However, Ms. Lerner refused to follow protocol, and to make matters worse, her email copies were lost due to a so-called computer crash.

Given Ms. Lerner's blatant disregard to keep records properly in accordance with IRS rules, it is patently unfair to require taxpayers to follow such burdensome standards. In addition, the IRS Commissioner testified on the topic of Ms. Lerner's emails multiple times before the Oversight and Government Reform Committee, suggesting that there would be no issue in producing the emails. However, the Commissioner knew there was an issue with Ms. Lerner's computer in February and that the emails were certainly lost in March. Despite this knowledge, he failed to notify Congress until June.

This is outrageous. While the IRS is trying to evade explaining the loss of records, we should prohibit the IRS from mercilessly pursuing taxpayers for the exact same fault.

With that, I yield 30 seconds to the gentleman from Florida (Mr. CRENSHAW), my colleague and the chairman of the subcommittee.

Mr. CRENSHAW. Mr. Chairman, I support the gentleman's amendment even though I reserved a point of order.

I would just inquire if the gentleman intends to withdraw the amendment.

Mr. MARINO. I do. I am going to do that in my closing, sir.

I thank the chairman for his support of the principle of my amendment. While I recognize this would be legislative language in an appropriations bill, I welcome the opportunity to work with the chair and my other colleagues to properly investigate this situation and ensure that similar situations of government abuse do not arise in the future.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The Acting CHAIR. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. HECK OF WASHINGTON

Mr. HECK of Washington. Mr. Chairman, I have a new and improved amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ___. None of the funds made available in this Act may be used, with respect to the States of Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Washington or Wisconsin or the District of Columbia, to penalize a financial institution solely because the institution provides financial services to an entity that is a manufacturer, producer, or a person that participates in any business or organized activity that involves handling marijuana or marijuana products and engages in such activity pursuant to a law established by a State or a unit of local government.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Washington and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Washington.

Mr. HECK of Washington. Mr. Chairman, I yield myself such time as I may consume.

This is a referendum on public safety. It follows the exact intent—but is technically perfected—of the earlier amendment that was offered, and I thank the gentleman from the majority for pointing out its technical flaws. They have been corrected.

It is a referendum on public safety. If you want to render an all-cash sector of the economy in the 23 States that allow for medical marijuana and in the two States that allow for the adult recreational use of marijuana, you will make them unsafe. That is for certain.

I entreat you to pick up yesterday's USA Today and read the excellent article, including the citation of several security experts, about what will happen with a certainty, inevitably, if we do not take this measure.

If you want to keep marijuana out of the hands of children and if you want to keep cash out of the hands of gangs and cartels, you will support this amendment.

With that, Mr. Chairman, I yield 1 minute to the gentlewoman from the State of Nevada (Ms. TITUS).

Ms. TITUS. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this amendment.

The medical marijuana industry is rapidly taking root in Nevada. Our local governments are developing regulations and are issuing licenses as we speak. Yet representatives of this exciting industry continue to raise the same concern—a lack of access to banks, which is critical for the safe operation of any small business.

This commonsense measure would respect states' rights, add more transparency, facilitate regulations, protect the public, and foster the growth of small business. I urge a vote in favor.

Mr. HECK of Washington. Mr. Chairman, I yield 1 minute to the gentlewoman from the State of California (Ms. LEE).

Ms. LEE of California. I thank Congressman HECK for yielding and for his really bold and tremendous leadership on this.

I am proud to join you, Mr. PERLMUTTER and Mr. ROHRABACHER, in cosponsoring this bipartisan, commonsense amendment.

Mr. Chairman, this amendment would provide important certainty to business owners, employees, government agencies, and financial institutions in 34 States and jurisdictions that have passed marijuana reform laws.

By prohibiting Federal agencies from unduly penalizing financial institutions for providing basic banking services, like opening a checking account, this amendment would ensure that legitimate business owners can comply

with State regulations and that regulators and law enforcement can hold businesses accountable.

□ 1915

I recently had a chance to visit one of these small businesses in my home district of Oakland, California, and know how big an impact the access to financial services can have.

When these businesses are unable to access financial services, they are forced to use unsatisfactory cash-based transactions that lack transparency, accountability, and create a threat to public safety.

I was proud to cosponsor a similar amendment to the Commerce, Justice, and Science Appropriations bill that passed the House. I want to thank Mr. HECK again for his leadership and hope this passes.

Mr. CRENSHAW. Mr. Chairman, I claim the time in opposition.

The Acting CHAIR. The gentleman from Florida is recognized for 5 minutes.

Mr. CRENSHAW. Mr. Chairman, a little earlier, we had a discussion about this, and I pointed out that it is very clear that, right now, it is still illegal under Federal law to manufacture, to distribute, or to dispense marijuana. That is the Federal law.

There is also a Federal law that says banks can't launder the proceeds of illegal activities, and as we talked about earlier, we have got the fact that the Treasury has given guidance on how to facilitate the sale of marijuana.

The point is the law is the law. The Federal law, I just stated, and I don't think we can go around picking and choosing which States the Federal law applies to. The Federal law is the Federal law, and that is the way it ought to be.

I think that the fact that we have those two laws, when somebody violates those laws, that is wrong. Earlier this evening, we adopted an amendment that corrected that. This seeks to go back the other way.

I would just urge people to vote ''no'' on this because we have a Federal law that controls, and we can't pick and choose who gets to comply and who doesn't.

Mr. Chairman, I yield back the balance of my time.

Mr. HECK of Washington. Mr. Chairman, I yield 1 minute to the gentleman from Colorado (Mr. PERLMUTTER).

Mr. PERLMUTTER. Mr. Chairman, to my friend from Florida, I agree, except that the world has moved, and businesses that are legal in these vast array of States should be able to operate in a businesslike fashion.

They should be able to have checking accounts and credit cards and payroll accounts, instead of operating solely in cash that invites robberies, invites assault and batteries, invites tax evasion.

The system—the banking system should be able to provide for that, instead of just operating in a cash setting. So we need to limit and avoid the crime that the cash invites, and we need to allow these businesses to operate in a businesslike fashion.

The States and the people of those States have chosen to move forward. We should not, through the banking system, try to stop that and then create crime in its wake.

Mr. HECK of Washington. First, let's correct the RECORD. The earlier vote did not approve the opposite amendment. In fact, the decision, as announced by the Chair, was to affirm the amendment, and then the rollcall was provided and is yet pending.

Secondly, the will of this body has, in fact, been manifested on one occasion, and that was an amendment highly similar to this one, to the Commerce, Justice, and Science Appropriations, and it passed by a clear bipartisan majority in this Chamber.

Lastly—and again, this is about public safety. This is about keeping marijuana out of the hands of children and cash out of the hands of the gangs and the cartels. That is what this amendment is about.

I am frankly stunned to learn that the party whose heritage was in support of states' rights now no longer sees fit to uphold those States who have gone in this direction who, through votes of people and votes of their duly-elected legislatures, have created tightly-controlled markets for this particular substance.

This is not about being in favor or against marijuana consumption. This is about public safety. This is about providing access to banking services for safe environments, safe communities, and I entreat you to support it as you once did before.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Washington (Mr. HECK).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. CRENSHAW. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Washington will be postponed.

AMENDMENT NO. 6 OFFERED BY MR. PRICE OF GEORGIA

Mr. PRICE of Georgia. Mr. Chairman, I have an amendment made in order by the rule at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used in contravention of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and return information).

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Georgia and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. PRICE of Georgia. Mr. Chair, I want to commend the chairman of the Appropriations Subcommittee for the work that he has done on this. This has been yeoman's work, a difficult task.

We haven't done a Financial Services appropriations bill in a number of years, and so I want to commend the chairman for his leadership on this issue.

My amendment deals with the Internal Revenue Service, and I know a lot of these amendments have addressed the issue.

The Internal Revenue Service, Mr. Chairman, as you and the American people know, by law—by law—may not release any personal taxpayer information. It must be protected, and it is clear that what we have had over the past year or so is the revelation of a huge violation of the public trust that has occurred as it pertains to the IRS' lawful requirement to protect taxpayer information.

Internal Revenue Code section 6103 is what this amendment deals with. It is a portion of the Code that is a taxpayer protection provision written to prevent unlawful disclosure of confidential taxpayer information.

The recent actions of the IRS, whether it is the targeting of conservative social welfare groups or the unlawful disclosure of an organization's confidential tax return and donor list, are nothing less than chilling, Mr. Chairman.

What the IRS has done is targeted conservative groups, allegedly to determine whether or not they ought to be granted tax-exempt status. In so doing, they have asked for those organizations' donor lists, the lists of hardworking Americans who have taken some of their resources and provided support for these organizations.

Then the IRS took that donor list information, not only kept the organization from getting tax-exempt status, as would be appropriate, took that donor list information and released it to political enemies or political opponents of the organization, apparently for political purposes.

This is outrageous activity, Mr. Chairman. This amendment is a very simple amendment that reminds the Internal Revenue Service that their primary responsibility is to serve the American taxpayer.

Given the information that has come to light over the last year or so, I would suspect that every Member of this Congress should support holding the IRS accountable to the rule of law.

The IRS has violated the trust of the American people, and it is imperative that this body hold the IRS accountable for their egregious actions.

It is a simple amendment. It is a commonsense amendment. It is an amendment that is supported and responsive to our constituents, and I urge its adoption.

Mr. Chairman, I am pleased to yield such time as he may consume to the

gentleman from Florida (Mr. CRENSHAW), the chairman.

Mr. CRENSHAW. I thank the gentleman for yielding.

Mr. Chairman, I think every American taxpayer needs to be assured that their personal information is going to be held in strict confidence, and that is what this amendment does.

I think, particularly at a time when the IRS has demonstrated a lack of ability to either self-police or self-correct, when each week we read about a new revelation of some sort of bureaucratic incompetence or maybe willful disregard for the law, I think it is more important than ever to make sure that every taxpayer knows that personal information is going to be held in strict confidence.

I urge the adoption of this amendment.

Mr. PRICE of Georgia. I thank the chairman for his support, and I urge support of this amendment by all colleagues in the House.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DESANTIS

Mr. DESANTIS. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used for any Internal Revenue Service instant message or other electronic communications system that is not operationally searchable and archivable at all times.

Mr. CRENSHAW. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The Acting CHAIR. A point of order is reserved.

Pursuant to House Resolution 661, the gentleman from Florida and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. DESANTIS. Mr. Chairman, it was really troubling to be reviewing emails that the IRS finally produced to us after we asked for these emails for over a year. Of course, they gave them to us on the afternoon of July 3, so as to minimize the press damage.

Basically, the emails showed Lois Lerner sending an email to a technician saying, you know, Congress will ask for our emails, and I have told people in the IRS they need to be careful about what they say; question, if we do an instant message in the system that is called OCS, will those be immune to congressional oversight?

The technician basically said, well, that is the default setting, you can make it so that it would be archivable and searchable.

That was very troubling because it was almost like Lerner, as a matter of course, is conducting herself in a way to obstruct the proper oversight, and that is very troubling with an agency that is this powerful.

So I think what this amendment will do will be to simply prevent that. This is saying exactly what Lois Lerner was asking about, the settings. If you are going to use funds, the settings have got to be turned on, and if you don't, then you can't use funds to operate it.

So I think it is a commonsense amendment, and I urge my colleagues to adopt it.

Mr. Chairman, given that the point of order has been lodged, I ask unanimous consent to withdraw amendment No. 52.

The Acting CHAIR. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. DESANTIS

Mr. DESANTIS. Mr. Chair, as an alternative to the prior amendment, I offer amendment No. 54.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used by the Internal Revenue Service to create machine-readable materials that are not subject to the safeguards established pursuant to section 3105 of title 44, United States Code.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Florida and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. DESANTIS. Mr. Chairman, I think this amendment accomplishes the similar objective that I articulated just a moment ago, and I would just add that it is very troubling, if you were called into court to defend yourself against the IRS and they asked you to produce certain documents in discovery and your defense was, well, the documents have been destroyed, you would be presumed essentially guilty. They would have an adverse inference lodged against you.

I think that is what this amendment is getting to. The IRS has to practice what they preach. They should be held to the exact same standards as the American people are held to with their taxes, and they should follow the record retention requirements under Federal law.

So I think it is a commonsense amendment, and I urge that my colleagues adopt the amendment.

Mr. Chairman, I yield my remaining time to my colleague from Florida (Mr. CRENSHAW).

Mr. CRENSHAW. I thank the gentleman.

Mr. Chairman, I simply want to applaud him for correcting any procedural flaws. He makes an excellent point, and I accept the amendment.

Mr. DESANTIS. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. DESANTIS).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. DESANTIS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida will be postponed.

□ 1930

AMENDMENT OFFERED BY MR. DESANTIS

Mr. DESANTIS. I have an amendment at the desk, Mr. Chair.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of funds made available by this Act to the Internal Revenue Service may be obligated or expended on conferences.

The Acting CHAIR. Pursuant to House Resolution 661, the gentleman from Florida and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. DESANTIS. Mr. Chair, last year, the House Oversight Committee conducted a hearing to review an IG report documenting a lavish conference that was put on by the IRS—over $4 million for one conference. Expenses included $135,000 on outside speakers, including $17,000 for a speaker who created paintings on stage to make his point that one must free ''the thought process to find creative solutions to challenges.''

The troubling thing about the report was that the bulk of that money, $3.2 million, came from unused funds that were allocated for hiring. Now, this is at the exact same time that the IRS began to single out conservative groups that sought tax-exempt status, in part, they said, because the agency simply did not have the manpower to handle the number of applications pouring in.

Now, we have debunked that idea that somehow there was a torrent of applications, but golly gee, if that is really true, why are you spending $3.2 million on these conferences? So I think the IRS has abused the trust of the American taxpayer with respect to conferences, and I think it should be held accountable.

Now, some say in response to this amendment that taxpayers need to be forced to fund these conferences because it helps with IRS employee morale. I have just got to tell you, I am more concerned with the morale of the American people. When taxpayers see an arrogant agency flout the law, refuse to produce evidence, and waste tax dollars, they become demoralized, and rightfully so.

So at a time when military officers are receiving pink slips, there is no way we should allow the IRS to persist with these conferences.

I yield back the balance of my time.

Mr. SERRANO. I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chair, I think the mistake we are making here is the one we have been making all day. Not only is it targeted only at the IRS, which seems to be the desire to continue to do this for the next 24 hours or for so long as this bill lasts, but secondly, it paints it with a wide brush. If you say no conferences of this type or if you limit the number of conferences, okay, we could discuss that; but to say that one agency in the Federal Government cannot have any kind of conferences, none at all—zero, nada—that really speaks to just a continuous desire to destroy the IRS.

Now, there were issues concerning the conferences. There were issues concerning the conferences for other agencies. We have dealt with that. We can deal with this. But to say no conferences at all is to suggest that an agency cannot operate the way it needs to at times.

So I think that this is just another attack on the IRS. It makes for good headlines, even at this time of night. I think it is the wrong thing to do, and I would hope that we could oppose it or that the gentleman will withdraw the amendment.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. DESANTIS).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. DESANTIS. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida will be postponed.

AMENDMENT OFFERED BY MRS. BLACKBURN

Mrs. BLACKBURN. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. (a) Each amount made available by this Act is hereby reduced by 1 percent.

(b) The reduction in subsection (a) shall not apply with respect to the following accounts and programs:

(1) Payment of Government losses in shipment under ''Department of the Treasury—Bureau of the Fiscal Service''.

(2) ''Supreme Court of the United States—Salaries and Expenses''.

(3) ''United States Court of Appeals for the Federal Circuit—Salaries and Expenses''.

(4) ''United States Court of International Trade—Salaries and Expenses''.

(5) ''Courts of Appeals, District Courts, and Other Judicial Services—Salaries and Expenses''.

(6) Payment to judiciary trust funds for Judiciary Retirement Funds under section 624.

(7) Payments to the Civil Service Retirement and Disability Fund for the Office of Personnel Management under section 624.

Mrs. BLACKBURN (during the reading). Mr. Chair, I ask unanimous consent to waive the reading.

The Acting CHAIR. Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

The Acting CHAIR. Pursuant to House Resolution 661, the gentlewoman from Tennessee and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Tennessee.

Mrs. BLACKBURN. Mr. Chairman, first of all, I want to thank the gentleman from Florida (Mr. CRENSHAW), who has done a wonderful job bringing this bill to the floor.

As I do with all of the appropriations bills, it is a focus of mine to come in and ask for an additional 1 percent cut on top of the great work that has already been done.

I think it is important to give credit to our Appropriations Committee. This is a $21 billion bill, and it is appropriating $566 million less than what was appropriated in fiscal year 2014, and it is $2.2 billion less than what the President requested. That is to be commended. Our appropriations team has done a terrific job on beginning to rein in what the Federal Government spends. The Republican House leadership is to be commended for making their focus to get our fiscal house in order.

I think we have to go a step further, and that is the purpose of my 1 percent across-the-board spending cut amendment. What we need to do now is to engage the bureaucracy, engage these Federal agencies, rank-and-file employees, to come to the table with their recommendations of how we continue to cut.

We are $17 trillion in debt. We cannot continue to borrow 30 cents of every dollar that we spend. We have to think about the future for our children, our grandchildren. This is an amendment that we should all support because we do this for our children, for the sovereignty of our Nation, and for the fiscal health of our Nation for years to come.

I think it is important to note that through the years, Governors have used across-the-board spending cuts, Democrat Governors—a former Democrat Governor from my home State of Tennessee. You have got the Democrat Governor in New York. You have got the Governor over in Missouri. They have all used across-the-board cuts.

The American people like this idea. They like having the bureaucracy engaged in saving money. A Washington Post/ABC News poll from March 6, 2013, revealed that 61 percent of all Americans even supported a 5 percent across-the-board cut in Federal spending.

It is time for us to rein this in and get our fiscal house in order. This is a way to save an additional $228 million.

I reserve the balance of my time.

Mr. CRENSHAW. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from Florida is recognized for 5 minutes.

Mr. CRENSHAW. Mr. Chairman, I rise in reluctant opposition to the amendment offered by my good friend from Tennessee. She makes an excellent point, and I think everyone agrees that we ought to try to rein in this culture of spending and put in place a culture of savings. I have been working my entire congressional career to do that.

One of the things that we do in the appropriations process is we have hearings. We listen to people. They try to justify their request. Sometimes when programs work well, they might receive an increase. When people are not doing very well, like the IRS, they have their request denied and are actually funded at lower levels.

What is interesting, last night on this floor, we added about $1 billion to our debt reduction by taking that billion dollars out of the IRS. So when we set our priorities, we do that day to day. In this case, we had 12 hearings.

If you look at our bill, there are actually nine programs that are just flat out eliminated. They are gone. It wasn't a 1 percent or an X percent cut. It was just, that is not a program that is vital to the functioning of the Federal Government so it is gone. It has been eliminated. There are several agencies where we have reduced their funding because we figured out that they could do with a little bit less.

But when you take an additional 1 percent across the board after you have had a lot of time and energy put into place to set the right priorities, I don't think you take into consideration that some programs are better than others.

I know my friend from Tennessee cares a lot about Women's Business Centers, and they received an increase under our appropriations bill because we think they are doing a great job. The Small Business Administration does great work at creating private sector jobs. The Women's Business Centers, because we thought they were doing well, they received an increase. Now, I don't know that she really wants to cut them.

She says she is not going to apply these cuts to the Federal judiciary, and I think that is appropriate. Actually, the Federal courts are pretty happy. Last night, several millions of dollars were added to the Federal courts.

I guess the simple point is that you have to take into consideration the merit of every program. If we didn't do anything and we just showed up one day and said how should we fund these people, then I think it is appropriate to say, well, let's just cut them across the board. But when you spend time and energy in setting the priorities and making hard choices, that is what we have done, and we are proud of the work we have done. I appreciate her compliment that we have done great work.

The fact that she would like to cut 1 more percent across the board I don't

think is the right way to observe the situation. I appreciate what she is trying to do, but I don't think in this case it is the right approach.

I would also like to yield such time as he may consume to the gentleman from New York (Mr. SERRANO), the ranking member.

Mr. SERRANO. Mr. Chairman, I also rise in opposition to this amendment. The only difference here, Mr. Chairman, is that we are not attacking the IRS. Now we are attacking the Financial Services Subcommittee. The fact of life is that this committee took the biggest hit of any subcommittee in the House.

And while I may disagree with how some of the bill came out, I have made it clear to the gentleman from Florida (Mr. CRENSHAW) that what I disagree with the most are the riders and the allocation. With a different allocation, we would have had a different bill. So to now cut 1 percent from the committee that took the biggest hit is really to just to try to cripple the bill completely, and it serves no purpose other than to be able to say that you cut it.

Now, it would be nice to see if these kinds of things were mean, what happened on the military budget every so often, but we are not going to see that. We are only going to see it on bills like this one, which really services a lot of people. I think that the chairman is right. I join him in opposing this amendment, and I hope that it will be defeated.

Mr. CRENSHAW. I yield back the balance of my time.

Mrs. BLACKBURN. Mr. Chairman, I do appreciate the work that the chairman has done on this bill, and our Appropriations Committee is to be commended.

I think we do have to recognize Washington has a spending problem. They don't have a revenue problem. They have got a spending and a priority problem. We see it every single day.

What I am asking is to engage those rank-and-file employees, have them find 1 penny on the dollar out of their appropriations that they could save in order to get this burden of debt off the backs of our children and grandchildren—one penny on the dollar. It has worked in the States. It works in our county and city governments. People like that and appreciate that you push for better stewardship, and it is the right thing for us to do as we watch the debt totals climb, skyrocket, and explode.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Tennessee (Mrs. BLACKBURN).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mrs. BLACKBURN. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Tennessee will be postponed.

AMENDMENT OFFERED BY MRS. BLACKBURN

Mrs. BLACKBURN. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available in this Act may be used to provide funds from the Hardest Hit Fund program established by the Secretary of the Treasury under title I of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5211 et seq.) to any State or local government for the purpose of funding pension obligations of such State or local government.

The Acting CHAIR. Pursuant to House Resolution 661, the gentlewoman from Tennessee and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Tennessee.

□ 1945

Mrs. BLACKBURN. Mr. Chairman, I rise to offer an amendment that would prevent the Federal Government from bailing out public pensioners in cities such as Detroit and Chicago.

We have been reading for the past several months that the Obama administration has been in talks with the city of Detroit to transfer $100 million to the city.

According to an April 16, 2014, article from the Detroit Free Press, the administration has looked to transfer $100 million from the Hardest Hit Fund to shore up Detroit's unfunded pension liability. The Hardest Hit Fund was created by the Obama administration in 2010 with money from the 2008 stimulus package. The money is meant to help States that have been adversely affected by the housing downturn, and that is according, again, to the Detroit Free Press.

The article adds that:

The $100 million in Federal money was discussed Tuesday night in breakneck negotiations that resulted in a tentative deal to reduce pension cuts for the city's retired general workforce.

Mr. Chairman, I refuse to let Federal taxpayers be on the hook for unfunded pension liabilities made by Big Labor organizations. Cities such as Detroit, Chicago, and others where Big Labor has created extremely generous retirement benefits for public service workers are going to have to find their way out of the mess that they have created.

Now, it is my understanding that the city of Detroit has reached an agreement with the State of Michigan to shore up Detroit's unfunded pension liability for the time being. However, it does not foreclose this as a possibility to occur in the future for Detroit or any other city where Big Labor agreements have caused financial destruction.

According to an April 7, 2014, article from chicagobusiness.com, Chicago's unfunded pension liability stands at $19.5 billion. A February 20, 2013, article in Forbes notes that Federal bailouts of State pension funds ''would implicitly encourage States to keep spending and doling out entitlements, as doing so is popular for politicians, even if unsustainable.'' The article adds that this is especially true in liberal-leaning areas where public-sector labor unions have a lot of control.

Mr. Chairman, we must foreclose the administration's bailout of Big Labor as a possibility. I refuse to stand by and watch hardworking taxpayers be on the hook for the irresponsible decisions of liberal, Big Labor groups.

Mr. CRENSHAW. Will the gentlewoman yield?

Mrs. BLACKBURN. I yield to the gentleman from Florida.

Mr. CRENSHAW. I just want to agree with you that I don't think that taxpayers should bail out Detroit's pension shortfall or any other city's shortfall. So I want you to know that I support your amendment.

Mrs. BLACKBURN. I appreciate that. I reserve the balance of my time.

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, this is really a mean amendment to single out one city, one city that is hurting; to single out labor when, in fact, it is not labor, but it is the people that have those pension plans and now may not have a pension plan, to single them out.

With all due respect to the gentlewoman, I am sure there have been many instances throughout history and in recent years when your area, your State, has been helped by Federal dollars when it was hurting, and we all got together and did that, be it a flood, be it a fire, be it a natural disaster. Whatever it may be, we came together to help. Detroit has its problems, and Detroit might have made some mistakes. But to single it out in an amendment and to say that we cannot help in any way, shape, or form is really mean, mean-spirited and wrong.

It may look good to single an urban center out. It may look good to single out a place that is hurting. But that is not the American way. The American way, I can tell you, as a New Yorker, when New York was hurting, people came to its aid. When we were attacked, we came to its aid.

Sure, this is different, but Detroit, it's hurting right now. And to single it out on this House floor at 10 minutes to 8, at this time, to single it out as not being worthy of Federal help, is really just wrong. And then to take the opportunity to attack organized labor by suggesting that somehow they are to blame and therefore they should not get any help is also mean-spirited.

So I have seen, in the time that I have been here, difficult amendments. But this one is one that really takes the cake. Mr. Chairman, Republicans

have supported bailing out banks and financial institutions that were deemed too large to fail. We were all for saving the auto industry, and I was for it, too. We were all for making sure that big institutions did not fail. And while I questioned it, many of us went along with it. And here to single out Detroit at its worst moment when it is hurting like no city has hurt in a long time is just the wrong thing to do.

If this is what the gentlewoman wants to do, I guess there is no way to stop her, but I would really wish that she would take a moment to think about this before she goes any further with this.

Mr. Chairman, I yield back the balance of my time.

Mrs. BLACKBURN. Mr. Chairman, I find the gentleman's choice of words so interesting. I think he used ''mean'' and ''mean-spirited'' several times.

Let me tell you what is mean-spirited. Mean-spirited is looking at future generations and saying, you didn't want this, you didn't ask for it, but guess what? You have got a $17 trillion bill on your head. Right now, the birth tax for every child born in this country is $54,000. Is that good? Of course not. Is that mean-spirited? You bet it is. You are saying you owe this money like it or not because Washington can't get its spending habits under control. Washington is spending money it does not have to pay for programs that my grandkids do not want.

You are saying it is not the American way. Let me tell you something. Using borrowed money to pay for debts that have not been created by this government is not the way we do business.

I would remind you of a Congressman from Tennessee who stood on this floor at one point in history, and he reminded the body that this was not their money to give. It is the taxpayers' money. That Member of Congress was Davy Crockett.

This is the taxpayers' money. They expect us to be good stewards. Bailing out cities that have not been good stewards of their money is not what this body should be doing with Federal tax dollars that come into our coffers.

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

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Tennessee (Mrs. BLACKBURN).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. SERRANO. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Tennessee will be postponed.

AMENDMENT OFFERED BY MRS. BLACKBURN

Mrs. BLACKBURN. Mr. Chairman, I have an amendment at the desk. It is amendment 080.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ___. None of the funds made available in this Act to the Federal Communications Commission may be used, with respect to the States of Alabama, Arkansas, California, Colorado, Florida, Louisiana, Michigan, Minnesota, Missouri, Nebraska, Nevada, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin, to prevent such States from implementing their own State laws with respect to the provision of broadband Internet access service (as defined in section 8.11 of title 47, Code of Federal Regulations) by the State or a municipality or other political subdivision of the State.

Mr. SERRANO. Mr. Chairman, I would like to reserve a point of order mainly because we haven't seen this text or the amendment until this very moment. In fact, we still haven't seen it.

The Acting CHAIR. A point of order is reserved.

Pursuant to House Resolution 661, the gentlewoman from Tennessee and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Tennessee.

Mrs. BLACKBURN. Mr. Chairman, my amendment seeks to prohibit any taxpayer funds from being used by the Federal Communications Commission, the FCC, to preempt State municipal broadband laws.

In other words, we don't need unelected Federal agency bureaucrats in Washington telling our States what they can and can't do with respect to protecting their limited taxpayer dollars in private enterprises.

As a former State senator from Tennessee, I strongly believe in states' rights. I know that is an issue that is important to many of my colleagues in this Chamber. And that is why I found it deeply troubling that FCC Chairman Tom Wheeler has repeatedly stated this past year that he intends to preempt states' rights when it comes to the role of state policy over municipal broadband.

Chairman Wheeler's statements posed a direct challenge on the constitutionality of States' sovereign functions. It wrongly assumes Washington knows what is best and forgets that the right answer doesn't always come from the top down.

Mr. Chairman, 20 States across our country have held public debates and enacted laws that limit municipal broadband to varying degrees. These State legislatures and Governors have not only listened but have responded to the voices of their constituents. They are closer to the people than the chairman of the FCC. They are accountable to their voters.

Mr. Chairman, States have spoken and said that we should be careful and deliberate in how we allow public entry into our vibrant communications marketplace, a sector of our economy that invests tens of billions of dollars each year, accounts for tens of thousands of jobs, and serves millions of consumers.

Municipal broadband projects have had a mixed bag of results. There have been some successes and also some spectacular failures that have left taxpayers on the hook. For example, look at the failed UTOPIA project that has created massive disruption and is challenging taxpayers. In fact, it was recently reported that the ''residents of 11 Utah cities would be billed as much as $20 a month as part of a plan to salvage the State's once-heralded UTOPIA fiber optic network.''

That doesn't sound like a model the Federal Government needs to force against the wishes of State-elected officials. That doesn't sound like competition, and it sounds like another Federal bailout waiting to happen.

State governments across the country understand and are more attentive to the needs of the American people than unelected Federal bureaucrats in Washington. That is why this past June I was joined by 59 of our colleagues in sending a letter to Chairman Wheeler stating our concerns and requesting a response to a list of questions, questions that we are still waiting for him to respond to. The U.S. Senate also sent a letter to the FCC on this issue, and they are, likewise, waiting for a response. It seems the FCC is content to tell our States how they will manage their sovereign economic affairs, but they won't answer to the Congress who is responsible for exercising oversight of the agency.

Inserting the FCC into our State's economic and fiscal affairs sets a dangerous precedent and violates State sovereignty in a manner that warrants deeper examination. This Congress cannot sit idly by and let an independent agency trample on our states' rights. This is an issue that should be left to our States, and if it comes to a point where we need a national standard, then that debate should be held by Congress, not the FCC, and should be done with the participation of the American people. I urge adoption, and I reserve the balance of my time.

Mr. SERRANO. First, I wish to withdraw my point of order, Mr. Chairman.

The Acting CHAIR. The point of order is withdrawn.

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. I do have, and I know it comes at a different time, but I do have letters from different groups opposing the amendment from the National League of Cities, National Association of Counties, National Association of Telecommunications Officers and Advisors, including the gentleman who gets credit for inventing the Internet, and I am not talking about Vice President Gore, I am speaking about someone else.

NATIONAL LEAGUE OF CITIES, NATIONAL ASSOCIATION OF COUNTIES, NATIONAL ASSOCIATION OF TELECOMMUNICATIONS OFFICERS AND ADVISORS

JULY 15, 2014.

U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: The National League of Cities (NLC), the National Association of Counties (NACo), and the National Association of Telecommunications Officers and Advisors (NATOA) strongly urges you to oppose any amendment to HR 5016 that would hamstring the Federal Communications Commission (FCC) from taking any action on—indeed, even discussing—the issue of state laws that prohibit or restrict public and public/private broadband projects. It is clear that such laws harm both the public and private sectors, stifle economic growth, prevent the creation or retention of thousands of jobs, and hamper work force development.

The United States must compete in a global economy in which affordable access to advanced communications networks is playing an increasingly significant role. As the FCC noted in challenging broadband providers and state and municipal community leaders to come together to develop at least one gigabit community in all 50 states by 2015: ''The U.S. needs a critical mass of gigabit communities nationwide so that innovators can develop next-generation applications and services that will drive economic growth and global competitiveness.'' This is especially true in rural America.

The private sector alone cannot enable the United States to take full advantage of the opportunities that advanced communications networks can create in virtually every area of life. As a result, federal, state, and local efforts are taking place across the Nation to deploy both private and public broadband infrastructure to stimulate and support economic development and job creation, especially in economically distressed areas. But such efforts are being thwarted in some areas by State laws that prohibit or restrict municipalities from working with private broadband providers, or developing themselves, if necessary, the advanced broadband infrastructure that will stimulate local businesses development, foster work force retraining, and boost employment in economically underachieving areas.

Consistent with these expressions of national unity, public entities across America are ready, willing, and able to do their share to bring affordable high-capacity broadband connectivity to all Americans. State barriers to public broadband are counterproductive to the achievement of these goals. Efforts to strip funding from the FCC to even discuss this issue, let alone take action, are misplaced and wrong. Please oppose any amendment to HR 5016 or any other measure that could significantly impair community broadband deployments or public/private partnerships.

Sincerely,

NATIONAL LEAGUE OF CITIES,
NATIONAL ASSOCIATION OF COUNTIES,
NATIONAL ASSOCIATION OF TELECOMMUNICATIONS OFFICERS AND ADVISORS.

PRESERVING A FREE AND OPEN INTERNET

Whereas, since its inception, the Internet has existed based on principles of freedom and openness, core values that have made it the most powerful communication medium ever known; and

Whereas, the FCC is currently debating how to enshrine these Open Internet Principles into 21st century regulation; and

Whereas, the U.S. Court of Appeals in Washington, D.C. in 2010 determined that the long-observed Open Internet Principles of nondiscrimination, nonblocking, and transparency, described below, should not be declared in an FCC Policy Statement, but instead should be enshrined in a formal rulemaking seeking to reinstate those principles; and

Whereas, the FCC issued its Open Internet Order, reinstating these rules for preserving a free and open internet, on December 23, 2010, formalizing the three basic protections: transparency, no blocking of lawful content and no unreasonable discrimination of network traffic; and these rules were made effective November 20, 2011; and

Whereas, these rules enshrine the values of what is commonly referred to as net neutrality; and

Whereas, the first principle of the Open Internet Order states that fixed and mobile broadband providers must publicly disclose accurate information regarding network management practices, performance characteristics, and commercial terms of their broadband services; and

Whereas, the second principle states that fixed broadband providers may not block lawful content, applications, services, or non-harmful devices; mobile broadband providers may not block lawful websites, or block applications that compete with their voice or video telephony services; and

Whereas, the third principle states that unreasonable discrimination shall not be permitted, that fixed broadband providers may not unreasonably discriminate in transmitting lawful network traffic; and

Whereas, these principles, applied with the complementary principle of reasonable network management, guarantee that the freedom and openness that previously enabled the internet to flourish as an engine for creativity and commerce under the protection of the original policy statement will continue, providing greater certainty and predictability to citizens, consumers, innovators, investors, and broadband providers, while retaining the flexibility providers need to effectively manage their networks; and

Whereas, since the beginning of the internet, broadband Internet access services have continued to invest in a single infrastructure which has increased average speeds for all users across our nation, without resorting to the practice of prioritization for users who can afford to pay the most; and

Whereas, online companies, or edge providers, have also invested in new innovative products and services that have driven economic growth and consumer demand for improved internet services and faster speeds from broadband internet access providers; and

Whereas, the dual investment of broadband Internet access service providers and edge providers has fostered a virtuous cycle of investment and innovation online; and

Whereas, two key rules of the three rules comprising the Open Internet Order, one pertaining to no blocking and another pertaining to no unreasonable discrimination, were again vacated on January 14, 2014 by the U.S. Court of Appeals in Washington, D.C. in the Verizon Communications Inc. v. Federal Communications Commission (2014), ruling that the FCC has no authority to enforce these rules; and

Whereas, the FCC on May 15, 2014, voted 3–2 to open the process of public comment on their proposed net neutrality rules that could in some circumstances allow paid prioritization of internet traffic based on a commercially reasonable standard; and

Whereas, paid prioritization under a commercially reasonable standard allows paid prioritization that has heretofore been understood to be unjust and unreasonable; and

Whereas, unreasonable paid prioritization is antithetical to a neutral Internet, and nondiscrimination is an inherent and indivisible characteristic of net neutrality; and

Whereas, all data on the Internet should be treated equally, not discriminating or charging differentially by user, content, site, platform, application, type of attached equipment, and modes of communication; and

Whereas, innovation relies on a free and open Internet that does not allow individual arrangements for priority treatment over broadband Internet access service; and

Whereas, preventing access to any lawful websites, slowing speeds for services, or redirecting users from one website to a competing website creates asymmetrical access which is antithetical to an Open Internet; and

Whereas, startups are the engine of an innovation economy, yet may not have the cash flow to pay for paid prioritization, and will therefore be unable to compete with large companies to deliver content to customers, impeding startup growth, thus limiting economic development and the creation of jobs: Now therefore, be it

Resolved, That the US Conference of Mayors supports a free and open internet as outlined in the FCC's original Open Internet Order; and be it further

Resolved, That the US Conference of Mayors supports comprehensive nondiscrimination as a key principle for any FCC rulemaking; and be it further

Resolved, That the US Conference of Mayors supports securing a commitment to transparency and the free flow of information over the internet, including no blocking of lawful websites and no unreasonable discrimination of lawful network traffic; and be it further

Resolved, That the US Conference of Mayors calls on the White House to offer their support of these principles; and be it further

Resolved, That the US Conference of Mayors calls on Congress to offer their support of these principles and if necessary use their lawmaking power to enshrine access to a free and open Internet and give the FCC a clear mandate; and be it further

Resolved, That the US Conference of Mayors recommends that the FCC preempt state barriers to municipal broadband service as a significant limitation to competition in the provision of Internet access.

COALITION FOR LOCAL INTERNET CHOICE

Washington, DC, July 15, 2014.

House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: The Coalition for Local Internet Choice has heard that Rep. Marsha Blackburn is planning to propose an amendment to House Appropriation bill H.R. 5016. The amendment would preclude the Federal Communications Commission from using its appropriated funds to take any action that would preempt a State law governing whether or to what extent the State or a municipality or other political sub-division of the State may provide broadband Internet access service. The Coalition urges you to oppose any such amendment.

As Congress and the Commission have often recognized, ensuring that all Americans have reasonable and timely access to advanced telecommunications capabilities, particularly in rural and other high-cost areas, is ''the great infrastructure challenge of our time.'' Toward this end, Congress has assigned the Commission a central role in defining the relevant terms and standards and in identifying and removing barriers to broadband investment and competition. While preemption of State barriers to

broadband investment and competition should be used rarely, in only the clearest of cases, it should not be ruled out categorically in all cases, as the Blackburn amendment would do.

Our Coalition was established to support local choice in acquiring advanced communications capabilities. Our members believe that communities should be free to decide to work with willing incumbents, enter into public-private partnerships, develop their own networks, if necessary, or do whatever else may work for their citizens, businesses, and institutions. Where communities have been free to do this, we have seen robust economic development enhanced educational and occupational opportunity, access to more affordable modern health care, improved public safety, greater energy efficiency and environmental protection, and much more that has contributed to a high quality of life. In contrast, where state barriers to community broadband initiatives and public-private partnerships exist, both the public and private sectors, particularly high-technology companies, are failing to meet their potential.

At this critical time in our country's history, we should not preclude or inhibit any potentially successful strategy that will enable our communities and America as a whole to thrive in the emerging knowledge-based global economy. Nor can we afford to take off the table any approach that may be necessary in certain cases to remove barriers to broadband investment and competition.

Sincerely,

JOANNE HOVIS,
Chief Executive Officer, CLIC.

Mr. SERRANO. Whatever happened to localism or local control? This amendment means the Federal Government will tell every local citizen, mayor, and county council member that they may not act in their own best interests.

Any such amendment is an attack on the rights of individual citizens speaking through their local leaders to determine if their broadband needs are being met.

Congresswoman BLACKBURN only has to drive an hour and a half down Interstate 24 to Chattanooga to see where the city-owned electric utility owns a broadband network. It charges $70 per month, enough to cover expenses but affordable enough to attract businesses.

□ 2000

Her State passed a bill to prevent nearby towns from joining Chattanooga and to block other communities from doing themselves. Companies have moved jobs or expanded in Chattanooga after learning that the minimum connection speed on the city-owned network was faster than the maximum they had available at headquarters.

Preemption will not force anyone to do anything that the municipalities alone don't want to do. This is not about forcing States to do anything, but instead stopping States from choking grassroots competition and stopping States from blocking faster networks or new networks where none exist.

It may sound one way, but it is a total different interpretation that we have, and this amendment could really hurt—in fact, may even hurt the efforts that she claims she wants to put forth.

I reserve the balance of my time.

Mrs. BLACKBURN. Mr. Chairman, I think it is important to note that what this amendment does is to allow those citizens in those cities, in those States that have made this decision—this is how they want to handle broadband—to do it.

It gives the power to them. It keeps bureaucrats, sitting at the FCC, from making these decisions and overriding the wishes of our States and of those cities that are located therein. I urge adoption of the amendment.

I yield back the balance of my time.

Mr. SERRANO. Mr. Chairman, it is interesting to note that Chairman UPTON has legislation and has spoken out on this issue, and the whole issue here is to allow cities to do what they need to do without having the major cable companies and so on lobby the States and stop them from doing so.

Broadband is something that we need to expand—that may sound like a pun—to make it broader, not to make it limited. It should be available everywhere, and it should be available in every possible place—rural, suburban, inner city, in homes, in schools.

We have to build the infrastructure to make that happen. Again, I repeat, I really think that her intent is not being met by her amendment, and that is why I oppose it and hope we would all oppose it.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Tennessee (Mrs. BLACKBURN).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. SERRANO. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Tennessee will be postponed.

AMENDMENT OFFERED BY MRS. BLACKBURN

Mrs. BLACKBURN. Mr. Chairman, I have one final amendment at the desk.

The Acting CHAIR. The Clerk will report the amendment.

The Clerk read as follows:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used by the Consumer Product Safety Commission to finalize, implement, or enforce the proposed rule entitled ''Voluntary Remedial Actions and Guidelines for Voluntary Recall Notices'' (CPSC Docket No. CPSC–2013–0040).

The Acting CHAIR. Pursuant to House Resolution 661, the gentlewoman from Tennessee and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Tennessee.

Mrs. BLACKBURN. Mr. Chairman, my amendment would prohibit funds for the voluntary recall proposed rule at the Consumer Product Safety Commission and would prevent them from moving forward with a rule that would cripple the highly successful voluntary recall program that is currently in place.

For nearly 40 years, the CPSC and manufacturers and retailers, big and small, have partnered to ensure that the system of voluntary recalls is effectively reducing the safety risks that are posed to the public.

In fact, the CPSC recently highlighted the success of the program, noting that 90 percent of the recalls through the award-winning Fast Track program are implemented within 20 days. The Fast Track program was created by former CPSC Chairman Ann Brown to greatly reduce the amount of time it takes recalls to be implemented.

Instead of working to increase the efficiency of its programs, the CPSC's proposed rule change effectively kills its most successful program. On May 30, Ann Brown, a Democratic former Chairman appointed by President Clinton, sent a letter to the Energy and Commerce Committee expressing deep concerns over the impacts of the Commission's proposed rule.

Concerning the substantive provisions of the proposal, former Chairman Brown stated:

A Fast Track procedure would be rendered impossible under these circumstances.

The success of this Fast Track program is based on the shared commitment of the Commission and the private sector to remove harmful products from the marketplace.

The Commission, however, now seeks to transform the voluntary recall process into a legal negotiation equivalent to a settlement agreement. The proposed substantive changes would require companies seeking to implement a recall to hire an attorney to negotiate binding and enforceable terms with the CPSC staff.

This places significant burdens on small businesses that use the Fast Track program because the program allows them to work with the Commission staff without having to pay expensive legal fees. The CPSC should not discourage companies from working closely, efficiently, and effectively with the CPSC when potential hazards or defects are identified.

As the letter from former CPSC Chairman Brown shows, this is not a political issue. Senators from Pennsylvania—CASEY and TOOMEY, a Democrat and Republican, respectively—submitted a letter in January for the docket, raising concerns about the proposed changes.

Senator KING sent the Commission a letter in March expressing similar concerns, and I include these letters, Mr. Chairman, from former Chairman Brown and from the Senators into the RECORD.

ANN BROWN,
Palm Beach Gardens, FL, May 30, 2014.

Hon. FRED S. UPTON,
Chairman, Committee on Energy and Commerce, Washington, DC.

Hon. HENRY A. WAXMAN,
Ranking Minority Member, Committee on Energy and Commerce, Washington, DC.

DEAR CHAIRMAN UPTON AND RANKING MINORITY MEMBER WAXMAN, I had the privilege of serving as Chairman of the U.S. Consumer Product Safety Commission from March 1994 until November 1, 2001. During my time as Chairman, we prevented numerous deaths and injuries through enforcement actions, product recalls and working with consumers, consumer groups and firms regulated by the Commission. Product safety is best accomplished when government, Industry and consumers work together.

Under the Consumer Product Safety Act (CPSA), manufacturers, distributors, and retailers of consumer products must report certain potential product hazards to the Commission. They must report immediately if they obtain information which reasonably supports the conclusion that a product (1) fails to comply with certain mandatory or voluntary standards, (2) contains a defect which could create a substantial product hazard, or (3) creates an unreasonable risk of serious injury or death.

If the Commission believes that a product presents a substantial product hazard to the public, it may pursue corrective action. Early in my Chairmanship, I learned that some number of companies were offering to conduct product recalls but because of entrenched procedures, those firms were not allowed to proceed with a recall until the CPSC staff performed a technical evaluation of the product involved, agreed that there was a product safety problem by making a ''Preliminary Determination'' (PD) of hazard, and then sent a letter to the firm advising it of the preliminary determination of hazard and requesting a product recall.

This process could and often did take many months-months without a recall, months where consumers were at risk, even though the firm was ready, willing and able to proceed with a recall at the time of its report. We changed this bureaucratic process early in my tenure as Chairman by creating the Fast Track Product Recall program in August 1995.

Originally called the ''No PD'' program, firms who reported to CPSC, identified a product safety problem, agreed to and initiated a recall within 20 working days of their report, no longer required a staff technical evaluation of the problem reported. Rather than performing a technical evaluation to confirm the product problem reported upon, the CPSC staff evaluated the remedy proposed to assure that it adequately addressed the problem identified and spent time working with the firm on conducting the product recall.

The Commission made this Fast Track program permanent on March 27, 1997, and it has been hugely successful. More than one-half of all CPSC recalls are now conducted through the Fast Track Program. Recalls conducted through this program benefit consumers, the recalling firm and the CPSC. Recalls are announced faster better protecting consumers from injury. Recalling firms do not receive a letter stating that the CPSC staff has preliminarily determined their product is a substantial product hazard. And the government spend less resources investigating a product that a company has already agreed should be recalled.

The CPSC staff received a ''Hammer'' Award from Vice President Albert Gore's National Partnership for Reinventing Government for the Fast Track Product Recall Program. This award honored federal employees for significant improvements to customer service and for making the government work more efficiently. Also in 1998, the Fast Track Program was named a winner of the prestigious Innovations in American Government award, an awards program of the Ford Foundation and Harvard University, administered by Harvard University's John F. Kennedy School of Government in partnership with the Council for Excellence in Government.

Now this award winning program appears to face the risk of being unintentionally undermined by a rule proposed by the CPSC in November 2013 that is Intended to enhance voluntary recalls by setting forth principles and guidelines for the content and form of voluntary recall notices that firms provide as part of corrective action plans. One of the CPSC's proposals is to prohibit firms desiring to conduct a voluntary recall from disclaiming that there is a hazard presented by their product unless the Commission agrees to the disclaimer. I am concerned that this proposal if adopted could undermine the efficacy of the Fast Track program. Another proposal would classify a voluntary Corrective Action Plan (CAP) as ''legally binding'' thus transforming a CAP into a Consent Decree, potentially delaying an otherwise effective recall weeks or even months due to haggling over legalities. A Fast Track procedure would be rendered impossible under these circumstances.

CPSC urges firms to err on the side of caution by reporting potential product safety problems and conducting recalls. It is my understanding that virtually every firm that reports under the CPSC mandatory reporting requirement and requests to participate in a Fast Track recall, asserts that their product does not present a substantial product hazard, but nonetheless they wish to conduct a recall. If reporting firms are not allowed to make this disclaimer, they have no incentive to participate in the Fast Track Program.

Not making the disclaimer may be perceived in product liability litigation as akin to admitting that the product reported on is a substantial product hazard. If so, reporting firms might just as well report to CPSC, not offer to conduct a recall, and take the chance that the CPSC staff might conclude their product is not a substantial product hazard and that no recall is necessary.

If this occurs, recalls would be delayed, CPSC would be required to use substantial technical resources to evaluate products so that the staff can determine whether to make a preliminary determination of hazard, and consumers are left unprotected potentially for many months.

I respectfully request that the Committee urge the Commission to consider its proposed rule carefully and to assure that it does not adversely affect CPSC's Fast Track Product Recall Program.

Sincerely,

ANN BROWN.

UNITED STATES SENATE,
Washington, DC, January 30, 2014.

Re Proposed Rulemaking on Voluntary Product Recalls

ROBERT S. ADLER,
Acting Chairman, U.S. Consumer Product Safety Commission, Bethesda, MD.

DEAR CHAIRMAN ADLER: We have recently become aware of a proposed rule by the Consumer Product Safety Commission (CPSC) that could greatly increase the cost and complexity of recalling harmful consumer products.

As you know, the agency currently operates a ''Fast Track'' program that is well regarded and has a history of success. Since its inception in 1997, the program has allowed companies to recall products when they have reason to believe their products will harm consumers. The vast majority of companies across the nation comply with the program, and companies in Pennsylvania often initiate product recalls as a precautionary measure, even where there is no evidence of injury to consumers. As the CPSC itself points out, the advantage of its award-winning program is that it permits companies to remove potentially hazardous products from the marketplace as quickly and efficiently as possible, without requiring CPSC staff to make a preliminary determination that the product is hazardous. Because the program makes recalls voluntary and utilizes standard-form documents that can be expeditiously reviewed and executed, product recalls occur rapidly and efficiently.

Unfortunately, the proposed changes seem to jeopardize the efficacy of the existing process, which could increase the risk of harm to consumers. The proposed rule makes ''voluntary'' product recall Action Plans legally binding and requires companies to state with specificity each instance in which a product causes harm. We worry that these changes may discourage companies from initiating precautionary recalls and increase compliance and administrative costs. Companies that recall products will have to utilize lawyers to negotiate their ''legally binding'' documents and will involve upper corporate management to approve forward-looking obligations. Similarly, the CPSC will have to devote more time and personnel to negotiating recall documents and may be subject to litigation to determine whether a particular product is hazardous. Given these issues, we are concerned that the proposed change could ultimately keep harmful products on store shelves for longer periods of time, and thus increase the risk of harm to consumers.

Given the longstanding success of the Fast Track program, and the paramount importance of maintaining effective procedures for recalling dangerous products, we encourage the Commission to very carefully consider any changes it seeks to make to its Fast Track recall program.

Sincerely,

ROBERT P. CASEY, JR.,
United States Senator.
PATRICK J. TOOMEY,
United States Senator.

UNITED STATES SENATE,
Washington, DC, March 21, 2014.

Hon. ROBERT S. ADLER,
Acting Chairman, U.S. Consumer Product Safety Commission, Bethesda, MD.

DEAR CHAIRMAN ADLER: I write today to communicate serious reservations about the rulemaking being conducted by the Consumer Product Safety Commission (CPSC) regarding remedial actions and guidelines for voluntary recall notices. While framed as ''interpretive'' guidance, the CPSC's proposed rule makes substantial changes to current practice surrounding voluntary recalls—changes that could result in significant compliance burdens for businesses wishing to voluntarily recall a product.

The CPSC currently has in place a highly successful ''Fast Track'' process that enables a company to make use of an expedited process, in consultation with the CPSC, to recall a defective product. This innovative program eases regulatory requirements and enables businesses to work with the CPSC to get defective products off store shelves within days, rather than the weeks and months a normal recall process might take. The ''Fast Track'' program demonstrates a smart blend of strong consumer protections and ease of business compliance, creating an environment that encourages businesses to report

defective products and quickly remove them from circulation.

The proposed rule under consideration would make substantial changes to the ''Fast Track'' program and could threaten the incentives for businesses to undertake voluntary recalls, as well as substantially increase the cost of completing the process. Most significantly, the proposed rule makes the corrective action plans in voluntary recall agreements legally binding, which could dramatically shift the incentive structure for businesses to report incidences of defective products. Making a plan legally binding will slow down the voluntary recall process, leaving consumers at risk for a longer period of time as the plans will first need to be subject to detailed review by legal counsel.

The proposed rule would also allow the CPSC to require the adoption of a compliance program as a component of corrective action plans. This requirement—if not properly calibrated—could introduce further delays in the voluntary recall process, even when a business has no history of recalls or violations. Thus, in the midst of working with the CPSC on the parameters of a voluntary recall agreement, a business might also have to negotiate the parameters of a compliance program and provide description of said program in the recall announcement.

While Section 214 of the Consumer Product Safety Improvement Act of 2008 required the CPSC to establish requirements for mandatory recall notices, the statute bears no mention of establishing similar requirements for voluntary recalls. I understand that the CPSC bases its authority to establish guidelines from language in a House committee report, but I am not convinced that the proposed rule's sweeping changes to the existing voluntary recall process is congruent with either the intent of the statute or the language in the committee report.

Existing regulations require companies initiating a voluntary recall to propose and implement a formal corrective action plan, but these plans were never intended to be legally binding. Part 1115.20 of title 16 of the Code of Federal Regulations describes a corrective action plan as ''[a] document, signed by a subject firm, which sets forth the remedial action which the firm will voluntarily undertake to protect the public, but which has no legally binding effect.'' In effect, the regulations expressly prohibited the Commission from making these agreements legally binding in order to encourage—not deter—businesses to recall defective products. The CPSC's proposed rules may have the opposite of the intended effect—and, at the very least, could substantially delay the timely distribution of product safety information to the public.

Make no mistake: I have long been an advocate for strong regulations that protect public health, safety, and the environment. However, I also believe that we must regulate in a manner that is sensitive to the burdens placed on individuals and businesses. My opinion is that the CPSC's proposed rule may go too far—and may have the unintended consequence of delaying the recall process and extending the period of time in which defective items remain in circulation.

I urge the Commission to take my comments into consideration. The proposed rule could have a widespread and indiscriminate effect on voluntary recalls, and I ask the Commission to do its due diligence in fully vetting the impacts on businesses across the country, particularly for those wishing to initiate a voluntary recall as a precautionary measure. For large businesses, who already employ legal counsel and compliance officers, these new requirements will be substantial; for small businesses, they could be crippling.

Sincerely,

ANGUS S. KING, JR.,
United States Senator.

Mrs. BLACKBURN. I also ask that Members of this Chamber recognize that the proposed rule change would slow a process meant to be conducted with speed and without red tape and would harm a system that ensures that consumer products sold in the U.S. are the safest in the world.

I reserve the balance of my time.

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from New York is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, there is a contradiction with what the gentlewoman says because, on one hand, she doesn't want government involved in localities, and on the other hand, she wants to tell localities how to act.

On the other hand, she doesn't want us to tell the Consumer Product Safety Commission how to act, so it becomes very confusing. This is an issue we should leave to the discretion of the Consumer Product Safety Commission. This is not something we should be micromanaging the CPSC on.

Furthermore, it is a proposed rule, and the CPSC is simply reviewing comments at this stage, and that is important to note. They are simply reviewing comments at this stage. We in this body should let the process of issuing rules play out, as is required in law, instead of cherry-picking where and when we want to interfere.

This is simply not an area of overregulation, since no regulation is yet in effect, so this amendment is unnecessary. I oppose the amendment, and I hope my colleagues will as well.

I reserve the balance of my time.

Mrs. BLACKBURN. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. CRENSHAW).

Mr. CRENSHAW. I think the gentlewoman has very well explained the amendment. We have a system that has been working well for 40 years, and so I don't think we need to make any unnecessary changes, and so I urge Members to support her amendment.

Mrs. BLACKBURN. Mr. Chairman, I thank the chairman.

I urge support of this amendment. The program in place at the CPSC has worked well. It is supported by both Republicans and Democrats. The process they are going through at CPSC is expending a tremendous amount of time and money.

Looking at setting up a system that would force these retailers into legal negotiations and settlements is not the way to address this.

The Fast Track program has been enormously successful. Former Chairman Brown worked during the Clinton administration—was appointed by President Clinton. They did a great job putting this program together. We should leave it in place. I urge a ''yes'' vote.

I yield back the balance of my time.

Mr. SERRANO. Mr. Chairman, this agency is one of the better agencies. Every so often, we read about baby seats and blankets and all kinds of issues that affect our communities and our daily lives.

We should stop trying to attack it, as some people do. I just think that this is not a good amendment and that it should be defeated.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Tennessee (Mrs. BLACKBURN).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. SERRANO. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Tennessee will be postponed.

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

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAMALFA) having assumed the chair, Mr. WENSTRUP, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 5016) making appropriations for financial services and general government for the fiscal year ending September 30, 2015, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. CRENSHAW. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material in the further consideration of H.R. 5016, and that I may include tabular materials on the same.

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

There was no objection.

INFRASTRUCTURE NEEDS OF AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2013, the gentleman from California (Mr. GARAMENDI) is recognized for 60 minutes as the designee of the minority leader.

Mr. GARAMENDI. Mr. Speaker, it is good to be back here on the floor once again. Tonight, we want to carry on our long-running discussion about how to improve the American economy, how to create jobs here in this Nation and move us all forward, how to rebuild the middle class, how to make sure that every family has the opportunity