FAIR MINIMUM WAGE ACT OF 2007

The SPEAKER pro tempore. Pursuant to section 508 of House Resolution 6, proceedings will now resume on the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

The Clerk read the title of the bill.

The SPEAKER pro tempore. When proceedings were postponed earlier today, 10 minutes of debate remained on the bill.

The gentleman from California (Mr. GEORGE MILLER) and the gentleman from California (Mr. MCKEON) each have 5 minutes remaining.

Who yields time?

Mr. MCKEON. Mr. Speaker, I yield myself the balance of time. I appreciate the debate. I appreciate the job that you have done as Speaker.

This debate, Mr. Speaker, has been a good one, one marked by thoughtful dialogue on both sides of the aisle. Unfortunately, that thoughtful dialogue is limited to the last 3 hours, and only the last 3 hours. We didn't have any dialogue in the Committee on Education and Labor, we didn't have any dialogue at the Rules Committee, and because of the unprecedented terms for today's debate, the dialogue that did take place here on the floor certainly won't lead to any improvements in this legislation, at least here in the House. However, I do hold out hope that in the weeks to come, as those on the other side of the Capitol take up this issue, we can build upon this unbalanced legislation and extend proper protections to small businesses and their workers.

Nevertheless, the measure we are poised to vote on in a few minutes is marked more by what is not in the bill than what is in it. Small businesses are the backbone of our economy. They create two-thirds of our Nation's new jobs, and they represent 98 percent of the new businesses in the United States. What protection does this bill provide them? None whatsoever.

The same small employers are looking for a more cost-effective way to offer health care benefits to their employees, just as large corporations and labor unions across our Nation can do because of economies of scale. What protections does this bill offer these same small employers? None whatsoever. They are the ones that are going to be providing these jobs that are going to be paying the higher wages, and they are getting no relief, no help. As a consequence, people, many people, one study says 1.6 million people, will end up losing their jobs as a result of this.

Working families, many of whom would benefit from a minimum wage increase and many of whom depend upon small businesses, are looking to Congress for innovative solutions that would improve their access to affordable health care. What protections does this bill provide them? None whatsoever.

My colleagues, we can do better. In the interest of sending the President a final measure that provides consideration for small businesses and their workers, the very men and women who are responsible for our economy's recent growth and strength, we must do better. And I believe, once Congress completes its work, we will do better. In the meantime, I urge my colleagues to oppose this unbalanced legislation.

As this debate continues in the weeks to come, I am hopeful that all of us will be mindful of the concerns and the sacrifices of small businesses in each and every one of our districts. If we do that and if we provide them the protections they need and deserve, I am confident that the final product we send to the President's desk will be far superior to the unbalanced and scaled-down measure that we are about to vote on.

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

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to begin by commending you for the job you did in the chair today and the manner in which you conducted the debate on this issue; and I appreciate the professionalism with which you handled the gavel.

Mr. Speaker, Members of the House, I want to thank all of our colleagues who participated in the debate today. We have our differences of opinions, but I thought that the debate was well conducted.

We have waited for over 10 years to have this vote on the minimum wage, a clean vote on the minimum wage for the poorest workers in this country who have worked at a wage that is 10 years old.

You know, very often Members of Congress will take the floor and they will harken back to the time in their youth when they worked at the minimum wage and they will talk about the different jobs they had. Well, let me share with you that I, too, share those experiences.

I cleaned out oil tanks; I cleaned out ships; I drove trucks in the pear orchards; I picked fruit; I worked in the canneries; and sometimes I did two of those at the same time. I worked at night in the cannery and in the daytime in the oil refinery. I worked at the minimum wage. I wonder how I would have felt about that minimum wage if it had been 10 years old. If I was working at the minimum wage and my wages were 10 years into the past and everybody else working around me had current wages, I wonder how angry I would have been if I would have had to support a family—at one point I was supporting a family with those minimum wage jobs—I would have been very angry. I would have thought this was a very unfair system, that my wages were stuck 10 years in the past and everybody else's wages were current.

Well, that is what has happened to these workers up until today. Today, we finally release them from being frozen in time, where their wages are from 10 years ago, but when they go to the supermarket, the food prices are higher; when they put gasoline in the car, the gasoline prices are higher; when they pay the utility bills, the utility bills are higher; when their kids get sick, the medical bills are higher. All of those things are higher. They are living in 2007, but in their wages they are living in 1997. There is something terribly, terribly wrong with that picture.

That is why overwhelmingly throughout the country the people support this effort now to raise the minimum wage. Eighty-nine percent of the people believe that we should do this, and they basically believe it as a matter of economic fairness, of economic justice to these people who are working so hard at minimum wage, who, as we say over and over again, but remember what they are, they are the poorest paid workers in America today.

And when they turn on the TV, when they watch it on their lunch break, they see a CEO walk away with $210 million and a golden handshake after that CEO took a good corporation and ran it into the ditch. They see people backdating stock options, they see people defrauding the corporation for extra compensation, and yet their wages are back in time.

This is a question of economic fairness that the American public overwhelmingly responded to in this past election; and it is this issue of economic fairness that our new speaker, NANCY PELOSI, said would be the subject of this hundred hours, that we would begin by trying to make America a fairer place for those who go to work and for those who try to provide for their families. We would make America a fairer place and we would begin by increasing the minimum wage, and that is what we are going to do in the next few minutes, when we receive a strong and a bipartisan vote to increase the minimum wage for these workers.

It is terribly important that we do this. It says something about us as a Nation. When it is questioned all over the world about the economic disparities in American society, the unfairness of it, we get a chance to begin that process to change that dynamic.

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I think this is a wonderful moment for the House of Representatives, no matter what side of the aisle you sit on. We, the people's House, are going to address the needs of the people that we were elected to serve. They grant us, they grant us the authority and the ability and the honor to come to the Congress of the United States; and today, and today we are going to address their needs. Today, we are going to address the needs that have concerned them in their communities.

If I have any time left, I want to thank the new majority leader for his efforts over these 10 years to try to bring this vote to the floor when time

and time again he made that effort in the Appropriations Committee.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. GEORGE MILLER of California. I yield to the gentleman from Maryland.

Mr. HOYER. I thank the gentleman.

We will celebrate Martin Luther King's birthday on Monday. I want to quote. He said this: ''Equality means dignity, and dignity demands a job and a paycheck that lasts through the week.''

That is what this vote is about, and I thank the chairman for his leadership.

Mr. Speaker, today, the United States House of Representatives, the people's House, demonstrated that we are committed to addressing the needs of all of our people—including those who struggle to make ends meet on the Federal minimum wage.

Today, the House will pass legislation, on a bipartisan basis, to increase the Federal minimum wage by $2.10 per hour over the next 3 years.

The minimum wage, of course, has not been increased since September 1, 1997, making this House action long overdue.

Increasing the minimum wage is simply a matter of doing what's right, just and fair.

Eighty-nine percent of the American people support such an increase, according to a Newsweek poll.

President Bush has expressed his support.

And a bipartisan majority of the Senate passed a minimum wage increase in June 2006.

Now, we urge our colleagues in the Senate to hold a clean up-or-down vote on this issue as soon as possible.

In the United States of America, the richest nation on earth, workers should not be relegated to poverty if they work hard and play by the rules.

On Monday, we commemorate the life of a great American—Dr. Martin Luther King, Jr.

And Dr. King once said: ''Equality means dignity. And dignity demands a job and a paycheck that lasts through the week.''

Today, we heed those words.

We must not ignore our citizens who are struggling.

We must get the legislation to the President's desk without delay.

Ms. ROYBAL-ALLARD. Mr. Speaker, today I proudly stand with our new Speaker NANCY PELOSI and my Democratic colleagues as we live up to our promise to honor workers by passing the Fair Minimum Wage Act.

Increasing the minimum wage from $5.15 to $7.25 an hour over 2 years is badly needed and long overdue.

The previous Republican-led Congress passed tax cuts for the wealthiest and ignored the needs of hard working Americans earning the Federal minimum wage.

The result has been that our Nation's Federal minimum wage workers have been forced to support themselves and their families for nine years on a mere $5.15 an hour, while at the same time the cost of living has continued to climb. The severity of a mere $5.15 hourly wage is highlighted by what is happening in my home State of California, where the State minimum wage is $7.50 an hour. This is more than two dollars an hour more than the current Federal minimum wage. Yet many Californians, including many in my own district, continue to live in poverty. How much greater a struggle for survival it must be for those in our country earning only $5.15 an hour.

Who are the workers in our country earning the Federal minimum wage? Most are full time hard-working American adults. Most have not had the educational and career opportunities of higher wage earners. Many of these workers are minorities and nearly all of these workers provide essential services, often in jobs that are dangerous and unreliable, yet essential to our American economy. An hour's pay, $5.15, will not buy a gallon of milk and a loaf of bread. A day's wages will barely fill their car's tank with gasoline. And their monthly income may not be enough to cover their family's average monthly healthcare costs.

It is unforgivable that thousands of hard working Americans in this country live $4,000 below the poverty line and struggle even to provide the basics of food and shelter for their families.

The Fair Minimum Wage Act honors their hard work and significant contribution to our Nation's economy.

Mr. Speaker, our consideration and approval of this bill as one of our first legislative actions is an important testament to this new Congress' commitment to hard-working low-income Americans who strive to provide for themselves and their families. The passage of this bill respects their work and their right to share in the American Dream.

I urge my colleagues to vote for the Fair Minimum Wage Act.

Mr. DINGELL. Mr. Speaker, I rise today in support of H.R. 2, a bipartisan measure to increase the minimum wage from $5.15 to $7.25 an hour over 2 years.

I am proud to say that my home State of Michigan is ahead of the game on this issue. Governor Granholm and the State legislature have already passed legislation to increase the State minimum wage. A total of 28 States and the District of Columbia have a State minimum wage above the current Federal level.

I cannot understand why some of my colleagues are opposed to a measure that will directly benefit 5.7 million workers. Moreover, this measure clearly has the support of the American people. It is our job to represent the American people and I am proud that the new Democratic majority is getting the job done. We will succeed in raising the minimum wage during the first hundred hours of the 110th Congress—an accomplishment that the Republican majority could not—or shall I say cared not to—achieve in 10 years.

It is wrong to have millions of Americans working full-time and year-round and still living in poverty. At $5.15 an hour, a full-time minimum wage worker brings home $10,712 a year—nearly $6,000 below the poverty level for a family of three.

Since 2000, America's families have seen their real income drop by almost $1,300, while the costs of health insurance, gasoline, and attending college have nearly doubled. Passing H.R. 2 would mean an additional $4,400 per year for a full-time worker supporting a family of three—equivalent to 15 months of groceries, or over 2 years of health care—helping them to keep up with rising costs.

Mr. Speaker, this legislation is an important first step in a new direction for working families and I urge my colleagues to support it.

Mr. RYAN of Wisconsin. Mr. Speaker, after careful consideration of H.R. 2, it is with great regret that I announce my opposition to this version of a minimum wage increase.

I believe an increase in the minimum wage should be accompanied by small business relief to offset the burden placed on U.S. employers, so these businesses can absorb the costs of an increase.

Last year, I supported an increase in the minimum wage because it also included tax relief measures for employers to offset the cost of the proposed minimum wage increase. It is unfortunate that House leadership, rather than bring this balanced approach to the floor for a vote, instead introduced what basically amounts to an unfunded mandate on our Nation's small businesses.

According to a 1999 study by the Small Business Administration, approximately 54 percent of our Nation's minimum wage earners are employed by firms who have less than 100 employees. This minimum wage increase will force our Nation's small businesses to make tough cost-cutting decisions in order to stay in business. When coupled with health care cost increases they are already facing, which the National Federation of Independent Businesses estimates at 15–20 percent, many employers will be forced to either increase the costs of their products or lay-off lower skilled workers. Both options would have detrimental effects on the substantial progress our economy is making.

This legislation also hurts job creation. Economists widely agree that an increase in the minimum wage without an offset for small business relief will result in much higher unemployment for workers. This is because an increase in the minimum wage also represents an increase in the costs faced by employers around the Nation. When our Nation's businesses face increases in their total cost per employee, they must often face the tough decision of either cutting jobs or reducing employee benefits such as health care, day care or vacation time as they struggle to pay for the new wage requirements.

In short, it is essential that any increase in the minimum wage be accompanied by tax relief or health care savings for our Nation's small businesses. Because this legislation does not include any provisions that may offset the costs it levies on our Nation's employers, I cannot support it.

Mr. MEEK of Florida. Mr. Speaker, I rise today to express my strong support for H.R. 2, which calls for an increase in the minimum wage to $7.25 per hour.

Thirteen million of our Nation's lowest-paid workers have not had a pay raise for nearly 10 long years. It took the intervention of the voters to kick out the Republican do-nothing Congress, which loaded up past minimum wage legislation with special interest goodies, but today we are finally getting serious about helping this Nation's working people.

The typical American worker earning $5.15 per hour has been forced to bear the brunt of rising costs and stagnant wages; since the last minimum wage increase, the cost of health insurance, gasoline, food, electricity, and education has risen, yet wages have remained frozen.

Minimum wage today in Florida is $6.67 per hour. Yet, according to the Department of Labor in 2005, 117,000 Floridians earn at or below the $5.15 per hour Federal minimum

wage. Too many Floridians are stuck in this poverty trap.

I urge the Senate to move on this with the same speed and urgency that we have here in the House.

Mr. CONYERS. Mr. Speaker, I rise today to support H.R. 2, the Fair Minimum Wage Act. After the longest period since the enactment of this law without an increase—over 9 years—America's poorest working families must get the raise they need and deserve. During this period in which Congress has failed to act to raise the wage of America's poorest workers, CEO and top executive pay has soared: the average annual compensation for a CEO at a Standard & Poor's 500 company rose from $3.7 to $9.1 million. Meanwhile, 28 States have seen the light and raised their State minimum wage to a level higher than the current Federal minimum wage of $5.15.

A full-time minimum wage worker in 2006 earns only $10,712 before taxes—nearly $6,000 below the Federal poverty line for a family of three. This situation is unacceptable and immoral, as the wealth of our Nation, the richest in the world, continues to be built on the backs of the working poor. Working families in America are struggling to meet the rising costs of health care, gas, and housing, and $5.15 an hour is simply not enough.

It's time for Congress to stop turning a blind eye to the plight of those workers making minimum wage and to address their needs. That is why I supported increasing the minimum wage in the 109th Congress, and that is why I am an original co-sponsor of the Fair Minimum Wage Act in this the 110th Congress.

H.R. 2 will increase the Federal minimum wage to $7.25 per hour in three steps over 2 years. Sixty days after enactment of this legislation, the wage would rise from the current $5.15 per hour to $5.85 per hour. One year later, it would rise to $6.55. And a year after that, it would finally rise to $7.25 per hour.

The minimum wage needs to be raised not just for the goods and services it enables a person to buy but for the self-esteem and self-worth if affords. Wages must be adequate for workers to provide for themselves and their families with dignity.

Mr. WELDON of Florida. Mr. Speaker, I rise today to express my concerns about the substance of the legislation before us as well as the manner in which it is being considered.

The bill before us will have virtually no impact on those living and working in the state of Florida. Florida voters 3 years ago approved a ballot initiative setting a minimum wage rate higher than the federal rate and indexing it for inflation. Assuming enactment of this bill later this spring, it is important to note that the federal rate is not likely to catch up to Florida's minimum wage until mid–2009 only to once again fall behind in January 2010.

Just six months ago, I joined 230 of my colleagues, including 34 Democrats, in passing a bill that increased the minimum wage to $7.25 per hour while also providing important tax relief to help small businesses transition to the higher wage. Unfortunately, that bill was filibustered by Senate Democrats. This marrying of a minimum wage increase with small business tax relief was modeled on the successful approach we took in 1996 when a bipartisan coalition of 160 Republicans and 193 Democrats, including now Speaker PELOSI. I am pleased that Senate is pursing a bipartisan approach and building on this past success.

Unfortunately, the Democrat leadership in the House has chosen to break with tradition, choosing partisanship over partnership, by bringing to the House floor a minimum wage bill that excludes tax relief to help small businesses transition to the higher wage. Congressional Quarterly lamented on January 8 that ''House Democrats have established rules for floor debate . . . that will block Republicans from offering any amendment. . . .'' The Congressional Budget Office puts cost of this bill at over $16 billion for small business and nearly $1 billion for the federal government. Once again, Democrats break their opening day promise by excluding this $1 billion from their ''pay-go'' promises.

What has been absent from today's debate is a discussion about what the real downward pressure is on U.S. workers wages—illegal workers. After the federal government cracked down on illegal immigrants working at meat processing plants across the U.S., the company was forced to pay American workers a higher wage. Cracking down on illegal immigration, rather than granting amnesty to over 11 million illegal immigrants will do more to improve the wages of the working poor than a law increasing the minimum wage.

Finally, some have suggested that raising the minimum wage is the best approach to helping those living in poverty. There are much better and more targeted approaches to assisting the working poor, a minimum wage increase is a very blunt tool in doing that. Consider these facts:

The average minimum wage earner lives in a household with income above $50,000/year

Less than 1 in 25 minimum wage earners are single parents who work full-time—very few families rely on minimum wage job to support a family.

Only one in five minimum wage earners lives below the poverty level.

The least skilled and most disadvantaged workers are the first ones to lose jobs when the minimum wage is increased.

68 percent of Americans live in states that have a higher minimum wage.

67 percent of minimum wage earners get a raise within the first year of employment.

Ms. SCHAKOWSKY. Madam Speaker, I rise today in support of H.R. 2, the Fair Minimum Wage Act. Nearly 15 million Americans, almost two-thirds of them women, go to work every day caring for our children and frail old people, cleaning up our messes, serving us food in restaurants, and for their efforts receive $5.15 an hour, the Federal minimum wage. If they work 52 forty-hour weeks, their annual income adds up to $10,712—$4,367 under the poverty level for a family of three.

Other Americans—the CEOs of the Nation's top companies—made on average $10,712 in the first two hours of the first workday of new year. According to a report by Americans United for Change, those CEOs make $5,279 an hour, $10,982,000 a year, or 1,025 times more than their minimum wage employees.

Those CEOs must really be special compared to the woman who changes their mothers' diapers or cleans their toilets. If she is a single mom with two children, she has to work 3 minimum wage jobs to provide for her family, according to Wider Opportunities for Women.

It didn't surprise me that a Newsweek poll found that 68 percent of Americans believed ''increasing the minimum wage'' should be one of the top priorities for the new Democratic Congress. And it's no wonder that women around the country and in my district are signing petitions, calling, sending e-mails calling on us to raise the minimum wage.

Leta of Chicago wrote that ''We need to increase the minimum wage,'' and Rebecca e-mailed to say that an increase ''is shamefully overdue.'' Jacqueline in Skokie asked me to ''Please restore a government which truly responds to the needs of the people.''

It's hard to imagine any member of Congress objecting. After all, it's been 10 years, the longest span ever, since the minimum wage was raised. In that time, we members of Congress have received cost-of-living increases that have raised our salaries over $30,000.

Today is the day we stand up for our lowest paid workers. Today is the day we give 15 million Americans a raise. And when we pass this modest increase, we should think of it as a down-payment on our commitment to assure that every hardworking American receives a living wage.

Mr. PORTER. Mr. Speaker, I rise today in opposition of H.R. 2, the Minimum Wage Increase Without Assistance for Small Business.

In Southern Nevada, we are fortunate to experience an extraordinary situation in regard to wage earnings and job growth. Since the tragedy of September 11, 2001, our economy has undergone a massive rebound with unemployment far below the national average and wages far exceeding the current federal minimum wage. The primary engine of this economic growth has been our small business community.

As a representative of a state who mandates a dollar above the federal minimum wage, the small business community in Nevada will feel the effects of this increase stronger than most states. The Republican alternative to H.R. 2 would provide the incentives our small businesses need to absorb the economic impact of a federally mandated increase in wages. Small businesses in my district, like Metro Pizza, operate on the smallest of profit margins. Sam Facchini, who has co-owned the business since 1987, had this to say about an additional increase to the minimum wage; ''Our business is still adjusting to the most recent minimum wage increase. Small businesses are the backbone of our economy. We cannot continue to face unprecedented labor costs and be expected to prosper.''

To meet an increased federal wage standard small businesses need the kinds of incentives for growth that the Republican alternative to H.R. 2 provides. I would like to remind my colleagues that we can only create new jobs through growth in the private sector. To limit this growth for the sake of a sound bite is tempting, but will have a devastating impact on an economy.

Certainly, our workers deserve the fairest compensation for their valuable labor. In Nevada, the State Constitution mandates that our minimum wage is one dollar above the federally prescribed level. Increases, however, must be carefully balanced with the ability of the business community to pay these increased wages. For these reasons, my voting record has remained clear, on July 29, 2006 I voted in favor of a similar bill that included a minimum wage increase as well as growth incentives for small businesses.

While the vast majority of American workers deserve higher wages, we must ensure that no jobs are lost as a result. I urge my colleagues to oppose H.R. 2, the Minimum Wage Increase Without Assistance for Small Business.

Mrs. JONES of Ohio. Mr. Speaker, I rise today in support of H.R. 2, the Fair Minimum Wage Act of 2007. This bill provides a long-awaited increase to the federal minimum wage by $2.10 over 2 years—from its present level of $5.15 an hour to $7.25 an hour.

WOMEN, FAMILIES AND THE MINIMUM WAGE

I am pleased that, in 2007, my home state of Ohio has joined the 27 states across the nation that have fully enacted a minimum wage above the federal level. Minimum wage female workers account for 60 percent of minimum wage workers in Ohio. Ohio Policy Matters reports that approximately 253,000 Ohio children have a parent who benefits from the states recently enacted increase. Even more will benefit 2 years from this bill's enactment, when the minimum wage is raised to $7.25.

While opponents of increasing the minimum wage often claim that minimum-wage workers are largely middle-class teenagers, recent reports from the U.S. Census demonstrate that among those workers who would benefit from this legislation, nearly half (48 percent) are the household's chief breadwinner. The Economic Policy Institute reports that 1.4 million working mothers would receive a direct raise and three million working mothers could be positively impacted by the Fair Minimum Wage Act. Nearly 4 million parents would benefit from an increase, including an estimated 623,000 single moms who would receive a direct raise under this bill.

According to the Center on Budget Policy Priorities, in 2006, the federal poverty line for a family of four was about $20,000, well below what most Americans would consider a decent standard of living to sustain a family. Currently, a family of four with one minimum-wage earner has a total income, including food stamps and the Earned Income Tax Credit, of only $18,950, $1,550 below the poverty line.

HISTORIC PRECEDENTS

The minimum wage has been frozen at its current level for more than 9 years—the longest period without a minimum wage increase in U.S. history. Since its 1938 inception, there has been only one other period in which the minimum wage has remained unchanged for more than 9 years, from January 1981 until April 1990.

History has proven that past increases in the minimum wage have not had a negative impact on the economy. In the four years after the last minimum wage increase, the economy enjoyed its strongest growth in more than three decades, adding nearly 11 million new jobs. Small business employment grew more in states with higher minimum wage rates than in states with the federal minimum wage states—9.4 percent versus 6.6 percent.

CLOSING REMARKS

I am proud to support this bill. Its immediate consideration in these opening days of the 110th Congress is proof that when the Democrats have sway, working families have their way.

Mr. MARKEY. Mr. Speaker, today Democrats ae fulfilling a pledge to millions of working famllies who have struggled for too long to make ends meet with a minimum wage that has failed to keep pace with skyrocketing housing, health care, energy and other costs.

President Franklin Roosevelt told us, ''The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.''

The federal minimum wage has remained unchanged for nearly 10 years, and its purchasing power has plummeted to the lowest level in more than half a century. It is unacceptable and immoral that millions of Americans have been working full-time and year-round while still being unable to afford the basic necessities of life.

By increasing the federal minimum wage by $2.10—from $5.15 to $7.25 an hour over 2 years—we are giving a long overdue pay raise to about 13 million Americans, which amounts to an additional $4,400 per year for a family of three. I am proud that my home state of Massachusetts already has taken similar action, increasing the Commonwealth's minimum wage to $7.50 effective January 1, 2007. A total of twenty-eight states along with the District of Columbia have a state minimum wage above the current federal level. It is time for the federal government to catch up.

Raising the minimum wage will make an important difference in the lives of hardworking Americans across the country. The Senate should quickly pass similar legislation and President Bush should sign into law this much-needed increase as soon as it reaches his desk.

Mr. LANGEVIN. Mr. Speaker, I rise today as a proud cosponsor of the Fair Minimum Wage Act (H.R. 2). This bill will bring a long-overdue measure of fairness to the paychecks of millions of hardworking Americans.

We have now reached the longest period of time without an increase in the federal minimum wage since its creation in 1938. While the minimum wage remains stagnant, the cost of living for countless Americans continues to skyrocket.

In my home state of Rhode Island, the average two-bedroom apartment costs over $1,147 per month. As a result, many people would need to obtain more than three full-time, minimum wage jobs just to afford a decent home, and that does not take into account other critical living expenses like food and medicine. This is an unacceptable reality that millions of hardworking Americans continue to face.

Raising the minimum wage is a critical first step in Congress's efforts to strengthen the economic security of our Nation's families. The Fair Minimum Wage Act will increase the federal minimum wage from $5.15 to $7.25 incrementally over a 2-year period.

Americans who work hard to make an honest living should not be forced to live in poverty, and by passing the Fair Minimum Wage Act, we will help ensure that all Americans have the ability to provide for their families and prosper. I urge my colleagues to join me in supporting the Fair Minimum Wage Act.

Mr. UDALL of New Mexico. I rise today to state my support for this legislation that would provide a long overdue increase in the minimum wage for millions of workers around the country. As many of my colleagues have stated today, Congress has failed to increase the minimum wage for more than 9 years. This is the longest period in the history of the minimum wage that it has not been increased. This is unacceptable and I am pleased we finally are taking action today to remedy this situation.

America's families have seen their real income drop by almost $1,300 since 2000, while the costs of health insurance, gasoline, home heating, and college attendance have increased by almost $5,000 annually. America's families have been squeezed for far too long. Increasing the minimum wage to $7.25 an hour, which this legislation would do over the period of 2 years, is not a panacea for the hard working men and women who earn the minimum wage in our economy. However, everyone can agree that additional money in the pockets and savings accounts of these 13 million Americans will be of some help.

I strongly support H.R. 2 and urge my colleagues to do the same.

Ms. MCCOLLUM of Minnesota. Mr. Speaker, I rise today in strong support of H.R. 2, the Fair Minimum Wage Act. I congratulate Speaker PELOSI, Majority Leader HOYER and Chairman MILLER for their recognition that this is a critical issue to our economy and for their success in making a real difference for families across America.

The Fair Minimum Wage Act will raise the federal minimum wage from $5.15 to $7.25 over 2 years. This pay raise is the first in more than 9 years and will affect 13 million Americans.

This change is long overdue. Currently minimum wage employees working 40 hours a week, 52 weeks a year, earn only $10,700 a year—$6,000 below the poverty line for a family of three. The inflation-adjusted value of the minimum wage is 31 percent lower today than it was in 1979, and in real dollars a $5.15 an hour minimum wage is worth just $4.75. If the wage had just kept pace with inflation since 1968 when it was a $1.60 an hour, minimum wage would have been $8.46 last year.

While in the Majority, Republicans repeatedly blocked this increase with the argument that fairness for our lowest paid workers will hurt small business. However, this summer, 650 economists, including 5 Nobel laureates, announced their support for increasing the minimum wage and their view that these arguments against such an increase are simply not valid.

Mr. Speaker, while denying this needed wage increase, Members of Congress have received pay raises of over $30,000. In addition, a recent study estimated that CEOs of top companies make in 2 hours what a minimum wage worker makes in a year. This inequity is not only an economic issue—it is a moral issue. American full-time, full-year workers should not be forced to raise their families in poverty.

A part of the hope and promise of America is that if you work hard, you will succeed. I am proud that the Democrats today are helping to make that dream a reality for millions of Americans.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today in opposition to H.R. 2, and in support of the Republican motion to recommit.

Americans deserve a decent minimum wage, but we cannot simply ignore the fact that somebody has to pay for it. In many cases, small businesses are the ones who must bear these costs.

The Democratic bill we consider today gives absolutely no consideration to small businesses at all. Small businesses are the backbone of our economy, providing two-thirds of

new job creation. They cannot, however, simply create money out of thin air. A small business might have been struggling to pay health care premiums for its workers. With this resolution, they may well now be unable to do so.

My Democratic colleagues frequently voice their strong support for small businesses. I don't understand why they cannot then acknowledge that this could be a burden and offer some help in the form of tax incentives.

My vote for this motion to recommit and against the underlying bill is intended to send a message to the other body that a minimum wage increase is only half of the equation. I am confident the other body will work in more of a spirit of compromise and recognize the concerns I mention here today. Indeed, I look forward to considering legislation that does contain common sense provisions that will protect our small businesses' competitiveness.

I urge my colleagues to vote for the motion to recommit to and if necessary against final passage.

Mrs. MALONEY of New York. Mr. Speaker, today, 13 million Ameicans are getting a raise.

Later today, during the first 100 hours of the new Democratic Majority, we will vote to raise the federal minimum wage from $5.15 to $7.25 over the next 2 years.

Nearly two-thirds of all minimum wage workers are women and women account for most of the full-time workers in some of the lowest paying jobs in our Nation.

Including 87 percent of all housekeepers, 93 percent of all child careworkers, 75 percent of all cashiers and 66 percent of all food servers.

Overall, women are twice as likely as men to work at the minimum wage.

Nearly 75 percent of female minimum wage workers are over 20 and 35 percent work full-time.

With this raise in the minimum wage, 7.7 million women will get a raise, including 3.4 million parents and over a million single parents—who are overwhelmingly female.

Raising the minimum wage would provide an additional $4,400/year for a family of three, equaling 15 months of groceries, or over 2 years of health care—helping them to keep up with rising costs.

Raising the minimum wage is supported by 89 percent of the American public in a recent Newsweek poll. Another recent poll showed 72 percent of Republicans support the minimum wage increase.

The minimum wage has not increased in more than 9 years—the longest period in the history of the law. The real value of the minimum wage has plummeted to its lowest level in 51 years.

A minimum wage increase is particularly important at a time when America's families have seen their real income drop by almost $1,300 since 2000, while the costs of health insurance, gasoline, home heating, and attending college have increased by almost $5,000 annually.

It is wrong to have millions of Americans working full-time and year-round and still living in poverty. At $5.15 an hour, a full-time minimum wage worker brings home $10,712 a year—nearly $6,000 below the poverty level for a family of three.

Passing an increase in the minimum wage is the right thing to do and I commend the work of Chairman GEORGE MILLER and Speaker PELOSI for bringing this measure to the floor today.

I urge all of my colleagues to support this vital legislation.

Mr. RUPPERSBERGER. Mr. Speaker, I rise today in support of H.R. 2, the Fair Minimum Wage Act.

This much needed increase in the minimum wage is long overdue. During the last 9 years since the minimum wage was last increased, 28 states and the District of Columbia have come to the aid of their citizens and passed laws implementing a higher minimum wage rate than the federal standard.

Increasing the federal minimum wage is not about giving high school students who work part-time a raise. It is about helping individuals and families meet their daily basic needs. Almost one-third of hourly workers earning less than $7.25 lived in families with incomes of $20,000 or less.

As prices for energy, health care, and daily living expenses including child care and college tuition continue to increase, the minimum wage has remained the same. This increase in the minimum wage is necessary to help families pay for the rising cost of these goods and services.

To understand what minimum wage earners are dealing with, imagine how much income you earned in 1997 and the cost of your daily expenses. For example, in Baltimore in January 1997, a gallon of whole milk was $2.87. In January 2006 a gallon of whole milk was $3.39, an increase of 18 percent.

Imagine now earning what you earned in 1997, but forced to pay at least 18 percent more for your daily living expenses. For many people, an increase of 18 percent over 9 years would not be noticed because typically job salaries would also increase. But for people earning minimum wage, any increase in the price of goods and services is noticed.

For a more dramatic example, consider the cost of a gallon of gasoline. In January 1997 a gallon of gas cost $1.22 and in January 2006, the same gallon cost $2.27, an increase of 94 percent. Increases of this magnitude impact the entire population but those who make the least will be hit the hardest.

How can we expect people earning the current minimum wage to keep up with the increasing costs of everything?

An increase in the minimum wage is essential to helping all Americans achieve economic security and for working adults to be able to meet the basic needs of their families. For this reason, I support H.R. 2 and raising the federal minimum wage.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today in opposition to H.R. 2, and in support of the Republican motion to recommit.

Americans deserve a decent minimum wage, but we cannot simply ignore the fact that somebody has to pay for it. In many cases, small businesses are the ones who must bear these costs.

The Democratic bill we consider today gives absolutely no consideration to small businesses at all. Small businesses are the backbone of our economy, providing two thirds of new job creation. They cannot, however, simply create money out of thin air. A small business might have been struggling to pay health care premiums for its workers. With this resolution, they may well now be unable to do so.

My Democratic colleagues frequently voice their strong support for small businesses. I don't understand why they cannot then acknowledge that this could be a burden and offer some help in the form of tax incentives.

My vote for this motion to recommit and against the underlying bill is intended to send a message to the other body that a minimum wage increase is only half of the equation. I am confident the other body will work in more of a spirit of compromise and recognize the concerns I mention here today. Indeed, I look forward to considering legislation that does contain common sense provisions that will protect our small businesses' competitiveness.

I urge my colleagues to vote for the motion to recommit to and if necessary against final passage.

Mr. SMITH of Texas. Mr. Speaker, the debate on H.R. 2, the ''Fair Minimum Wage Act of 2007,'' would benefit from a discussion of the facts.

For example, increasing the minimum wage would not have a positive impact on all working and non-working Americans.

The number of people who would benefit from raising the minimum wage is not nearly as large as some claim and those individuals who receive the minimum wage are not nearly as poor as some suggest.

According to the Bureau of Labor Statistics, in 2005 only 2.5 percent of all hourly-paid workers earned the minimum wage. More than a quarter of those workers are teenagers and half are under 25.

Those who support a minimum wage increase should be forthright—some Americans will lose their jobs if the minimum wage is increased, especially youth and low-skilled workers. If the minimum wage is raised, businesses will incur additional costs and some will be forced to layoff employees.

Also, most individuals who receive the minimum wage have other sources of income, such as food stamps, government allowances, or earned income tax credits.

Still, we are confronted with the stark reality that over one million families must survive on little more than $1,000 a month. These families need food, clothes, housing, transportation, and hope.

Frankly, any person who engages in honest labor deserves a worthy wage and a dignified life.

Some say there are jobs Americans won't do. That demeans hard-working Americans who do work in every occupation. It especially demeans those who work at back-breaking and dangerous jobs for little pay. If we want more Americans to take those jobs, then let's pay them more.

And today is a good time to start.

Mr. CROWLEY. Mr. Speaker, I rise in support of H.R. 2 to increase the minimum wage for working Americans.

After years of providing tax cuts to the richest people in our country, and raise after raise to Members of Congress, I am pleased to see that in the first 100 hours of Democratic control of Congress, Democrats are giving a raise to the working poor.

I firmly believe that increasing the minimum wage is a necessity to help working people provide for their families. In 6 years of Bushonomics, gas prices have gone out of sight, college tuitions are unaffordable for millions of working families, and the price of homeownership is escaping far too many people.

The lack of a basic wage increase has put an even greater hardship on the lives of many of my constituents—people who are actually working every day and playing by the rules.

Just the other day a constituent of mine from Jackson Heights stated the obvious in

support of a minimum wage increase—an honest day's pay for an honest day's work.

I completely agree with him.

In fact, 90 percent of minimum wage workers in New York City are adults, and two-thirds of them work full-time. Over four out of five New York City minimum wage workers are people of color: 41 percent are Hispanic, 25 percent are Black non-Hispanic, and 16 percent are Asian.

Additionally, while women represent 49 percent of New York City workers, they are 59 percent of minimum wage workers. It's clear minimum wage earnings are vital to many low-income households in New York City. In fact, 60 percent of increased minimum wage earnings would go to the lowest-earning 40 percent of New York City households.

Furthermore, with 15.5 percent of my constituents living below poverty, it's long past due to raise the wages of working people.

After raise after raise for Congress and the White House, it is amazing to me that the Republicans do not think that people who actually work 5 days a week do not deserve a raise.

That is why I urge my colleagues to support H.R. 2.

Under the Democrats America really is going in a new direction—and that direction is forward.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today in support of H.R. 2—increasing the minimum wage. This is an important piece of legislation and one that has been over due for many years. The Federal minimum wage has not been increased in 10 years and the buying power of the Federal minimum wage is at its lowest level in 51 years.

I am proud to say that my district, the US Virgin Islands, has been ahead of the game by increasing the minimum wage to $6.15 an hour last year—the second increase in 2 years—affecting more than 14,000 workers in the territory. This increase was supported by private sector leaders, who indicated that they were prepared to take on the wage increase, acknowledging that while the increase does impact business, it was manageable—purporting the true American spirit of prosperity for all.

Minimum wage increase is important to all Americans but impacts women by greater proportions. Two-thirds of workers over age 16 who work at or below the minimum wage are women. Studies of low-wage workers show that the main beneficiaries of this increase would be working women, almost 1 million of who are single mothers. The minimum wage increase would help to reduce the overall pay gap between women and men.

Mr. Speaker, raising the minimum wage will help to raise the income of many low-income families, especially those headed by single mothers. I urge my colleagues to support H.R. 2 and pass this long overdue increase in our national wages.

Mr. KIND. Mr. Speaker, I am proud to stand before you today in support of H.R. 2, the Fair Minimum Wage Act of 2007. It is essential that we ensure that all Americans are able to maintain a decent standard of living, guaranteed in part by real living wages that reflect today's economic realities.

With rising health care, energy, and education costs, America's hardworking families are being forced to do more with less. While Congress has failed to raise the minimum wage over the past 10 years, it hasn't failed to raise its own pay. Since 1997, congressional pay has increased $31,600. This is simply unjustifiable.

America is the most prosperous nation in the world. It is unconscionable that someone can work full-time and still live in poverty. Working full-time, a minimum wage earner will only bring home $10,712 this year. This is $6,000 below the poverty level for a family of three. More than 125,000 Wisconsin workers would directly benefit from this legislation.

While it is vital that we help the most vulnerable in our society, we must also ensure the livelihood of main street America's small businesses. These small businesses form the cornerstone of our economy and are essential to the well-being of our communities. That is why it is important that any increase in the minimum wage be implemented gradually.

I believe H.R. 2 accomplishes that by raising the minimum wage in a manner that will help the least fortunate while simultaneously protecting small business owners from sharp payroll increases. Sixty days after this legislation is enacted, the minimum wage would increase to $5.85 per hour. One year later, it would rise to $6.55 per hour and reach $7.25 a year after that.

The American public supports raising the minimum wage. In November, six States passed minimum wage ballot measures. Currently, 28 States, including Wisconsin, have minimum wages above the Federal level. The time has come for Congress to listen to the States and the public and pass this important and overdue legislation.

I thank you Mr. Speaker, and urge all of my colleagues to do the right thing and give America's minimum wage earners a well-deserved raise.

Mr. KILDEE. Mr. Speaker, I rise today in strong support of H.R. 2, the Fair Minimum Wage Act of 2007.

The minimum wage has not been increased in nearly 10 years and its purchasing power is the lowest it has been in 50 years.

A full-time minimum wage worker earns just $10,700 per year, which is $6,000 below the Federal poverty level for a family of three.

The bill we consider today will benefit nearly 7.4 million workers directly, and another 5.6 million workers indirectly.

America's poorest working families must get the raise they need and deserve.

This bill is especially important given the fact that America's families have seen their real income drop by $1,300 over the past 6 years.

At the same time, the costs of health insurance, gasoline, home heating and attending college have increased enormously.

Increasing the minimum wage demonstrates our commitment to workers everywhere and exemplifies the value we place on a hard day's work.

I urge my colleagues to join me in supporting H.R. 2.

Mr. PAUL. Mr. Speaker, the announced purpose of H.R. 2 is to raise living standards for all Americans. This is certainly an admirable goal, however, to believe that Congress can raise the standard of living for working Americans by simply forcing employers to pay their employees a higher wage is equivalent to claiming that Congress can repeal gravity by passing a law saying humans shall have the ability to fly.

Economic principles dictate that when government imposes a minimum wage rate above the market wage rate, it creates a surplus ''wedge'' between the supply of labor and the demand for labor, leading to an increase in unemployment. Employers cannot simply begin paying more to workers whose marginal productivity does not meet or exceed the law-imposed wage. The only course of action available to the employer is to mechanize operations or employ a higher-skilled worker whose output meets or exceeds the ''minimum wage.'' This, of course, has the advantage of giving the skilled worker an additional (and government-enforced) advantage over the unskilled worker. For example, where formerly an employer had the option of hiring three unskilled workers at $5 per hour or one skilled worker at $16 per hour, a minimum wage of $6 suddenly leaves the employer only the choice of the skilled worker at an additional cost of $1 per hour. I would ask my colleagues, if the minimum wage is the means to prosperity, why stop at $6.65—why not $50, $75, or $100 per hour?

Those who are denied employment opportunities as a result of the minimum wage are often young people at the lower end of the income scale who are seeking entry-level employment. Their inability to find an entry-level job will limit their employment prospects for years to come. Thus, raising the minimum wage actually lowers the employment opportunities and standard of living of the very people proponents of the minimum wage claim will benefit from government intervention in the economy.

Furthermore, interfering in the voluntary transactions of employers and employees in the name of making things better for low wage earners violates citizens' rights of association and freedom of contract as if to say to citizens ''you are incapable of making employment decisions for yourself in the marketplace.''

Mr. Speaker, I do not wish my opposition to this bill to be misconstrued as counseling inaction. Quite the contrary, Congress must enact an ambitious program of tax cuts and regulatory reform to remove government-created obstacles to job growth. However, Mr. Speaker, opponents of H.R. 2 should not fool themselves into believing that adding a package of tax cuts to the bill will compensate for the damage inflicted on small businesses and their employees by the minimum wage increase. Saying that an increase in the minimum wage is acceptable if combined with tax cuts assumes that Congress is omnipotent and thus can strike a perfect balance between tax cuts and regulations so that no firm, or worker, in the country is adversely affected by Federal policies. If the 20th Century taught us anything it was that any and all attempts to centrally plan an economy, especially one as large and diverse as America's, are doomed to fail.

In conclusion, I would remind my colleagues that while it may make them feel good to raise the Federal minimum wage, the real life consequences of this bill will be vested upon those who can least afford to be deprived of work opportunities. Therefore, rather than pretend that Congress can repeal the economic principles, I urge my colleagues to reject this legislation and instead embrace a program of tax cuts and regulatory reform to strengthen the greatest producer of jobs and prosperity in human history: the free market.

Mr. MCGOVERN. Mr. Speaker, after a decade of inaction by the Republican majority, we stand to vote today on one of the most critical issues facing working Americans.

For years, the chairman of the Education and Labor Committee, Mr. MILLER, led our efforts to bring the minimum wage more in line with this country's growing cost of living. We pushed for a clean, up or down vote. But instead, as the 109th Congress winded down, we were presented with a muddled package of bills, and once again, the will of the American people was pushed aside to accommodate corporate interests.

So, I must commend Speaker PELOSI and Majority Leader HOYER for including this minimum wage increase in our first 100 hour commitment to working Americans. For the 6.5 million minimum wage earners throughout the country, this bill amounts to an additional $4,400 each year. That alone would cover: 15 months of groceries; over two years of health care; and two and a half years of college tuition at a public, 2 year college.

Ultimately, up to 13 million low-wage workers will be helped by this increase.

Right now the average CEO of a Fortune 500 Company earns $10,712 in 1 hour and 16 minutes. It takes the average minimum wage worker 52 40-hour weeks—an entire year to earn the same $10,712. That's wrong, and we're going to fix it.

And, let's be clear, there is no evidence to support the Republican claim that an increase in minimum wage leads to job loss. For proof, we only need to look at the twenty-eight states and the District of Columbia that have set minimum wages that are higher than the federal minimum wage. In fact, a May 2006 study released by the Center for American Progress and Policy Matters found that employment in small businesses grew more than 9.4% in states with higher minimum wage; and inflation-adjusted business payroll growth was over 5% stronger in high minimum wage states. A 1998 study by the Economic Policy Institute found that unemployment and poverty rates actually dropped after the last increase in the federal minimum wage in 1997.

Working Americans are the backbone of our nation, and this increase is long overdue. I urge my colleagues on both sides of the aisle to join me in supporting this legislation.

Mr. SHAYS. Mr. Speaker, I rise in support of H.R. 2, the Fair Minimum Wage Act.

The time is past due for a raise in the Federal minimum wage, which was last increased in 1996. Today, workers making the least should be heartened that this legislation will raise their wages by $2.10 an hour over two years to $7.25.

Some argue that raising the minimum wage increases unemployment and prices. This is true only if the minimum wage is set too high or phased in too quickly. If done properly, there should be little to no impact on employment or prices.

Several economic analyses point to an important dynamic that I believe is at work: When the minimum wage is increased, people have more of an incentive to work, and less of an incentive to collect welfare or remain idle.

It is clear to me that increasing the minimum wage is a vital step toward ensuring work is more attractive than welfare.

Mr. Speaker, I urge the support of this legislation.

Mr. CAMP of Michigan. Mr. Speaker, I rise today in opposition to the bill before us that increases the federal minimum wage without providing tax relief to America's small businesses.

I support a raise in the federal minimum wage. But, raising the minimum wage alone is missed opportunity to help American workers. Minimum wage legislation should include tax benefits for small business owners. The Democrat's bill increases the federal minimum wage from $5.15-per-hour to $7.25-per-hour over 2 years. This increase amounts to a 41 percent increase to employers. The Democrat bill does nothing to help these employers offset this huge increase—forcing employers to either reduce the number of people they employ or pass on the cost to consumers by raising their prices.

According to the most recent data from the Small Business Administration, an estimated 822,000 small businesses operate in my home state of Michigan. Under the Democrat's bill, 822,000 small business owners in Michigan can expect to pay 41 percent more over the next 2 years. In Michigan, where the unemployment rate is tops in the nation, workers and employers cannot afford higher taxes and added layoffs.

Instead of H.R. 2, I support and am a cosponsor of H.R. 324, the Working Families Wage & Access to Health Care Act. This bill, authored by my colleagues Mr. MCKEON and Mr. MCCRERY, offers a balanced mix of provisions that will raise the wage while softening the financial impact on small businesses who hire minimum wage workers.

The Working Families Wage & Access to Health Care Act includes incentives for new restaurant construction, eliminates the 0.2 percent federal unemployment surtax on small business owners, and extends important small business expensing provisions Republicans enacted in 2003. Greater expensing limits mean that business owners will have more capital to expand, employ more workers, and invest more in their communities. The bill will also provide better health care coverage for workers. H.R. 324 establishes Small Business Health Plans that allow small businesses to band together through associations and purchase quality health care for workers and their families at a lower cost.

I urge my colleagues to vote against H.R. 2 and instead support legislation that protects America's workers and promotes continued economic growth.

Mr. REYES. Mr. Speaker, I would like to thank Congressman GEORGE MILLER for introducing this important legislation, and the 213 members who have joined me as original cosponsors.

I rise in strong support of H.R. 2, the Fair Minimum Wage Act of 2007, which would gradually raise the federal minimum wage to $7.25 per hour over two years.

As you know, it has been ten years since we last increased the federal minimum wage, and when adjusted for inflation it is currently at its lowest level in 50 years.

Every single American who commutes to work has felt the financial pinch of the rising cost of gasoline, and none more so than those making minimum wage. According to the U.S. Department of Labor, when Congress last passed legislation raising the minimum wage, the national average price for gasoline was $1.32 per gallon. Today, the average price of gasoline is $2.39 per gallon, and millions of hard-working Americans are struggling to make ends meet at a wage of $5.15 per hour. The majority of these workers are adults over the age of 20 and over 6 million kids are children of workers who will be helped by this bill.

This proposed increase in the minimum wage would directly affect approximately 863,000 employees in Texas and at least 68,000, or more than 30 percent, of the workforce in my district of El Paso.

I know of many exceptional businesses in El Paso that have taken the initiative to pay their employees more than the proposed new minimum wage. I applaud them for their leadership, but we can and should do more by passing legislation to set the standard minimum wage of $7.25 per hour, so we can move closer to ensuring that all workers earn a living wage for themselves and their families.

I ask all my colleagues to join me in supporting our Nation's working families by voting in favor of H.R. 2.

Mr. STARK. Mr. Speaker, I rise today in strong support of H.R. 2, the Fair Minimum Wage Act. For far too long, working class Americans have been struggling to make ends meet at $5.15 an hour, a wage that leaves a family of three more than $6,000 below the poverty line. Today we can make a real difference in the lives of millions of Americans by increasing the minimum wage to $7.25 an hour.

In 1997, the last time the minimum wage was raised, $5.15 went a lot further than it does today. A gallon of gas cost $1.27 and a loaf of bread was only $0.88. It may not seem to most like $2.29 for a gallon of gas or $1.14 for a loaf of bread is too much, but tell that to the minimum wage worker with gross weekly income of only $206. They still have to drive to work and put food on the table, which is nearly impossible at $5.15 an hour without multiple incomes or a second job.

For years, states have responded to the inadequacy of the federal minimum wage by passing higher minimum wages. Those states haven't lost employers or faced higher than normal unemployment because of higher minimum wages. Small businesses in California, for example, haven't gone broke because of the high state minimum wage. The argument that small businesses can't afford to pay the minimum wage is fallacy. Organizations making that argument are probably paying a lot more than $7.25 an hour to their snake oil salesmen.

Some argue that increasing the minimum wage is paramount to the government engaging in class warfare. One of the richest men in the world, Warren Buffet, doesn't see it that way. ''There's class warfare, all right,'' Mr. Buffett said, ''but it's my class, the rich class, that's making war, and we're winning.'' Failure to pass a minimum wage increase would be a huge victory in the class warfare by the wealthy against hard working Americans.

Since 1997, Members of Congress have increased our salaries by 24 percent. We can't look our hard working constituents in the eye and honestly say we deserve big pay raises and they don't. Today we can give a raise to someone other than ourselves for a change and have a positive impact on millions of working poor in this country. I strongly urge all my colleagues to vote yes on H.R. 2.

Mr. Speaker, I'd also ask that the following article from the January 10 edition of the Washington Post be printed in the RECORD.

MINIMUM WAGE, MAXIMUM MYTH

(By Steven Pearlstein)

With Wall Street hot shots and corporate chiefs raking in obscene amounts of money, and with pay in the bottom half of the workforce barely keeping up with inflation, you'd think raising the minimum wage for the first time in a decade would be a political and economic no-brainer for the new Democratic Congress.

But you'd be forgetting about Max Baucus.

Baucus is a Democratic senator from the Republican-leaning state of Montana, which means he is on the political equivalent of the endangered-species list. So you can understand Baucus's need to vote with his constituents on things like sugar subsidies and gun control and grazing fees on public lands.

But while Baucus is surely entitled to his opinions, and entitled to do what is necessary to assure his own political survival, he is not entitled to be chairman of the Senate Finance Committee, which handles such key Democratic issues as health care, trade and tax policy. That position ought to be reserved for a statesman with enough political confidence and backbone that he isn't constantly sacrificing the interests of his party and his country to the narrow interests of his subsidy-addicted constituents.

You'd think Baucus would have learned his lesson in 2001, when he won the enmity of Democrats everywhere by striking the deal that led to passage of the Bush tax cuts, including the phase-out of the estate tax. Apparently not. For on the very day the new Democratic House is set to push through a long-overdue minimum-wage increase, over in the Senate, Baucus has called a hearing on how to offset the ''economic hardship'' caused by the higher minimum wage with yet another round of business tax breaks.

Consider, for a moment, the economic logic that lies behind Baucus's hearing this morning, when senators will hear from a panel of witnesses that includes Dave Ratner, owner of Dave's Soda & Pet City in Agawam, Mass.

No doubt Ratner and the others will point out that workers making at or near the federal minimum wage are nearly all employed by small businesses. We will hear all the sob stories about how struggling small businesses with thin margins will be forced to cut back on hiring, pull back on expansion plans and, in some instances, close their doors. Moreover, this won't be a tragedy just for small-business owners and employees but for the economy as a whole, since everybody knows that small business creates virtually all new jobs. Only another round of tax breaks can keep the great American jobs machine humming.

And here's the thing: Most of it is nonsense.

To begin, both economic theory and history suggest that small business will, in time, pass on its increased costs to its consumers. Small businesses that pay low wages tend to compete with other small businesses that pay low wages, so they will all face the same cost pressures and respond in similar fashion. The worst that can be said is that a higher minimum wage will add, very modestly, to overall inflation.

There is also general agreement among economists that a higher minimum wage, at the levels we are talking about, will have a minimal impact on adult employment. Slightly higher prices might reduce, slightly, the demand for Wendy's hamburgers, cheap hotel rooms and dog-walking services. But largely offsetting those effects will be the increased demand for goods and services by tens of millions of Americans who will finally be getting a raise. A higher minimum wage doesn't lower economic activity so much as rearrange it slightly.

The biggest lie of all is that small businesses have created most of the new jobs in America. This canard, perpetrated by the small-business lobby and embraced by politicians of both parties, has been used for decades to justify all manner of special subsidies for small business. But as economist Veronique de Rugy of the American Enterprise Institute reported in a paper last year, new jobs have been created by both large and small businesses in roughly the same proportion.

In truth, the bulk of new jobs have always been created by a relatively small number of new firms that grow fast and get quite big—think of companies like Southwest Airlines, Google, CarMax. Most have little in common with the small-business lobby in Washington or fast-food restaurant chains or the members of the Kiwanis Club in Helena, Mont. As a rule, companies like these couldn't care less about the minimum wage or special tax breaks to offset it.

Linking the minimum wage to small-business tax breaks is specious for other reasons, as well.

During the last decade, when inflation-adjusted pay of minimum-wage workers was declining, tax rates for small businesses were also declining, thanks largely to the Bush cuts. If it is now imperative to reduce business taxes when the pay of minimum-wage workers is rising, you have to wonder if there will ever be a time when the small-business lobby thinks it doesn't deserve a tax cut.

It's also worth noting that, according to the Internal Revenue Service, small-business owners, sole proprietors and the self-employed are, as a group, the biggest tax cheats in America, responsible for $153 billion of the estimated $345 billion tax gap in 2001. What these folks deserve are more frequent visits from IRS auditors, not more tax breaks.

Real Democrats know that raising the minimum wage is the right thing to do—economically, politically, morally. The question is why they have chosen a Senate Finance chairman who can't articulate that position without equivocation or apology even before the first vote is cast.

Ms. EDDIE-BERNICE JOHNSON of Texas. Mr. Speaker, I rise today alongside my colleagues from the Women's Caucus to support this increase to the federal minimum wage.

Nearly two-thirds of all minimum wage workers are women.

And it's women that represent the majority of working poor in this country.

The working poor are Americans who work 40 hours or more a week, but can't afford basic necessities.

Each day, the working poor are faced with the decision of having to choose between: food, clothing, shelter, medicine, and utility bills.

No American who works hard for a living should have to make these types of choices.

Mr. Speaker, more than 9 million women will benefit from this proposed increase to the minimum wage.

These aren't just teenagers working part-time either.

Most of these workers are actually hard-working disadvantaged adults. Four million are parents.

This isn't simply an economic issue, it's an ethical and moral issue.

We cannot continue to look away while hard working Americans linger in poverty.

I urge my colleagues to support these hard-working women and men by raising the federal minimum wage.

Mr. ROSS. Mr. Speaker, I rise today to share my strong support for raising the federal minimum wage. Today's legislation would increase the existing minimum wage from $5.15 to $7.25 an hour over two years.

The minimum wage has not increased in more than nine years which is the longest period in the history of the law. The real value of the minimum wage has plummeted to its lowest level in 51 years.

At the current rate of $5.15 an hour, a full-time minimum wage worker brings home $10,712 a year—nearly $6,000 below the poverty level for a family of three. Increasing the minimum wage to $7.25 per hour would benefit up to 13 million Americans who struggle to raise a family.

Last year the state of Arkansas, along with varying other states, realized the need for raising the minimum wage and did so. Now it is time for the Congress to accept this plan and move forward with passage of this important legislation, which can make a real difference in the lives of working families across this country.

Mr. RANGEL. Mr. Speaker, I rise today in support of H.R. 2, an increase in the minimum wage. It has now been a decade (i.e., 1996) since the minimum wage was last adjusted for inflation. The issue absorbed a considerable amount of attention during the 109th Congress—but no new legislation was adopted. Over 25 states (including the District of Columbia) have adopted a minimum wage in excess of the federal rate.

The current Federal minimum wage rate leaves full-time workers in poverty. Thirty-seven million Americans live in poverty today—an increase of 5.4 million since 2001. Many of these individuals are full-time, full-year hard working Americans who are unable to lift themselves out of poverty because of the declining value of the federal minimum wage. Minimum wage earners working 40 hours per week, 52 weeks per year make $10,712—nearly $6,000 below the poverty line for a family of three.

Today, the value of minimum wage as a percentage of poverty has fallen to its lowest level on record—going way back to 1959. Earnings for full-year, full-time minimum wage work now equal less than 70 percent of the poverty level for a family of three.

Increasing the federal minimum wage would also raise the wages of low-income working families in general, not just those who fall below the official poverty line. Many families move in and out of poverty, and near-poor families are also important beneficiaries of minimum wage increases. In addition, raising the minimum wage will have a positive effect on lives of women and other minorities in this country.

Over one-half of workers paid less than $7.25 an hour lived in families with incomes of $40,000 or less. According to CRS estimates of low-wage workers in families with incomes of $40,000 or less were spouses in married-couple families (with or without children). Some 13.4 percent were single parents. Another 11.9 percent were teenagers. Hourly workers who earned less than $7.25 an hour in 2005 were more likely to live in poor families compared to workers paid at least $7.25 an hour (18.1 percent versus 6.0 percent).

Women were overrepresented among low-wage workers in 2005: almost 7 million of the more than 11 million hourly workers who

earned under $7.25 an hour were women (60.1 percent); in contrast, women accounted for a smaller share of all hourly workers (50.2%). Further, Hispanic women were two times as likely as Hispanic men to earn $5.15 per hour or less.

It also appears that relatively more working women than men might gain from a higher federal minimum wage. An increase in the minimum wage would greatly benefit about 33 percent of African-American or Hispanic women.

Over the last five years, the number of African Americans living in poverty has grown by 1.5 million, and the real median household income of African American families is down $2,676. Increasing the minimum wage to $7.25 an hour would affect more than 2.1 million hardworking African Americans in the minimum wage.

Over the last five years, the number of Hispanic Americans living in poverty has grown by more than 1.6 million and the real median household income of Hispanic American families is down $1,631. Over 2.3 million out of 12.5 million Hispanics employed on an hourly basis—or almost one in five earned less than $7.25 an hour in 2005. Hispanics comprised the largest share of workers paid below $7.25 an hour than they did of all hourly workers in 2005. Raising the minimum wage to $7.25 an hour would have a positive effect on the lives of more than 2.3 million hardworking Hispanic Americans.

Over the last five years, the number of Asian American/Pacific Islanders living in poverty has grown by 243,000 and the real median household income of Asian American/Pacific Islander families is down $2,157. Lifting the minimum wage to $7.25 an hour would have a positive effect on the lives of an estimated 280,000 hardworking Asian American workers.

Over one-half of hourly workers paid below the proposed federal minimum wage were between 16 and 24 years old. A substantial percentage of young workers might be affected directly if the minimum wage increases. Nearly three out of five teenagers paid an hourly wage might see their earnings increase if the federal standard goes to $7.25 per hour.

We must do more to support families living in poverty and those who are vulnerable to falling into poverty. Increasing the wages is an important step toward reducing the high levels of poverty in this nation.

Mr. LARSON of Connecticut. Mr. Speaker, I rise today in strong support of H.R. 2, legislation that will fulfill our promise to America's working families by providing a long awaited increase in the federal minimum wage.

Passage of this bill today will increase the minimum wage for the first time in nearly a decade, from $5.15 to $7.25 per hour over 2 years. Inflation and increased demands on the wallets of American families have steadily chipped away at the purchasing power of our Nation's minimum wage earners, and the failure of the previous Congress to take action has left the federal minimum wage at its lowest value in more than half a century.

This legislation is critical at a time when America's families have seen their real income drop by almost $1,300 since 2000, while the costs of health insurance, gasoline, home heating, and attending college have increased by almost $5,000 annually. At the current level, a full-time minimum wage worker will make only $10,712 a year, nearly $6,000 below the poverty level for a family of three. While some States, such as Connecticut, have already taken action to raise their minimum wage, many more States still fall short of providing our hardest working Americans with the income they need to make ends meet.

In a Nation of abundant wealth and prosperity, we simply cannot be indifferent to the challenges faced by those struggling to make ends meet. This vote today sends the clear message that this Congress will be committed to America's working families. Passage of H.R. 2 is a critical step towards ensuring that every American is able to earn a real living wage.

Ms. BORDALLO. Mr. Speaker, I rise today in support of H.R. 2, the Fair Minimum Wage Act of 2007, which proposes to increase the national minimum wage by a modest, but significant $2.10 over the course of roughly 2 years. I urge my colleagues to vote in favor of this legislation for three basic and important reasons.

First, an increase in the national minimum wage will help bring a sense of dignity in the lives of the lowest wage earners and their families in our country. American workers deserve to earn fair, decent, and livable wages for their hard and honest labor. They deserve to earn wages that enable them to cope with the costs of the basic necessities in life. National labor statistics reveal that income levels for millions of American workers and their families across every State and territory in the country have not kept pace with rising costs of home ownership, food, health insurance, gasoline, home heating, and college tuition. Setting a national minimum wage that reflects this reality and that will give families an income from which they can afford the basic necessities in life is a national priority that this Congress will act on today. The current national minimum wage of $5.15 does not measure up to the principle of ensuring hardworking Americans receive a livable wage.

Second, an increase in the national minimum wage is overdue. The last increase was over 9 years ago in September 1997. The time that has passed since this last increase represents the longest period in American history in which the national minimum wage has remained stagnant. Passage of this legislation today would be timely in the fact that it would set forth incremental increases over a 26–month period to raise the national minimum wage from $5.15 to $7.25.

Last, raising the national minimum wage not only enjoys broad, bipartisan support in Congress, but also enjoys support from among average Americans. A majority of voters in six States agreed to measures on their ballots in November 2006 that raised the minimum wage in their State, for instance. Also, workers in 28 States and the District of Columbia earn a minimum wage that is above the current minimum wage provided for by Federal law. An effort to raising the minimum wage earned by American workers, moreover, is supported by many labor, religious, and civil rights organizations from across the country. Support for increasing the national minimum wage can also be found in my community on Guam. A resolution was introduced in the 29th Guam Legislature this week, which carries the support of all Democratic members of the Guam Legislature, in support of this legislation.

I am especially encouraged by the fact that the legislation we are considering on the floor today, H.R. 2, does not preempt Guam law for tipped employees as minimum wage increase legislation that was considered on this floor in the last Congress proposed. Current Guam law requires employers to pay their employees the local minimum wage and, on top of that, to allow them to keep the tips they receive from customers. Deferring to local Guam law that sets a standard minimum wage on our island and that applies to all wage earners, whether or not they are working in a traditionally tipped field, is important to our workforce and especially important to the employees of our visitor industry.

On July 18, 2006, local legislation was enacted on Guam to increase the minimum wage from $5.15 per hour to $5.75 per hour by July 1, 2007. The legislation on the floor today would effectively raise this minimum wage by another 10 cents within 60 days after its enactment. Over 1,600 workers would receive an immediate and direct boost in their wages as a result of this increase according to local wage statistics compiled by the Guam Department of Labor. Passage of this legislation will allow our island's workforce, especially those earning the minimum wage, to better meet their families' needs.

One's work is something of which one should be proud. It is also something for which one should be fairly compensated. The effort to raise the federal minimum wage requirement is a strong signal of our support and recognition of those workers who earn the minimum wage and the contributions their work has for our society. Congress is overdue in fulfilling this responsibility to America's workers. I encourage continued bipartisan support for this effort to improve the economic prospects of and livelihoods for America's workforce.

I also encourage continued review and consultation with local government on one particular aspect of this legislation as it is considered in the remaining steps of the legislative process. I note that the legislation on the floor today proposes to apply the national minimum wage, for the first time in its history, to the Commonwealth of the Northern Mariana Islands (CNMI), which neighbors Guam. This is a significant proposal that should be carefully evaluated, especially in terms of its implementation and consequences for the economy in the CNMI and the economy on Guam. The bill proposes to increase the current minimum wage in the CNMI from $3.05 to $7.25 through eight individual incremental increases of fifty cents made over the course of four years.

The economy in the CNMI is interlinked with the economy on Guam. There will be unique challenges associated with implementing the ambitious schedule of increases to the minimum wage in the CNMI. A possible rise in unemployment and subsequent possible enrollment increases for social services and corresponding budgetary impacts for the Government of the CNMI and the Government of Guam as a result of a federally mandated, aggressive rise in the minimum wage in the CNMI are of concern to me and to local officials. I share in the belief that the workers in the CNMI deserve a fair wage. I, however, also believe that more coordination with local officials in the CNMI on specific provision should be undertaken.

The Resident Representative of CNMI, the Honorable Pedro A. Tenorio, and other locally

elected officials of the CNMI have asked Congress to consider other options that may include a more realistic schedule of increments or a federal wage review board to determine the timing and levels of incremental increases to the minimum wage in the CNMI. These proposals are designed to take into account the consequences for the economy of the CNMI of increasing the minimum wage. It is important to consider the economic stability that is needed to support jobs and job growth overall in the territory. I support alternatives that would help to mitigate the adverse impact that may occur with the implementation of the federal minimum wage in the CNMI and I hope that this issue could be reviewed in conference on this legislation.

I take this opportunity to note the continued absence of representation in this body for the American citizens of the CNMI, and to call attention to the need for such representation. Legislation to grant the people of the CNMI a representative in this House has been introduced in this body in each of the last six Congresses.

The House considers difficult issues regarding the CNMI, such as presented in the legislation before us today. This is precisely an example of why both this House and the people of the CNMI would benefit greatly from having a representative from the CNMI seated in this body. There are many issues with regard to the CNMI that deserve to be addressed by this Congress, and that inevitably will be taken up in the weeks and months ahead in committee and on the floor of this body. These issues and the need to address them, when taken together, point to the need for a Delegate in Congress from the CNMI to represent the people of the CNMI during these important deliberations.

I strongly believe that Congress should provide the CNMI a seat in this body. Representation should not be contingent upon good behavior by former or current elected officials. Representation also should not be contingent upon the specific policy positions held by former or current elected officials. Rather, representation for Americans in this House has, and should remain, based upon the traditions of American democracy and fairness. Representation in American democracy is an inalienable right for American citizens and not one that is contingent upon a litmus test. Unfortunately, today, this House will vote on this legislation without the people of the CNMI having been afforded the democratic right of representation in this body to represent them and their views.

Inevitably, the challenges associated with these difficult issues and that relate to the applicability of federal law to the CNMI will never be overcome in a fair and equitable manner until such time as the Congress affords the people of the CNMI a voice in the legislative process. I urge this House to adopt H.R. 2, to continue to examine carefully in the legislative process its consequences for the economies of the CNMI and Guam, and to move in the near future to adopt legislation that would allow for a Delegate from the CNMI to be seated in this body.

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

Pursuant to section 508 of House Resolution 6, the bill is considered read and the previous question is ordered.

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

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

MOTION TO RECOMMIT OFFERED BY MR. MCKEON

Mr. MCKEON. Mr. Speaker, I offer a motion to recommit.

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

Mr. MCKEON. I am.

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

The Clerk read as follows:

Mr. McKeon moves to recommit the bill (H.R. 2) to the Committee on Education and Labor with instructions to report the bill back to the House forthwith with the following amendments:

Strike section 1 and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Working Families Wage and Access to Health Care Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Redesignate sections 2 and 3 as sections 101 and 102, respectively, and insert before such sections the following:

TITLE I—MINIMUM WAGE

At the end of the bill, insert the following:

TITLE II—ASSOCIATION HEALTH PLANS

SEC. 201. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the ''Small Business Health Fairness Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

SEC. 202. RULES GOVERNING ASSOCIATION HEALTH PLANS.

(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding after part 7 the following new part:

''PART 8—RULES GOVERNING ASSOCIATION HEALTH PLANS

''SEC. 801. ASSOCIATION HEALTH PLANS.

''(a) IN GENERAL.—For purposes of this part, the term 'association health plan' means a group health plan whose sponsor is (or is deemed under this part to be) described in subsection (b).

''(b) SPONSORSHIP.—The sponsor of a group health plan is described in this subsection if such sponsor—

''(1) is organized and maintained in good faith, with a constitution and bylaws specifically stating its purpose and providing for periodic meetings on at least an annual basis, as a bona fide trade association, a bona fide industry association (including a rural electric cooperative association or a rural telephone cooperative association), a bona fide professional association, or a bona fide chamber of commerce (or similar bona fide business association, including a corporation or similar organization that operates on a cooperative basis (within the meaning of section 1381 of the Internal Revenue Code of 1986)), for substantial purposes other than that of obtaining or providing medical care;

''(2) is established as a permanent entity which receives the active support of its members and requires for membership payment on a periodic basis of dues or payments necessary to maintain eligibility for membership in the sponsor; and

''(3) does not condition membership, such dues or payments, or coverage under the plan on the basis of health status-related factors with respect to the employees of its members (or affiliated members), or the dependents of such employees, and does not condition such dues or payments on the basis of group health plan participation.

Any sponsor consisting of an association of entities which meet the requirements of paragraphs (1), (2), and (3) shall be deemed to be a sponsor described in this subsection.

''SEC. 802. CERTIFICATION OF ASSOCIATION HEALTH PLANS.

''(a) IN GENERAL.—The applicable authority shall prescribe by regulation a procedure under which, subject to subsection (b), the applicable authority shall certify association health plans which apply for certification as meeting the requirements of this part.

''(b) STANDARDS.—Under the procedure prescribed pursuant to subsection (a), in the case of an association health plan that provides at least one benefit option which does not consist of health insurance coverage, the applicable authority shall certify such plan as meeting the requirements of this part only if the applicable authority is satisfied that the applicable requirements of this part are met (or, upon the date on which the plan is to commence operations, will be met) with respect to the plan.

''(c) REQUIREMENTS APPLICABLE TO CERTIFIED PLANS.—An association health plan with respect to which certification under this part is in effect shall meet the applicable requirements of this part, effective on the date of certification (or, if later, on the date on which the plan is to commence operations).

''(d) REQUIREMENTS FOR CONTINUED CERTIFICATION.—The applicable authority may provide by regulation for continued certification of association health plans under this part.

''(e) CLASS CERTIFICATION FOR FULLY INSURED PLANS.—The applicable authority shall establish a class certification procedure for association health plans under which all benefits consist of health insurance coverage. Under such procedure, the applicable authority shall provide for the granting of certification under this part to the plans

in each class of such association health plans upon appropriate filing under such procedure in connection with plans in such class and payment of the prescribed fee under section 807(a).

''(f) CERTIFICATION OF SELF-INSURED ASSOCIATION HEALTH PLANS.—An association health plan which offers one or more benefit options which do not consist of health insurance coverage may be certified under this part only if such plan consists of any of the following:

''(1) a plan which offered such coverage on the date of the enactment of the Small Business Health Fairness Act of 2007,

''(2) a plan under which the sponsor does not restrict membership to one or more trades and businesses or industries and whose eligible participating employers represent a broad cross-section of trades and businesses or industries, or

''(3) a plan whose eligible participating employers represent one or more trades or businesses, or one or more industries, consisting of any of the following: agriculture; equipment and automobile dealerships; barbering and cosmetology; certified public accounting practices; child care; construction; dance, theatrical and orchestra productions; disinfecting and pest control; financial services; fishing; food service establishments; hospitals; labor organizations; logging; manufacturing (metals); mining; medical and dental practices; medical laboratories; professional consulting services; sanitary services; transportation (local and freight); warehousing; wholesaling/distributing; or any other trade or business or industry which has been indicated as having average or above-average risk or health claims experience by reason of State rate filings, denials of coverage, proposed premium rate levels, or other means demonstrated by such plan in accordance with regulations.

''SEC. 803. REQUIREMENTS RELATING TO SPONSORS AND BOARDS OF TRUSTEES.

''(a) SPONSOR.—The requirements of this subsection are met with respect to an association health plan if the sponsor has met (or is deemed under this part to have met) the requirements of section 801(b) for a continuous period of not less than 3 years ending with the date of the application for certification under this part.

''(b) BOARD OF TRUSTEES.—The requirements of this subsection are met with respect to an association health plan if the following requirements are met:

''(1) FISCAL CONTROL.—The plan is operated, pursuant to a trust agreement, by a board of trustees which has complete fiscal control over the plan and which is responsible for all operations of the plan.

''(2) RULES OF OPERATION AND FINANCIAL CONTROLS.—The board of trustees has in effect rules of operation and financial controls, based on a 3-year plan of operation, adequate to carry out the terms of the plan and to meet all requirements of this title applicable to the plan.

''(3) RULES GOVERNING RELATIONSHIP TO PARTICIPATING EMPLOYERS AND TO CONTRACTORS.—

''(A) BOARD MEMBERSHIP.—

''(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the members of the board of trustees are individuals selected from individuals who are the owners, officers, directors, or employees of the participating employers or who are partners in the participating employers and actively participate in the business.

''(ii) LIMITATION.—

''(I) GENERAL RULE.—Except as provided in subclauses (II) and (III), no such member is an owner, officer, director, or employee of, or partner in, a contract administrator or other service provider to the plan.

''(II) LIMITED EXCEPTION FOR PROVIDERS OF SERVICES SOLELY ON BEHALF OF THE SPONSOR.—Officers or employees of a sponsor which is a service provider (other than a contract administrator) to the plan may be members of the board if they constitute not more than 25 percent of the membership of the board and they do not provide services to the plan other than on behalf of the sponsor.

''(III) TREATMENT OF PROVIDERS OF MEDICAL CARE.—In the case of a sponsor which is an association whose membership consists primarily of providers of medical care, subclause (I) shall not apply in the case of any service provider described in subclause (I) who is a provider of medical care under the plan.

''(iii) CERTAIN PLANS EXCLUDED.—Clause (i) shall not apply to an association health plan which is in existence on the date of the enactment of the Small Business Health Fairness Act of 2007.

''(B) SOLE AUTHORITY.—The board has sole authority under the plan to approve applications for participation in the plan and to contract with a service provider to administer the day-to-day affairs of the plan.

''(c) TREATMENT OF FRANCHISE NETWORKS.—In the case of a group health plan which is established and maintained by a franchiser for a franchise network consisting of its franchisees—

''(1) the requirements of subsection (a) and section 801(a) shall be deemed met if such requirements would otherwise be met if the franchiser were deemed to be the sponsor referred to in section 801(b), such network were deemed to be an association described in section 801(b), and each franchisee were deemed to be a member (of the association and the sponsor) referred to in section 801(b); and

''(2) the requirements of section 804(a)(1) shall be deemed met.

The Secretary may by regulation define for purposes of this subsection the terms 'franchiser', 'franchise network', and 'franchisee'.

''SEC. 804. PARTICIPATION AND COVERAGE REQUIREMENTS.

''(a) COVERED EMPLOYERS AND INDIVIDUALS.—The requirements of this subsection are met with respect to an association health plan if, under the terms of the plan—

''(1) each participating employer must be—

''(A) a member of the sponsor,

''(B) the sponsor, or

''(C) an affiliated member of the sponsor with respect to which the requirements of subsection (b) are met,

except that, in the case of a sponsor which is a professional association or other individual-based association, if at least one of the officers, directors, or employees of an employer, or at least one of the individuals who are partners in an employer and who actively participates in the business, is a member or such an affiliated member of the sponsor, participating employers may also include such employer; and

''(2) all individuals commencing coverage under the plan after certification under this part must be—

''(A) active or retired owners (including self-employed individuals), officers, directors, or employees of, or partners in, participating employers; or

''(B) the beneficiaries of individuals described in subparagraph (A).

''(b) COVERAGE OF PREVIOUSLY UNINSURED EMPLOYEES.—In the case of an association health plan in existence on the date of the enactment of the Small Business Health Fairness Act of 2007, an affiliated member of the sponsor of the plan may be offered coverage under the plan as a participating employer only if—

''(1) the affiliated member was an affiliated member on the date of certification under this part; or

''(2) during the 12-month period preceding the date of the offering of such coverage, the affiliated member has not maintained or contributed to a group health plan with respect to any of its employees who would otherwise be eligible to participate in such association health plan.

''(c) INDIVIDUAL MARKET UNAFFECTED.—The requirements of this subsection are met with respect to an association health plan if, under the terms of the plan, no participating employer may provide health insurance coverage in the individual market for any employee not covered under the plan which is similar to the coverage contemporaneously provided to employees of the employer under the plan, if such exclusion of the employee from coverage under the plan is based on a health status-related factor with respect to the employee and such employee would, but for such exclusion on such basis, be eligible for coverage under the plan.

''(d) PROHIBITION OF DISCRIMINATION AGAINST EMPLOYERS AND EMPLOYEES ELIGIBLE TO PARTICIPATE.—The requirements of this subsection are met with respect to an association health plan if—

''(1) under the terms of the plan, all employers meeting the preceding requirements of this section are eligible to qualify as participating employers for all geographically available coverage options, unless, in the case of any such employer, participation or contribution requirements of the type referred to in section 2711 of the Public Health Service Act are not met;

''(2) upon request, any employer eligible to participate is furnished information regarding all coverage options available under the plan; and

''(3) the applicable requirements of sections 701, 702, and 703 are met with respect to the plan.

''SEC. 805. OTHER REQUIREMENTS RELATING TO PLAN DOCUMENTS, CONTRIBUTION RATES, AND BENEFIT OPTIONS.

''(a) IN GENERAL.—The requirements of this section are met with respect to an association health plan if the following requirements are met:

''(1) CONTENTS OF GOVERNING INSTRUMENTS.—The instruments governing the plan include a written instrument, meeting the requirements of an instrument required under section 402(a)(1), which—

''(A) provides that the board of trustees serves as the named fiduciary required for plans under section 402(a)(1) and serves in the capacity of a plan administrator (referred to in section 3(16)(A));

''(B) provides that the sponsor of the plan is to serve as plan sponsor (referred to in section 3(16)(B)); and

''(C) incorporates the requirements of section 806.

''(2) CONTRIBUTION RATES MUST BE NONDISCRIMINATORY.—

''(A) The contribution rates for any participating small employer do not vary on the basis of any health status-related factor in relation to employees of such employer or their beneficiaries and do not vary on the basis of the type of business or industry in which such employer is engaged.

''(B) Nothing in this title or any other provision of law shall be construed to preclude an association health plan, or a health insurance issuer offering health insurance coverage in connection with an association health plan, from—

''(i) setting contribution rates based on the claims experience of the plan; or

''(ii) varying contribution rates for small employers in a State to the extent that such rates could vary using the same methodology employed in such State for regulating premium rates in the small group market

with respect to health insurance coverage offered in connection with bona fide associations (within the meaning of section 2791(d)(3) of the Public Health Service Act), subject to the requirements of section 702(b) relating to contribution rates.

''(3) FLOOR FOR NUMBER OF COVERED INDIVIDUALS WITH RESPECT TO CERTAIN PLANS.—If any benefit option under the plan does not consist of health insurance coverage, the plan has as of the beginning of the plan year not fewer than 1,000 participants and beneficiaries.

''(4) MARKETING REQUIREMENTS.—

''(A) IN GENERAL.—If a benefit option which consists of health insurance coverage is offered under the plan, State-licensed insurance agents shall be used to distribute to small employers coverage which does not consist of health insurance coverage in a manner comparable to the manner in which such agents are used to distribute health insurance coverage.

''(B) STATE-LICENSED INSURANCE AGENTS.—For purposes of subparagraph (A), the term 'State-licensed insurance agents' means one or more agents who are licensed in a State and are subject to the laws of such State relating to licensure, qualification, testing, examination, and continuing education of persons authorized to offer, sell, or solicit health insurance coverage in such State.

''(5) REGULATORY REQUIREMENTS.—Such other requirements as the applicable authority determines are necessary to carry out the purposes of this part, which shall be prescribed by the applicable authority by regulation.

''(b) ABILITY OF ASSOCIATION HEALTH PLANS TO DESIGN BENEFIT OPTIONS.—Subject to section 514(d), nothing in this part or any provision of State law (as defined in section 514(c)(1)) shall be construed to preclude an association health plan, or a health insurance issuer offering health insurance coverage in connection with an association health plan, from exercising its sole discretion in selecting the specific items and services consisting of medical care to be included as benefits under such plan or coverage, except (subject to section 514) in the case of (1) any law to the extent that it is not preempted under section 731(a)(1) with respect to matters governed by section 711, 712, or 713, or (2) any law of the State with which filing and approval of a policy type offered by the plan was initially obtained to the extent that such law prohibits an exclusion of a specific disease from such coverage.

''SEC. 806. MAINTENANCE OF RESERVES AND PROVISIONS FOR SOLVENCY FOR PLANS PROVIDING HEALTH BENEFITS IN ADDITION TO HEALTH INSURANCE COVERAGE.

''(a) IN GENERAL.—The requirements of this section are met with respect to an association health plan if—

''(1) the benefits under the plan consist solely of health insurance coverage; or

''(2) if the plan provides any additional benefit options which do not consist of health insurance coverage, the plan—

''(A) establishes and maintains reserves with respect to such additional benefit options, in amounts recommended by the qualified actuary, consisting of—

''(I) a reserve sufficient for unearned contributions;

''(ii) a reserve sufficient for benefit liabilities which have been incurred, which have not been satisfied, and for which risk of loss has not yet been transferred, and for expected administrative costs with respect to such benefit liabilities;

''(iii) a reserve sufficient for any other obligations of the plan; and

''(iv) a reserve sufficient for a margin of error and other fluctuations, taking into account the specific circumstances of the plan; and

''(B) establishes and maintains aggregate and specific excess/stop loss insurance and solvency indemnification, with respect to such additional benefit options for which risk of loss has not yet been transferred, as follows:

''(i) The plan shall secure aggregate excess/stop loss insurance for the plan with an attachment point which is not greater than 125 percent of expected gross annual claims. The applicable authority may by regulation provide for upward adjustments in the amount of such percentage in specified circumstances in which the plan specifically provides for and maintains reserves in excess of the amounts required under subparagraph (A).

''(ii) The plan shall secure specific excess/stop loss insurance for the plan with an attachment point which is at least equal to an amount recommended by the plan's qualified actuary. The applicable authority may by regulation provide for adjustments in the amount of such insurance in specified circumstances in which the plan specifically provides for and maintains reserves in excess of the amounts required under subparagraph (A).

''(iii) The plan shall secure indemnification insurance for any claims which the plan is unable to satisfy by reason of a plan termination.

Any person issuing to a plan insurance described in clause (i), (ii), or (iii) of subparagraph (B) shall notify the Secretary of any failure of premium payment meriting cancellation of the policy prior to undertaking such a cancellation. Any regulations prescribed by the applicable authority pursuant to clause (i) or (ii) of subparagraph (B) may allow for such adjustments in the required levels of excess/stop loss insurance as the qualified actuary may recommend, taking into account the specific circumstances of the plan.

''(b) MINIMUM SURPLUS IN ADDITION TO CLAIMS RESERVES.—In the case of any association health plan described in subsection (a)(2), the requirements of this subsection are met if the plan establishes and maintains surplus in an amount at least equal to—

''(1) $500,000, or

''(2) such greater amount (but not greater than $2,000,000) as may be set forth in regulations prescribed by the applicable authority, considering the level of aggregate and specific excess/stop loss insurance provided with respect to such plan and other factors related to solvency risk, such as the plan's projected levels of participation or claims, the nature of the plan's liabilities, and the types of assets available to assure that such liabilities are met.

''(c) ADDITIONAL REQUIREMENTS.—In the case of any association health plan described in subsection (a)(2), the applicable authority may provide such additional requirements relating to reserves, excess/stop loss insurance, and indemnification insurance as the applicable authority considers appropriate. Such requirements may be provided by regulation with respect to any such plan or any class of such plans.

''(d) ADJUSTMENTS FOR EXCESS/STOP LOSS INSURANCE.—The applicable authority may provide for adjustments to the levels of reserves otherwise required under subsections (a) and (b) with respect to any plan or class of plans to take into account excess/stop loss insurance provided with respect to such plan or plans.

''(e) ALTERNATIVE MEANS OF COMPLIANCE.—The applicable authority may permit an association health plan described in subsection (a)(2) to substitute, for all or part of the requirements of this section (except subsection (a)(2)(B)(iii)), such security, guarantee, holdharmless arrangement, or other financial arrangement as the applicable authority determines to be adequate to enable the plan to fully meet all its financial obligations on a timely basis and is otherwise no less protective of the interests of participants and beneficiaries than the requirements for which it is substituted. The applicable authority may take into account, for purposes of this subsection, evidence provided by the plan or sponsor which demonstrates an assumption of liability with respect to the plan. Such evidence may be in the form of a contract of indemnification, lien, bonding, insurance, letter of credit, recourse under applicable terms of the plan in the form of assessments of participating employers, security, or other financial arrangement.

''(f) MEASURES TO ENSURE CONTINUED PAYMENT OF BENEFITS BY CERTAIN PLANS IN DISTRESS.—

''(1) PAYMENTS BY CERTAIN PLANS TO ASSOCIATION HEALTH PLAN FUND.—

''(A) IN GENERAL.—In the case of an association health plan described in subsection (a)(2), the requirements of this subsection are met if the plan makes payments into the Association Health Plan Fund under this subparagraph when they are due. Such payments shall consist of annual payments in the amount of $5,000, and, in addition to such annual payments, such supplemental payments as the Secretary may determine to be necessary under paragraph (2). Payments under this paragraph are payable to the Fund at the time determined by the Secretary. Initial payments are due in advance of certification under this part. Payments shall continue to accrue until a plan's assets are distributed pursuant to a termination procedure.

''(B) PENALTIES FOR FAILURE TO MAKE PAYMENTS.—If any payment is not made by a plan when it is due, a late payment charge of not more than 100 percent of the payment which was not timely paid shall be payable by the plan to the Fund.

''(C) CONTINUED DUTY OF THE SECRETARY.—The Secretary shall not cease to carry out the provisions of paragraph (2) on account of the failure of a plan to pay any payment when due.

''(2) PAYMENTS BY SECRETARY TO CONTINUE EXCESS/STOP LOSS INSURANCE COVERAGE AND INDEMNIFICATION INSURANCE COVERAGE FOR CERTAIN PLANS.—In any case in which the applicable authority determines that there is, or that there is reason to believe that there will be: (A) a failure to take necessary corrective actions under section 809(a) with respect to an association health plan described in subsection (a)(2); or (B) a termination of such a plan under section 809(b) or 810(b)(8) (and, if the applicable authority is not the Secretary, certifies such determination to the Secretary), the Secretary shall determine the amounts necessary to make payments to an insurer (designated by the Secretary) to maintain in force excess/stop loss insurance coverage or indemnification insurance coverage for such plan, if the Secretary determines that there is a reasonable expectation that, without such payments, claims would not be satisfied by reason of termination of such coverage. The Secretary shall, to the extent provided in advance in appropriation Acts, pay such amounts so determined to the insurer designated by the Secretary.

''(3) ASSOCIATION HEALTH PLAN FUND.—

''(A) IN GENERAL.—There is established on the books of the Treasury a fund to be known as the 'Association Health Plan Fund'. The Fund shall be available for making payments pursuant to paragraph (2). The

Fund shall be credited with payments received pursuant to paragraph (1)(A), penalties received pursuant to paragraph (1)(B); and earnings on investments of amounts of the Fund under subparagraph (B).

''(B) INVESTMENT.—Whenever the Secretary determines that the moneys of the fund are in excess of current needs, the Secretary may request the investment of such amounts as the Secretary determines advisable by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

''(g) EXCESS/STOP LOSS INSURANCE.—For purposes of this section—

''(1) AGGREGATE EXCESS/STOP LOSS INSURANCE.—The term 'aggregate excess/stop loss insurance' means, in connection with an association health plan, a contract—

''(A) under which an insurer (meeting such minimum standards as the applicable authority may prescribe by regulation) provides for payment to the plan with respect to aggregate claims under the plan in excess of an amount or amounts specified in such contract;

''(B) which is guaranteed renewable; and

''(C) which allows for payment of premiums by any third party on behalf of the insured plan.

''(2) SPECIFIC EXCESS/STOP LOSS INSURANCE.—The term 'specific excess/stop loss insurance' means, in connection with an association health plan, a contract—

''(A) under which an insurer (meeting such minimum standards as the applicable authority may prescribe by regulation) provides for payment to the plan with respect to claims under the plan in connection with a covered individual in excess of an amount or amounts specified in such contract in connection with such covered individual;

''(B) which is guaranteed renewable; and

''(C) which allows for payment of premiums by any third party on behalf of the insured plan.

''(h) INDEMNIFICATION INSURANCE.—For purposes of this section, the term 'indemnification insurance' means, in connection with an association health plan, a contract—

''(1) under which an insurer (meeting such minimum standards as the applicable authority may prescribe by regulation) provides for payment to the plan with respect to claims under the plan which the plan is unable to satisfy by reason of a termination pursuant to section 809(b) (relating to mandatory termination);

''(2) which is guaranteed renewable and noncancellable for any reason (except as the applicable authority may prescribe by regulation); and

''(3) which allows for payment of premiums by any third party on behalf of the insured plan.

''(i) RESERVES.—For purposes of this section, the term 'reserves' means, in connection with an association health plan, plan assets which meet the fiduciary standards under part 4 and such additional requirements regarding liquidity as the applicable authority may prescribe by regulation.

''(j) SOLVENCY STANDARDS WORKING GROUP.—

''(1) IN GENERAL.—Within 90 days after the date of the enactment of the Small Business Health Fairness Act of 2007, the applicable authority shall establish a Solvency Standards Working Group. In prescribing the initial regulations under this section, the applicable authority shall take into account the recommendations of such Working Group.

''(2) MEMBERSHIP.—The Working Group shall consist of not more than 15 members appointed by the applicable authority. The applicable authority shall include among persons invited to membership on the Working Group at least one of each of the following:

''(A) a representative of the National Association of Insurance Commissioners;

''(B) a representative of the American Academy of Actuaries;

''(c) a representative of the State governments, or their interests;

''(D) a representative of existing self-insured arrangements, or their interests;

''(E) a representative of associations of the type referred to in section 801(b)(1), or their interests; and

''(F) a representative of multiemployer plans that are group health plans, or their interests.

''SEC. 807. REQUIREMENTS FOR APPLICATION AND RELATED REQUIREMENTS.

''(a) FILING FEE.—Under the procedure prescribed pursuant to section 802(a), an association health plan shall pay to the applicable authority at the time of filing an application for certification under this part a filing fee in the amount of $5,000, which shall be available in the case of the Secretary, to the extent provided in appropriation Acts, for the sole purpose of administering the certification procedures applicable with respect to association health plans.

''(b) INFORMATION TO BE INCLUDED IN APPLICATION FOR CERTIFICATION.—An application for certification under this part meets the requirements of this section only if it includes, in a manner and form which shall be prescribed by the applicable authority by regulation, at least the following information:

''(1) IDENTIFYING INFORMATION.—The names and addresses of—

''(A) the sponsor; and

''(B) the members of the board of trustees of the plan.

''(2) STATES IN WHICH PLAN INTENDS TO DO BUSINESS.—The States in which participants and beneficiaries under the plan are to be located and the number of them expected to be located in each such State.

''(3) BONDING REQUIREMENTS.—Evidence provided by the board of trustees that the bonding requirements of section 412 will be met as of the date of the application or (if later) commencement of operations.

''(4) PLAN DOCUMENTS.—A copy of the documents governing the plan (including any bylaws and trust agreements), the summary plan description, and other material describing the benefits that will be provided to participants and beneficiaries under the plan.

''(5) AGREEMENTS WITH SERVICE PROVIDERS.—A copy of any agreements between the plan and contract administrators and other service providers.

''(6) FUNDING REPORT.—In the case of association health plans providing benefits options in addition to health insurance coverage, a report setting forth information with respect to such additional benefit options determined as of a date within the 120-day period ending with the date of the application, including the following:

''(A) RESERVES.—A statement, certified by the board of trustees of the plan, and a statement of actuarial opinion, signed by a qualified actuary, that all applicable requirements of section 806 are or will be met in accordance with regulations which the applicable authority shall prescribe.

''(B) ADEQUACY OF CONTRIBUTION RATES.—A statement of actuarial opinion, signed by a qualified actuary, which sets forth a description of the extent to which contribution rates are adequate to provide for the payment of all obligations and the maintenance of required reserves under the plan for the 12-month period beginning with such date within such 120-day period, taking into account the expected coverage and experience of the plan. If the contribution rates are not fully adequate, the statement of actuarial opinion shall indicate the extent to which the rates are inadequate and the changes needed to ensure adequacy.

''(C) CURRENT AND PROJECTED VALUE OF ASSETS AND LIABILITIES.—A statement of actuarial opinion signed by a qualified actuary, which sets forth the current value of the assets and liabilities accumulated under the plan and a projection of the assets, liabilities, income, and expenses of the plan for the 12-month period referred to in subparagraph (B). The income statement shall identify separately the plan's administrative expenses and claims.

''(D) COSTS OF COVERAGE TO BE CHARGED AND OTHER EXPENSES.—A statement of the costs of coverage to be charged, including an itemization of amounts for administration, reserves, and other expenses associated with the operation of the plan.

''(E) OTHER INFORMATION.—Any other information as may be determined by the applicable authority, by regulation, as necessary to carry out the purposes of this part.

''(c) FILING NOTICE OF CERTIFICATION WITH STATES.—A certification granted under this part to an association health plan shall not be effective unless written notice of such certification is filed with the applicable State authority of each State in which at least 25 percent of the participants and beneficiaries under the plan are located. For purposes of this subsection, an individual shall be considered to be located in the State in which a known address of such individual is located or in which such individual is employed.

''(d) NOTICE OF MATERIAL CHANGES.—In the case of any association health plan certified under this part, descriptions of material changes in any information which was required to be submitted with the application for the certification under this part shall be filed in such form and manner as shall be prescribed by the applicable authority by regulation. The applicable authority may require by regulation prior notice of material changes with respect to specified matters which might serve as the basis for suspension or revocation of the certification.

''(e) REPORTING REQUIREMENTS FOR CERTAIN ASSOCIATION HEALTH PLANS.—An association health plan certified under this part which provides benefit options in addition to health insurance coverage for such plan year shall meet the requirements of section 103 by filing an annual report under such section which shall include information described in subsection (b)(6) with respect to the plan year and, notwithstanding section 104(a)(1)(A), shall be filed with the applicable authority not later than 90 days after the close of the plan year (or on such later date as may be prescribed by the applicable authority). The applicable authority may require by regulation such interim reports as it considers appropriate.

''(f) ENGAGEMENT OF QUALIFIED ACTUARY.—The board of trustees of each association health plan which provides benefits options in addition to health insurance coverage and which is applying for certification under this part or is certified under this part shall engage, on behalf of all participants and beneficiaries, a qualified actuary who shall be responsible for the preparation of the materials comprising information necessary to be submitted by a qualified actuary under this part. The qualified actuary shall utilize such assumptions and techniques as are necessary to enable such actuary to form an opinion as to whether the contents of the matters reported under this part—

''(1) are in the aggregate reasonably related to the experience of the plan and to reasonable expectations; and

''(2) represent such actuary's best estimate of anticipated experience under the plan.

The opinion by the qualified actuary shall be made with respect to, and shall be made a part of, the annual report.

"SEC. 808. NOTICE REQUIREMENTS FOR VOLUNTARY TERMINATION.

''Except as provided in section 809(b), an association health plan which is or has been certified under this part may terminate (upon or at any time after cessation of accruals in benefit liabilities) only if the board of trustees, not less than 60 days before the proposed termination date—

''(1) provides to the participants and beneficiaries a written notice of intent to terminate stating that such termination is intended and the proposed termination date;

''(2) develops a plan for winding up the affairs of the plan in connection with such termination in a manner which will result in timely payment of all benefits for which the plan is obligated; and

''(3) submits such plan in writing to the applicable authority.

Actions required under this section shall be taken in such form and manner as may be prescribed by the applicable authority by regulation.

"SEC. 809. CORRECTIVE ACTIONS AND MANDATORY TERMINATION.

''(a) ACTIONS TO AVOID DEPLETION OF RESERVES.—An association health plan which is certified under this part and which provides benefits other than health insurance coverage shall continue to meet the requirements of section 806, irrespective of whether such certification continues in effect. The board of trustees of such plan shall determine quarterly whether the requirements of section 806 are met. In any case in which the board determines that there is reason to believe that there is or will be a failure to meet such requirements, or the applicable authority makes such a determination and so notifies the board, the board shall immediately notify the qualified actuary engaged by the plan, and such actuary shall, not later than the end of the next following month, make such recommendations to the board for corrective action as the actuary determines necessary to ensure compliance with section 806. Not later than 30 days after receiving from the actuary recommendations for corrective actions, the board shall notify the applicable authority (in such form and manner as the applicable authority may prescribe by regulation) of such recommendations of the actuary for corrective action, together with a description of the actions (if any) that the board has taken or plans to take in response to such recommendations. The board shall thereafter report to the applicable authority, in such form and frequency as the applicable authority may specify to the board, regarding corrective action taken by the board until the requirements of section 806 are met.

''(b) MANDATORY TERMINATION.—In any case in which—

''(1) the applicable authority has been notified under subsection (a) (or by an issuer of excess/stop loss insurance or indemnity insurance pursuant to section 806(a)) of a failure of an association health plan which is or has been certified under this part and is described in section 806(a)(2) to meet the requirements of section 806 and has not been notified by the board of trustees of the plan that corrective action has restored compliance with such requirements; and

''(2) the applicable authority determines that there is a reasonable expectation that the plan will continue to fail to meet the requirements of section 806,

the board of trustees of the plan shall, at the direction of the applicable authority, terminate the plan and, in the course of the termination, take such actions as the applicable authority may require, including satisfying any claims referred to in section 806(a)(2)(B)(iii) and recovering for the plan any liability under subsection (a)(2)(B)(iii) or (e) of section 806, as necessary to ensure that the affairs of the plan will be, to the maximum extent possible, wound up in a manner which will result in timely provision of all benefits for which the plan is obligated.

"SEC. 810. TRUSTEESHIP BY THE SECRETARY OF INSOLVENT ASSOCIATION HEALTH PLANS PROVIDING HEALTH BENEFITS IN ADDITION TO HEALTH INSURANCE COVERAGE.

''(a) APPOINTMENT OF SECRETARY AS TRUSTEE FOR INSOLVENT PLANS.—Whenever the Secretary determines that an association health plan which is or has been certified under this part and which is described in section 806(a)(2) will be unable to provide benefits when due or is otherwise in a financially hazardous condition, as shall be defined by the Secretary by regulation, the Secretary shall, upon notice to the plan, apply to the appropriate United States district court for appointment of the Secretary as trustee to administer the plan for the duration of the insolvency. The plan may appear as a party and other interested persons may intervene in the proceedings at the discretion of the court. The court shall appoint such Secretary trustee if the court determines that the trusteeship is necessary to protect the interests of the participants and beneficiaries or providers of medical care or to avoid any unreasonable deterioration of the financial condition of the plan. The trusteeship of such Secretary shall continue until the conditions described in the first sentence of this subsection are remedied or the plan is terminated.

''(b) POWERS AS TRUSTEE.—The Secretary, upon appointment as trustee under subsection (a), shall have the power—

''(1) to do any act authorized by the plan, this title, or other applicable provisions of law to be done by the plan administrator or any trustee of the plan;

''(2) to require the transfer of all (or any part) of the assets and records of the plan to the Secretary as trustee;

''(3) to invest any assets of the plan which the Secretary holds in accordance with the provisions of the plan, regulations prescribed by the Secretary, and applicable provisions of law;

''(4) to require the sponsor, the plan administrator, any participating employer, and any employee organization representing plan participants to furnish any information with respect to the plan which the Secretary as trustee may reasonably need in order to administer the plan;

''(5) to collect for the plan any amounts due the plan and to recover reasonable expenses of the trusteeship;

''(6) to commence, prosecute, or defend on behalf of the plan any suit or proceeding involving the plan;

''(7) to issue, publish, or file such notices, statements, and reports as may be required by the Secretary by regulation or required by any order of the court;

''(8) to terminate the plan (or provide for its termination in accordance with section 809(b)) and liquidate the plan assets, to restore the plan to the responsibility of the sponsor, or to continue the trusteeship;

''(9) to provide for the enrollment of plan participants and beneficiaries under appropriate coverage options; and

''(10) to do such other acts as may be necessary to comply with this title or any order of the court and to protect the interests of plan participants and beneficiaries and providers of medical care.

''(c) NOTICE OF APPOINTMENT.—As soon as practicable after the Secretary's appointment as trustee, the Secretary shall give notice of such appointment to—

''(1) the sponsor and plan administrator;

''(2) each participant;

''(3) each participating employer; and

''(4) if applicable, each employee organization which, for purposes of collective bargaining, represents plan participants.

''(d) ADDITIONAL DUTIES.—Except to the extent inconsistent with the provisions of this title, or as may be otherwise ordered by the court, the Secretary, upon appointment as trustee under this section, shall be subject to the same duties as those of a trustee under section 704 of title 11, United States Code, and shall have the duties of a fiduciary for purposes of this title.

''(e) OTHER PROCEEDINGS.—An application by the Secretary under this subsection may be filed notwithstanding the pendency in the same or any other court of any bankruptcy, mortgage foreclosure, or equity receivership proceeding, or any proceeding to reorganize, conserve, or liquidate such plan or its property, or any proceeding to enforce a lien against property of the plan.

''(f) JURISDICTION OF COURT.—

''(1) IN GENERAL.—Upon the filing of an application for the appointment as trustee or the issuance of a decree under this section, the court to which the application is made shall have exclusive jurisdiction of the plan involved and its property wherever located with the powers, to the extent consistent with the purposes of this section, of a court of the United States having jurisdiction over cases under chapter 11 of title 11, United States Code. Pending an adjudication under this section such court shall stay, and upon appointment by it of the Secretary as trustee, such court shall continue the stay of, any pending mortgage foreclosure, equity receivership, or other proceeding to reorganize, conserve, or liquidate the plan, the sponsor, or property of such plan or sponsor, and any other suit against any receiver, conservator, or trustee of the plan, the sponsor, or property of the plan or sponsor. Pending such adjudication and upon the appointment by it of the Secretary as trustee, the court may stay any proceeding to enforce a lien against property of the plan or the sponsor or any other suit against the plan or the sponsor.

''(2) VENUE.—An action under this section may be brought in the judicial district where the sponsor or the plan administrator resides or does business or where any asset of the plan is situated. A district court in which such action is brought may issue process with respect to such action in any other judicial district.

''(g) PERSONNEL.—In accordance with regulations which shall be prescribed by the Secretary, the Secretary shall appoint, retain, and compensate accountants, actuaries, and other professional service personnel as may be necessary in connection with the Secretary's service as trustee under this section.

"SEC. 811. STATE ASSESSMENT AUTHORITY.

''(a) IN GENERAL.—Notwithstanding section 514, a State may impose by law a contribution tax on an association health plan described in section 806(a)(2), if the plan commenced operations in such State after the date of the enactment of the Small Business Health Fairness Act of 2007.

''(b) CONTRIBUTION TAX.—For purposes of this section, the term 'contribution tax' imposed by a State on an association health plan means any tax imposed by such State if—

''(1) such tax is computed by applying a rate to the amount of premiums or contributions, with respect to individuals covered under the plan who are residents of such State, which are received by the plan from participating employers located in such State or from such individuals;

''(2) the rate of such tax does not exceed the rate of any tax imposed by such State on premiums or contributions received by insurers or health maintenance organizations for health insurance coverage offered in such State in connection with a group health plan;

''(3) such tax is otherwise nondiscriminatory; and

''(4) the amount of any such tax assessed on the plan is reduced by the amount of any tax or assessment otherwise imposed by the State on premiums, contributions, or both received by insurers or health maintenance organizations for health insurance coverage, aggregate excess/stop loss insurance (as defined in section 806(g)(1)), specific excess/stop loss insurance (as defined in section 806(g)(2)), other insurance related to the provision of medical care under the plan, or any combination thereof provided by such insurers or health maintenance organizations in such State in connection with such plan.

''SEC. 812. DEFINITIONS AND RULES OF CONSTRUCTION.

''(a) DEFINITIONS.—For purposes of this part—

''(1) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning provided in section 733(a)(1) (after applying subsection (b) of this section).

''(2) MEDICAL CARE.—The term 'medical care' has the meaning provided in section 733(a)(2).

''(3) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning provided in section 733(b)(1).

''(4) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning provided in section 733(b)(2).

''(5) APPLICABLE AUTHORITY.—The term 'applicable authority' means the Secretary, except that, in connection with any exercise of the Secretary's authority regarding which the Secretary is required under section 506(d) to consult with a State, such term means the Secretary, in consultation with such State.

''(6) HEALTH STATUS-RELATED FACTOR.—The term 'health status-related factor' has the meaning provided in section 733(d)(2).

''(7) INDIVIDUAL MARKET.—

''(A) IN GENERAL.—The term 'individual market' means the market for health insurance coverage offered to individuals other than in connection with a group health plan.

''(B) TREATMENT OF VERY SMALL GROUPS.—

''(i) IN GENERAL.—Subject to clause (ii), such term includes coverage offered in connection with a group health plan that has fewer than 2 participants as current employees or participants described in section 732(d)(3) on the first day of the plan year.

''(ii) STATE EXCEPTION.—Clause (i) shall not apply in the case of health insurance coverage offered in a State if such State regulates the coverage described in such clause in the same manner and to the same extent as coverage in the small group market (as defined in section 2791(e)(5) of the Public Health Service Act) is regulated by such State.

''(8) PARTICIPATING EMPLOYER.—The term 'participating employer' means, in connection with an association health plan, any employer, if any individual who is an employee of such employer, a partner in such employer, or a self-employed individual who is such employer (or any dependent, as defined under the terms of the plan, of such individual) is or was covered under such plan in connection with the status of such individual as such an employee, partner, or self-employed individual in relation to the plan.

''(9) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the requirements of title XXVII of the Public Health Service Act for the State involved with respect to such issuer.

''(10) QUALIFIED ACTUARY.—The term 'qualified actuary' means an individual who is a member of the American Academy of Actuaries.

''(11) AFFILIATED MEMBER.—The term 'affiliated member' means, in connection with a sponsor—

''(A) a person who is otherwise eligible to be a member of the sponsor but who elects an affiliated status with the sponsor,

''(B) in the case of a sponsor with members which consist of associations, a person who is a member of any such association and elects an affiliated status with the sponsor, or

''(C) in the case of an association health plan in existence on the date of the enactment of the Small Business Health Fairness Act of 2007, a person eligible to be a member of the sponsor or one of its member associations.

''(12) LARGE EMPLOYER.—The term 'large employer' means, in connection with a group health plan with respect to a plan year, an employer who employed an average of at least 51 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year.

''(13) SMALL EMPLOYER.—The term 'small employer' means, in connection with a group health plan with respect to a plan year, an employer who is not a large employer.

''(b) RULES OF CONSTRUCTION.—

''(1) EMPLOYERS AND EMPLOYEES.—For purposes of determining whether a plan, fund, or program is an employee welfare benefit plan which is an association health plan, and for purposes of applying this title in connection with such plan, fund, or program so determined to be such an employee welfare benefit plan—

''(A) in the case of a partnership, the term 'employer' (as defined in section 3(5)) includes the partnership in relation to the partners, and the term 'employee' (as defined in section 3(6)) includes any partner in relation to the partnership; and

''(B) in the case of a self-employed individual, the term 'employer' (as defined in section 3(5)) and the term 'employee' (as defined in section 3(6)) shall include such individual.

''(2) PLANS, FUNDS, AND PROGRAMS TREATED AS EMPLOYEE WELFARE BENEFIT PLANS.—In the case of any plan, fund, or program which was established or is maintained for the purpose of providing medical care (through the purchase of insurance or otherwise) for employees (or their dependents) covered thereunder and which demonstrates to the Secretary that all requirements for certification under this part would be met with respect to such plan, fund, or program if such plan, fund, or program were a group health plan, such plan, fund, or program shall be treated for purposes of this title as an employee welfare benefit plan on and after the date of such demonstration.''.

(b) CONFORMING AMENDMENTS TO PREEMPTION RULES.—

(1) Section 514(b)(6) of such Act (29 U.S.C. 1144(b)(6)) is amended by adding at the end the following new subparagraph:

''(E) The preceding subparagraphs of this paragraph do not apply with respect to any State law in the case of an association health plan which is certified under part 8.''.

(2) Section 514 of such Act (29 U.S.C. 1144) is amended—

(A) in subsection (b)(4), by striking ''Subsection (a)'' and inserting ''Subsections (a) and (d)'';

(B) in subsection (b)(5), by striking ''subsection (a)'' in subparagraph (A) and inserting ''subsection (a) of this section and subsections (a)(2)(B) and (b) of section 805'', and by striking ''subsection (a)'' in subparagraph (B) and inserting ''subsection (a) of this section or subsection (a)(2)(B) or (b) of section 805'';

(C) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(D) by inserting after subsection (c) the following new subsection:

''(d)(1) Except as provided in subsection (b)(4), the provisions of this title shall supersede any and all State laws insofar as they may now or hereafter preclude, or have the effect of precluding, a health insurance issuer from offering health insurance coverage in connection with an association health plan which is certified under part 8.

''(2) Except as provided in paragraphs (4) and (5) of subsection (b) of this section—

''(A) In any case in which health insurance coverage of any policy type is offered under an association health plan certified under part 8 to a participating employer operating in such State, the provisions of this title shall supersede any and all laws of such State insofar as they may preclude a health insurance issuer from offering health insurance coverage of the same policy type to other employers operating in the State which are eligible for coverage under such association health plan, whether or not such other employers are participating employers in such plan.

''(B) In any case in which health insurance coverage of any policy type is offered in a State under an association health plan certified under part 8 and the filing, with the applicable State authority (as defined in section 812(a)(9)), of the policy form in connection with such policy type is approved by such State authority, the provisions of this title shall supersede any and all laws of any other State in which health insurance coverage of such type is offered, insofar as they may preclude, upon the filing in the same form and manner of such policy form with the applicable State authority in such other State, the approval of the filing in such other State.

''(3) Nothing in subsection (b)(6)(E) or the preceding provisions of this subsection shall be construed, with respect to health insurance issuers or health insurance coverage, to supersede or impair the law of any State—

''(A) providing solvency standards or similar standards regarding the adequacy of insurer capital, surplus, reserves, or contributions, or

''(B) relating to prompt payment of claims.

''(4) For additional provisions relating to association health plans, see subsections (a)(2)(B) and (b) of section 805.

''(5) For purposes of this subsection, the term 'association health plan' has the meaning provided in section 801(a), and the terms 'health insurance coverage', 'participating employer', and 'health insurance issuer' have the meanings provided such terms in section 812, respectively.''.

(3) Section 514(b)(6)(A) of such Act (29 U.S.C. 1144(b)(6)(A)) is amended—

(A) in clause (i)(II), by striking ''and'' at the end;

(B) in clause (ii), by inserting ''and which does not provide medical care (within the meaning of section 733(a)(2)),'' after ''arrangement,'', and by striking ''title.'' and inserting ''title, and''; and

(C) by adding at the end the following new clause:

''(iii) subject to subparagraph (E), in the case of any other employee welfare benefit plan which is a multiple employer welfare arrangement and which provides medical care (within the meaning of section

733(a)(2)), any law of any State which regulates insurance may apply.''.

(4) Section 514(e) of such Act (as redesignated by paragraph (2)(C)) is amended—

(A) by striking ''Nothing'' and inserting ''(1) Except as provided in paragraph (2), nothing''; and

(B) by adding at the end the following new paragraph:

''(2) Nothing in any other provision of law enacted on or after the date of the enactment of the Small Business Health Fairness Act of 2007 shall be construed to alter, amend, modify, invalidate, impair, or supersede any provision of this title, except by specific cross-reference to the affected section.''.

(c) PLAN SPONSOR.—Section 3(16)(B) of such Act (29 U.S.C. 102(16)(B)) is amended by adding at the end the following new sentence: ''Such term also includes a person serving as the sponsor of an association health plan under part 8.''.

(d) DISCLOSURE OF SOLVENCY PROTECTIONS RELATED TO SELF-INSURED AND FULLY INSURED OPTIONS UNDER ASSOCIATION HEALTH PLANS.—Section 102(b) of such Act (29 U.S.C. 102(b)) is amended by adding at the end the following: ''An association health plan shall include in its summary plan description, in connection with each benefit option, a description of the form of solvency or guarantee fund protection secured pursuant to this Act or applicable State law, if any.''.

(e) SAVINGS CLAUSE.—Section 731(c) of such Act is amended by inserting ''or part 8'' after ''this part''.

(f) REPORT TO THE CONGRESS REGARDING CERTIFICATION OF SELF-INSURED ASSOCIATION HEALTH PLANS.—Not later than January 1, 2012, the Secretary of Labor shall report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate the effect association health plans have had, if any, on reducing the number of uninsured individuals.

(g) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 734 the following new items:

''PART 8—RULES GOVERNING ASSOCIATION HEALTH PLANS

''801. Association health plans
''802. Certification of association health plans
''803. Requirements relating to sponsors and boards of trustees
''804. Participation and coverage requirements
''805. Other requirements relating to plan documents, contribution rates, and benefit options
''806. Maintenance of reserves and provisions for solvency for plans providing health benefits in addition to health insurance coverage
''807. Requirements for application and related requirements
''808. Notice requirements for voluntary termination
''809. Corrective actions and mandatory termination
''810. Trusteeship by the Secretary of insolvent association health plans providing health benefits in addition to health insurance coverage
''811. State assessment authority
''812. Definitions and rules of construction''.

SEC. 203. CLARIFICATION OF TREATMENT OF SINGLE EMPLOYER ARRANGEMENTS.

Section 3(40)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(40)(B)) is amended—

(1) in clause (i), by inserting after ''control group,'' the following: ''except that, in any case in which the benefit referred to in subparagraph (A) consists of medical care (as defined in section 812(a)(2)), two or more trades or businesses, whether or not incorporated, shall be deemed a single employer for any plan year of such plan, or any fiscal year of such other arrangement, if such trades or businesses are within the same control group during such year or at any time during the preceding 1-year period,'';

(2) in clause (iii), by striking ''(iii) the determination'' and inserting the following:

''(iii)(I) in any case in which the benefit referred to in subparagraph (A) consists of medical care (as defined in section 812(a)(2)), the determination of whether a trade or business is under 'common control' with another trade or business shall be determined under regulations of the Secretary applying principles consistent and coextensive with the principles applied in determining whether employees of two or more trades or businesses are treated as employed by a single employer under section 4001(b), except that, for purposes of this paragraph, an interest of greater than 25 percent may not be required as the minimum interest necessary for common control, or

''(II) in any other case, the determination'';

(3) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively; and

(4) by inserting after clause (iii) the following new clause:

''(iv) in any case in which the benefit referred to in subparagraph (A) consists of medical care (as defined in section 812(a)(2)), in determining, after the application of clause (i), whether benefits are provided to employees of two or more employers, the arrangement shall be treated as having only one participating employer if, after the application of clause (i), the number of individuals who are employees and former employees of any one participating employer and who are covered under the arrangement is greater than 75 percent of the aggregate number of all individuals who are employees or former employees of participating employers and who are covered under the arrangement,''.

SEC. 204. ENFORCEMENT PROVISIONS RELATING TO ASSOCIATION HEALTH PLANS.

(a) CRIMINAL PENALTIES FOR CERTAIN WILLFUL MISREPRESENTATIONS.—Section 501 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131) is amended—

(1) by inserting ''(a)'' after ''Sec. 501.''; and

(2) by adding at the end the following new subsection:

''(b) Any person who willfully falsely represents, to any employee, any employee's beneficiary, any employer, the Secretary, or any State, a plan or other arrangement established or maintained for the purpose of offering or providing any benefit described in section 3(1) to employees or their beneficiaries as—

''(1) being an association health plan which has been certified under part 8;

''(2) having been established or maintained under or pursuant to one or more collective bargaining agreements which are reached pursuant to collective bargaining described in section 8(d) of the National Labor Relations Act (29 U.S.C. 158(d)) or paragraph Fourth of section 2 of the Railway Labor Act (45 U.S.C. 152, paragraph Fourth) or which are reached pursuant to labor-management negotiations under similar provisions of State public employee relations laws; or

''(3) being a plan or arrangement described in section 3(40)(A)(i),

shall, upon conviction, be imprisoned not more than 5 years, be fined under title 18, United States Code, or both.''.

(b) CEASE ACTIVITIES ORDERS.—Section 502 of such Act (29 U.S.C. 1132) is amended by adding at the end the following new subsection:

''(n) ASSOCIATION HEALTH PLAN CEASE AND DESIST ORDERS.—

''(1) IN GENERAL.—Subject to paragraph (2), upon application by the Secretary showing the operation, promotion, or marketing of an association health plan (or similar arrangement providing benefits consisting of medical care (as defined in section 733(a)(2))) that—

''(A) is not certified under part 8, is subject under section 514(b)(6) to the insurance laws of any State in which the plan or arrangement offers or provides benefits, and is not licensed, registered, or otherwise approved under the insurance laws of such State; or

''(B) is an association health plan certified under part 8 and is not operating in accordance with the requirements under part 8 for such certification,

a district court of the United States shall enter an order requiring that the plan or arrangement cease activities.

''(2) EXCEPTION.—Paragraph (1) shall not apply in the case of an association health plan or other arrangement if the plan or arrangement shows that—

''(A) all benefits under it referred to in paragraph (1) consist of health insurance coverage; and

''(B) with respect to each State in which the plan or arrangement offers or provides benefits, the plan or arrangement is operating in accordance with applicable State laws that are not superseded under section 514.

''(3) ADDITIONAL EQUITABLE RELIEF.—The court may grant such additional equitable relief, including any relief available under this title, as it deems necessary to protect the interests of the public and of persons having claims for benefits against the plan.''.

(c) RESPONSIBILITY FOR CLAIMS PROCEDURE.—Section 503 of such Act (29 U.S.C. 1133) is amended by inserting ''(a) IN GENERAL.—'' before ''In accordance'', and by adding at the end the following new subsection:

''(b) ASSOCIATION HEALTH PLANS.—The terms of each association health plan which is or has been certified under part 8 shall require the board of trustees or the named fiduciary (as applicable) to ensure that the requirements of this section are met in connection with claims filed under the plan.''.

SEC. 205. COOPERATION BETWEEN FEDERAL AND STATE AUTHORITIES.

Section 506 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1136) is amended by adding at the end the following new subsection:

''(d) CONSULTATION WITH STATES WITH RESPECT TO ASSOCIATION HEALTH PLANS.—

''(1) AGREEMENTS WITH STATES.—The Secretary shall consult with the State recognized under paragraph (2) with respect to an association health plan regarding the exercise of—

''(A) the Secretary's authority under sections 502 and 504 to enforce the requirements for certification under part 8; and

''(B) the Secretary's authority to certify association health plans under part 8 in accordance with regulations of the Secretary applicable to certification under part 8.

''(2) RECOGNITION OF PRIMARY DOMICILE STATE.—In carrying out paragraph (1), the Secretary shall ensure that only one State will be recognized, with respect to any particular association health plan, as the State with which consultation is required. In carrying out this paragraph—

''(A) in the case of a plan which provides health insurance coverage (as defined in section 812(a)(3)), such State shall be the State with which filing and approval of a policy type offered by the plan was initially obtained, and

''(B) in any other case, the Secretary shall take into account the places of residence of the participants and beneficiaries under the plan and the State in which the trust is maintained.''.

SEC. 206. EFFECTIVE DATE AND TRANSITIONAL AND OTHER RULES.

(a) EFFECTIVE DATE.—The amendments made by this Act shall take effect 1 year after the date of the enactment of this Act. The Secretary of Labor shall first issue all regulations necessary to carry out the amendments made by this Act within 1 year after the date of the enactment of this Act.

(b) TREATMENT OF CERTAIN EXISTING HEALTH BENEFITS PROGRAMS.—

(1) IN GENERAL.—In any case in which, as of the date of the enactment of this Act, an arrangement is maintained in a State for the purpose of providing benefits consisting of medical care for the employees and beneficiaries of its participating employers, at least 200 participating employers make contributions to such arrangement, such arrangement has been in existence for at least 10 years, and such arrangement is licensed under the laws of one or more States to provide such benefits to its participating employers, upon the filing with the applicable authority (as defined in section 812(a)(5) of the Employee Retirement Income Security Act of 1974 (as amended by this subtitle)) by the arrangement of an application for certification of the arrangement under part 8 of subtitle B of title I of such Act—

(A) such arrangement shall be deemed to be a group health plan for purposes of title I of such Act;

(B) the requirements of sections 801(a) and 803(a) of the Employee Retirement Income Security Act of 1974 shall be deemed met with respect to such arrangement;

(C) the requirements of section 803(b) of such Act shall be deemed met, if the arrangement is operated by a board of directors which—

(i) is elected by the participating employers, with each employer having one vote; and

(ii) has complete fiscal control over the arrangement and which is responsible for all operations of the arrangement;

(D) the requirements of section 804(a) of such Act shall be deemed met with respect to such arrangement; and

(E) the arrangement may be certified by any applicable authority with respect to its operations in any State only if it operates in such State on the date of certification.

The provisions of this subsection shall cease to apply with respect to any such arrangement at such time after the date of the enactment of this Act as the applicable requirements of this subsection are not met with respect to such arrangement.

(2) DEFINITIONS.—For purposes of this subsection, the terms ''group health plan'', ''medical care'', and ''participating employer'' shall have the meanings provided in section 812 of the Employee Retirement Income Security Act of 1974, except that the reference in paragraph (7) of such section to an ''association health plan'' shall be deemed a reference to an arrangement referred to in this subsection.

TITLE III—TAX INCENTIVES FOR SMALL BUSINESS

SECTION 301. INCREASED EXPENSING FOR SMALL BUSINESS.

Subsections (b)(1), (b)(2), (b)(5), (c)(2), and (d)(1)(A)(ii) of section 179 of the Internal Revenue Code of 1986 (relating to election to expense certain depreciable business assets) are each amended by striking ''2010'' and inserting ''2011''.

SEC. 302. DEPRECIABLE RESTAURANT PROPERTY TO INCLUDE NEW CONSTRUCTION.

(a) IN GENERAL.—Paragraph (7) of section 168(e) of the Internal Revenue Code of 1986 (defining qualified restaurant property) is amended to read as follows:

''(7) QUALIFIED RESTAURANT PROPERTY.—The term 'qualified restaurant property' means any section 1250 property which is a building or an improvement to a building if more than 50 percent of the building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

SEC. 303. REPEAL OF FEDERAL UNEMPLOYMENT SURTAX.

(a) IN GENERAL.—Section 3301 of the Internal Revenue Code of 1986 (relating to rate of Federal unemployment tax) is amended by striking ''or'' at the end of paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:

''(2) in the case of wages paid in calendar year 2007—

''(A) 6.2 percent in the case of wages for any portion of the year ending before April 1, and

''(B) 6.0 percent in the case of wages for any portion of the year beginning after March 31; or''.

(b) CONFORMING AMENDMENT.—Section 3301(1) of such Code is amended by striking ''2007'' and inserting ''2006''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid after December 31, 2006.

POINT OF ORDER

Mr. GEORGE MILLER of California (during the reading). Mr. Speaker, I want to make a point of order.

The SPEAKER pro tempore. Is there objection to dispensing with further reading of the motion to recommit?

There was no objection.

The SPEAKER pro tempore. The gentleman may proceed with his point of order.

Mr. GEORGE MILLER of California. Mr. Speaker, I make a point of order against the motion to recommit. The motion is not germane. For example, the motion contains tax provisions which are clearly outside the jurisdiction of the bill.

The SPEAKER pro tempore. Does the gentleman from California wish to be heard on the point of order?

Mr. MCKEON. Yes, Mr. Speaker, I wish to respond.

Mr. Speaker, my motion should be ruled germane. The bill before us, brought to the floor under unprecedented circumstances, circumstances that have not been ''fair, open, and honest'' by any means, would raise the minimum wage mandate by 41 percent, with small businesses and their workers left unprotected.

Considering that more than 7 million new jobs have been created in the last 3½ years, and that two-thirds of all new jobs are provided by small businesses, I ask my colleagues, why in the world would we leave them unprotected and endanger this incredible momentum?

My motion provides a fair alternative that increases the minimum wage in exactly the same manner as the Democratic leadership's bill; expands access to affordable health care by establishing small business health plans; and extends important protections for small businesses and their workers.

My motion should be considered not only germane but a proposal far superior to the Democratic leadership's unbalanced minimum wage proposal.

The SPEAKER pro tempore. Does the gentleman wish to be recognized for further argument?

Mr. GEORGE MILLER of California. I would simply press the point that the motion to recommit offered by the minority is not germane, and it contains tax provisions and others that are outside the scope of the jurisdiction of the bill.

The SPEAKER pro tempore. The Chair is prepared to rule.

The gentleman from California makes a point of order that the instructions included in the motion to recommit propose an amendment not germane to the bill.

Clause 7 of rule XVI, the germaneness rule, provides that no proposition on a subject different from that under consideration shall be admitted under color of amendment. Among the central tenets of the germaneness rule are that an amendment may not introduce a new subject matter and that an amendment may not introduce matter within the jurisdiction of committees not represented in the pending measure.

H.R. 2 was referred to the Committee on Education and Labor, and its provisions are confined to the jurisdiction of that committee. The bill addresses the rate of the minimum wage. It also applies certain wage provisions to the Commonwealth of the Northern Mariana Islands.

The instructions contained in the motion to recommit include, among other provisions, an amendment to the Internal Revenue Code of 1986 regarding certain Federal tax provisions.

In the opinion of the Chair, that feature of the motion to recommit is neither properly related to the subject matter of the bill nor within the jurisdiction of the Committee on Education and Labor.

Accordingly, the amendment proposed in the motion to recommit is not germane. The point of order is sustained, and the motion is not in order.

Mr. MCKEON. Mr. Speaker, I move to appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR. GEORGE MILLER OF CALIFORNIA

Mr. GEORGE MILLER of California. Mr. Speaker, I move to table the appeal.

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

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

Mr. MCKEON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the

point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 232, nays 197, not voting 6, as follows:

[Roll No. 16]

YEAS—232

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—197

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Jo Ann
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—6

Buyer
Knollenberg
Meek (FL)
Norwood
Reynolds
Whitfield

□ 1631

Mrs. BACHMANN, Mr. LEWIS of California, Mr. PETERSON of Pennsylvania and Mr. GILLMOR changed their vote from ''yea'' to ''nay.''

Mr. SPRATT, Ms. MOORE of Wisconsin, Ms. CLARKE and Mr. REYES changed their vote from ''nay'' to ''yea.''

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. MEEK of Florida. Mr. Speaker, on rollcall No. 16, on the motion to table the Appeal of the Ruling of the Chair, had I been present, I would have voted ''yea.''

Stated for:

Mr. REYNOLDS. Mr. Speaker, on rollcall No. 16 I was unavoidably detained. Had I been present, I would have voted ''nay.''

MOTION TO RECOMMIT OFFERED BY MR. MCKEON

Mr. MCKEON. Mr. Speaker, I offer a motion to recommit.

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

Mr. MCKEON. I am, Mr. Speaker.

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

The Clerk read as follows:

Mr. McKeon moves to recommit the bill (H.R. 2) to the Committee on Education and Labor with instructions to report the bill back to the House forthwith with the following amendment:

In section 2, redesignate subsection (b) as subsection (c) and insert after subsection (a) the following:

(b) MINIMUM WAGE FOR EMPLOYERS PROVIDING EMPLOYEES CERTAIN HEALTH CARE BENEFITS.—Section 6(a) of the Fair Labor Standards Act of 1938 is further amended in subsection (a), by redesignating paragraphs (2) through (5) as paragraphs (3) through (6), respectively and inserting after paragraph (2) the following new paragraph:

''(2) if an employer provides health care benefits to an employee through an employee welfare benefit plan (as defined under section 3(1) of the Employee Retirement Income Security Act (29 USC 1002(3)), the applicable minimum wage rate paid by such employer to such employee shall be $5.15 an hour;''.

Mr. MCKEON (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from California is recognized for 5 minutes in support of his motion.

Mr. MCKEON. Mr. Speaker, this motion is straightforward in purpose, but for millions of uninsured Americans, it would be incredibly meaningful in practice. During today's debate, many of us, particularly those on this side of the aisle, have talked about the need to expand access to affordable health care. As I noted earlier, when discussing my comprehensive minimum wage package, I believe this debate presents us a tremendous opportunity, not only to impact wages, but to improve working families' quality of life as well.

Therefore, I offer this motion in the same spirit as that comprehensive measure. It would ensure that if an employer offers health coverage to his or her workers, an incredibly costly yet incredibly important employee benefit, then this employer should not be further burdened with a 41 percent minimum wage mandate imposed by H.R. 2, a mandate thrust upon these employers without any protections at all for small business and their workers.

Mr. Speaker, to speak about the benefits of this proposal, I yield the balance of my time to the gentlewoman from New Mexico (Mrs. WILSON), who has been working this very issue for many years.

Mrs. WILSON of New Mexico. Mr. Speaker, my colleagues, I would like to tell you about one of my constituents.

Her name is Mary Padilla, and she runs Roadrunner Transmission in Albuquerque, New Mexico. She has five employees, and she has been in business for 7 years, and she provides health insurance for every one of those five employees. Mary tells me that if we raise the minimum wage, she is going to have a tough time continuing to provide health insurance for her employees, and she may have to make a choice that she doesn't want to make.

Mary is not alone. More than 3 million Americans have gotten new jobs in the last 36 months with small businesses. The toughest thing for a small business person to do is to make the payroll and provide health insurance.

This motion to recommit would add one provision into this bill on the minimum wage. It would say, if you are an employer who is providing health insurance for your employees, that benefit is worth more than the bump up in the minimum wage, and you would not have to comply with these new rules with respect to the minimum wage. It would stay where it is for your small business.

One of the biggest problems we face as a country is the uninsured population. In my State, about one in four people doesn't have health insurance. This provision would encourage more small and medium-sized businesses to provide health insurance for their employees. A paycheck matters, a paycheck that makes it through the whole week, but it also matters if you are a parent who has to worry every night whether the kids are going to get sick when you cannot pay for it, because you don't have insurance with your job.

I would encourage all of you to support the motion to recommit and support small business health insurance for every employee in America.

Mr. McKEON. Mr. Speaker, I yield back the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in opposition to the motion to recommit.

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

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, and Members of the House, today is a remarkable day, because after 10 years, we are going to have an up-and-down vote on whether the poorest people in our Nation, who are working every day and, at the end of the year, end up poor, deserve a raise. That is what we are going to do today.

For 10 years, we have struggled to have this vote, and now we are finally going to have it. We have had a lot of excuses why we couldn't have it. We have had votes hijacked, and we have had votes pulled off the floor, but we could never have this vote. Today, the beginning of the 100 hours, we are going to have this vote. We are going to have this vote, because this is a major concern. This is a major concern to the American society.

What so many of my colleagues made clear today in the debate is that after you have stalled this vote for 10 years, this goes way beyond the dollars and cents of the minimum wage. It goes to the core values of America and economic justice and social justice and fairness and whether or not every American is going to get to participate in the American economic system and also be able to provide for their children and their families.

But my colleagues didn't disappoint me today on the other side of the aisle. We have one more bump in the road. This last moment, they have offered us a motion to recommit where they say, if you offer your employees a health care plan, you can keep the minimum wage at $5.15. Now it doesn't say that health care plan has to be affordable. It doesn't say what the deductibles are, the copayments, which I am sure if you are a minimum wage worker at $5.15 today, a wage that is 10 years old, I am sure you can pay the copayments and the deductibles and the premiums. That will not be a problem.

What is it you don't understand about being poor? What is it you don't understand? You are stuck at $5.15 in today's world. You can't buy the gasoline to go to work, the bread to put on the table, the milk out of the refrigerator. Your utilities are going up. The rent is going up.

Now you say, by the way, if you can pay for a health care plan, you can stay at the minimum wage, you lucky ducky. I don't think that is what America was talking about when 89 percent of them said they want this Congress to raise the minimum wage, not trade it in, not trade it in.

They didn't ask us to trade in the increase in the minimum wage for some phantom health care proposal. You know what the average premium is for a family? The average premium is $10,880. Okay. That is good plans and bad plans together. Cut it in half. You are at the minimum wage. You have got to pay $5,000? Cut it in half again. You are at the minimum wage. You can pay another $2,000 for your health care? I don't think so. I don't think so. Let us get on with the Nation's business, with the people's business, and with the minimum-wage workers' business. Let us reject this motion and pass this bill now.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

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

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

RECORDED VOTE

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

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 144, noes 287, not voting 4, as follows:

[Roll No. 17]

AYES—144

Aderholt
Akin
Alexander
Bachus
Baker
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brown (SC)
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, David
Davis, Jo Ann
Davis, Tom
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Everett
Fallin
Forbes
Fortenberry
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Gilchrest
Gillmor
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
Kirk
Kline (MN)
LaHood
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Manzullo
McCarthy (CA)
McCaul (TX)
McCrery
McKeon
McMorris Rodgers
Mica
Myrick
Neugebauer
Nunes
Pearce
Peterson (PA)
Petri
Pickering
Pitts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Thornberry
Tiahrt
Tiberi
Upton
Walberg
Wamp
Weldon (FL)
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Young (AK)

NOES—287

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Baird
Baldwin
Barrett (SC)
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown, Corrine
Brown-Waite, Ginny
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foxx
Frank (MA)
Garrett (NJ)
Gerlach
Giffords
Gillibrand
Gingrey
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hensarling
Herger
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes

Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Klein (FL)
Kucinich
Kuhl (NY)
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHenry
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Perlmutter
Peterson (MN)
Platts
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (FL)

NOT VOTING—4

Buyer
Knollenberg
Miller, Gary
Norwood

□ 1702

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

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

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. LINDER. 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 315, noes 116, not voting 4, as follows:

[Roll No. 18]

AYES—315

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachus
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Jo Ann
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doyle
Duncan
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett
Farr
Fattah
Ferguson
Filner
Forbes
Fossella
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gonzalez
Goode
Goodlatte
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hayes
Herseth
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Klein (FL)
Kucinich
Kuhl (NY)
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Platts
Poe
Pomeroy
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Regula
Reichert
Renzi
Reyes
Rodriguez
Rogers (AL)
Rogers (KY)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stearns
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Whitfield
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOES—116

Akin
Bachmann
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bilbray
Bishop (UT)
Blackburn
Blunt
Boehner
Boustany
Brady (TX)
Brown (SC)
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Cole (OK)
Conaway
Cubin
Culberson
Davis, David
Davis, Tom
Deal (GA)
Doolittle
Drake
Dreier
Fallin
Feeney
Flake
Fortenberry
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gingrey
Gohmert
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Heller
Hensarling
Herger
Hobson
Hoekstra
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
King (IA)
Kingston
Kline (MN)
Lamborn
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
McCarthy (CA)
McCaul (TX)
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Pickering
Pitts
Porter
Price (GA)
Putnam
Radanovich
Rehberg
Reynolds
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Sensenbrenner
Sessions
Shadegg
Shuster
Smith (NE)
Souder
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Walberg
Weldon (FL)
Westmoreland
Wicker
Wilson (SC)

NOT VOTING—4

Buyer
Knollenberg
Miller, Gary
Norwood

□ 1710

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIRES). Pursuant to clause 8 of rule XX, proceedings on House Resolution 15 will resume tomorrow.

□ 1715

ELECTION OF MEMBERS TO COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. EMANUEL. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 47) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 47

Resolved, That the following named Members and Delegate be and are hereby elected to the following standing committee of the House of Representatives: