

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order: on approving the Journal, de novo; on ordering the previous question on H. Res. 660, by the yeas and nays; on adopting H. Res. 660, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the unfinished business is the question on agreeing to the Speaker's approval of the Journal.

The question is on the Speaker's approval of the Journal.

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 228, nays 192, not voting 12, as follows:

[Roll No. 878]

YEAS—228

Abercrombie	Crowley	Hodes
Ackerman	Cuellar	Holden
Andrews	Cummings	Holt
Arcuri	Davis (AL)	Honda
Baird	Davis (CA)	Hooley
Baldwin	Davis (IL)	Hoyer
Bean	Davis, Lincoln	Inslee
Becerra	Davis, Tom	Israel
Berkley	DeGette	Jackson (IL)
Berman	Delahunt	Jackson-Lee
Berry	DeLauro	(TX)
Bishop (GA)	Dent	Jefferson
Bishop (NY)	Dicks	Johnson (IL)
Blumenauer	Dingell	Johnson, E. B.
Boren	Doggett	Jones (OH)
Boswell	Doyle	Kagen
Boucher	Edwards	Kanjorski
Boyd (FL)	Ellison	Kaptur
Boyd (KS)	Emanuel	Kennedy
Brady (PA)	Engel	Kildee
Brown, Corrine	Eshoo	Kilpatrick
Buchanan	Etheridge	Kind
Butterfield	Farr	Kingston
Cannon	Fattah	Klein (FL)
Capps	Filner	Kucinich
Capuano	Forbes	Kuhl (NY)
Cardoza	Fortenberry	Lampson
Carnahan	Frank (MA)	Langevin
Carson	Giffords	Lantos
Castor	Gillibrand	Larsen (WA)
Chabot	Gonzalez	Larson (CT)
Chandler	Green, Al	LaTourette
Clarke	Green, Gene	Lee
Clay	Grijalva	Levin
Cleaver	Gutierrez	Lewis (GA)
Clyburn	Hall (NY)	Lipinski
Coble	Hare	Loeb sack
Cohen	Harman	Lofgren, Zoe
Conyers	Hastings (FL)	Lowey
Cooper	Herseth Sandlin	Lynch
Costa	Higgins	Mahoney (FL)
Costello	Hinche y	Maloney (NY)
Courtney	Hinojosa	Markey
Cramer	Hirono	Marshall

Matheson	Payne	Smith (WA)
Matsui	Perlmutter	Snyder
McCarthy (NY)	Pomeroy	Solis
McCollum (MN)	Porter	Space
McDermott	Price (NC)	Spratt
McGovern	Rahall	Stark
McIntyre	Rangel	Sutton
McNerney	Reyes	Tanner
McNulty	Richardson	Tauscher
Meek (FL)	Rodriguez	Taylor
Meeks (NY)	Ross	Thompson (MS)
Melancon	Rothman	Tierney
Michaud	Roybal-Allard	Towns
Miller (NC)	Ruppersberger	Udall (CO)
Miller, George	Rush	Udall (NM)
Mollohan	Ryan (OH)	Van Hollen
Moore (KS)	Salazar	Velázquez
Moore (WI)	Sánchez, Linda	Visclosky
Moran (VA)	T. Sanchez, Loretta	Walz (MN)
Murphy (CT)	Sarbanes	Wasserman
Murphy, Patrick	Schakowsky	Schultz
Murtha	Schiff	Waters
Nadler	Schwartz	Watson
Napolitano	Scott (GA)	Watt
Neal (MA)	Scott (VA)	Waxman
Oberstar	Serrano	Weiner
Obey	Sestak	Welch (VT)
Oliver	Shea-Porter	Wexler
Ortiz	Sherman	Wilson (OH)
Pallone	Sires	Woolsey
Pascarell	Skelton	Wu
Pastor	Smith (NJ)	Wynn
Paul		Yarmuth

NAYS—192

Aderholt	Frelinghuysen	Nunes
Akin	Galleghy	Pearce
Alexander	Gerlach	Pence
Altmire	Gingrey	Peterson (MN)
Bachmann	Gohmert	Peterson (PA)
Bachus	Goode	Petri
Baker	Goodlatte	Pickering
Barrett (SC)	Gordon	Pitts
Barrow	Granger	Platts
Bartlett (MD)	Graves	Poe
Barton (TX)	Hall (TX)	Price (GA)
Biggert	Hastert	Pryce (OH)
Billbray	Hastings (WA)	Putnam
Bilirakis	Hayes	Radanovich
Bishop (UT)	Heller	Ramstad
Blackburn	Hensarling	Regula
Blunt	Hergert	Rehberg
Boehner	Hill	Reichert
Bonner	Hobson	Renzi
Bono	Hoekstra	Reynolds
Boozman	Hulshof	Rogers (AL)
Boustany	Hunter	Rogers (KY)
Brady (TX)	Inglis (SC)	Rogers (MI)
Broun (GA)	Issa	Rohrabacher
Brown (SC)	Johnson, Sam	Ros-Lehtinen
Brown-Waite,	Jones (NC)	Roskam
Ginny	Jordan	Royce
Burgess	Keller	Ryan (WI)
Burton (IN)	King (IA)	Sali
Buyer	King (NY)	Saxton
Calvert	Kirk	Schmidt
Camp (MI)	Kline (MN)	Schmid t
Campbell (CA)	LaHood	Sensenbrenner
Cantor	Lamborn	Sessions
Capito	Latham	Shadegg
Carter	Lewis (CA)	Shays
Castle	Lewis (KY)	Shimkus
Cole (OK)	Linder	Shuler
Conaway	LoBiondo	Shuster
Crenshaw	Lucas	Simpson
Culberson	Lungren, Daniel	Smith (NE)
Davis (KY)	E.	Smith (TX)
Davis, David	Mack	Souder
Deal (GA)	Manzullo	Stearns
DeFazio	Marchant	Stupak
Diaz-Balart, L.	McCarthy (CA)	Sullivan
Diaz-Balart, M.	McCaul (TX)	Tancred o
Donnelly	McCotter	Terry
Doolittle	McCrery	Thompson (CA)
Drake	McHenry	Thornberry
Dreier	McHugh	Tiahrt
Duncan	McKeon	Tiberi
Ehlers	McMorris	Turner
Ellsworth	Rodgers	Upton
Emerson	Mica	Walberg
English (PA)	Miller (FL)	Walden (OR)
Everett	Miller (MI)	Walsh (NY)
Fallin	Miller, Gary	Wamp
Feeney	Mitchell	Weldon (FL)
Ferguson	Moran (KS)	Weller
Flake	Murphy, Tim	Westmoreland
Flossella	Musgrave	Whitfield
Foxx	Myrick	
Franks (AZ)	Neugebauer	

Wicker	Wilson (SC)	Young (AK)
Wilson (NM)	Wolf	Young (FL)

NOT VOTING—12

Allen	Cubin	Jindal
Baca	Davis, Jo Ann	Johnson (GA)
Bralley (IA)	Garrett (NJ)	Knollenberg
Carney	Gilchrest	Slaughter

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1159

Mr. KUHL of New York changed his vote from "nay" to "yea."
So the Journal was approved.
The result of the vote was announced as above recorded.

PROVIDING FOR CONSIDERATION OF H.R. 2761, TERRORISM RISK INSURANCE REVISION AND EXTENSION ACT OF 2007

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on House Resolution 660, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

This will be a 5-minute vote.
The vote was taken by electronic device, and there were—yeas 224, nays 197, not voting 11, as follows:

[Roll No. 879]

YEAS—224

Abercrombie	Davis (CA)	Israel
Ackerman	Davis (IL)	Jackson (IL)
Altmire	Davis, Lincoln	Jackson-Lee
Andrews	DeFazio	(TX)
Arcuri	DeGette	Jefferson
Baca	Delahunt	Johnson, E. B.
Baird	DeLauro	Kagen
Baldwin	Dicks	Kanjorski
Bean	Dingell	Kaptur
Becerra	Doggett	Kennedy
Berkley	Donnelly	Kildee
Berman	Doyle	Kilpatrick
Berry	Edwards	Kind
Bishop (GA)	Ellison	Klein (FL)
Bishop (NY)	Ellsworth	Kucinich
Blumenauer	Emanuel	Langevin
Boren	Eshoo	Lantos
Boswell	Etheridge	Larsen (WA)
Boucher	Lewis (CA)	Larson (CT)
Boyd (FL)	Fattah	Lee
Boyd (KS)	Filner	Levin
Brady (PA)	Frank (MA)	Lewis (GA)
Bralley (IA)	Giffords	Lipinski
Brown, Corrine	Gillibrand	Loeb sack
Butterfield	Gonzalez	Lofgren, Zoe
Capps	Gordon	Lowey
Capuano	Green, Al	Lynch
Cardoza	Green, Gene	Mahoney (FL)
Carnahan	Grijalva	Maloney (NY)
Carson	Gutierrez	Markey
Castor	Hall (NY)	Marshall
Chandler	Hare	Matheson
Clarke	Harman	Matsui
Clay	Hastings (FL)	McCarthy (NY)
Cleaver	Herseth Sandlin	McCollum (MN)
Clyburn	Higgins	McDermott
Cohen	Hill	McGovern
Conyers	Hinche y	McIntyre
Cooper	Hinojosa	McNerney
Costa	Hirono	McNulty
Costello	Hodes	Meek (FL)
Courtney	Holden	Meeks (NY)
Cramer	Holt	Melancon
Crowley	Honda	Michaud
Cuellar	Hooley	Miller (NC)
Cummings	Hoyer	Miller, George
Davis (AL)	Inslee	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
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
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
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite,
Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
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
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Kuhl (NY)
LaHood
Lamborn
Lampson
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
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
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
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Allen
Bachus
Carney
Cubin

Davis, Jo Ann
Engel
Gilchrest
Jindal

Johnson (GA)
Jones (OH)
Knollenberg

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1206

Mr. WELCH of Vermont changed his vote from “nay” to “yea.”

So the previous question was ordered. The result of the vote was announced as above recorded.

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

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

RECORDED VOTE

Mr. SESSIONS. 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 223, noes 195, not voting 14, as follows:

[Roll No. 880]

AYES—223

Abercrombie
Ackerman
Andrews
Arcuri
Baca
Baird
Baldwin
Barr
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyd (KS)
Sali
Brady (PA)
Brady (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
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
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herstatt Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin

Lewis (GA)
Lipinski
Brown (SC)
Loeb
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
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
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
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

NOES—195

Aderholt
Akin
Alexander
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite,
Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Crenshaw
Culberson
Davis (KY)
Davis, David
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
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Kuhl (NY)
LaHood
Lamborn
Lampson
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel
E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCcrery
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)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
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
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—14

Allen
Carney
Conaway
Cubin
Davis, Jo Ann

Engel
Gilchrest
Jindal
Johnson (GA)
Knollenberg

McCarthy (NY)
Pryce (OH)
Sullivan

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1214

Mr. ALTMIRE changed his vote from "aye" to "no."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on H.R. 2761 and to insert extraneous material therein.

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

There was no objection.

TERRORISM RISK INSURANCE REVISION AND EXTENSION ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 660 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 2761.

□ 1215

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 2761) to extend the Terrorism Insurance Program of the Department of the Treasury, and for other purposes, with Mr. ISRAEL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, this is a continuation of a program that the Congress adopted in one of the previous Congresses to provide insurance in case of a terrorist attack. We had, obviously, the terrible murderous attack on America in 2001.

Substantial damage was done. Obviously, the overwhelming cost of that was in the human lives caused by these murderers, but we also had property damage. And I believe that it is unrealistic to think, and in fact inappropriate to urge, that the private insurance market, which functions very well in this country and serves us well, that that ought to be used in response to terrorism. We bring a bill forward that would provide both for life and property insurance from the Federal Government worked out in various ways.

There are two arguments for continuing this on an ongoing basis. Everybody agrees that it needs to be ex-

tended for a while. Some have said phase it out, let the private market ultimately take it over. I believe there are two reasons why that is not a good idea.

First, virtually no entities that are in the private insurance market believe that the private market could handle this well. Not only do the insurers believe that, but the customers of the insurance believe it. And primarily, by the way, the customers here are commercial real estate developers. People who are going to build large commercial buildings with tens, hundreds of millions of dollars in construction costs cannot build without a bank loan, and the banks will not lend and would not be allowed to lend by the regulators without fully insuring against all risks, including the risks of the terrorism that we wish were not around but clearly still is.

We do not believe, based on extensive conversations with virtually everyone in the marketplace, that this will work. In fact, I submit for printing in the RECORD a letter from the head of Goldman Sachs in 2005, that very important financial institution, clearly an entity that knows a great deal about the market. And in 2005, only 2 years ago, after we had TRIA for a while and the question was coming up about whether or not to continue it, he wrote to the gentleman from Louisiana (Mr. BAKER), then Chair of the Capital Market Subcommittee, that:

"Current data suggests that reinsurance, and consequently insurance, participation in the terrorism insurance market will decline if the Federal backstop is left to expire.

"Some have suggested that private markets for terrorism can successfully utilize risk transfer mechanisms such as catastrophe bonds.

"There is no evidence to suggest that the rating agencies or capital markets investors will be able to quantify the risk."

And what he says is that he does not believe the market can do this.

THE GOLDMAN SACHS GROUP, INC.,

New York, NY, July 26, 2005.

Hon. RICHARD BAKER,

Chairman, Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, House of Representatives, Cannon House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of The Goldman Sachs Group, Inc., a leading global investment banking, securities and investment management firm, I am writing to express my support for maintaining a federal terrorism insurance backstop.

The federal terrorism insurance program, enacted by the Terrorism Risk Insurance Act of 2002 (TRIA), has helped provide the underpinning to a robust economic recovery despite the ongoing threat of terrorism. Notwithstanding Treasury's conclusion that TRIA has achieved its original purpose, we are not aware of any meaningful evidence showing that private terrorism risk insurance or reinsurance markets have developed ample capacity to rationally price and insure against terrorism on a scale that would adequately protect our nation's economy. In fact, current data suggests that reinsurance, and consequently insurance, participation in

the terrorism insurance market likely will decline significantly if the federal terrorism insurance backstop is left to expire.

Some have suggested that private markets for terrorism risk can successfully utilize risk transfer mechanisms such as catastrophe bonds (CAT bonds) that transfer risk from insurers to capital markets. Such securitization vehicles, however, represent a minor percentage of the overall insurance market and have been used mainly for natural disasters, such as earthquakes and hurricanes. There is no evidence to suggest that the rating agencies or capital markets investors will be able to more effectively quantify the risk of terrorism than insurers or reinsurers. As such, CAT bonds and other risk transfer mechanisms are unlikely to offer, at this time, the broad capacity necessary to insure America's businesses, workers and property owners against the risk of terrorism.

With less than five months remaining in the current program, American businesses soon will be forced to compete for portions of a severely constrained private insurance market and risk the possibility of being left with inadequate levels of terrorism insurance. In short, we simply cannot afford to let the private sector be economically exposed.

I appreciate your attention to this very important matter.

Sincerely,

HENRY M. PAULSON, Jr.,

Chairman and Chief Executive Officer.

The CEO of Goldman Sachs who signed this is a very distinguished expert, Henry M. Paulson, Jr. He is no longer the chief of Goldman Sachs; he is now the Secretary of the Treasury and has somewhat different views, but this is a letter that he sent in late July 2005.

So we don't think the market can handle it. But I want to argue that even if you thought the market could handle it, we shouldn't ask it to for this reason: If you insure against risk, you ultimately pass the costs along to the people who are at risk. Insurance allows you to spread that risk out among those who are at risk. But the more you are at risk, the more you pay in insurance.

If we were to adopt a purely market solution, that would mean that those parts of the country which were calculated to be likelier targets of terrorism would pay more. That is the insurance principle. If you are more likely to be the victim of terrorism, then you should pay more.

I do not think we should allow vicious fanatics who hate this country and seek to inflict severe physical damage on us to decide where it should be more expensive to do business in our country and where it should not. But if you use the private insurance mechanism, that is what you get.

There is another problem with the private insurance mechanism, not a problem, a good facet, that doesn't apply here. What you can do with private insurance is to say to these entities: You know what, if you lower your risk, we will lower your insurance costs. But people who have large office buildings cannot significantly lower their risk of being attacked by terrorists. If they could, we wouldn't want them to be. We wouldn't want people in