□ 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 extended 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, lnc., 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

America in the business sector to be told, well, why don't you try to appease the terrorists so they don't blow you up. So it ought to be a public program.

Now, we have had significant debate in the committee. We had in the subcommittee and committee two full markups, an unusual degree of attention. A number of amendments were adopted from both parties. It is a different and, I believe, better bill now than it was when it was introduced. There are still some philosophical differences.

There is one issue, though, that came up after the committee consideration, and to our surprise the Congressional Budget Office said that this is going to cost a certain amount of money. I will get the estimate. I think they said $10 billion over a period of 10 years. That is a very odd thing to say. A terrorist attack will cost hundreds of billions if it happens; it will cost nothing if it doesn't. They apparently used some calculation of probability, which I think is in itself kind of dubious. Nobody, I think, can realistically talk about the probability of a terrorist attack, to give us the number that it will cost $3.5 billion over 5 years and $8.4 billion over 10 years.

One thing we know for sure is that these estimates are wrong. It will either cost a lot more, or nothing. CBO did its job, I don't think very well. Maybe that is because of the constraints they operate under. I don't make a personal criticism of them. But we have this PAYGO rule.

I will say that my own preference as an individual Member would have been to grant an emergency waiver, because if a terrorist attack is an emergency, then we shouldn't have that in there. I do not represent the thinking of the majority as of now on this or the Democratic leadership. That is an open question to evolve. So we did the next best thing, which is to adopt a set of procedures to deal with what will happen if the Federal Government has to make a payout under this.

I will say that I think that was a good effort, given the time frame. And I think it is important, given the potential expiration or the expiration date, that we should move forward, and maybe it will encourage our colleagues across the Capitol to act.

I do not believe that what we have in here will be the final answer. We have one possibility: Maybe a consensus will develop on a waiver. I can't say that I have confidence in that, but I certainly will advocate for it. If we can't get a waiver, we will within the framework of the PAYGO requirement, $3 billion over 5 years, try to work something out. And I know that is what the Democratic leadership has assured the Members from New York in particular, that they will do their best within the context of PAYGO to work this out. And I believe we can improve on where we are. We will reduce the risk that there won't be payment to the minimum amount possible, and then maybe we share that risk.

So I do not believe that what we have in this bill will be the final version. I think it is important to move this process along. I think this is as good an effort to do it as we could now. We will have to be consulting with the various parties in interest, including the cities, including the insurers, including the insured and others, and we will move forward on that. So I do believe it is very important to move forward now.

The only reason to vote against this bill at this point is not because of disagreement on some of the specifics. They will evolve as we go forward, particularly in the PAYGO response. But if you believe this is something that should be left to the market, and I do not believe that the market can or should be asked to handle terrorism. Adam Smith is one of the great intellectual contributors to thought in this world, but I don't think he knew much about terrorism, luckily for him. I do not think that the free market was adopted or is adaptable to murderous attacks of the sort we had on September 11.

So I believe this is the best we can do at this point. It is a very good bill, I believe, not perfect, with regard to the PAYGO fix, but that is something that I believe will evolve. I have every confidence that we will be able to do it better as we go forward, and I hope the bill passes.

I reserve the balance of my time.

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

Mr. Chairman, as one of the original authors of the first TRIA legislation back in 2002, which passed this House with a strong vote, and also as a supporter of the extension in 2005, which I also cosponsored, I am disappointed that I have to rise today in opposition to the present bill. But I do so sincerely.

The whole idea of TRIA, the 2002 bill, the 2005 extension, was to create a short-term government backstop which would allow the insurance industry, the private market to adjust to the 9/11 reality.

By any objective measure, people on both sides of the aisle have said TRIA has been a success. Secretary Hank Paulson supported a TRIA which was a government backstop as the government continued to process the stepping back.

The terrorist insurance markets have stabilized. We have heard this debate, this word today of the gentleman from New York and the leadership and the Democratic Party and some of their differences. Even in correspondence which I have seen, he said terrorist insurance, the approach we have has been working. It is giving us insurance. The markets have stabilized. Policyholders are requesting and they are receiving coverage. Prices have declined. Reinsurance has become more available. The private marketplace is diversifying, and it is absorbing additional risk exposure every day.

This past July, Secretary Paulson, which, as I said, he supported TRIA, he doesn't support this legislation because it essentially preempts the private market. But he made this statement to me: It is my belief that the most efficient, lowest cost, and most innovative methods of providing terrorist risk insurance will come from the private sector.

I agree, and it is therefore that reason that I must oppose the bill before us today, because it works at cross-purposes with that whole philosophy of allowing a temporary backstop as the private market fills in and meets the need for terrorist risk insurance.

We presently have a TRIA program in place that relies on that private sector first and the government only as a backstop and, as I said, it is working very well. It is effectively creating what is a temporary assistance or a hand up, not a permanent handout. However, this bill replaces what has been a successful and temporary mechanism which has worked so well to allow the insurance marketplace to adopt to the 9/11 realities. It replaces it with legislation that, instead of scaling back the Federal backstop, it expands it greatly. It increases the government growth greatly. It increases taxpayers' exposure tremendously, so much so that we are not going to pay for it here today. We are going to disregard PAYGO. And I understand there is some private deal that may have been agreed to out of the public domain and unknown to Members. That is not how legislation should function. But it is a flawed bill that is, unfortunately, a departure from what has heretofore been a very successful bipartisan consensus effort on behalf of this Congress that we have all come together and adopted in the past.

TRIA should not be a partisan issue. Our division on this legislation reflects a philosophical difference and disagreement over how, how much and for how long middle-class America should subsidize the cost of terrorist insurance for both insurers and for urban developers.

□ 1230

And what is the taxpayer role?

I had hoped that we could consider a number of important amendments today to scale back these new Federal subsidies; i.e., taxpayer-supported guaranteed benefits. I had hoped that we could ask that the insurance companies pay a greater percentage; that they collect an increased amount. Unfortunately, the Democratic leadership has decided not to even allow a fair and free debate on these amendments.

The expanded Federal subsidies provided for in this bill are so expensive that they violate the House's budget rules. But, as I said, instead of admitting this violation, or even waiving it, which would be a more honest approach, or finding a way to pay for the costs to the taxpayers, the majority has turned to what I call a ''fantasy fix'' that mandates various terrorist coverage, but removes any certainty in the Federal payment.

Even the most ardent proponents of TRIA are opposed to this so-called solution to the PAYGO problem. One Democratic colleague that's on the floor today has made this statement which I associate myself with: ''Making the entire program contingent on Congress passing a second piece of legislation completely undermines the intent and desired effect of the legislation.'' He went on to say, and I quote, ''It would render the legislation almost completely useless.'' That's the legislation we have before us. That's it. That's what we're considering today.

We heard as we debated the rule that there have been some assurances given in a letter which none of us have seen from the majority leader to the Member that they're going to fix this, that they're going to fix it in conference. We're just asked to take a leap of faith. To me, that violates not only the promises that the Democratic majority made in this campaign to have an open, honest process with full disclosure, not back-room agreements. We don't even know what we're voting on. We're told, vote for something on blind faith. It'll be fixed. Yes, it's flawed. Yes, it won't work. Yes, we know we're not paying for it, but we'll do that later. Trust us.

You know, it's one thing to ask Members of Congress, it's another thing to ask the American people for their representatives to pass something they have no idea entirely what it is; to act on the assurance of a letter that 433 Members have not seen, surely not the 210 in the minority.

Policyholders are also shortchanged in this legislation. If an insurance company's losses exceed a certain level, the new bill that Members saw for the first time last night says that the consumer gets no more money until a later Congress acts, regardless of what the insurance policy says or what the company agreed to pay. In other words, they're writing a policy, the company is agreeing to pay a certain amount, but all of it is contingent upon Congress then coming in and paying for it. I'm not sure that's even constitutional, that we as a legislative body would say, go out and write insurance policies, tell policyholders this is their coverage, and another legislative body, 5, 10, 15 years down the road, they'll come in and they'll pay for it. How do we know that? What will the policy read? It will be interesting to see what the policy says. All this is contingent upon an act of Congress. How about all of this is contingent upon the ability of the United States to write such a check, or the willingness of the people to do that? What if these policies are extended and then we have a new Congress and that Congress says ''no''? The policyholders have paid for something and they have no assurance they'll ever receive a dime.

While I am a strong supporter of what has to this date been the approach of Congress for short-term extensions of this program that continues down the road of phasing out the government backstop, the taxpayer funding, and phases in greater private sector participation, and by private sector participation, I simply mean that those who are provided the coverage pay for the coverage, not someone in rural Kansas or New Mexico or Georgia, but that who's getting the benefit pays the price, not the American people.

I cannot support this bill. It extends the program for 15 years, in other words, more or less basically permanent. It writes a blank check, asks the taxpayers to pay it, but doesn't pay for it now. It makes no provisions for paying for it, other than a letter from the majority leader to a member of the New York delegation saying, in a month or two, we know this is a flawed bill, it's a no go, but we'll fix it. But vote for it right now. I cannot do that. I cannot ask the Members of the minority to do that.

Mr. Chairman, let me just say in closing that Members on this side of the aisle are prepared and we have been prepared to strongly support an extension of the TRIA program that is fiscally responsible, that does the right thing for taxpayers. But we're not going to vote for something we have no idea what we have, other than an assurance in a letter we have not seen.

While we have complete bipartisan agreement on the merits of the current TRIA program, we know that in the aftermath of 9/11 there was a need to act. We acted. We've been successful. Let's not change something that's proven to work well with a blank check from the taxpayers. This bill is a gimmick. It increases government subsidies without providing greater certainty in the marketplace. I urge my colleagues to oppose this legislation.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself first 30 seconds to note that I was impressed when the gentleman said he was going to vote against this bill because of this new amendment. But he voted against the bill the last time, so apparently my friend from Alabama intends to vote against this bill twice, because he voted against it in committee. So no one should think that the effort to deal with PAYGO is the reason he's voting against it.

Secondly, no one is asking anybody to accept any blank checks, and that is a misrepresentation of the legislative process. Changes will be made, I hope, in an open way. There will be an open conference, in total contrast to the way in which his party operated. I guarantee Members, as chairman of this committee, that we will have a conference committee, it will be a legitimate conference committee, and everything will be done openly, and votes will be taken. So no one is asking anybody to do anything in secret.

And again, the gentleman, having already voted against the bill, there are only so many bases you can claim on which you vote against the bill. He says he's not going to vote for the bill. We never thought he would. He voted against it the last time.

Mr. Chairman, I yield 5½ minutes to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Chairman, on September 11, in addition to the enormous loss of human life, the value of which cannot be measured, our Nation suffered catastrophic economic losses. The attacks of September 11 resulted in $30 billion worth of insured losses, the largest catastrophic insurance loss in the history of the United States, larger than any blizzard, tornado or hurricane. As a result, insurers and reinsurers began to worry about the likelihood and the cost of a future terrorist attack.

Worrying about risk and then monetizing that risk is the key to the insurance industry, which is an essential element in a modern dynamic economy. As happened, businesses with legitimate concerns about their solvency, insurance and reinsurance firms withdrew from the market where the attack took place. As the supply of terrorism insurance rapidly decreased, New York City developers, for whom terrorism insurance was essential to secure financing for their projects, were put in a precarious position. They needed terrorism insurance to continue building, but the market for insurance simply did not have enough supply to meet their demand. Similar shortages began occurring throughout the country. In simple terms, there was a market failure.

It was out of this dilemma that the critical need to address that original version of TRIA was born. TRIA increased the availability of terrorism insurance coverage by creating a Federal backstop that would share the burden of losses caused by any future attacks of terrorism with the insurance industry.

In the wake of 9/11, we had hoped that a temporary, 3-year program would provide enough of a shield to allow the market to fully recover. By late 2005, however, the Financial Services Committee and others in Congress realized that TRIA had not resulted in as quick or as robust a recovery of the market as was originally hoped. TRIA was extended for an additional 2 years, and is currently set to expire on December 31 of this year.

Mr. Chairman, the Terrorism Risk Insurance Revision and Extension Act is a major achievement. It eliminates the distinction between foreign and domestic acts of terror. It incorporates group life insurance into the program. And, most importantly, this legislation extends TRIA for another 15 years.

Let us be clear: the enemy of business is uncertainty. This is particularly true for multi-million or multi-billion dollar real estate development projects, the kind that breathe life into our Nation. Designing, securing capital and then contracting for construction

is a multi-year process, and if we want these kinds of projects to go forward during these uncertain times, there is simply no alternative to providing a long-term terrorism insurance backstop.

Extending TRIA by 15 years is not a whim. It is not an arbitrary number. A 15-year extension would allow developers to secure 10- and 15-year bonds when financing their projects and would cover the life span of construction for our Nation's most innovative and remarkable development projects.

Equally as important to our Nation's developers, insurers and reinsurers is the inclusion of the so-called ''reset mechanism'' in this legislation. This language ensures that, in the aftermath of another catastrophic terrorist attack, the affected area or areas do not experience the same capacity problems that we experienced in New York following September 11.

To be clear, however, the reset mechanism included in H.R. 2761 is not a special favor extended to New York. Under the language I worked out with Mr. BAKER, representing the minority side, in the event of a terrorist attack with losses of $1 billion or greater, the deductibles for any insurance company that pays out losses due to the event immediately would lower to 5 percent, while the nationwide trigger for any insurer for any future event drops to $5 million.

Mr. BAKER and I also reached agreement on my proposal to enable the Secretary of the Treasury to aggregate the total losses for two or more attacks that occur in the same geographic area in the same year, if the Secretary so chooses, so that if the total insured losses for those events are over $1 billion, the reset mechanism would be triggered. Permitting the Secretary of the Treasury to aggregate the losses of two or more attacks in the same year is absolutely essential to protect our Nation's developers, insurers and reinsurers from a scenario in which the same area suffers a loss of $1 billion in insured losses, either from two or more medium-scale attacks or from one large-scale attack.

The reset language is a true bipartisan compromise with the minority, accommodating a vast number of their concerns, and one in which I think Members of both sides should be very pleased. The new language simultaneously addresses the need to boost capacity in our Nation's highest risk areas, while recognizing that in case America suffers another catastrophic terrorist attack anywhere in this Nation, capacity shortages could be expected not only in the geographic area surrounding the site of the attack but also, quite possibly, throughout the Nation as a whole.

The chairman has asserted that he would accommodate the needs of those who have complained about the openness of the process, which I assure everybody is open. And as the leader of the conference, when the House goes into conference on this matter, Mr. Chairman, could you give us your assurance that this bill will come back in the kind of form that we will not have an issue?

Mr. FRANK of Massachusetts. Absolutely.

Let me just say, first of all, having grown up in New Jersey, I'm used to complaints from New Yorkers. But in this particular case I believe they are entirely legitimate and justified, and I can assure the gentleman that we will work together in an open way to resolve it.

Mr. BACHUS. Mr. Chairman, I would yield the gentleman from New York 30 seconds to answer an inquiry if he would allow me.

I would ask the gentleman, this letter that we heard of earlier from Mr. HOYER to yourself, could you share a copy of that letter with the minority?

Mr. ACKERMAN. This is a private letter from the leadership to myself. I will be glad to show it to a Member of the minority side that signed the letter.

Mr. BACHUS. Could we see it now?

Mr. ACKERMAN. I will share it with a Member of the minority side who signed the letter.

Mr. BACHUS. Could we make a copy of it?

Mr. ACKERMAN. I think you have heard my answer.

Mr. BACHUS. So this is a private sort of agreement between the two of you?

Mr. ACKERMAN. This is the word of the majority leader to our delegation.

□ 1245

Mr. BACHUS. Mr. Chairman, at this time I yield 2 minutes to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Chairman, just as a disclaimer to the chairman of the committee, I did vote against this bill in committee and am still talking against the bill. Mr. Chairman, that is always a shock to you, and I'm just trying to settle your nerves down here at the beginning of my comments.

I am supportive of the TRIA concept in general. I understand the market is not yet where it needs to be. As I explained in committee, our company was one of the companies who had to renew our insurance 30 days after 9/11. On October 11 every year we had to renew insurance. So we were some of the first to encounter the problem that some insurances simply weren't going to write insurance if we did not have some solutions. So I understood the concept. But we put into place some legislative changes that were slowly moving the marketplace to where it needed to be.

And the market was responding. The marketplace was increasing the deductible percentages. The trigger limit was raised between the first two versions of the TRIA bill, and the industry retention level was raised, the Federal co-share was lowered, and those were all positive signs because we all recognized that the last thing we want to do is have, say, an agency like the Postal Service in charge of risk insurance. It does not meet the standards for a very mobile market.

So in the long term, we would like to have the private sector handling this problem. It's where the responsibility then would fall on the people who are getting the benefit.

As it is written, this bill begins to move us far beyond that concept. It begins to increase the mission, providing what should have been a temporary solution making it into a 15-year solution and with decreasing amounts of private sector employment or utilization. So responsibility in the end should be borne by the people who are buying the insurance and the insurance companies.

And, again, I would speak against the bill, and I thank the gentleman for yielding.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes now to a senior member of our committee, the Chair of the Subcommittee on Financial Institutions and Consumer Credit, someone who has worked a great deal on this, the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank our chairman for his heroic leadership on this, along with the New York delegation, GARY ACKERMAN, and many, many others. This is an absolutely necessity for New York City and for our country and for our economy.

After 9/11, I have never seen this body so united and determined, and I thank you for all of your help. But by far, the most important action by this Congress was enacting TRIA. Before TRIA, we could not even build a Popsicle stand in lower Manhattan. No one could build anything. Critical to our economic recovery was the passage of this Federal backstop, and I implore my colleagues to join the leadership, Mr. FRANK and others, in passing this.

They say it is not needed, but I hear from businesses in New York they cannot get insurance. Some have gone to Lloyd's of London. They get insurance policies that say you have this policy on the condition that TRIA is reauthorized. This is critically important.

And I would like to stress to my colleagues that a very important part of our homeland security is our economic security. TRIA not only helped the rebuilding of New York City, it created jobs and helped America's economy grow despite the continuing terrorist threats against the United States.

TRIA has no cost to the taxpayer unless there is a terrorist attack. And in that terrible event, if it happens, and I hope it doesn't, TRIA saves the government money by structuring what would otherwise be hastily drafted emergency spending. Of course, setting up a public/private partnership to provide insurance coverage is more cost-effective than throwing money at the disaster after the fact.

So this is very important. I would like to be associated with the comments of my colleagues Mr. ACKERMAN and Mr. FRANK on the reset and the need for long-term planning, 15 years. I thank my colleagues for your help after 9/11. Give our economy help now. Vote for this.

Mr. BACHUS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding. I certainly thank him for his leadership in this area.

If I could paraphrase President Ronald Reagan, the closest thing to eternal life on Earth is a Federal program. And certainly the legislation that comes before us today helps prove this.

When TRIA was brought to the floor, and I, admittedly, was not here but I have read the RECORD, supposedly it was to be a temporary program at a time of great economic hardship to our Nation.

I just heard the gentlewoman from New York speak very eloquently on the subject. But I recall from the RECORD her own words: ''We are simply working to keep our economy on track with a short-term program that addresses the new terrorist threat.''

Now we are being asked for a 15-year extension on what has already been a 5-year program.

The gentleman from Pennsylvania, who is now our chairman of the Capital Markets Subcommittee: ''We wisely designed the TRIA Act as a temporary backstop to get our Nation through a period of economic uncertainty until the private sector could develop models.''

Now, maybe those on the other side of the aisle have a different definition of ''temporary.'' I was here to vote for the TRIA extension, and I voted for it. I thought that the market needed some time to develop. But let's face it. If we vote for this, we are voting for a permanent, a de facto permanent, huge government insurance program on top of those that we already have, none of which, none of which, are financially sound.

And we have to remember when we are hearing debate on the floor about how critical it is in the fight against terror that we have terrorism reinsurance. I believe terrorism reinsurance is important, but I think even more important in fighting terror is prevention, ensuring it doesn't happen in the first place. And yet we have Member after Member after Member on the other side of the aisle that would make it more difficult for our government to monitor the conversations of suspected terrorists. We have Member after Member on the other side of the aisle voting to assure that a portion of our intelligence budget, to paraphrase the former Director of the CIA, goes to spying on bugs and bunnies instead of terrorists. Prevention is what is key in the fight against this terror.

Now, of course, reinsurance is important, and, again, as I said, I voted for another extension. But to hear those on the other side of the aisle, they would say, well, there is no way that the market can develop this. I'm not sure I agree with that, and I know that the President's working group on financial markets doesn't agree with that. They say that the availability and affordability of terrorism risk insurance has improved since the terrorist attacks. Despite increases in risk retentions under TRIA, insurers have allocated additional capacity to terrorism risk, prices have declined, and take-up rates have increased.

And let me quote here from this working group: ''The presence of subsidized Federal reinsurance through TRIA appears to negatively affect the emergence of private reinsurance capacity because it dilutes demand for private sector reinsurance.''

Now, the chairman, whom I certainly respect, and he is entitled to his own opinions, he doesn't believe the market could ever develop. Well, I would respectfully say to our chairman: How are we ever going to know? How are we ever going to know when you are giving away something for free that the market otherwise would charge for and all of the signs are there that the market can develop?

Some tell us this is a new risk that we don't know how to model for. Well, there was a time when the insurance industry didn't know how to model for airline catasrophes. They didn't know how to model for data processing collapses. And this is not the first time in our Nation's history that we have faced great threats. How did we model the Cold War when thousands of nuclear arms were pointed at us and somehow construction still took place in America?

Construction has taken place in New York based upon a 3-year extension, not a de facto permanent extension, but based on a 3-year extension with higher deductibles and with less government subsidy.

So I don't believe that building is going to come to a complete stop. But if there is a market failure, we could have worked on a bipartisan basis for something restricted that was temporary, dealing with nuclear, chemical, and biological, with large deductibles and large industry retentions.

Instead, we are going to create a massive new insurance program that threatens the taxpayer, another great threat to this Nation. We should oppose this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I now yield 2 minutes to another member of the committee, whose district in Jersey City is as close to the site of the terrorism attack of 2001 as any, other than the district in which it happened.

Mr. SIRES. Mr. Chairman, I thank the chairman for yielding me time.

As you know, my district is in northern New Jersey, right across the river from New York City. I also represent parts of Newark and Jersey City, which are both considered high-threat areas. As a matter of fact, the New York Times has called parts of my district as containing two of the most dangerous miles in the country. As you can imagine, my constituents deal with the threat of terrorism every day.

When I was Speaker of the New Jersey Assembly, I made homeland security a top priority. Already in my first year in the U.S. House of Representatives, we have tackled important national security issues. The reauthorization of TRIA is another step in the process and something of great importance to the businesses of my congressional district and to this country.

I believe that the Financial Services Committee has thoroughly considered this reauthorization. We held hearings in New York City back in March where we had the opportunity to hear directly from the mayor of New York, Mayor Bloomberg, and Senator SCHUMER about the need for TRIA reauthorization. I am confident that H.R. 2761 takes their suggestions into consideration. The work of the Financial Services Committee that led to the drafting of this bill makes me proud to be a cosponsor. I think this legislation addresses all the major issues involved in the reauthorization, while maintaining the system that continues to ensure that there is coverage for terrorist attacks.

I want to thank Chairman FRANK and Congressman CAPUANO for introducing the reauthorization legislation, and I look forward to working with the committee and the leadership to make sure that this bill passes.

Mr. BACHUS. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. CULBERSON).

Mr. CULBERSON. Mr. Chairman, this bill should be defeated because it is irresponsible and absolutely fiscally dangerous to pass a piece of legislation like this with an open-ended obligation on the U.S. Treasury. The bill should be defeated because, for all practical purposes, no private insurer will ever write coverage again in this area because they can now count on the U.S. Treasury to pay for this coverage. And the bill should be defeated because of its massive potential cost that the CBO has scored it, a 10-year cost of about $10.4 billion.

But I think probably the most important reason this bill should be defeated is one that we, as stewards of the Treasury, need to keep in mind on every bill, on every amendment, on every vote that involves spending a dollar of the taxpayers' money, that all of us in Congress should keep in mind the single, in my mind, most important fact that I have run across as a Member of Congress, and that is that David Walker, the Comptroller General of the United States, the director of the Government Accountability Office, has estimated that in order to pay off the existing obligations of the Federal Government, both direct and indirect, the existing obligations of the Federal

Government are so massive that every American would have to buy $170,000 worth of Treasury bills today in order to pay off the debt, the interest on the national debt, Medicare, Medicaid, Social Security. All the existing obligations, the Federal programs that are out there in existence today, those obligations are so massive that every living American would have to buy $170,000 in Treasury bills in order to pay them off.

□ 1300

It is absolutely imperative that this Congress on every bill, every amendment and every vote do everything we can to prevent adding to that burden, and to subtract from it as much as we can as, in our private lives, if you had a second mortgage on a house and the credit cards were all topped out, you would only spend money on the bare essentials. We have the same obligation, and even higher, a greater obligation here in Congress, as stewards of the Federal Treasury, to ensure that we're not passing on obligations to future generations, or adding to that $170,000 burden. And I don't want to hear the proponents of this bill come back and say, well, this administration added a lot to that burden. I can tell you personally I voted against almost every one of those big spending initiatives that the White House proposed. My district opposed a lot of the expansions of these big new spending programs. I voted against No Child Left Behind as a violation of the 10th amendment and spending money we didn't have. I voted against the Medicare prescription drug bill as spending money we didn't have. I voted against the farm bill as spending money we didn't have and I'm not going to pass that on to my daughter or future generations.

Most of us on this side, the fiscal conservatives in this House, have consistently opposed big new spending programs, and this bill is probably the worst I've seen so far. It is, in my mind, a perfect illustration of a liberal Democrat fiscal policy that they have passed an open-ended obligation onto future generations, a blank check on the U.S. Treasury. It's an utterly irresponsible and dangerous piece of legislation and it should be defeated.

Mr. FRANK of Massachusetts. Mr. Chairman, I will give myself 15 seconds to say I was waiting for the gentleman to tell me he voted against the war in Iraq. He talked about all these things he voted against. Added together and doubled, they don't add up to the war in Iraq, the continuing indefinite drain. Hundreds of billions of dollars have already gone, and they are committed to spending hundreds of billions more to make us worse off.

Mr. Chairman, I yield 1½ minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. I thank my friend, the chairman, for yielding.

I commend the last two speakers on the Republican side because they have at last made it clear what this debate is really about: Is there a Federal role for assisting the private sector in dealing with the management of the infinite risk of terror, or is there not?

I'm really surprised to hear in this debate how firmly my friends on the other side of the aisle cling to the notion that the market and the market alone can work this one out.

I used to be an insurance commissioner. What I know about insurance is that infinite risk cannot be priced, it cannot be underwritten, it cannot be reserved, it doesn't work. And that is why, right across the face of the insurance industry, we have heard as a body from the experts that they cannot make this coverage work private sector alone. They can whittle away at the edges basically by backing away from risk, coshares, enormous deductibles, the rest of it, but they have not told us they can make this market function.

But in the face of what reality holds forth, the minority is unmoved. They don't like government making business work. And so even in the face of a very uncertain construction sector, they would pull this coverage away.

Pass this bill.

Mr. BACHUS. Mr. Chairman, I would like to inquire as to the remaining time on our side.

The CHAIRMAN. The gentleman from Alabama has 8 minutes left; the gentleman from Massachusetts has 9¼ minutes left.

Mr. BACHUS. Mr. Chairman, at this time I would like to yield 3½ minutes to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. I thank the gentleman for yielding and am appreciative of this time.

I wish to express my appreciation to committee leadership for attempting to address a most difficult subject matter. I have had some interest in this matter for a period of years, and understand the difficulty of crafting a remedy to which all Members may agree.

However, I have been troubled by the characterization that there would be Members, if voting ''no'' on this measure, would be ideologues voting for some unusual reason rather than in the Nation's best interests or in the Nation's recovery effort in the great city of New York.

It would be of note, I think, to the body to recall that it was November 29, 2001, at 4:37 p.m., in this august body when the House had a recorded vote 2 months after 9/11 on the adoption of the very first Terrorism Risk Insurance Program. You will find in the RECORD, which I have a copy of should it be needed for review, Mr. ACKERMAN, Mr. CLYBURN, Mr. CROWLEY, Mr. HINCHEY, Mr. HOYER, Mr. ISRAEL, Mr. KANJORSKI, Mrs. MALONEY, Mrs. MCCARTHY, Ms. PELOSI, Mr. SERRANO, Ms. SLAUGHTER, Mr. WEINER, Ms. WATERS, Ms. VELÁZQUEZ, Mr. MEEKS, Mr. MCNULTY, Mr. ENGEL, Mr. FRANK all found it appropriate and the right discharge of duty to vote ''no'' on the terrorism reinsurance proposal adopted two months after 9/11.

Now, I have no criticism to be made of those Members for taking that action. They did what they thought best for their constituents in that window of responsibility. I would merely point out that in the bills that we have passed on two occasions in this House under Republican leadership, we looked upon this responsibility as a loan to the industry to help them at a time of serious liquidity crisis to be able to withstand this assault, meet their financial obligations to the insureds, and move forward. But at such time as it was determined the crisis had passed, there was a mandatory obligation to repay the taxpayers of the United States the generosity that was extended in the form of a bridge loan and to give back to the taxpayers their generosity which enabled the industry to survive.

This bill does not require mandatory repayment of assistance. It is, in fact, a gift to the industry in a time of crisis, which is appropriate. But in the period of time in which the industry returns to profitability, is it wrong to say, ''Taxpayers, here's your money back. You helped us in a crisis, now it's time for us to repay your generosity''? I think that is a pivotal cornerstone of whatever we do going forward in assisting sectors of our economy which have untoward experiences that we cannot predict, where there is serious economic dislocation. But it is not right to give away the taxpayers' money without accountability.

For that reason alone, I suggest Members, who may choose to do so, could oppose this legislation and do so on a philosophical basis that is purely defensible. There are many other reasons why some may have concern.

Now, I will be quick to acknowledge that I worked with the gentleman from New York in addressing one serious flaw, and I appreciate the gentleman's willingness to extend that courtesy and fix that one significant difficulty with a legislative proposal. I am appreciative of that, and I look forward to working with him as they go forward through this process.

The bill today is flawed, and I would hope you would seriously consider a ''no'' vote.

Mr. FRANK of Massachusetts. I yield 15 seconds to the gentleman from New York to make a response.

Mr. ACKERMAN. I thank the chairman.

My name was cited, along with a list of other New Yorkers having opposed the original TRIA when it came to the floor. The reason we did so is not because of TRIA, it was because the minority side, the Republican side at the time, tried to use this as a vehicle to move tort reform and added all sorts of tort reform provisions to the TRIA bill, which we absolutely opposed because it was a politically motivated move and not because of TRIA.

Mr. FRANK of Massachusetts. I yield 3¾ minutes to the gentleman from

Pennsylvania, the chairman of the subcommittee who guided this bill through a very thoughtful bipartisan markup.

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

Mr. KANJORSKI. Mr. Chairman, I rise in support of H.R. 2761, the Terrorism Risk Insurance Revision and Extension Act. Because the supply of terrorism reinsurance has not returned to its pre-September 11 levels, we must now act to extend TRIA before the law expires on December 31.

Terrorism insurance plays a critical role in protecting jobs and promoting our Nation's economic security. While this legislation may contain a few provisions that cause me concern, passage of this bill today will move the process forward. This extension makes several meaningful and necessary reforms to the program.

First, this bill eliminates the distinction between foreign and domestic acts of terrorism. Terrorism, regardless of its cause or perpetrator, aims to destabilize the government. We must protect against that risk.

Second, H.R. 2761 incorporates group life insurance as a covered line. The original TRIA did not include group life. I am pleased that this House, as it did in 2005, has decided to correct that oversight. We need to protect individuals, not just buildings they work in, by adding group life to TRIA.

Third, the bill improves protection against acts of nuclear, biological, chemical and radiological terrorism. This coverage properly represents the most significant reform of this extension effort.

We designed TRIA to protect the economic security of our Nation against terrorist threats. Congress, therefore, should address the possible threat of an attack by nuclear, biological, chemical or radiological means. Recognizing insurers' difficulty of modeling and pricing these events, this package limits the exposure of insurers on this risk, but allows the market to grow over time. H.R. 2761 further allows Treasury to exempt certain small insurers from this requirement. We need each of these prior modifications in order to sustain our Nation's economic recovery after a terrorist event.

This legislation is not about helping the insurance industry. The Terrorist Risk Insurance Program is about the continued availability and affordability of terrorism coverage and keeping America's markets strong.

That said, I do have some lingering concerns about some provisions in the product before us. When considering this legislation in the Financial Services Committee, I recognized the need for a longer extension period, but a 15-year extension is too long in my view.

Additionally, we should improve the bill's reset mechanism going forward. A reset mechanism can help both the area suffering an attack and the Nation to recover after a terrorist event. It can also help insurers to rebuild capacity. However, we ought to make sure that the size of the reset is in proportion to the size of the loss and to rebuild private capacity as quickly as possible.

In closing, Mr. Chairman, this is not a Democratic or a Republican issue. As I have previously said on this floor, it is an American issue, a business issue, an economic security issue.

I encourage my colleagues, including Mr. BAKER, to put your doubts aside and help us move this process forward so that over the next 110 days we can provide the coverage necessary to keep the American economy growing.

Mr. BAKER. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to this. My friend from North Dakota said in the debate a minute ago that the minority doesn't want the government to help business. That was kind of an odd characterization. Here's what the minority wants: We want Congress to keep its word. And what do I mean when I say that? In the beginning of this Congress, Congress said that they were going to pay for things as they go. We were going to have this vaunted PAYGO rule that when we commit new spending, we will pay for it. We won't do deficit spending. What does this bill do? This bill thumbs its nose at the PAYGO system.

I think the best description of how this bill is not paid for was written in Congress Daily this morning, and I quote: ''The House will take up legislation today to renew the Federal Government's Terrorism Risk Insurance Program despite concerns that it violates PAYGO rules. CBO has ruled that the bill, which would reauthorize and expand the program for 15 years and cost the Federal government $3.7 billion over 5 years, $10.4 billion over a 10-year period. House leaders pulled the bill last week because it carried no offsets, but Democratic leaders found a way around the problem by requiring that if an attack occurred, Congress would have to vote again in a fast-track procedure to release the funds contained in the bill.'' Well, to do it justice, it's about $8.4 billion net cost, just to set the record straight for the minority.

What they're basically doing here is they're declaring this an emergency when an emergency hasn't even occurred yet. They're basically declaring this emergency spending, outside of the budget rules, not paid for, $8.4 billion, before an emergency has even occurred.

I've seen gimmicks in my day, Mr. Chairman, but this one takes the cake. This violates PAYGO. If it doesn't do it technically, it sure does it in spirit. So if we're going to say we're going to pay for legislation, then, by golly, let's pay for legislation. This doesn't do that. Not to mention the fact that this crowds out the private sector. Not to mention the fact that this tells all the insurers, go ahead and release this insurance, and if a terrorist attack occurs, we'll have some emergency legislation that pays for it after the fact. It's kind of like telling the homeowner, you don't have to pay premiums on your insurance until after your house has been burnt down, then pay your premiums and then we'll give you your payback. It doesn't work like that. That's not how insurance works. That's not how taxpayers pay their bills. That's not how Congress should operate. And, more importantly, that is not the rules that this Congress said it would operate under.

This violates those rules. If not technically, it sure does so in spirit. And I think when Congress says it's a new day, that we're going to pay for our spending, by golly, that's exactly what Congress ought to do, and that is not what this Congress is doing.

□ 1315

For this and many other reasons, Mr. Chairman, this legislation is flawed. It should be defeated. It encourages a crowding out of the private sector. And more importantly, it doesn't pay for the promises that are being committed here today. That is wrong. That violates the rhetoric and the principles that the majority has set out for itself.

Mr. Chairman, I urge a ''no'' vote.

Mr. FRANK of Massachusetts. I yield 2 minutes to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Chairman, I ask the gentleman to engage in a colloquy.

On the travel fairness language included in the bill, there are two provisions which I believe require additional work and which I hope the gentleman will be willing to work on with me as the bill progresses toward conference, the war exception and the impact on existing State laws.

The first is the exception allowing denial or limitation of coverage for people traveling to areas under intense armed conflict. The current language uses the term ''ongoing military conflict''; however, this term is not defined in statute or any other legislation. We must make sure the language reflects the most accurate description of the conflict areas in question and not unintentionally include areas that do not rise to the definition of war zone.

Secondly, on another point that I want to try to ask for the gentleman's assistance in conference is the issue of how this law will affect the States with similar laws. The current provision is silent on the issue of States with stronger travel fairness laws on the book, States such as Florida, Colorado, and Washington. As representatives of the Federal Government, Congress should not attempt to preempt State laws with Federal legislation when the State law provides greater protection. In other words, the Federal law should act as a floor, not as a ceiling, a base level of protection for the consumer.

I would appreciate the gentleman's willingness to work to address these two issues in the conference.

Mr. FRANK of Massachusetts. I agree with the gentlewoman on both points. First, there is nothing in this language, and I should say that this issue of preventing unfair denials of life insurance, she was the one who brought it up. She brought it up in the prior Congress. And now that we are in the majority, we are able to accommodate it.

I appreciate the fact that the gentlewoman worked with us as we worked with the life insurance companies. I believe we have an acceptable set of principles. She is right that this language does need a little bit more, I think, refinement on conflict. I think there's a conceptual agreement. I agree with her as to the need for definition.

As a preemption, that is very simple. I am a strong believer we should not be preempting unless we say so explicitly. There has been an excess of subtle preemption. By itself, this bill does not do that. Insurance has been primarily a State issue. This is a Federal statement, but it is not at all meant to be preemptive.

Ms. WASSERMAN SCHULTZ. I thank the gentleman and Mr. BACHUS both for their support.

Mr. BACHUS. Mr. Chairman, TRIA is working well as a temporary matter. The insurance market is beginning to fill out and, sadly, this is a step in the wrong direction.

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

Mr. FRANK of Massachusetts. Before I yield to the gentleman from Vermont (Mr. WELCH), I would just point out that when we voted on this in committee before we had the PAYGO glitch, the vote on the Republican side was 19 opposed, 14 in favor, so it was hardly a one-sided partisan bill. It partly reflects the work that the gentleman from Pennsylvania (Mr. KANJORSKI) did in accommodating a lot of the concerns.

Mr. Chairman, I yield 2 minutes to the gentleman from Vermont.

Mr. WELCH of Vermont. May I engage in a colloquy with the gentleman from Massachusetts?

Mr. FRANK of Massachusetts. Yes.

Mr. WELCH of Vermont. Mr. Chairman, among other things, your bill balances the needs of smaller insurers and larger insurers. You have two provisions in there to try to help the small insurers play their part but not be overly burdened.

Mr. FRANK of Massachusetts. Get to the question.

Mr. WELCH of Vermont. The question is this: Our small insurers in Vermont that do business in a good and friendly way usually are in the range of $100 million. That is above your limit. The requirement that they will have to, in effect, indicate an insolvency risk threatens their rating which would adversely affect their business.

My question is, as you go forward, and as new information becomes available, my hope is that you and the committee would be willing to make what adjustments are feasible within the context of the overall goal.

Mr. FRANK of Massachusetts. If the gentleman would yield, he has pointed to a very important issue. We did try to make some accommodation with the small insurers, but I don't think we have finally done that. But I would say, you know, the notion that a bill that comes to the floor is not graven in stone shouldn't come as a surprise to people. We have a Senate. We have a genuine conference. It will be an open conference.

I should say I understand why some of my colleagues on the Republican side were somewhat puzzled at the notion that we might go to conference and, in an open way in conference, further amend the bill. They didn't believe in that. They didn't have any. So for them, that was all done in secret.

We will have an open conference to address these. And this is one of the issues. I do believe that it is legitimate. We will be meeting with, and the staffs will be meeting with, the smaller private insurers. To the extent possible consistent with the purpose of the bill, we will seek to improve on the accommodation.

Mr. WELCH of Vermont. I very much appreciate that.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield the balance of my time to the gentleman from Rhode Island (Mr. LANGEVIN).

The CHAIRMAN. The gentleman from Rhode Island is recognized for 1¼ minutes.

Mr. LANGEVIN. I truly do thank the gentleman from Massachusetts for yielding and the minority for granting the unanimous consent request.

Mr. Chairman, I rise in strong support of the Terrorism Risk Insurance Revision and Extension Act of 2007. This critical bill reauthorizes the Federal Terrorism Insurance Program, which backs up private insurers in the event of a terrorist attack and extends the measure for 15 years. As chairman of the Homeland Security Subcommittee on Emerging Threats, Cybersecurity, and Science and Technology, I am certainly pleased that this bill would ensure coverage in the event of a nuclear, biological, chemical or radiological attack.

While no one wants to ever imagine that a nuclear, chemical, biological, radiological event could occur, the possibility is, unfortunately, a reality. Therefore, we must not only protect against this risk, but ensure that our Nation can recover financially if the unthinkable does happen.

This measure takes an important step forward by lowering the deductible from 20 percent to 3.5 percent for insurance coverage against NCBR attacks, and I am certainly proud to support this important measure.

Mr. Chairman, I want to thank Chairman FRANK for his leadership on this important issue.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in part A of House Report 110–333, is adopted. The bill, as amended, shall be considered as an original bill for the purpose of further amendment under the 5-minute rule and shall be considered read.

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

H.R. 2761

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Terrorism Risk Insurance Revision and Extension Act of 2007''.

SEC. 2. TERMINATION OF PROGRAM.

Subsection (a) of section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2022''.

SEC. 3. REVISION OF TERRORISM INSURANCE PROGRAM.

(a) IN GENERAL.—The Terrorism Risk Insurance Act of 2002 is amended—

(1) by striking sections 101, 102, and 103 and inserting the following new sections:

''SEC. 101. CONGRESSIONAL FINDINGS AND PURPOSE.

''(a) FINDINGS.—The Congress finds that—

''(1) the ability of businesses and individuals to obtain property and casualty insurance at reasonable and predictable prices, in order to spread the risk of both routine and catastrophic loss, is critical to economic growth, urban development, and the construction and maintenance of public and private housing, as well as to the promotion of United States exports and foreign trade in an increasingly interconnected world;

''(2) property and casualty insurance firms are important financial institutions, the products of which allow mutualization of risk and the efficient use of financial resources and enhance the ability of the economy to maintain stability, while responding to a variety of economic, political, environmental, and other risks with a minimum of disruption;

''(3) the ability of the insurance industry to cover the unprecedented financial risks presented by potential acts of terrorism in the United States can be a major factor in the recovery from terrorist attacks, while maintaining the stability of the economy;

''(4) widespread financial market uncertainties have arisen following the terrorist attacks of September 11, 2001, including the absence of information from which financial institutions can make statistically valid estimates of the probability and cost of future terrorist events, and therefore the size, funding, and allocation of the risk of loss caused by such acts of terrorism;

''(5) a decision by property and casualty insurers to deal with such uncertainties, either by terminating property and casualty coverage for losses arising from terrorist events, or by radically escalating premium coverage to compensate for risks of loss that are not readily predictable, could seriously hamper ongoing and planned construction, property acquisition, and other business projects, generate a dramatic increase in rents, and otherwise suppress economic activity;

''(6) the United States Government should coordinate with insurers to provide financial compensation to insured parties for losses from acts of terrorism, contributing to the stabilization of the United States economy in a time of national crisis, and periodically assess the ability of the financial services industry to develop the systems, mechanisms, products, and programs necessary to create a viable financial services market for private terrorism risk insurance that will

lessen the financial participation of the United States Government;

''(7) in addition to a terrorist attack on the United States using conventional means or weapons, there is and continues to be a potential threat of a terrorist attack involving the use of unconventional means or weapons, such as nuclear, biological, chemical, or radiological agents;

''(8) as nuclear, biological, chemical, or radiological acts of terrorism (known as NBCR terrorism) present a threat of loss of life, injury, disease, and property damage potentially unparalleled in scope and complexity by any prior event, natural or man-made, the Federal Government's responsibility in providing for and preserving national economic security calls for a strong Federal role in ensuring financial compensation and economic recovery in the event of such an attack;

''(9) a report issued by the Government Accountability Office in September 2006 concluded that 'any purely market-driven expansion of coverage' for NBCR terrorism risk is 'highly unlikely in the foreseeable future', and the September 2006 report from the President's Working Group on Financial Markets concluded that reinsurance for NBCR terrorist events is virtually unavailable and that '[g]iven the general reluctance of insurance companies to provide coverage for these types of risks, there may be little potential for future market development';

''(10) group life insurance companies are important financial institutions whose products make life insurance coverage affordable for millions of Americans and often serve as their only life insurance benefit;

''(11) the group life insurance industry, in the event of a severe act of terrorism, is vulnerable to insolvency because high concentrations of covered employees work in the same locations, because primary group life insurers do not exclude conventional and NBCR terrorism risks while most catastrophic reinsurance does exclude such terrorism risks, and because a large-scale loss of life would fall outside of actuarial expectations of death; and

''(12) the United States Government should provide temporary financial compensation to insured parties, contributing to the stabilization of the United States economy in a time of national crisis, while the financial services industry develops the systems, mechanisms, products, and programs necessary to create a viable financial services market for private terrorism risk insurance.

''(b) PURPOSE.—The purpose of this title is to establish a temporary Federal program that provides for a transparent system of shared public and private compensation for insured losses resulting from acts of terrorism, in order to—

''(1) protect consumers by addressing market disruptions and ensure the continued widespread availability and affordability of property and casualty insurance and group life insurance for all types of terrorism risk, including conventional terrorism risk and nuclear, biological, chemical, and radiological terrorism risk;

''(2) allow for a transitional period for the private markets to stabilize, resume pricing of such insurance, and build capacity to absorb any future losses, while preserving State insurance regulation and consumer protections (unless otherwise preempted by this Act); and

''(3) provide finite liability limits for terrorism insurance losses for insurers and the United States Government.

"SEC. 102. DEFINITIONS.

''In this title, the following definitions shall apply:

''(1) ACT OF TERRORISM.—

''(A) CERTIFICATION.—The term 'act of terrorism' means any act that is certified by the Secretary, in concurrence with the Secretary of State, the Secretary of Homeland Security, and the Attorney General of the United States—

''(i) to be an act of terrorism;

''(ii) to be a violent act or an act that is dangerous to—

''(I) human life;

''(II) property; or

''(III) infrastructure;

''(iii) to have resulted in damage within the United States, or outside of the United States in the case of—

''(I) an air carrier or vessel described in paragraph (9)(B); or

''(II) the premises of a United States mission; and

''(iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

''(B) LIMITATION.—No act shall be certified by the Secretary as an act of terrorism if—

''(i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or

''(ii) property and casualty insurance and group life insurance losses resulting from the act, in the aggregate, do not exceed $5,000,000.

''(C) CERTIFICATION OF ACT OF NBCR TERRORISM.—Upon certification of an act of terrorism, the Secretary, in concurrence with the Secretary of State, the Secretary of Homeland Security, and the Attorney General of the United States, shall determine whether the act of terrorism meets the definition of NBCR terrorism in this section. If such determination is that the act does meet such definition, the Secretary shall further certify such act of terrorism as an act of NBCR terrorism.

''(D) DETERMINATIONS FINAL.—Any certification of, or determination not to certify, an act as an act of terrorism or as an act of NBCR terrorism under this paragraph shall be final, and shall not be subject to judicial review.

''(E) NONDELEGATION.—The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism, including an act of NBCR terrorism, has occurred.

''(F) COMPENSATION SUBJECT TO FURTHER CONGRESSIONAL ACTION.—Nothwithstanding any certification of an act under this paragraph as an act of terrorism or an act of NBCR terrorism, Federal compensation under the Program shall be subject to the provisions of section 103(h).

''(G) SUBMISSION OF CERTIFICATION UNDER THIS PARAGRAPH.—Upon any certification under subparagraph (A), the Secretary shall submit such certification to the Congress.''.

''(2) AFFILIATE.—The term 'affiliate' means, with respect to an insurer, any entity that controls, is controlled by, or is under common control with the insurer.

''(3) AMOUNT AT RISK.—The term 'amount at risk' means face amount less statutory policy reserves for group life insurance issued by any insurer for insurance against losses occurring at the locations described in subparagraph (A) of paragraph (9).

''(4) CONTROL.—An entity has 'control' over another entity, if—

''(A) the entity directly or indirectly or acting through 1 or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the other entity;

''(B) the entity controls in any manner the election of a majority of the directors or trustees of the other entity; or

''(C) the Secretary determines, after notice and opportunity for hearing, that the entity directly or indirectly exercises a controlling influence over the management or policies of the other entity; except that for purposes of any proceeding under this subparagraph, there shall be a presumption that any entity which directly or indirectly owns, controls, or has power to vote less than 5 percent of any class of voting securities of another entity does not have control over that entity.

''(5) COVERED LINES.—The term 'covered lines' means property and casualty insurance and group life insurance, as defined in this section.

''(6) DIRECT EARNED PREMIUM.—The term 'direct earned premium' means a direct earned premium for property and casualty insurance issued by any insurer for insurance against losses occurring at the locations described in subparagraph (A) of paragraph (9).

''(7) EXCESS INSURED LOSS.—The term 'excess insured loss' means, with respect to a Program Year, any portion of the amount of insured losses during such Program Year that exceeds the cap on annual liability under section 103(e)(2)(A).

''(8) GROUP LIFE INSURANCE.—The term 'group life insurance' means an insurance contract that provides life insurance coverage, including term life insurance coverage, universal life insurance coverage, variable universal life insurance coverage, and accidental death coverage, or a combination thereof, for a number of individuals under a single contract, on the basis of a group selection of risks, but does not include 'Corporate Owned Life Insurance' or 'Business Owned Life Insurance,' each as defined under the Internal Revenue Code of 1986, or any similar product, or group life reinsurance or retrocessional reinsurance.

''(9) INSURED LOSS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'insured loss' means any loss resulting from an act of terrorism (including an act of war, in the case of workers' compensation) that is covered by primary or excess property and casualty insurance, or group life insurance to the extent of the amount at risk, issued by an insurer, if such loss—

''(i) occurs within the United States; or

''(ii) occurs to an air carrier (as defined in section 40102 of title 49, United States Code), to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission.

''(B) LIMITATION FOR GROUP LIFE INSURANCE.—Such term shall not include any losses of an insurer resulting from coverage of any single certificate holder under any group life insurance coverages of the insurer to the extent such losses are not compensated under the Program by reason of section 103(e)(1)(D).

''(10) INSURER.—The term 'insurer' means any entity, including any affiliate thereof—

''(A) that is—

''(i) licensed or admitted to engage in the business of providing primary or excess insurance, or group life insurance, in any State;

''(ii) not licensed or admitted as described in clause (i), if it is an eligible surplus line carrier listed on the Quarterly Listing of Alien Insurers of the NAIC, or any successor thereto;

''(iii) approved for the purpose of offering property and casualty insurance by a Federal agency in connection with maritime, energy, or aviation activity;

''(iv) a State residual market insurance entity or State workers' compensation fund; or

''(v) any other entity described in section 103(f), to the extent provided in the rules of the Secretary issued under section 103(f);

''(B) that receives direct earned premiums for any type of commercial property and casualty insurance coverage, or, in the case of group life insurance, that receives direct premiums, other than in the case of entities described in sections 103(d) and 103(f); and

''(C) that meets any other criteria that the Secretary may reasonably prescribe.

''(11) INSURER DEDUCTIBLE.—The term 'insurer deductible' means—

''(A) for the Transition Period, the value of an insurer's direct earned premiums over the calendar year immediately preceding the date of enactment of this Act, multiplied by 1 percent;

''(B) for Program Year 1, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 1, multiplied by 7 percent;

''(C) for Program Year 2, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 2, multiplied by 10 percent;

''(D) for Program Year 3, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 3, multiplied by 15 percent;

''(E) for Program Year 4, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 4, multiplied by 17.5 percent;

''(F) for Program Year 5, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 5, multiplied by 20 percent;

''(G) for each additional Program Year—

''(i) with respect to property and casualty insurance, the value of an insurer's direct earned premiums over the calendar year immediately preceding such Program Year, multiplied by 20 percent; and

''(ii) with respect to group life insurance, the value of an insurer's amount at risk over the calendar year immediately preceding such Program Year, multiplied by 0.0351 percent;

''(H) notwithstanding subparagraphs (A) through (G), for the Transition Period or any Program Year, if an insurer has not had a full year of operations during the calendar year immediately preceding such Period or Program Year, such portion of the direct earned premiums with respect to property and casualty insurance, and such portion of the amounts at risk with respect to group life insurance, of the insurer as the Secretary determines appropriate, subject to appropriate methodologies established by the Secretary for measuring such direct earned premiums and amounts at risk;

''(I) notwithstanding subparagraphs (A) through (H) and (J), in the case of any act of NBCR terrorism, for any additional Program Year—

''(i) with respect to property and casualty insurance, the value of an insurer's direct earned premiums over the calendar year immediately preceding such Program Year, multiplied by a percentage, which—

''(I) for the second additional Program Year, shall be 3.5 percent; and

''(II) for each succeeding Program Year thereafter, shall be 50 basis points greater than the percentage applicable to the preceding additional Program Year; and

''(ii) with respect to group life insurance, the value of an insurer's amount at risk over the calendar year immediately preceding such Program Year, multiplied by a percentage, which—

''(I) for the first additional Program Year, shall be 0.00614 percent; and

''(II) for each succeeding Program Year thereafter, shall be 0.088 basis point greater than the percentage applicable to the preceding additional Program Year; and

''(J) notwithstanding subparagraph (G)(i), if aggregate industry insured losses resulting from a certified act of terrorism exceed $1,000,000,000, for any insurer that sustains insured losses resulting from such act of terrorism, the value of such insurer's direct earned premiums over the calendar year immediately preceding the Program Year, multiplied by a percentage, which—

''(i) for the first additional Program Year shall be 5 percent;

''(ii) for each additional Program Year thereafter, shall be 50 basis points greater than the percentage applicable to the preceding additional Program Year, except that if an act of terrorism occurs during any additional Program Year that results in aggregate industry insured losses exceeding $1,000,000,000, the percentage for the succeeding additional Program Year shall be 5 percent and the increase under this clause shall apply to additional Program Years thereafter;

except that for purposes of determining under this subparagraph whether aggregate industry insured losses exceed $1,000,000,000, the Secretary may combine insured losses resulting from two or more certified acts of terrorism occurring during such Program Year in the same geographic area (with such area determined by the Secretary), in which case such insurer shall be permitted to combine insured losses resulting from such acts of terrorism for purposes of satisfying its insurer deductible under this subparagraph; and except that the insurer deductible under this subparagraph shall apply only with respect to compensation of insured losses resulting from such certified act, or combined certified acts, and that for purposes of compensation of any other insured losses occurring in the same Program Year, the insurer deductible determined under subparagraph (G)(i) or (I) shall apply.

''(12) NAIC.—The term 'NAIC' means the National Association of Insurance Commissioners.

''(13) NBCR TERRORISM.—The term 'NBCR terrorism' means an act of terrorism that involves nuclear, biological, chemical, or radiological reactions, releases, or contaminations, to the extent any insured losses result from any such reactions, releases, or contaminations.

''(14) PERSON.—The term 'person' means any individual, business or nonprofit entity (including those organized in the form of a partnership, limited liability company, corporation, or association), trust or estate, or a State or political subdivision of a State or other governmental unit.

''(15) PROGRAM.—The term 'Program' means the Terrorism Insurance Program established by this title.

''(16) PROGRAM YEARS.—

''(A) TRANSITION PERIOD.—The term 'Transition Period' means the period beginning on the date of enactment of this Act and ending on December 31, 2002.

''(B) PROGRAM YEAR 1.—The term 'Program Year 1' means the period beginning on January 1, 2003 and ending on December 31, 2003.

''(C) PROGRAM YEAR 2.—The term 'Program Year 2' means the period beginning on January 1, 2004 and ending on December 31, 2004.

''(D) PROGRAM YEAR 3.—The term 'Program Year 3' means the period beginning on January 1, 2005 and ending on December 31, 2005.

''(E) PROGRAM YEAR 4.—The term 'Program Year 4' means the period beginning on January 1, 2006 and ending on December 31, 2006.

''(F) PROGRAM YEAR 5.—The term 'Program Year 5' means the period beginning on January 1, 2007 and ending on December 31, 2007.

''(G) ADDITIONAL PROGRAM YEAR.—The term 'additional Program Year' means any additional one-year period after Program Year 5 during which the Program is in effect, which period shall begin on January 1 and end on December 31 of the same calendar year.

''(17) PROPERTY AND CASUALTY INSURANCE.—The term 'property and casualty insurance'—

''(A) means commercial lines of property and casualty insurance, including excess insurance, workers' compensation insurance, and directors and officers liability insurance; and

''(B) does not include—

''(i) Federal crop insurance issued or reinsured under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), or any other type of crop or livestock insurance that is privately issued or reinsured;

''(ii) private mortgage insurance (as that term is defined in section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901)) or title insurance;

''(iii) financial guaranty insurance issued by monoline financial guaranty insurance corporations;

''(iv) insurance for medical malpractice;

''(v) health or life insurance, including group life insurance;

''(vi) flood insurance provided under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.);

''(vii) reinsurance or retrocessional reinsurance;

''(viii) commercial automobile insurance;

''(ix) burglary and theft insurance;

''(x) surety insurance; or

''(xi) professional liability insurance.

''(18) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(19) STATE.—The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States.

''(20) UNITED STATES.—The term 'United States' means the several States, and includes the territorial sea and the continental shelf of the United States, as those terms are defined in the Violent Crime Control and Law Enforcement Act of 1994 (18 U.S.C. 2280, 2281).

''(21) RULE OF CONSTRUCTION FOR DATES.—With respect to any reference to a date in this title, such day shall be construed—

''(A) to begin at 12:01 a.m. on that date; and

''(B) to end at midnight on that date.

''SEC. 103. TERRORISM INSURANCE PROGRAM.

''(a) ESTABLISHMENT OF PROGRAM.—

''(1) IN GENERAL.—There is established in the Department of the Treasury the Terrorism Insurance Program.

''(2) AUTHORITY OF THE SECRETARY.—Notwithstanding any other provision of State or Federal law, the Secretary shall administer the Program, and, subject only to subsection (h)(1), shall pay the Federal share of compensation for insured losses in accordance with subsection (e).

''(3) MANDATORY PARTICIPATION.—Each entity that meets the definition of an insurer under this title shall participate in the Program.

''(4) NBCR EXEMPTION FOR CERTAIN INSURERS.—Notwithstanding the requirements of paragraph (3):

''(A) ELIGIBILITY.—Upon request, the Secretary may provide an exemption from the requirements of subparagraph (B) of subsection (c)(1) in the Program to an entity that otherwise meets the definition of an insurer under this title if—

''(i) such insurer's direct earned premium is less than $50,000,000 in the calendar year immediately preceding the current additional Program Year; and

''(ii) the Secretary makes the determination set forth in subparagraph (D).

''(B) INSURER GROUP.—For purposes of subparagraph (A)(i), the direct earned premium of any insurer shall include the direct earned premiums of every affiliate of that insurer.

''(C) INFORMATION AND CONSULTATION.—Any insurer requesting an exemption pursuant to this paragraph shall provide any information the Secretary may require to establish its eligibility for the exemption. In developing standards for evaluating eligibility for the exemption under this paragraph, the Secretary shall consult with the NAIC.

''(D) DETERMINATION.—In making any determination regarding eligibility for exemption under this paragraph, the Secretary shall consult with the insurance commissioner of the State or other appropriate State regulatory authority where the insurer is domiciled and determine whether the insurer has demonstrated that it would become insolvent if it were required, in the event of an act of NBCR terrorism, to satisfy—

''(i) its deductible and maximum applicable share above the deductible pursuant to sections 102(11)(I) and 103(e)(1)(B), respectively, for such act of NBCR terrorism resulting in aggregate industry insured losses above the trigger established in section 103(e)(1)(C); or

''(ii) its maximum payment obligations for insured losses for such act of NBCR terrorism resulting in aggregate industry insured losses below the trigger established in section 103(e)(1)(C).

''(E) WORKERS' COMPENSATION AND OTHER COMPULSORY INSURANCE LAW.—In granting an exemption under this paragraph, the Secretary shall not approve any request for exemption with regard to State workers' compensation insurance or other compulsory insurance law requiring coverage of the risks described in subparagraph (B) of subsection (c)(1).

''(F) EXEMPTION PERIOD.—

''(i) IN GENERAL.—Any exemption granted to an insurer by the Secretary under this paragraph shall have a duration of not longer than 2 years.

''(ii) EXTENSION.—Notwithstanding clause (i), the Secretary may, upon application by an insurer granted an exemption under this paragraph, extend such exemption for additional periods of not longer than 2 years.

''(b) CONDITIONS FOR FEDERAL PAYMENTS.—No payment may be made by the Secretary under this section with respect to an insured loss that is covered by an insurer, unless—

''(1) there is enacted a joint resolution for payment of Federal compensation with respect to the act of terroism that resulted in the insured loss;

''(2) the person that suffers the insured loss, or a person acting on behalf of that person, files a claim with the insurer;

''(3) the insurer provides clear and conspicuous disclosure to the policyholder of the premium charged for insured losses covered by the Program (including the additional premium, if any, charged for the coverage for insured losses resulting from acts of NBCR terrorism as made available pursuant to subsection (c)(1)(B)) and the Federal share of compensation for insured losses under the Program—

''(A) in the case of any policy that is issued before the date of enactment of this Act, not later than 90 days after that date of enactment;

''(B) in the case of any policy that is issued within 90 days of the date of enactment of this Act, at the time of offer, purchase, and renewal of the policy; and

''(C) in the case of any policy that is issued more than 90 days after the date of enactment of this Act, on a separate line item in the policy, at the time of offer, purchase, and renewal of the policy;

''(4) the insurer processes the claim for the insured loss in accordance with appropriate business practices, and any reasonable procedures that the Secretary may prescribe; and

''(5) the insurer submits to the Secretary, in accordance with such reasonable procedures as the Secretary may establish—

''(A) a claim for payment of the Federal share of compensation for insured losses under the Program;

''(B) written certification—

''(i) of the underlying claim; and

''(ii) of all payments made for insured losses; and

''(C) certification of its compliance with the provisions of this subsection.

''(c) MANDATORY AVAILABILITY.—

''(1) AVAILABILITY OF COVERAGE FOR INSURED LOSSES.—Subject to paragraph (3), during each Program Year, each entity that meets the definition of an insurer under section 102 shall make available—

''(A) in all of its insurance policies for covered lines, coverage for insured losses that does not differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism; and

''(B) in insurance policies for covered lines for which the coverage described in subparagraph (A) is provided, exceptions to the pollution and nuclear hazard exclusions of such policies that render such exclusions inapplicable only as to insured losses arising from acts of NBCR terrorism.

''(2) ALLOWABLE EXCLUSIONS IN OTHER COVERAGE.—Subject to paragraph (3) and notwithstanding any other provision of Federal or State law, including any State workers' compensation and other compulsory insurance law, if a person elects not to purchase an insurance policy with the coverage described in paragraph (1)—

''(A) an insurer may exclude coverage for all losses from acts of terrorism including acts of NBCR terrorism, except for State workers' compensation and other compulsory insurance law requiring coverage of the risks described in subsection (c)(1) (unless permitted by State law); or

''(B) an insurer may offer other options for coverage that differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism;

except that nothing in this paragraph shall affect paragraph (4).

''(3) APPLICABILITY FOR NBCR TERRORISM.—Notwithstanding any other provision of this Act, paragraphs (1)(B) and (2) shall apply, beginning upon January 1, 2009, with respect to coverage for acts of NBCR terrorism, that is purchased or renewed on or after such date.

''(4) AVAILABILITY OF LIFE INSURANCE WITHOUT REGARD TO LAWFUL FOREIGN TRAVEL.—During each Program Year, each entity that meets the definition of an insurer under section 102 shall make available, in all of its life insurance policies issued after the date of the enactment of the Terrorism Risk Insurance Revision and Extension Act of 2007 under which the insured person is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States, coverage that neither considers past, nor precludes future, lawful foreign travel by the person insured, and shall not decline such coverage based on past or future, lawful foreign travel by the person insured or charge a premium for such coverage that is excessive and not based on a good faith actuarial analysis, except that an insurer may decline or, upon inception or renewal of a policy, limit the amount of coverage provided under any life insurance policy based on plans to engage in future lawful foreign travel to occur within 12 months of such inception or renewal of the policy but only if, at time of application—

''(A) such declination is based on, or such limitation applies only with respect to, travel to a foreign destination—

''(i) for which the Director of the Centers for Disease Control and Prevention of the Department of Health and Human Services has issued a highest level alert or warning, including a recommendation against non-essential travel, due to a serious health-related condition;

''(ii) in which there is an ongoing military conflict involving the armed forces of a sovereign nation other than the nation to which the insured person is traveling; or

''(iii)(I) that the insurer has specifically designated in the terms of the life insurance policy at the inception of the policy or at renewal, as applicable; and

''(II) with respect to which the insurer has made a good-faith determination that—

''(aa) a serious unlawful situation exists which is ongoing; and

''(bb) the credibility of information by which the insurer can verify the death of the insured person is compromised; and

''(B) in the case of any limitation of coverage, such limitation is specifically stated in the terms of the life insurance policy at the inception of the policy or at renewal, as applicable.

''(d) STATE RESIDUAL MARKET INSURANCE ENTITIES.—

''(1) IN GENERAL.—The Secretary shall issue regulations, as soon as practicable after the date of enactment of this Act, that apply the provisions of this title to State residual market insurance entities and State workers' compensation funds.

''(2) TREATMENT OF CERTAIN ENTITIES.—For purposes of the regulations issued pursuant to paragraph (1)—

''(A) a State residual market insurance entity that does not share its profits and losses with private sector insurers shall be treated as a separate insurer; and

''(B) a State residual market insurance entity that shares its profits and losses with private sector insurers shall not be treated as a separate insurer, and shall report to each private sector insurance participant its share of the insured losses of the entity, which shall be included in each private sector insurer's insured losses.

''(3) TREATMENT OF PARTICIPATION IN CERTAIN ENTITIES.—Any insurer that participates in sharing profits and losses of a State residual market insurance entity shall include in its calculations of premiums any premiums distributed to the insurer by the State residual market insurance entity.

''(e) INSURED LOSS SHARED COMPENSATION.—

''(1) FEDERAL SHARE.—

''(A) CONVENTIONAL TERRORISM.—Except as provided in subparagraph (B), the Federal share of compensation under the Program to be paid by the Secretary subject to subsection (h)(1), for insured losses of an insurer during any additional Program Year shall be equal to the sum of—

''(i) 85 percent of that portion of the amount of such insured losses that—

''(I) exceeds the applicable insurer deductible required to be paid during such Program Year; and

''(II) based upon pro rata determinations pursuant to paragraph (2)(B), does not result in aggregate industry insured losses during such Program Year exceeding $100,000,000,000; and

''(ii) 100 percent of the insured losses of the insurer that, based upon pro rata determinations pursuant to paragraph (2)(B), result in aggregate industry insured losses during such Program Year exceeding $100,000,000,000, up to the limit under paragraph (2)(A).

''(B) NBCR TERRORISM.—

''(i) AMOUNT OF COMPENSATION.—The Federal share of compensation under the Program to be paid by the Secretary for insured losses of an insurer resulting from NBCR terrorism during any additional Program Year shall be equal to the sum of—

''(I) the amount of qualified NBCR losses (as such term is defined in clause (ii)) of the insurer, multiplied by a percentage based on the aggregate industry qualified NBCR losses for the Program Year, which percentage shall be—

''(aa) 85 percent of such aggregate industry qualified NBCR losses of less than $10,000,000,000;

''(bb) 87.5 percent of such aggregate industry qualified NBCR losses between $10,000,000,000 and $20,000,000,000;

''(cc) 90 percent of such aggregate industry qualified NBCR losses between $20,000,000,000 and $40,000,000,000;

''(dd) 92.5 percent of such aggregate industry qualified NBCR losses of between $40,000,000,000 and $60,000,000,000; and

''(ee) 95 percent of such aggregate industry qualified NBCR losses of more than $60,000,000,000;

and shall be prorated per insurer based on each insurer's percentage of the aggregate industry qualified NBCR losses for such additional Program Year; and

''(II) 100 percent of the insured losses of the insurer resulting from NBCR terrorism that, based upon pro rata determinations pursuant to paragraph (2)(B), result in aggregate industry insured losses during such Program Year exceeding $100,000,000,000, up to the limit under paragraph (2)(A).

''(ii) QUALIFIED NBCR LOSSES.—For purposes of this subparagraph, the term 'qualified NBCR losses' means, with respect to insured losses of an insurer resulting from NBCR terrorism during an additional Program Year, that portion of the amount of such insured losses that—

''(I) exceeds the applicable insurer deductible required to be paid during such Program Year; and

''(II) based upon pro rata determinations pursuant to paragraph (2)(B), does not result in aggregate industry insured losses during such Program Year exceeding $100,000,000,000.

''(C) PROGRAM TRIGGER.—In the case of a certified act of terrorism occurring after March 31, 2006, no compensation shall be paid, pursuant to subsection (h)(1), by the Secretary under subsection (a), unless the aggregate industry insured losses resulting from such certified act of terrorism exceed $50,000,000, except that if a certified act of terrorism occurs for which resulting aggregate industry insured losses exceed $1,000,000,000, the applicable amount for any subsequent certified act of terrorism shall be the amount specified in section 102(1)(B)(ii).

''(D) LIMITATION ON COMPENSATION FOR GROUP LIFE INSURANCE.—Notwithstanding any other provision of this Act, the Federal share of compensation under the Program paid, pursuant to subsection (h)(1), by the Secretary for insured losses of an insurer resulting from coverage of any single certificate holder under any group life insurance coverages of the insurer may not during any additional Program Year exceed $1,000,000.

''(E) PROHIBITION ON DUPLICATIVE COMPENSATION.—The Federal share of compensation for insured losses under the Program shall be reduced by the amount of compensation provided by the Federal Government to any person under any other Federal program for those insured losses.

''(2) CAP ON ANNUAL LIABILITY.—

''(A) IN GENERAL.—Notwithstanding paragraph (1) or any other provision of Federal or State law, including any State workers' compensation or other compulsory insurance law, if the aggregate amount of the Federal share of compensation to be paid to all insurers pursuant to paragraph (1) exceeds $100,000,000,000, during any additional Program Year (until such time as the Congress may act otherwise with respect to such losses)—

''(i) the Secretary shall not make any payment under this title for any portion of the amount of the aggregate insured losses during such Program Year for which the Federal share exceeds $100,000,000,000; and

''(ii) no insurer that has met its insurer deductible shall be liable for the payment of any portion of the aggregate insured losses during such Program Year that exceeds $100,000,000,000.

''(B) INSURER SHARE.—For purposes of subparagraph (A), the Secretary shall determine the pro rata share of insured losses to be paid by each insurer that incurs insured losses under the Program.

''(C) CLAIMS ALLOCATIONS.—The Secretary shall, by regulation, provide for insurers to allocate claims payments for insured losses under applicable insurance policies in any case described in subparagraph (A). Such regulations shall include provisions for payment, for the purpose of addressing emergency needs of applicable individuals affected by an act of terrorism, of a portion of claims for insured losses promptly upon filing of such claims.

''(3) LIMITATION ON INSURER FINANCIAL RESPONSIBILITY.—

''(A) LIMITATION.—Notwithstanding any other provision of Federal or State law, including any State workers' compensation or other compulsory insurance law, an insurer's financial responsibility for insured losses from acts of terrorism shall be limited as follows:

''(i) FEDERAL COMPENSATION NOT PROVIDED.—In any case of an act of terrorism with respect to which there has not been enacted a joint resolution for payment of Federal compensation described in subsection (h)(2), an insurer's financial responsbility for insured losses from such act of terrorism shall be limited to its applicable insurer deductible.

''(ii) FEDERAL COMPENSATION PROVIDED.—In any case of an act of terrorism with respect to which there has been enacted a joint resolution for payment of Federal compensation described in subsection (h)(2), an insurer's financial responsbility for insured losses from such act of terrorism shall be limited to—

''(I) its applicable insurer deductible; and

''(II) its applicable share of insured losses that exceed its applicable insurer deductible, subject to the requirements of paragraph (2).

''(B) FEDERAL REIMBURSEMENT.—''In the case of any act of terrorism with respect to which there has been enacted a joint resolution for payment of Federal compensation described in subsection (h)(2) and notwithstanding any other provision of Federal or State law, the Secretary shall—

''(i) reimburse insurers for any payment of excess insured losses made prior to publication of any notification pursuant to paragraph (4)(A);

''(ii) reimburse insurers for any payment of excess insured losses occurring on or after the date of any notification pursuant to paragraph (4)(A), but only to the extent that—

''(I) such payment is ordered by a court pursuant to subparagraph (C) of this paragraph or is directed by State law, notwithstanding this paragraph, or by Federal law;

''(II) such payment is limited to compensating insurers for their payment of excess insured losses and does not include punitive damages, or litigation or other costs; and

''(III) the insurer has made a good-faith effort to defend against any claims for such payment; and

''(iii) have the right to intervene in any legal proceedings relating to such claims specified in clause (ii)(III).

''(C) FEDERAL COURT JURISDICTION.—

''(i) CONDITIONS.—All claims relating to or arising out of an insurer's financial responsibility for insured losses from acts of terrorism under this paragraph shall be within the original and exclusive jurisdiction of the district courts of the United States, in accordance with the procedures established in subparagraph (D), if the Secretary certifies that the following conditions have been met, or that there is a reasonable likelihood that the following conditions may be met:

''(I) The aggregate amount of the Federal share of compensation to be paid to all insurers pursuant to paragraph (1) exceeds $100,000,000,000, pursuant to paragraph (2); and

''(II) the insurer has paid its applicable insurer deductible and its pro rata share of insured losses determined pursuant to paragraph (2)(B).

''(ii) REMOVAL OF STATE COURT ACTIONS.—If the Secretary certifies that conditions set forth in subclauses (I) and (II) of clause (i) have been met, all pending State court actions that relate to or arise out of an insurer's financial responsibility for insured losses from acts of terrorism under this paragraph shall be removed to a district court of the United States in accordance with subparagraph (D).

''(D) VENUE.—For each certification made by the Secretary pursuant to subparagraph (C)(i), not later than 90 days after the Secretary's determination the Judicial Panel on Multidistrict Litigation shall designate one district court or, if necessary, multiple district courts of the United States that shall have original and exclusive jurisdiction over all actions for any claim relating to or arising out of an insurer's financial responsibility for insured losses from acts of terrorism under this paragraph.

''(E) FEDERAL COURT JURISDICTION AND VENUE IN CASES OF NO FEDERAL COMPENSATION.—In the case of any act of terrorism with respect to which there has not been enacted a joint resolution for payment of Federal compensation described in subsection (h)(2)—

''(i) all claims relating to or arising out of an insurer's financial responsbility for insured losses from such act of terrorism shall be within the original and exclusive jurisdiction of the district courts of the United States, in accordance with the procedures established in clause (iii);

''(ii) all pending State court actions that relate to or arise out of an insurer's financial responsbility for insured losses from such act of terrorism shall be removed to a district court of the United States in accordance with clause (iii); and

''(iii) not later than 90 days after the Secretary's certification of such act of terrorism, the Judicial Panel on Multidistrict Litigation shall designate one district court or, if necessary, multiple district courts of the United States that shall have original and exclusive jurisdiction over all actions for any claim relating to or arising out of an insurer's financial responsibility for insured losses from such act of terrorism.

''(4) NOTICES REGARDING LOSSES AND ANNUAL LIABILITY CAP.—

''(A) APPROACHING CAP.—If the Secretary determines estimated or actual aggregate Federal compensation to be paid pursuant to paragraph (1) equals or exceeds $80,000,000,000 during any Program Year, the Secretary shall promptly provide notification in accordance with subparagraph (D)—

''(i) of such estimated or actual aggregate Federal compensation to be paid;

''(ii) of the likelihood that such aggregate Federal compensation to be paid for such Program Year will equal or exceed $100,000,000,000; and

''(iii) that, pursuant to paragraph (2)(A)(ii), insurers are not required to make payments of excess insured losses.

''(B) EVENT LIKELY TO CAUSE LOSSES TO EXCEED CAP.—If any act of terrorism occurs that the Secretary determines is likely to cause estimated or actual aggregate Federal compensation to be paid pursuant to paragraph (1) to exceed $100,000,000,000 during any Program Year, the Secretary shall, not later than 10 days after such act, provide notification in accordance with subparagraph (D)—

''(i) of such estimated or actual aggregate Federal compensation to be paid; and

''(ii) that, pursuant to paragraph (2)(A)(ii), insurers are not required to make payments for excess insured losses.

''(C) EXCEEDING CAP.—If the Secretary determines estimated or actual aggregate Federal compensation to be paid pursuant to paragraph (1) equals or exceeds $100,000,000,000 during any Program Year—

''(i) the Secretary shall promptly provide notification in accordance with subparagraph (D)—

''(I) of such estimated or actual aggregate Federal compensation to be paid; and

''(II) that, pursuant to paragraph (2)(A)(ii), insurers are not required to make payments for excess insured losses unless the Congress provides for payments for excess insured losses pursuant to clause (ii) of this subparagraph; and

''(ii) the Congress shall determine the procedures for and the source of any payments for such excess insured losses.

''(D) PARTIES NOTIFIED.—Notification is provided in accordance with this subparagraph only if notification is provided—

''(i) to the Congress, in writing; and

''(ii) to insurers, by causing such notice to be published in the Federal Register.

''(E) DETERMINATIONS.—The Secretary shall make determinations regarding estimated and actual aggregate Federal compensation to be paid promptly after any act of terrorism as may be necessary to comply with this paragraph.

''(F) MANDATORY DISCLOSURE FOR INSURANCE CONTRACTS.—All policies for property and casualty insurance and group life insurance shall be deemed to contain a provision to the effect that, in the case of any act of terrorism with respect to which there has been enacted a joint resolution for payment of Federal compensation described in subsection (h)(2), no insurer that has met its applicable insurer deductible and its applicable share of insured losses that exceed its applicable insurer deductible but are not compensated pursuant to paragraph (1), shall be obligated to pay for any portion of excess insured loss. Notwithstanding the preceding sentence, insurers shall include a disclosure in their policies detailing the maximum level of Government

assistance and the applicable insurer share. ''All policies for property and casualty insurance and group life insurance shall be deemed to contain, and insurers shall be permitted to include in their policies, a provision to the effect that, in the case of insured losses resulting from any act of terrorism with respect to which there has not been enacted a joint resolution for payment of Federal compensation described in subsection (h)(2), no insurer shall be obligated to pay for any portion of any such insured losses that exceeds its applicable insurer deductible.

''(5) FINAL NETTING.—The Secretary shall have sole discretion to determine the time at which claims relating to any insured loss or act of terrorism shall become final.

''(6) DETERMINATIONS FINAL.—Any determination of the Secretary under this subsection shall be final, unless expressly provided, and shall not be subject to judicial review.

''(7) INSURANCE MARKETPLACE AGGREGATE RETENTION AMOUNT.—For purposes of paragraph (8), the insurance marketplace aggregate retention amount shall be—

''(A) for the period beginning on the first day of the Transition Period and ending on the last day of Program Year 1, the lesser of—

''(i) $10,000,000,000; and

''(ii) the aggregate amount, for all insurers, of insured losses during such period;

''(B) for Program Year 2, the lesser of—

''(i) $12,500,000,000; and

''(ii) the aggregate amount, for all insurers, of insured losses during such Program Year;

''(C) for Program Year 3, the lesser of—

''(i) $15,000,000,000; and

''(ii) the aggregate amount, for all insurers, of insured losses during such Program Year;

''(D) for Program Year 4, the lesser of—

''(i) $25,000,000,000; and

''(ii) the aggregate amount, for all insurers, of insured losses during such Program Year;

''(E) for Program Year 5, the lesser of—

''(i) $27,500,000,000; and

''(ii) the aggregate amount, for all insurers, of insured losses during such Program Year; and

''(F) for each additional Program Year—

''(i) for property and casualty insurance, the lesser of—

''(I) $27,500,000,000; and

''(II) the aggregate amount, for all such insurance, of insured losses during such Program Year; and

''(ii) for group life insurance, the lesser of—

''(I) $5,000,000,000; and

''(II) the aggregate amount, for all such insurance, of insured losses during such Program Year.

''(8) RECOUPMENT OF FEDERAL SHARE.—

''(A) MANDATORY RECOUPMENT AMOUNT.—For purposes of this paragraph, the mandatory recoupment amount for each of the Program Years referred to in subparagraphs (A) through (F) of paragraph (7) shall be the difference between—

''(i) the applicable insurance marketplace aggregate retention amount under paragraph (7) for such Program Year; and

''(ii) the aggregate amount, for all applicable insurers (pursuant to subparagraph (E)), of insured losses during such Program Year that are not compensated by the Federal Government because such losses—

''(I) are within the insurer deductible for the insurer subject to the losses; or

''(II) are within the portion of losses of the insurer that exceed the insurer deductible, but are not compensated pursuant to paragraph (1).

''(B) NO MANDATORY RECOUPMENT IF UNCOMPENSATED LOSSES EXCEED APPLICABLE INSURANCE MARKETPLACE RETENTION.—Notwithstanding subparagraph (A), if the aggregate amount of uncompensated insured losses referred to in clause (ii) of such subparagraph for any Program Year referred to in any of subparagraphs (A) through (F) of paragraph (7) is greater than the applicable insurance marketplace aggregate retention amount under paragraph (7) for such Program Year, the mandatory recoupment amount shall be $0.

''(C) MANDATORY ESTABLISHMENT OF SURCHARGES TO RECOUP MANDATORY RECOUPMENT AMOUNT.—The Secretary shall collect, for repayment of the Federal financial assistance provided in connection with all acts of terrorism (or acts of war, in the case of workers' compensation) occurring during any of the Program Years referred to in any of subparagraphs (A) through (F) of paragraph (7), terrorism loss risk-spreading premiums in an amount equal to any mandatory recoupment amount for such Program Year.

''(D) DISCRETIONARY RECOUPMENT OF REMAINDER OF FINANCIAL ASSISTANCE.—To the extent that the amount of Federal financial assistance provided exceeds any mandatory recoupment amount, the Secretary may—

''(i) recoup, through terrorism loss risk-spreading premiums, such additional amounts; or

''(ii) submit a report to the Congress identifying such amounts that the Secretary believes cannot be recouped, based on—

''(I) the ultimate costs to taxpayers of no additional recoupment;

''(II) the economic conditions in the commercial marketplace, including the capitalization, profitability, and investment returns of the insurance industry and the current cycle of the insurance markets;

''(III) the affordability of commercial insurance for small- and medium-sized businesses; and

''(IV) such other factors as the Secretary considers appropriate.

''(E) SEPARATE RECOUPMENT.—''The Secretary shall provide that—

''(i) any recoupment under this paragraph of amounts paid for Federal financial assistance for insured losses for property and casualty insurance shall be applied to property and casualty insurance policies; and

''(ii) any recoupment under this paragraph of amounts paid for Federal financial assistance for insured losses for group life insurance shall be applied to group life insurance policies.

''(9) POLICY SURCHARGE FOR TERRORISM LOSS RISK-SPREADING PREMIUMS.—

''(A) POLICYHOLDER PREMIUM.—Subject to paragraph (8)(E), any amount established by the Secretary as a terrorism loss risk-spreading premium shall—

''(i) be imposed as a policyholder premium surcharge on property and casualty insurance policies and group life insurance policies in force after the date of such establishment;

''(ii) begin with such period of coverage during the year as the Secretary determines appropriate; and

''(iii) be based on—

''(I) a percentage of the premium amount charged for property and casualty insurance coverage under the policy; and

''(II) a percentage of the amount at risk for group life insurance coverage under the policy.

''(B) COLLECTION.—The Secretary shall provide for insurers to collect terrorism loss risk-spreading premiums and remit such amounts collected to the Secretary.

''(C) PERCENTAGE LIMITATION.—A terrorism loss risk-spreading premium may not exceed, on an annual basis—

''(i) with respect to property and casualty insurance, the amount equal to 3 percent of the premium charged under the policy; and

''(ii) with respect to group life insurance, the amount equal to 0.0053 percent of the amount at risk under the policy.

''(D) ADJUSTMENT FOR URBAN AND SMALLER COMMERCIAL AND RURAL AREAS AND DIFFERENT LINES OF INSURANCE.—

''(i) ADJUSTMENTS.—In determining the method and manner of imposing terrorism loss risk-spreading premiums, including the amount of such premiums, the Secretary shall take into consideration—

''(I) the economic impact on commercial centers of urban areas, including the effect on commercial rents and commercial insurance premiums, particularly rents and premiums charged to small businesses, and the availability of lease space and commercial insurance within urban areas;

''(II) the risk factors related to rural areas and smaller commercial centers, including the potential exposure to loss and the likely magnitude of such loss, as well as any resulting cross-subsidization that might result; and

''(III) the various exposures to terrorism risk for different lines of insurance.

''(ii) RECOUPMENT OF ADJUSTMENTS.—Any mandatory recoupment amounts not collected by the Secretary because of adjustments under this subparagraph shall be recouped through additional terrorism loss risk-spreading premiums.

''(E) TIMING OF PREMIUMS.—The Secretary may adjust the timing of terrorism loss risk-spreading premiums to provide for equivalent application of the provisions of this title to policies that are not based on a calendar year, or to apply such provisions on a daily, monthly, or quarterly basis, as appropriate.

''(f) CAPTIVE INSURERS AND OTHER SELF-INSURANCE ARRANGEMENTS.—The Secretary may, in consultation with the NAIC or the appropriate State regulatory authority, apply the provisions of this title, as appropriate, to other classes or types of captive insurers and other self-insurance arrangements by municipalities and other entities (such as workers' compensation self-insurance programs and State workers' compensation reinsurance pools), but only if such application is determined before the occurrence of an act of terrorism in which such an entity incurs an insured loss and all of the provisions of this title are applied comparably to such entities.

''(g) REINSURANCE TO COVER EXPOSURE.—

''(1) OBTAINING COVERAGE.—This title may not be construed to limit or prevent insurers from obtaining reinsurance coverage for insurer deductibles or insured losses retained by insurers pursuant to this section, nor shall the obtaining of such coverage affect the calculation of such deductibles or retentions.

''(2) LIMITATION ON FINANCIAL ASSISTANCE.—The amount of financial assistance provided pursuant to this section shall not be reduced by reinsurance paid or payable to an insurer from other sources, except that recoveries from such other sources, taken together with financial assistance for the Transition Period or a Program Year provided pursuant to this section, may not exceed the aggregate amount of the insurer's insured losses for such period. If such recoveries and financial assistance for the Transition Period or a Program Year exceed such aggregate amount of insured losses for that period and there is no agreement between the insurer and any reinsurer to the contrary, an amount in excess of such aggregate insured losses shall be returned to the Secretary.

''(h) PRIVILEDGED PROCEDURE FOR JOINT RESOLUTION FOR PAYMENT OF FEDERAL COMPENSATION.—

''(1) IN GENERAL.—The Secretary shall pay the Federal share of compensation under the Program for insured losses resulting from an act of terrorism only if there is enacted a joint resolution for payment of Federal compensation with respect to such act of terrorism.

''(2) JOINT RESOLUTION.—For purposes of this subsection, the term 'joint resolution for payment of Federal compensation' means a joint resolution that—

''(A) does not have a preamble;

''(B) the matter after the resolving clause of which is as follows: 'That the Congress approves of the certification by the Secretary of the Treasury under section 102(1)(A) of the Terrorism Risk Insurance Act of 2002.'; and

''(C) the title of which is as follows: 'To permit Federal compensation under the Terrorism Risk Insurance Act of 2002'.

''(3) INTRODUCTION AND REFERRAL.—Upon receipt of a submission under section 102(1)(G), the joint resolution described in this subsection shall be introduced by the majority leader of each House or his designee (by request). In the case in which a House is not in session, such joint resolution shall be so introduced upon convening the first day of session after the date of receipt of the certification. Upon introduction, the joint resolution shall be referred to the appropriate calendar in each House.

''(4) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

''(A) PROCEEDING TO CONSIDERATION.—Upon referral to the appropriate calendar, it shall be in order to move to proceed to consider the joint resolution in the House. Such a motion shall be in order only at a time designated by the Speaker in the legislative schedule within two legislative days. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

''(B) CONSIDERATION.—The joint resolution shall be considered as read. All points of order against teh joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to its passage without intervening motion except one hour of debate equally divided and controlled by a proponent and an opponent and one motion to limit debate on the joint resolution. A motion to reconsider the vote on passage of the joint resolution shall not be in order.

''(5) CONSIDERATION IN THE SENATE.—

''(A) PROCEEDING.—Upon introduction, the joint resolution shall be placed on the Calendar of Business, General Orders. A motion to proceed to the consideration of the joint resolution shall be in order at any time. The motion is privileged and not debatable. A motion to proceed to consideration of the joint resolution may be made even though a previous motion to the same effect has been disagreed to. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to.

''(B) DEBATE.—Debate on the joint resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours. The time shall be equally divided between and controlled by, the majority leader and the minority leader or their designees.

''(C) DEBATABLE MOTIONS AND APPEALS.—Debate on any debatable motion or appeal in relation to the joint resolution shall be limited to not more than one hour from the time allotted for debate, equally divided and controlled by the majority leader and the minirity leader or their designees.

''(D) MOTION TO LIMIT DEBATE.—A motion to further limit debate is not debatable.

''(E) MOTION TO RECOMMIT.—Any motion to commit or recommit the joint resolution shall not be in order.

''(F) FINAL PASSAGE.—The Chair shall put the question on final passage of the joint resolution no later than 72 hours from the time the measure is introduced.

''(6) AMENDMENTS PROHIBITED.—No amendment to, or motion to strike a provision from, a joint resolution considered under this subsection shall be in order in either the Senate or the House of Representatives.

''(7) CONSIDERATION BY THE OTHER HOUSE.—In the case of a joint resolution described in this subsection, if before passage by one House of a joint resolution of that House, that House receives such joint resolution from the other House, then—

''(A) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

''(B) the vote on final passage shall be on the joint resolution of the other House.

''(8) HOUSE AND SENATE RULEMAKING.—This subsection is enacted by the Congress as an exercise of the rulemaking power of the house of Representatives and Senate, respectively, and as such is deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such rules; and with full recognition of the consitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.'';

(2) in section 104(a)—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period and inserting ''; and''; and

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

''(3) during the 90-day period beginning upon the certification of any act of terrorism, to issue such regulations as the Secretary considers necessary to carry out this Act without regard to the notice and comment provisions of section 553 of title 5, United States Code.'';

(3) in section 104, by adding at the end the following new subsection:

''(h) ANNUAL ADJUSTMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary shall adjust, for the second additional Program Year and for each additional Program Year thereafter, based upon the percentage change in an appropriate index during the 12-month period preceding such Program Year, each of the following amounts (as such amount may have been previously adjusted):

''(A) The dollar amount in section 102(1)(B)(ii) (relating to act of terrorism).

''(B) The dollar amount in section 102(11)(J) (relating to aggregate industry insured losses in a previously impacted area).

''(C) The dollar amounts in subparagraphs (A) and (B) of section 103(e)(1) (relating to limitation on Federal share).

''(D) The dollar amounts in section 103(e)(1)(C) (relating to Program trigger).

''(E) The dollar amount in section 103(e)(1)(D) (relating to limitation on group life insurance compensation).

''(F) The dollar amounts in section 103(e)(2) (relating to cap on annual liability).

''(G) The dollar amounts in section 103(e)(3)(C) (relating to limitation on insurer financial liability).

''(H) The dollar amounts in section 103(e)(4) (relating to notices regarding losses and annual liability cap).

''(I) The dollar amounts in section 103(e)(7) (relating to insurance marketplace aggregate retention amount).

''(J) The dollar amounts in section 109(b)(1)(C) (relating to membership of Commission on Terrorism Insurance Risk).

''(2) PUBLICATION.—The Secretary shall make the dollar amounts for each additional Program Year, as adjusted pursuant to this subsection, publicly available in a timely manner.'';

(4) in section 106(a)(2)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) by redesignating subparagraph (C) as subparagraph (F); and

(C) by inserting after subparagraph (B) the following new subparagraphs:

''(C) during the period beginning on the date of the enactment of the Terrorism Risk Insurance Revision and Extension Act of 2007 and ending on December 31, 2008, rates and forms for property and casualty insurance, and group life insurance, required by this title and providing coverage except for NBCR terrorism that are filed with any State shall not be subject to prior approval or a waiting period under any law of a State that would otherwise be applicable, except that nothing in this title affects the ability of any State to invalidate a rate as excessive, inadequate, or unfairly discriminatory, and, with respect to forms, where a State has prior approval authority, it shall apply to allow subsequent review of such forms;

''(D) during the period beginning on the date of the enactment of the Terrorism Risk Insurance Revision and Extension Act of 2007, and ending on December 31, 2009, forms for property and casualty insurance, and group life insurance, covered by this title and providing coverage for NBCR terrorism that are filed with any State, to the extent of the addition of such coverage for NBCR terrorism and where such coverage was not previously required, shall not be subject to prior approval or waiting period under any law of a State that would otherwise be applicable;

''(E) during the period beginning on the date of the enactment of the Terrorism Risk Insurance Revision and Extension Act of 2007, and ending on December 31, 2010, rates for property and casualty insurance, and group life insurance, covered by this title and providing coverage for NBCR terrorism that are filed with any State, to the extent of the addition of such coverage for NBCR terrorism and where such coverage was not previously required, shall not be subject to prior approval or waiting period under any law of a State that would otherwise be applicable, except that nothing in this title affects the ability of any State to invalidate a rate as inadequate or unfairly discriminatory; and'';

(5) in section 106, by adding at the end the following new subsection:

''(c) RULE OF CONSTRUCTION REGARDING INSURER COORDINATION.—Nothing in this Act shall be construed to prohibit, restrict, or otherwise limit an insurer from entering into an arrangement with another insurer to make available coverage for any portion of insured losses to fulfill the requirements of section 103(c). The Secretary shall develop, in consultation with the NAIC, minimum financial solvency standards and other standards the Secretary determines appropriate with respect to such arrangements. Nothing in this subsection shall be construed to establish any legal partnership.''; and

(6) in section 108(c)(1), by striking ''paragraph (4), (5), (6), (7), or (8)'' and inserting ''paragraph (5), (6), (7), (8), or (9)''.

(b) REGULATIONS ON CLAIMS ALLOCATIONS.—The Secretary of the Treasury shall issue the regulations referred to in subparagraph (C) of section 103(e)(2) of the Terrorism Risk Insurance Act of 2002, as amended by subsection (a)(1) of this section, and to carry out subparagraph (B) of such section 103(e)(2), not later than the expiration of the 120-day period beginning upon the date of the enactment of this Act.

(c) REGULATIONS ON NBCR EXEMPTIONS.—The Secretary of the Treasury shall issue the regulations to carry out paragraph (4) of section 103(a) of the Terrorism Risk Insurance Act of 2002, as amended by subsection (a)(1) of this section, not later than the expiration of the 180-day period beginning upon the date of the enactment of this Act.

SEC. 4. TERRORISM BUY-DOWN FUND.

The Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) by inserting after section 106 the following new section:

''SEC. 106A. TERRORISM BUY-DOWN FUND.

''(a) ESTABLISHMENT.—The Secretary shall establish a Terrorism Buy-Down Fund (in this section referred to as the 'Fund') that shall make available additional terrorism coverage for the insured losses of insurers, which shall be available for purchase by insurers on a voluntary basis.

''(b) PURCHASE OF DEDUCTIBLE, CO-SHARE, AND TRIGGER BUY-DOWN COVERAGE.—

''(1) IN GENERAL.—An insurer may purchase deductible, co-share, and pre-trigger buy-down coverage (in this section referred to as 'buy-down coverage') through the Fund by making an election, in advance, to treat some or all of

the premiums it has disclosed pursuant to section 106(b)(3) as fee charges for the Program imposed by the Secretary and remitting such amounts to the Fund.

''(2) LIMITS.—An insurer may not purchase buy-down coverage in an amount greater than the lesser of—

''(A) the highest amount specified in section 103(e)(1)(C); and

''(B) the insurer's one-in-one-hundred-year risk exposure to acts of terrorism.

''(c) BUY-DOWN COVERAGE.—The Fund shall provide the buy-down coverage to an insurer for losses for acts of terrorism, without application of the insurer deductible and in addition to any otherwise payable Federal share of compensation pursuant to section 103(e).

''(d) BUILD-UP.—The buy-down coverage that shall be payable to an insurer for qualifying losses shall be the aggregate of the insurer's buy-down coverage premiums plus interest accrued on such amounts.

''(e) USE BY INSURERS.—

''(1) QUALIFYING LOSSES.—For the purpose of this section, qualifying losses are insured losses by an insurer that are not excess losses and that do not include amounts for which Federal financial assistance pursuant to section 103(e) is received, notwithstanding any limits otherwise applicable regarding section 103(e)(1)(C) (regarding program triggers) or section 102(11) (regarding insurer deductibles).

''(2) USE OF BUY-DOWN COVERAGE.—An insurer may use any buy-down coverage payments received under subsection (f) to satisfy—

''(A) the applicable insurer deductibles for the insurer;

''(B) the portion of the insurer's losses that exceed the insurer deductible but are not compensated by the Federal share; and

''(C) the insurer's obligations to pay for insured losses if the Program trigger under section 103(e)(1)(C) is not satisfied.

''(3) BUY-DOWN COVERAGE DOES NOT REDUCE FEDERAL CO-SHARE.—The receipt by an insurer of buy-down coverage under this section for insured losses shall not be considered with respect to calculating the insurer's insured losses with respect to the insurer's deductible and eligibility for Federal financial assistance pursuant to section 103(e).

''(4) INSOLVENCY.—An insurer may sell its rights to buy-down coverage from the Fund to another insurer as part of or to avoid an insolvency or as part of a merger, sale, or major reorganization.

''(f) PAYMENT OF BUY-DOWN COVERAGE.—The Fund shall pay the qualifying losses of an insurer purchasing buy-down coverage up to the amount described in subsection (d).

''(g) GOVERNMENT BORROWING.—The Secretary may borrow the funds from the Fund to offset, in whole or in part, the Federal share of compensation provided to all insurers under the Program, except that—

''(1) the Fund shall always immediately provide any buy-down coverage payments required under subsection (f); and

''(2) any such amounts borrowed must be replenished with appropriate interest.

''(h) RISK-SHARING MECHANISMS.—The Secretary shall establish voluntary risk-sharing mechanisms for insurers purchasing buy-down coverage from the Fund to pool their reinsurance purchases and otherwise share terrorism risk.

''(i) TERMINATION.—Upon termination of the Program under section 108, and subject to the Secretary's continuing authority under section 108(b) to adjust claims in satisfaction under the Program, the Secretary shall provide that the Fund shall become a privately-operated mutual terrorism reinsurance company owned by the insurers that have submitted buy-down coverage premiums in proportion to such premiums minus any buy-down coverage payments received.''; and

(2) in the table of contents in section 1(b), by inserting after the item relating to section 106 the following new item:

''Sec. 106A. Terrorism Buy-Down Fund.''.

SEC. 5. ANALYSIS AND STUDY.

(a) ANALYSIS OF MARKET CONDITIONS.—Section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking subsection (e) and inserting the following:

''(e) ANALYSIS OF MARKET CONDITIONS FOR TERRORISM RISK INSURANCE.—

''(1) IN GENERAL.—The Secretary, in consultation with the NAIC, representatives of the insurance industry, representatives of the securities industry, and representatives of policyholders, shall perform an analysis regarding the long-term availability and affordability of insurance for terrorism risk in the private marketplace, including coverage for—

''(A) property and casualty insurance;

''(B) group life insurance;

''(C) workers' compensation;

''(D) nuclear, biological, chemical, and radiological events; and

''(E) commercial real estate.

''(2) BIENNIAL REPORTS.—The Secretary shall submit biennial reports to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, on its findings pursuant to the analysis conducted under paragraph (1). The first such report shall be submitted not later than the expiration of the 24-month period beginning on the date of the enactment of the Terrorism Risk Insurance Revision and Extension Act of 2007.

''(3) TESTIMONY.—Upon submission of each biennial report under paragraph (2), the Secretary shall provide oral testimony to the Committee on Financial Services of the House of Representatives and Committee on Banking, Housing, and Urban Affairs of the United States Senate regarding the report and the analysis under this subsection for which the report is submitted.''.

(b) COMMISSION ON TERRORISM RISK INSURANCE.—Title I of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) by adding at the end the following new section:

''SEC. 109. COMMISSION ON TERRORISM RISK INSURANCE.

''(a) ESTABLISHMENT.—There is hereby established the Commission on Terrorism Risk Insurance (in this section referred to as the 'Commission').

''(b) MEMBERSHIP.—

''(1) The Commission shall consist of 21 members, as follows:

''(A) The Secretary of the Treasury or the designee of the Secretary.

''(B) One member who is a State insurance commissioner, designated by the NAIC.

''(C) 15 members, who shall be appointed by the President, who shall include—

''(i) a representative of group life insurers;

''(ii) a representative of property and casualty insurers with direct earned premium of $1,000,000,000 or less;

''(iii) a representative of property and casualty insurers with direct earned premium of more than $1,000,000,000;

''(iv) a representative of multiline insurers;

''(v) a representative of independent insurance agents;

''(vi) a representative of insurance brokers;

''(vii) a policyholder representative;

''(viii) a representative of the survivors of the victims of the attacks of September 11, 2001;

''(ix) a representative of the reinsurance industry;

''(x) a representative of workers' compensation insurers;

''(xi) a representative from the commercial mortgage-backed securities industry;

''(xii) a representative from a nationally recognized statistical rating organization;

''(xiii) a real estate developer;

''(xiv) a representative of workers' compensation insurers created by State legislatures, selected in consultation with the American Association of State Compensation Insurance Funds from among its members; and

''(xv) a representative from the commercial real estate brokerage industry or the commercial property management industry.

''(D) Four members, who shall serve as liaisons to the Congress, who shall include two members jointly selected by the Chairman and Ranking Member of the Committee on Financial Services of the House of Representatives and two members jointly selected by the Chairman and Ranking Member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

''(2) SECRETARY.—The Program Director of the Terrorism Risk Insurance Act of the Department of the Treasury shall serve as Secretary of the Commission. The Secretary of the Commission shall determine the manner in which the Commission shall operate, including funding and staffing.

''(c) DUTIES.—

''(1) IN GENERAL.—The Commission shall identify and make recommendations regarding—

''(A) possible actions to encourage, facilitate, and sustain provision by the private insurance industry in the United States of affordable coverage for losses due to an act or acts of terrorism;

''(B) possible actions or mechanisms to sustain or supplement the ability of the insurance industry in the United States to cover losses resulting from acts of terrorism in the event that—

''(i) such losses jeopardize the capital and surplus of the insurance industry in the United States as a whole; or

''(ii) other consequences from such acts occur, as determined by the Commission, that may significantly affect the ability of the insurance industry in the United States to cover such losses independently; and

''(C) possible actions to significantly reduce the Federal role in covering losses resulting from acts of terrorism.

''(2) EVALUATIONS.—In identifying and making the recommendations required under paragraph (1), the Commission shall specifically evaluate the utility and viability of proposals aimed at improving the availability of insurance against terrorism risk in the private marketplace.

''(3) INITIAL MEETING.—The Commission shall hold its first meeting during the 3-month period that begins 15 months after the date of the enactment of the Terrorism Risk Insurance Revision and Extension Act of 2007.

''(4) REPORTS.—

''(A) CONTENTS.—The Commission shall submit two reports to the Congress that—

''(i) evaluate and make recommendations regarding whether there is a need for a Federal terrorism risk insurance program;

''(ii) if so, include a specific, detailed recommendation for the replacement of the Program under this title; and

''(iii) include the identifications, evaluations, and recommendations required under paragraphs (1) and (2).

''(B) TIMING.—The first report required under subparagraph (A) shall be submitted before the expiration of the 60-month period beginning on the date of the enactment of the Terrorism Risk Insurance Revision and Extension Act of 2007. The second such report shall be submitted before the expiration of the 96-month period beginning upon such date of enactment.''; and

(2) in the table of contents in section 1(b), by inserting after the item relating to section 108 the following new item:

''Sec. 109. Commission on Terrorism Risk Insurance.''.

SEC. 6. APPLICABILITY.

The amendments made by this Act shall apply beginning on January 1, 2008. The provisions of

the Terrorism Risk Insurance Act of 2002, as in effect on the day before the date of the enactment of this Act, shall apply through the end of December 31, 2007.

Mr. HINOJOSA. Mr. Chairman, I rise today in support of H.R. 2761, the Terrorism Risk Insurance Revision and Extension Act, TRIREA, of 2007, which will both extend and improve upon the current Terrorism Risk Insurance Program.

I am very pleased that the legislation will include domestic terrorism as a covered event. I strongly support the inclusion of group life insurance as a covered line under the new TRIA legislation, and I applaud Chairman FRANK for allowing the return of farm owners multiple peril as a TRIA-covered line.

I want to thank Chairman BARNEY FRANK, Chairman PAUL KANJORSKI, Chairwoman CAROLYN MALONEY and Congressman MICHAEL CAPUANO for working so diligently on this bill and bringing it to the floor today.

At this point, I ask unanimous consent to submit for the record the following letters of support of H.R. 2761: (1) a letter from the American Insurance Association; (2) a letter from the Financial Services Roundtable; (3) a letter from the Coalition to Insure Against Terrorism; and, (4) a letter of support from the Mortgage Bankers Association.

I want to stress one important point that seems to have been lost in the discussion of terrorism overall and the debate on the Terrorism Risk Insurance Act and program in particular.

Mr. Chairman, we are all in this together—not just New York City or Washington, DC, or other large cities but cities both large and small. We must protect all our constituents in all our cities in the United States, and this bill, H.R. 2761 goes a long way towards attaining that goal.

As far as I know, there is no definitive methodology that will determine where terrorists might strike next in the United States. So, we all need to remain vigilant, even those of us from small cities and rural areas. We all need to be prepared, and we all need to help prevent terrorist attacks.

This legislation will help us attain our goals.

For these reasons and more, I encourage my colleagues to vote in favor of H.R. 2761.

AMERICAN INSURANCE ASSOCIATION,
Washington, DC, September 18, 2007.

Hon. NANCY PELOSI,
Speaker, House of Representatives, Washington, DC.
Hon. STENY HOYER,
Majority Leader, House of Representatives, Washington, DC.
Hon. JOHN BOEHNER,
Minority Leader, House of Representatives, Washington, DC.
Hon. ROY BLUNT,
Minority Whip, House of Representatives, Washington, DC.

DEAR SPEAKER PELOSI, MINORITY LEADER BOEHNER, MAJORITY LEADER HOYER, AND MINORITY WHIP BLUNT: We understand that H.R. 2761 is scheduled for House floor consideration tomorrow. We commend the House for moving forward on this critical legislation.

Apart from extending the existing program, H.R. 2761 confronts the unique insurance challenges posed by terrorist threats of a nuclear, biological, chemical or radiological nature (NBCR). In the last two years, two separate government studies—one by the President's Working Group on Financial Markets (led by Treasury) and another by the Government Accountability Office—have concluded what insurers already knew: that, outside of state mandates, there is virtually no private insurance market capacity for NBCR terrorism risk and there is little potential for such a market to emerge in the near future. H.R. 2761 fills that void by requiring insurers to make available additional NBCR terrorism insurance as part of the Federal backstop where policyholders accept the terrorism coverage offered under current law, and by providing insurers with more limited and certain financial exposure that reflects the distinctive catastrophic nature of NBCR terrorism. For this and other reasons, the American Insurance Association and its more than 350 property casualty insurance company members strongly endorse H.R. 2761 as it was reported out of the House Financial Services Committee.

We understand that a new provision has been added to address the concerns resulting from the Congressional Budget Office report, which would require additional Congressional action to authorize Federal payment for an act of terrorism. The industry has serious reservations about the commercial workability and certainty of the provision and the potential adverse marketplace impact. As the legislation moves forward in the process, we look forward to working with you and others in Congress to ensure these concerns are resolved in a way that preserves the future viability of the program.

Sincerely,

MARC RACICOT,
President.

THE FINANCIAL SERVICES ROUNDTABLE,
Washington, DC, September 19, 2007.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services, House of Representatives, Washington, DC.

DEAR CHAIRMAN FRANK: On behalf of the members of the Financial Services Roundtable, I am writing to express my strong support for H.R. 2761, the ''Terrorism Risk Insurance Revision and Extension Act of 2007 (TRIREA)'' which will extend the public/private partnership created in 2002 to enhance our nation's economic security.

The Terrorism Risk Insurance Act (TRIA) has served as a vital economic policy enabling insurers and policy holders to arrive at commercial insurance agreements that provide adequate coverage for the insured while protecting the solvency of the insurer. Without TRIA, the commercial insurance marketplace faces severe disruption.

H.R. 2761 continues this important partnership, and improves upon it. Notably, the bill extends the program for 15 years, enables coverage for megacatastrophes involving nuclear, biological, chemical and radiological events and covers group life—the only type of life insurance held by most Americans.

I understand that the manager's amendment to the bill makes an essential change to the program making government funds available only after a future congressional action. While generally, we could not support adding contingencies into a bill that is designed to create certainty, I understand the change is necessary to move the bill forward in a timely manner.

As such, I encourage your support for the rule and H.R. 2761 and ask you to oppose any motion to recommit.

Thank you for your consideration of this important matter. Should you have any questions, please do not hesitate to call me, or Andy Barbour of my staff.

Best Regards,

STEVE BARTLETT,
President and CEO.

VOTE ''YES'' ON H.R. 2761

The undersigned members of the Coalition to Insure Against Terrorism (CIAT), a broad based coalition of business insurance policyholders representing a significant segment of the nation's GDP, strongly urge you to vote ''yes'' on H.R. 2761 Terrorism Risk Insurance Revision and Extension Act of 2007 (TRIREA).

American Bankers Association; American Bankers Insurance Association; American Council of Engineering Companies; American Gas Association; American Hotel and Lodging Association; American Land Title Association; American Public Gas Association; American Public Power Association; American Resort Development Association; American Society of Association Executives; Associated Builders and Contractors; Associated General Contractors of America; Association of American Railroads; Association of Art Museum Directors; Babson Capital Management LLC; The Bond Market Association; Building Owners and Managers Association International; Boston Properties; and CCIM Institute.

Campbell Soup Company; Century 21 Department Stores; Chemical Producers and Distributors Association; Citigroup Inc.; Commercial Mortgage Securities Association; Cornerstone Real Estate Advisers, Inc.; CSX Corporation; Edison Electric Institute; Electric Power Supply Association; The Financial Services Roundtable; The Food Marketing Institute; General Aviation Manufacturers Association; Helicopter Association International; Hilton Hotels Corporation; Host Hotels and Resorts; Independent Electrical Contractors; Institute of Real Estate Management; Intercontinental Hotels; and International Council of Shopping Centers.

International Franchise Association; International Safety Equipment Association; The Long Island Import Export Association; Marriott International; Mortgage Bankers Association; National Apartment Association; National Association of Home Builders; National Association of Industrial and Office Properties; National Association of Manufacturers; National Association of REALTORS®; National Association of Real Estate Investment Trusts; National Association of Waterfront Employers; National Association of Wholesaler-Distributors; National Basketball Association; National Collegiate Athletic Association; National Council of Chain Restaurants; National Football League; National Hockey League; and National Multi Housing Council.

National Petrochemical & Refiners Association; National Restaurant Association; National Retail Federation; National Roofing Contractors Association; National Rural Electric Cooperative Association; The New England Council; Partnership for New York City; Office of the Commissioner of Baseball; Public Utilities Risk Management Association; The Real Estate Board of New York; The Real Estate Roundtable; Society of American Florists; Starwood Hotels and Resorts; Taxicab, Limousine & Paratransit Association; Travel Business Roundtable; Trizec Properties, Inc.; UJA-Federation of New York; Union Pacific Corporation; and U.S. Chamber of Commerce.

MORTGAGE BANKERS ASSOCIATION,
Washington, DC, September 17, 2007.

Hon. STENY H. HOYER,
Majority Leader, House of Representatives, Washington, DC.
Hon. JOHN A. BOEHNER,
Republican Leader, House of Representatives, Washington, DC.

DEAR LEADER HOYER AND LEADER BOEHNER: On behalf of the Mortgage Bankers Association (MBA), I am writing to express my strong support for H.R. 2761, the Terrorism Risk Insurance Revision and Extension Act of 2007 and strongly urge Members of the House of Representatives to support the legislation when it comes to the House floor.

H.R. 2761, introduced by Representative Michael Capuano, passed the Committee on Financial Services by a bipartisan vote of 49–20 on August 1, 2007. Significant additions to the prior legislation, the Terrorism Risk Insurance Extension Act of 2005 (TRIEA), include:

Extension of the Terrorism Risk Insurance Act for 15 years;

Coverage of nuclear, biological, chemical or radiological (NBCR) attacks;

Coverage of domestic source terrorism; and

Provision for group life insurance.

The 15-year extension will allow for greater stability in the commercial real estate lending industry where the average loan duration is 10 years. The addition of NBCR coverage will be welcome news to owners and investors in a market where the very limited availability of NBCR terrorism coverage, at any price, has left virtually all properties uninsured against an NBCR event. Given the current concerns about homegrown terrorist acts, particularly since recent events in Europe, the bill extends the program to include acts of domestic terrorism. Finally, the bill includes, for the first time, group life insurance in the program. As a whole, the inclusion of these items in H.R. 2761 eliminates significant terrorism insurance coverage gaps that could inflict great financial damage to American businesses.

Extending TRIEA is essential to continued American economic growth. An inadequate supply of terrorism insurance would potentially trigger bond downgrades, sharply reducing the availability of loan capital for commercial real estate, increasing borrowing costs and undermine economic growth, including employment in the construction and real estate sectors. In fact, conversations with rating agencies indicate that without such a federal backstop, bond downgrades will likely occur, as was the case in the time period between the September 11, 2001 terrorist attacks and the enactment of Terrorism Risk Insurance Act of 2002.

The Terrorism Risk Insurance Revision and Extension Act is strong legislation that will greatly benefit the American economy, giving developers and their investors the constancy they need to work on large-scale real estate projects.

Thank you for the opportunity to share our views on this critical issue. We urge Members of the House of Representatives to support this important legislation.

Sincerely,

JOHN M. ROBBINS,
Chairman.

Mrs. MCCARTHY of New York. Mr. Chairman, I rise in support of H.R. 2761, the Terrorism Risk Insurance Revision and Extension Act of 2007. This legislation extends the TRIA program for 15 years, and it is vital to our Nation.

A longer TRIA means economic certainty and stability in commercial real estate. A longer TRIA means better planning, better rates, and better returns for investors. A longer TRIA is good for the economy.

Financing for major construction often takes more than 10 years. If a project seeks finance for a project in year one of the new TRIA, investors might have the confidence to advance these funds. However, if a project is conceived in year two or year three, and if TRIA is extended for only 10 years, then investors will know that TRIA will be around for only 7 years. The investors may not provide the necessary capital, or those investors may change far more interest than they would under TRIA.

What happens if a community cannot rebuild after an act of terror? Jobs are lost and with them tax revenue from the local to the state and to the federal level. It simply is not rational to believe that somehow a limited TRIA will save money in the long run.

I simply do not believe that the reinsurance industry has the ability or the interest in providing terrorism risk insurance. A federal backup like TRIA is essential.

My colleagues need to remember that TRIA is not a handout and it is not a benefit. The program pays out only in the event of an act of terrorism against the United States; and terrorism is neither a benefit nor a handout.

When one part of America is attacked, the entire country is attacked. When one city or region suffers, then the rest of the country pitches in to help. We have done that in the past after earthquakes, floods, droughts, hurricanes, and acts of terror.

I hope that none of you have to experience what the people of New York, New Jersey, and Connecticut experienced 6 years ago. The next attack may occur in Orlando, Chicago, Los Angeles, or even small cities across this Nation. The people and the government will respond, as we have in the past.

But, TRIA ensures that taxpayers will not have to bear the entire burden of the response. The bill requires insurance companies to do what they do best: provide insurance. Without TRIA, the American taxpayers will have to bear the entire cost of responding to another act of terrorism.

I fully support the TRIA legislation brought before the House today and urge my colleagues to pass the legislation and allow for Senate Action.

Mr. GARRETT of New Jersey. Mr. Chairman, I rise today to voice my very reluctant opposition to the underlying bill.

Over the last 8 months, the Financial Services Committee has had several hearings on this important topic, including one that I attended in New York City. I thought these hearings were very productive and I am pleased that the Committee and this House are focused on an issue that is not only very important to the 5th district of New Jersey, but to our national economic well-being.

After the terrorist attacks of 9/11, terrorism risk insurance either became unavailable or extremely expensive and many businesses were no longer able to purchase insurance that would protect them in any future terrorist attack. Financially, terrorist threats pose a risk of serious harm not only to the insurance industry, but also to the real estate, transportation, construction, energy, and utility sectors. Even beyond the horrific human toll, terrorists could inflict real pain by melting our infrastructure and economy down.

Recognizing the detrimental effects an attack could have upon our economy, Congress acted quickly and responsibly to debate and pass the Terrorism Risk Insurance Act of 2002, better known as TRIA. This temporary Act helped stabilize the terrorism insurance marketplace and restore capacity to that large part of the U.S. economy.

In 2005, Congress extended the TRIA program with some additional reforms and changes for 2 more years. I supported this extension because I felt that more time was needed to allow the private markets increase their capacity and develop new and creative ways to work out the problems that existed.

Since September 11, insurers and reinsurers have cautiously reentered the terrorism insurance market, allocating more capacity year-to-year. More commercial policyholders are becoming insured, year-to-year. At the same time, the federal role has scaled back correspondingly, with higher deductibles, higher co-pays, higher triggers, and fewer lines of insurance covered. I view this increased private-sector involvement and decreased government involvement, to be a positive development.

Unfortunately, the bill before us today sets these positive and natural developments back. Still more unfortunate is that though this is an issue that the Financial Services Committee has historically acted on in a bipartisan manner, the Chairman rebuffed in full and without, what I believe, proper consideration a number of very reasonable proposals that my colleagues on this side of the aisle offered—amendments that might have made this bill more palatable and perhaps staved off the Presidential veto threat now on the table.

My primary concern is the proposed length of duration of the government program. This bill would extend the life of this program by 15 years. A short-term, temporary extension allows for periodic reassessment of market conditions to see if there is more room for private sector participation. It allows for a gradual scaling-back of the government program going-forward as we observe how private insurers and reinsurers continue to expand the market. A short-term extension permits the natural evolution of the market to occur.

Given that the private sector continues to increase its capacity to cover terrorism risk insurance, I believe a short-term extension is more appropriate than creating a permanent government program. If we establish an essentially permanent program, the private sector will lose its incentive to look for innovative and newer solutions.

And realistically passing a 15-year extension is equivalent to passing an essentially permanent program. If we extend the program for too long of a time period, I fear we will not revisit this important topic and continue to try and make improvements like we did after the last time the program expired. As we all know, Congress rarely opens already passed legislation to make changes and improvements. We did not reopen the Transportation Bill, the Farm Bill and other long-term reauthorizations regardless of the problems that arose. And, we will not reopen this bill either.

So, Mr. Chairman, while I would support a temporary extension of this important program, I cannot support extending the program by 15 years, decreasing the amount of private sector participation, and loading an extra burden on the U.S. taxpayer. I ask my colleagues to vote against this legislation.

Mr. PAUL. Mr. Chairman, six years ago, when the Congress considered the bill creating the terrorism insurance program, I urged my colleagues to reject it. One of the reasons I opposed the bill was my concern that, contrary to the claims of the bill's supporters, terrorism insurance would not be allowed to sunset. As I said then:

''The drafters of H.R. 3210 claim that this creates a 'temporary' government program. However, Mr. Speaker, what happens in three years if industry lobbyists come to Capitol Hill to explain that there is still a need for this program because of the continuing threat of terrorist attacks. Does anyone seriously believe that Congress will refuse to reauthorize this

'temporary' insurance program or provide some other form of taxpayer help to the insurance industry? I would like to remind my colleagues that the federal budget is full of expenditures for long-lasting programs that were originally intended to be 'temporary.'"

I am disappointed to be proven correct. I am also skeptical that, having renewed the program twice, this time for fifteen years, Congress will ever allow it to expire.

As Congress considers extending this program, I renew my opposition to it for substantially the same reasons I stated six years ago. However, I do have a suggestion on how to improve the program. Since one claimed problem with allowing the private market to provide terrorism insurance is the difficulty of quantifying the risk of an attack, the taxpayers' liability under the terrorism reinsurance program should be reduced for an attack occurring when the country is under orange or red alert. After all, because the point of the alert system is to let Americans know when there is an increased likelihood of an attack it is reasonable to expect insurance companies to demand that their clients take extra precautionary measures during periods of high alert. Reducing taxpayer subsidies will provide an incentive to ensure private parties take every possible precaution to minimize the potential damage from possible terrorists attack.

Since my fundamental objections to the program remain the same as six years ago, I am attaching my statement regarding H.R. 3210, which created the terrorist insurance program in the 107th Congress:

Mr. Chairman, no one doubts that the government has a role to play in compensating American citizens who are victimized by terrorist attacks. However, Congress should not lose sight of fundamental economic and constitutional principles when considering how best to provide the victims of terrorist attacks just compensation. I am afraid that H.R. 3210, the Terrorism Risk Protection Act, violates several of those principles and therefore passage of this bill is not in the best interests of the American people.

Under H.R. 3210, taxpayers are responsible for paying 90 percent of the costs of a terrorist incident when the total cost of that incident exceeds a certain threshold. While insurance companies technically are responsible under the bill for paying back monies received from the Treasury, the administrator of this program may defer repayment of the majority of the subsidy in order to ''avoid the likely insolvency of the commercial insurer,'' or avoid ''unreasonable economic disruption and market instability.'' This language may cause administrators to defer indefinitely the repayment of the loans, thus causing taxpayers to permanently bear the loss. This scenario is especially likely when one considers that ''avoid . . . likely insolvency, unreasonable economic disruption, and market instability'' are highly subjective standards, and that any administrator who attempts to enforce a strict repayment schedule likely will come under heavy political pressure to be more ''flexible'' in collecting debts owed to the taxpayers.

The drafters of H.R. 3210 claim that this creates a ''temporary'' government program. However, Mr. Speaker, what happens in three years if industry lobbyists come to Capitol Hill to explain that there is still a need for this program because of the continuing threat of terrorist attacks. Does anyone seriously believe that Congress will refuse to reauthorize this ''temporary'' insurance program or provide some other form of taxpayer help to the insurance industry? I would like to remind my colleagues that the federal budget is full of expenditures for long-lasting programs that were originally intended to be ''temporary.''

H.R. 3210 compounds the danger to taxpayers because of what economists call the ''moral hazard'' problem. A moral hazard is created when individuals have the costs incurred from a risky action subsidized by a third party. In such a case individuals may engage in unnecessary risks or fail to take steps to minimize their risks. After all, if a third party will bear the costs of negative consequences of risky behavior, why should individuals invest their resources in avoiding or minimizing risk?

While no one can plan for terrorist attacks, individuals and businesses can take steps to enhance security. For example, I think we would all agree that industrial plants in the United States enjoy reasonably good security. They are protected not by the local police, but by owners putting up barbed wire fences, hiring guards with guns, and requiring identification cards to enter. One reason private firms put these security measures in place is because insurance companies provide them with incentives, in the form of lower premiums, to adopt security measures. H.R. 3210 contains no incentives for this private activity. The bill does not even recognize the important role insurance plays in providing incentives to minimize risks. By removing an incentive for private parties to avoid or at least mitigate the damage from a future terrorist attack, the government inadvertently increases the damage that will be inflicted by future attacks!

Instead of forcing taxpayers to subsidize the costs of terrorism insurance, Congress should consider creating a tax credit or deduction for premiums paid for terrorism insurance, as well as a deduction for claims and other costs borne by the insurance industry connected with offering terrorism insurance. A tax credit approach reduces government's control over the insurance market. Furthermore, since a tax credit approach encourages people to devote more of their own resources to terrorism insurance, the moral hazard problems associated with federally funded insurance is avoided.

The version of H.R. 3210 passed by the Financial Services committee took a good first step in this direction by repealing the tax penalty which prevents insurance companies from properly reserving funds for human-created catastrophes. I am disappointed that this sensible provision was removed from the final bill. Instead, H.R. 3210 instructs the Treasury Department to study the benefits of allowing insurers to establish tax-free reserves to cover losses from terrorist events. The perceived need to study the wisdom of cutting taxes while expanding the federal government without hesitation demonstrates much that is wrong with Washington.

In conclusion, Mr. Chairman, H.R. 3210 may reduce the risk to insurance companies from future losses, but it increases the costs incurred by the American taxpayer. More significantly, by ignoring the moral hazard problem this bill may have the unintended consequence of increasing the losses suffered in any future terrorist attacks. Therefore, passage of this bill is not in the long-term interests of the American people.

Mr. LARSON of Connecticut. Mr. Chairman, today I rise in strong support of H.R. 2761, the Terrorism Risk Insurance Revision and Extension Act of 2007, which would reauthorize the Federal terrorism insurance program (TRIA) for 15 years.

I am pleased that the years spent working on this issue with constituents, the insurance industry, and the financial services industries to build a consensus has produced a bill so widely supported by Members in the House on both sides of the aisle that has the strong support of the business community. I applaud Chairman FRANK, the members of the House Financial Services Committee, and Representative CAPUANO, the chief sponsor of the bill, for their leadership in crafting this critical legislation protecting the safety and security of America.

It is estimated that the September 11th terrorist attacks resulted in $40 billion in insured claims, the largest man-made insurance disaster on record. After the 9/11 attacks, given the size of potential liabilities, there was growing concern that insurance companies and reinsurers might not be able to write policies to insure losses due to future acts of terrorism. As a result, the TRIA program was enacted in 2002 in an attempt to prevent an industry-wide catastrophe in the event of another domestic terrorist attack. The TRIA program provides a federal backstop to the insurance industry by providing compensation for a portion of insured losses resulting from acts certified by the Government as acts of terrorism. The law was reauthorized with some changes in 2005 (P.L. 109–44) and will expire on December 31, 2007.

Currently, TRIA only covers foreign terrorism; however, this bill would extend TRIA coverage to both foreign and domestic terrorism. The bill would set the ''trigger'' level—the size of an attack at which the Federal Government would provide aid to insurers—at $50 million. According to studies from the Government Accountability Office (GAO), the risk of nuclear, biological, chemical and radiological terrorism is uninsurable absent a Federal Government backstop. In response, this legislation would include acts of nuclear, biological, chemical, and radiological terrorism in TRIA. The bill would also add group life insurance to the types of insurance for which terrorism insurance coverage must be made available by insurers. Finally, H.R. 2761 would create a 21-member ''blue ribbon'' commission to propose long-term solutions to covering terrorism risk. The goal of this legislation is to protect America's economy during a time of national crisis and is important to the economic security of the business community in Hartford and the Capital Region.

I urge my colleagues to vote in favor of final passage and for the President to sign this bill into law. The continued insurance and safety of our Nation against terrorist attacks is an urgent and bipartisan issue.

The CHAIRMAN. No further amendment to the bill, as amended, is in order except those printed in part B of the report. Each further amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject

to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 110–333.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. FRANK of Massachusetts:

Strike section 102(1)(C) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, and insert the following:

''(C) CERTIFICATION OF ACT OF NBCR TERRORISM.—Where a certified act of terrorism is carried out by means of a nuclear, biological, chemical, or radiological weapon or similar instrumentality, the Secretary shall further certify such act of terrorism as an act of NBCR terrorism. If a certified act of terrorism involves any other weapon or instrumentality, the Secretary, in concurrence with the Secretary of State, the Secretary of Homeland Security, and the Attorney General of the United States, shall determine whether the act of terrorism meets the definition of NBCR terrorism in this section. If such determination is that the act does meet such definition, the Secretary shall further certify that such act as an act of NBCR terrorism. Nothing in this subparagraph shall prohibit the Secretary from determining that a single act of terrorism resulted in both NBCR and non-NBCR insured losses.''.

In section 102(11)(I)(ii)(II) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, strike ''and'' at the end.

In section 102(11)(J)(i) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, add ''and'' at the end.

In section 102(11)(J) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, strike the period at the end and insert ''; and''.

At the end of section 102(11) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, add the following:

''(K) for the fifth additional Program Year and any Additional Program year thereafter, notwithstanding subparagraph (I)(i), if aggregate industry insured losses resulting from a certified act of NBCR terrorism exceed $1,000,000,000, for any insurer that sustains insured losses resulting from such act of NBCR terrorism, the value of such insurer's direct earned premiums over the calendar year immediately preceding the Program Year, multiplied by a percentage, which—

''(i) for the fifth additional Program Year shall be 5 percent; and

''(ii) for each additional Program Year thereafter, shall be 50 basis points greater than the percentage applicable to the preceding additional Program Year, except that if an act of NBCR terrorism occurs during the fifth additional Program Year or any additional Program Year thereafter that results in aggregate industry insured losses exceeding $1,000,000,000, the percentage for the succeeding additional Program Year shall be 5 percent and the increase under this clause shall apply to additional Program Years thereafter;

except that for purposes of determining under this subparagraph whether aggregate industry insured losses exceed $1,000,000,000, the Secretary may combine insured losses resulting from two or more certified acts of NBCR terrorism occurring during such Program Year in the same geographic area (with such area determined by the Secretary), in which case such insurer shall be permitted to combine insured losses resulting from such acts of NBCR terrorism for purposes of satisfying its insurer deductible under this subparagraph; and except that the insurer deductible under this subparagraph shall apply only with respect to compensation of insured losses resulting from such certified act, or combined certified acts, and that for purposes of compensation of any other insured losses occurring in the same Program Year, the insurer deductible determined under subparagraph (I)(i) shall apply.''.

In section 102(13) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, strike ''involves nuclear, biological'' and all that follows and insert ''involves or triggers nuclear, biological, chemical, or radiological reactions, releases, or contaminations, but only if any aggregate industry insured losses that result from such reactions, releases, or contaminations exceed the amount set forth in paragraph (1)(B)(ii).''.

In section 103(c)(4)(A)(iii)(II)(aa) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, strike ''unlawful'' and insert ''fraudulent''.

In section 103(c)(4)(A)(iii)(II)(bb) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, after ''insured person is'' insert ''substantially''.

In section 103(e)(1)(B)(ii) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, insert ''result from any such reactions, releases, or contaminations and that'' after ''such insured losses that'' .

In section 103(e)(1)(B)(ii)(I) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, strike ''exceeds'' and insert ''exceed''.

In section 103(h)(1) of the Terrorism Risk Insurance Act of 2002, in the matter preceding subparagraph (A), as proposed to be amended by section 3(a)(1) of the bill, strike ''an appropriate index'' and all that follows through the colon and insert ''the Consumer Price Index for All Urban Consumers (CPI–U), as published by the Bureau of Labor Statistics of the Department of Labor, during the 12-month period preceding such program year, each of the dollar amounts set forth in this title (as such amount may have been previously adjusted), including the following amounts:''.

Strike subparagraph (B) of section 103(h)(1) of the Terrorism Risk Insurance Act of 2002, as proposed to be amended by section 3(a)(1) of the bill, and insert the following:

''(B) The dollar amounts in subparagraphs (J) and (K) of section 102(11) (relating to an insurer deductible threshold based on the amount of aggregate industry insured losses).''.

In section 3 of the bill, redesignate subsection (c) as subsection (d).

In section 3 of the bill, after subsection (b) insert the following new subsection:

(c) REGULATIONS ON CERTIFICATION OF AN ACT OF NBCR TERRORISM.—The Secretary of the Treasury shall issue the regulations to carry out subparagraph (C) of section 102(1) of the Terrorism Risk Insurance Act of 2002, as amended by subsection (a)(1) of this section, not later than the expiration of the 180-day period beginning upon the date of the enactment of this Act.

The CHAIRMAN. Pursuant to House Resolution 660, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I recognize myself for 1 minute.

Mr. Chairman, this is an agreed-upon set of amendments. As I said, it was a bipartisan process, to some extent, in drafting. This makes technical revisions and requires Treasury to promulgate rules to clarify the nuclear, biological, chemical and radiation certification process. It provides that there be indexing, which is, I think, in accordance, there are some copayments, et cetera, and these will be indexed. It applies the reset mechanism to the deductible for nuclear, biological, chemical and radiological, and it makes technical and conforming changes. I believe, as I said, this represents a consensus.

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

Mr. BACHUS. Mr. Chairman, I rise to claim time in opposition, although I am not opposed to the manager's amendment.

The CHAIRMAN. Without objection, the gentleman from Alabama is recognized for 5 minutes.

There was no objection.

Mr. BACHUS. Mr. Chairman, this amendment has some improvements to the bill. I would like to express to the chairman that I appreciate his willingness to work to make, I think, some needed and technical changes to the bill. I would encourage my colleagues to vote for the manager's amendment and, again, express, although the chairman and I have some philosophical differences in the overall TRIA legislation and whether how temporary it ought to be or how permanent it ought to be or the extent of where the Federal subsidies, on this amendment we have no disagreement.

We continue to work well in a bipartisan manner despite our philosophical differences.

Mr. Chairman, I urge Members to support the manager's amendment.

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

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the ranking member. We were able to work out a number of these things. I would just want to return to a couple of broader points. I want to make two points. One, I don't think the market will work and neither does any participant in the market either as an insurer, or any significant number, or as the insured. But even if it could, it does not seem to me that it should. If you did this purely in the private market, you would give to the vicious attackers of America the power to decide that it would be more

expensive to do business in some parts of our country than others. You could have another video from the despicable Osama Bin Laden in which he could threaten that he would take action against this area or that area, these facilities or those facilities, and their insurance premiums would go up.

Yes, the private market should govern all those things which it deals with, with fire and with other forms of casualty and even with natural disasters. But to put in the hands of America's enemies this economic power is a grave error. Should the taxpayers pay for it? Yes, because it is a matter of national defense. It is a matter of homeland security. We are not talking about insuring people against the risk if they built a commercial building of liability to injury, of fire, of theft, of improper or inadequate construction. We are saying that, no, if you are in business in America, you should not have to insure against an attack on this country based on hatred of us.

So that is why I believe that we should do this as a public policy matter.

Mr. Chairman, at this point, I yield 2 minutes to the gentleman from North Carolina, a member of the committee who is one of our most thoughtful Members to discuss the general principle of the bill.

Mr. WATT. I am actually walking into the floor at a good time to pick up on the point that the Chair of the committee is making.

This has kind of turned out to be the kind of debate that you hear in politics: Democrats believe in government and government can do everything; and Republicans believe in the private sector, and the private sector can do everything. The truth of the matter is neither one of those things is correct. There are some things that government can do and there are some things, a lot of things, that the private sector can do. One thing I think the private sector cannot do effectively is to insure against the kind of things that are really governmental responsibilities, protection of ourselves, our national defense. When that fails, it becomes a responsibility of government to accept and provide a safety net for our business community, or for our people.

It is unfortunate that this debate has deteriorated into that kind of dichotomy. You have to either have all of government or all of the private sector.

We think this is an ideal time for the government to be providing this kind of insurance protection so that business and the private sector and real estate development can continue to operate without fear of intervention by foreign powers or terrorists.

And I rise in support of the amendment

□ 1330

Mr. BACHUS. Mr. Chairman, I ask unanimous consent to reclaim 30 seconds of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BACHUS. I thank the Chairman.

Let me say to all Members of this body, we are not saying and neither has it been our position that the government does not have a role to play in offering a backstop to terrorist insurance. We believe that that ought to be a limited goal, and we believe that we ought to continue in the path of the prior TRIA extensions, where we continue to let the private market fill in.

We believe, on the other hand, and we not only believe, but this bill calls for higher deductibles, higher premiums and higher taxpayer participation, and we feel like we are reversing our role

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

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

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

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

AMENDMENT NO. 2 OFFERED BY MR. PEARCE

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in part B of House Report 110–333.

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. PEARCE:

In the matter proposed to be added by the amendment made by section 3(a)(1) of the bill, in section 102(11)(J)(ii), strike ''50 basis points'' and insert ''100 basis points''.

The CHAIRMAN. Pursuant to House Resolution 660, the gentleman from New Mexico (Mr. PEARCE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Mexico.

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

Mr. Chairman, I rise today to offer an amendment to the Terrorism Risk Insurance Revision and Extension Act of 2007. My amendment takes one critical step forward in writing insurer participation back into TRIA.

Five years ago, the Terrorism Risk Insurance Act, TRIA, was signed into law as a temporary program to facilitate transition to a viable market for private terrorism insurance. Since enacting TRIA in 2002, insurer deductibles have increased incrementally by at least 2.5 percent each year, from 7 percent in the first year to the current 20 percent level.

The bill before us today scales back insurance industry participation in the terrorism risk market and reduces the expectation that a private market will one day take over. H.R. 2761 would lower the 20 percent deductible to 5 percent, increasing by one-half percent each year for events above $1 billion. At that rate, it would take 30 years before the deductibles would reach today's level, where Treasury assures us the market is performing very well.

While I am supportive of TRIA as a concept and understand the market is not yet where it needs to be to take over terrorism insurance, I believe strongly that the responsibility for terrorism insurance needs to be on the insurers, not on the taxpayers.

My amendment will rewrite some of the insurance industry participation back into TRIA. I have proposed a modest increase in deductible each year of 1 percent, an increase of one-half percent from where the bill is today. It will ensure that deductibles are back up to the current 20 percent level at the end of the 15-year extension.

I believe my amendment is a step in the right direction towards encouraging a private terrorism insurance market, while providing the insurance industry with the environment for a stable transition. I hope that you will join me in supporting this important amendment.

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

Mr. ACKERMAN. Mr. Chairman, I rise to claim the time in opposition.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. ACKERMAN. Mr. Chairman, our friends on the Republican side pride themselves on being tough on terror, and rightfully so. To be honest, it is evident when you listen to President Bush and he says things like ''You're either with us or against us.''

But also the President said in the wake of 9/11, he said this here in this Chamber to the Congress and to the American people, and I quote our President, ''Terrorist attacks can shake the foundations of our biggest buildings, but they cannot touch the foundations of America. These acts shatter steel, but they cannot dent the steel of American resolve.'' Our President said that to us, Mr. Chairman.

After looking over the amendment, I realize the gentleman from New Mexico was not yet elected to be here and probably didn't get the memo about what the President said, because the effect of his amendment would allow terrorists to tell us where we can and where we cannot build after a catastrophic terrorist attack.

The bill would reset the deductible from 20 percent to 5 percent after a terrorist attack, which is good. The amendment that the gentleman proposes would increase the reset deductible to as high as 19 percent after a terrorist attack, which is almost the same as the original 20 percent. Small comfort.

Undermining the purpose and the intent of the reset mechanism by eliminating the incentives created by the reset would price insurers out of areas affected by terrorist attacks, prohibiting developers from rebuilding.

It would seem to me that to support this amendment is so blatantly to oppose the American resolve that President Bush claimed in the wake of September 11. Should we have left Ground Zero smoldering and not build the Freedom Tower? Should we concede defeat to Osama bin Laden? Should he dictate where we can and cannot build?

I say to the gentleman from New Mexico, if we cannot build and rebuild in the areas where terrorists attack, that is a major defeat for our country and a resounding retreat from the spirit of our Nation.

I yield to the gentleman from Massachusetts, the chairman of the committee.

Mr. FRANK of Massachusetts. I join the gentleman in opposition, and I want to address this charge that we heard from one of the Members that this is a typical liberal Democratic bigspending program.

I will include for the RECORD a strong endorsement of H.R. 2761 from the Coalition to Insure Against Terrorism. It is composed of such traditional liberal groups as the American Bankers Association, the National Apartment Association, the National Association of Manufacturers, the U.S. Chamber of Commerce, the National Retail Federation, the National Restaurant Association and the National Association of Industrial and Office Property. Virtually every business involved in this, the Financial Services Roundtable, led by that radical, our former colleague, Mr. Bartlett of Texas, every business group from the insuring and insured part says this is not for the market.

I would add also a letter from the National League of Cities strongly urging on behalf of the cities of America passage of this bill as it was reported out of committee.

Finally, from the American Insurance Association, a strong argument. In particular, it thanks us for including nuclear, biological, chemical and radiological.

Those who said the market can do it, it says two separate government studies have concluded what insurers already knew, that outside of State mandates, there is virtually no private insurance market capacity for NBCR. ''For this and other reasons,'' they like the whole bill, ''the American Insurance Association and its more than 350 property casualty insurance companies strongly endorse H.R. 2761 as it was reported out of the committee.'' They have got some concern about the reset, and we will talk about that and we agree with them. But here is this strong endorsement.

Yes, it is true that this is something that some liberal Democrats support. And here is the signer on behalf of the American Insurance Association, Governor Marc Racicot, I believe a former chairman of the Republican National Committee. I want to congratulate my Democratic colleagues. To have insinuated a liberal Democrat into the chairmanship of the Republican National Committee is a degree of flexibility I didn't know we have.

So this notion that this is some liberal invention and that the market can do it is repudiated by everyone who knows anything about the market. I hope the amendment is defeated and the bill is passed.

VOTE ''YES'' ON H.R. 2761

The undersigned members of the Coalition to Insure Against Terrorism (CIAT), a broad based coalition of business insurance policyholders representing a significant segment of the nation's GDP, strongly urge you to vote ''yes'' on H.R. 2761 Terrorism Risk Insurance Revision and Extension Act of 2007 (TRIREA).

American Bankers Association; American Bankers Insurance Association; American Council of Engineering Companies; American Gas Association; American Hotel and Lodging Association; American Land Title Association; American Public Gas Association; American Public Power Association; American Resort Development Association; American Society of Association Executives; Associated Builders and Contractors; Associated General Contractors of America; Association of American Railroads; Association of Art Museum Directors; Babson Capital Management LLC; The Bond Market Association; Building Owners and Managers Association International; Boston Properties; and CCIM Institute.

Campbell Soup Company; Century 21 Department Stores; Chemical Producers and Distributors Association; Citigroup Inc.; Commercial Mortgage Securities Association; Cornerstone Real Estate Advisers, Inc.; CSX Corporation; Edison Electric Institute; Electric Power Supply Association; The Financial Services Roundtable; The Food Marketing Institute; General Aviation Manufacturers Association; Helicopter Association International; Hilton Hotels Corporation; Host Hotels and Resorts; Independent Electrical Contractors; Institute of Real Estate Management; Intercontinental Hotels; and International Council of Shopping Centers.

International Franchise Association; International Safety Equipment Association; The Long Island Import Export Association; Marriott International; Mortgage Bankers Association; National Apartment Association; National Association of Home Builders; National Association of Industrial and Office Properties; National Association of Manufacturers; National Association of REALTORS®; National Association of Real Estate Investment Trusts; National Association of Waterfront Employers; National Association of Wholesaler-Distributors; National Basketball Association; National Collegiate Athletic Association; National Council of Chain Restaurants; National Football League; National Hockey League; and National Multi Housing Council.

National Petrochemical & Refiners Association; National Restaurant Association; National Retail Federation; National Roofing Contractors Association; National Rural Electric Cooperative Association; The New England Council; Partnership for New York City; Office of the Commissioner of Baseball; Public Utilities Risk Management Association; The Real Estate Board of New York; The Real Estate Roundtable; Society of American Florists; Starwood Hotels and Resorts; Taxicab, Limousine & Paratransit Association; Travel Business Roundtable; Trizec Properties, Inc.; UJA-Federation of New York; Union Pacific Corporation; and U.S. Chamber of Commerce.

AMERICAN INSURANCE ASSOCIATION,
Washington, DC, September 18, 2007.

Hon. NANCY PELOSI,
Speaker, House of Representatives, Washington, DC.
Hon. STENY HOYER,
Majority Leader, House of Representatives, Washington, DC.
Hon. JOHN BOEHNER,
Minority Leader, House of Representatives, Washington, DC.
Hon. ROY BLUNT,
Minority Whip, House of Representatives, Washington, DC.

DEAR SPEAKER PELOSI, MINORITY LEADER BOEHNER, MAJORITY LEADER HOYER, AND MINORITY WHIP BLUNT: We understand that H.R. 2761 is scheduled for House floor consideration tomorrow. We commend the House for moving forward on this critical legislation.

Apart from extending the existing program, H.R. 2761 confronts the unique insurance challenges posed by terrorist threats of a nuclear, biological, chemical or radiological nature (NBCR). In the last two years, two separate government studies—one by the President's Working Group on Financial Markets (led by Treasury) and another by the Government Accountability Office—have concluded what insurers already knew: that, outside of state mandates, there is virtually no private insurance market capacity for NBCR terrorism risk and there is little potential for such a market to emerge in the near future. H.R.2761 fills that void by requiring insurers to make available additional NBCR terrorism insurance as part of the Federal backstop where policyholders accept the terrorism coverage offered under current law, and by providing insurers with more limited and certain financial exposure that reflects the distinctive catastrophic nature of NBCR terrorism. For this and other reasons, the American Insurance Association and its more than 350 property casualty insurance company members strongly endorse H.R. 2761 as it was reported out of the House Financial Services Committee.

We understand that a new provision has been added to address the concerns resulting from the Congressional Budget Office report, which would require additional Congressional action to authorize Federal payment for an act of terrorism. The industry has serious reservations about the commercial workability and certainty of the provision and the potential adverse marketplace impact. As the legislation moves forward in the process, we look forward to working with you and others in Congress to ensure these concerns are resolved in a way that preserves the future viability of the program.

Sincerely,

GOVERNOR MARC RACICOT,
President, American Insurance Association.

NATIONAL LEAGUE OF CITIES,
Washington, DC, September 19, 2007.

Hon. BARNEY FRANK,
Chairman, House of Representatives, Committee on Financial Services, Rayburn House Office Building, Washington, DC.
Hon. SPENCER BACHUS,
Ranking Member, House of Representatives, Committee on Financial Services, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN FRANK AND RANKING MEMBER BACHUS: I am writing on behalf of the 19,000 cities and towns represented by the National League of Cities to express our support for the Terrorism Risk Insurance Revision and Extension Act of 2007, H.R. 2761.

The Terrorism Risk Insurance Act (TRIA) creates an important mechanism under which the Federal government provides a vital federal backstop to potential catastrophic loss caused by terrorism. In addition to safeguarding America's economy and

stabilizing the terrorism insurance marketplace, TRIA provides the necessary direct federal insurance assistance to state and local governments in the case of terrorist acts.

The Act would extend the Terrorism Insurance Program for a sufficient time period to assure local governments that adequate and affordable insurance against losses caused by terrorism is readily available in the marketplace. The legislation also extends coverage to domestic acts of terrorism, which will add an additional level of protection against losses to America's cities and towns.

For these reasons, NLC supports H.R. 2761. We thank you for your leadership on this important legislation and look forward to working with you to ensure its passage.

Sincerely yours,

DONALD J. BORUT,
Executive Director.

Mr. PEARCE. Mr. Chairman, I yield 30 seconds to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Chairman, I want to thank the chairman of the full committee for reading that list of those that endorsed it. You will notice that some of the absences were the Consumer Federation of America, which said that this bill was not good for consumers, i.e. taxpayers. The National Taxpayers Association obviously wasn't on that list, because it is a great deal for the insurance companies, and we all acknowledge that. It merely subsidizes them at the expense of taxpayers. The one name missing is taxpayers. They will pay for this legislation.

Mr. ACKERMAN. Mr. Chairman, I further yield to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. I would say yes, the taxpayers do pay. It is a matter of national defense. Where people are building and incurring risks, they should pay for it themselves. I accept that point. We are talking about how we respond to Osama bin Laden or other murderers who would attack this country.

I think it is appropriate that the country as a whole respond, and not allow the terrorists to pick and choose which Americans will have to suffer disproportionately.

Mr. PEARCE. Mr. Chairman, I find the comments very strange from the opponents of the amendment. They say that my amendment will stop rebuilding and let Osama bin Laden tell us where to rebuild.

Currently the rate of insurance deductible is at 20 percent. The rebuilding is going on quite well, frankly, and they have sustained 2.5 percent increases through the past 6 years. What we are simply saying is we are going to start at 5 percent and increase 1 percent a year over 15 years back up to the 20 percent level. Yet we are being told that regardless of what is being built now, something is going to change in the equation and the people are going to stop rebuilding if we go up and go to this one-half percent increase.

I find it heartening to know that we are within a half percent of stopping the entire economy of the U.S. on a one-half percent deductible and giving over our independence to the terrorists based on this one-half percent, when the truth is the last 6 years showed us that the industry will sustain 2.5 percent increases and continue to build exactly where they want to build, and in fact the industry will sustain on its own at least up to 20 percent. If we are estimating something above that, that would be unchartered territory. But I do find the arguments somewhat stunning.

I reserve the balance of my time.

Mr. ACKERMAN. Mr. Chairman, we have no further speakers. I would just urge all of our colleagues to join with the former chairman of the Republican National Committee and Mr. FRANK and myself and oppose this amendment before the House.

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

Mr. PEARCE. Mr. Chairman, I have no other speakers and would just urge Members to support the amendment so that we can convert this public program back into a private program over a long course of time.

Mrs. MALONEY of New York. Mr. Chairman, I rise in strong opposition to this amendment. This amendment effectively guts a provision of this bill which is essential for the recovery of localities that are the subject of terrorist attacks.

As we know in New York, insurance companies are reluctant to write coverage at all for sites of terrorist attacks because they find the risk of another attack too high given the deductible under TRIA. Insurance companies aren't willing to pay the higher deductible more than once, in other words, for any given site. We in New York face this problem today as there is far less coverage available for lower Manhattan than is required, but this problem will confront any locality that is the subject of an attack.

The reset mechanism in the bill solves this problem by lowering the deductible for any locality that has been the subject of a significant attack. It applies nationally and will greatly help with economic recovery by helping to provide adequate terrorism insurance.

We have worked on a bipartisan basis to make sure this reset mechanism works for the whole Nation, for industry, for policy holders and that it is fiscally responsible.

This amendment guts the reset mechanism by mandating large and rapid increases in the deductible once it resets to a lower number after a large terrorist attack.

Under this amendment, the reset deductible could rise in a short time to as high as 19 percent, which is almost the same as the original deductible of 20 percent. This defeats the purpose of the reset mechanism, which we worked so hard to craft as a balanced and effective tool.

A TRIA bill that does not consider the special problems of sites recovering from an attack is not an effective or well designed plan.

I urge my colleagues to reject this misguided amendment.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico (Mr. PEARCE).

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

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

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New Mexico will be postponed.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

Amendment No. 1 printed in part B by Mr. FRANK of Massachusetts;

Amendment No. 2 printed in part B by Mr. PEARCE of New Mexico.

The Chair will reduce to 5 minutes the time for the second electronic vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts (Mr. FRANK) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 426, noes 1, not voting 10, as follows:

[Roll No. 881]

AYES—426

Abercrombie	Boustany	Conyers
Ackerman	Boyd (FL)	Cooper
Aderholt	Boyda (KS)	Costa
Akin	Brady (PA)	Costello
Alexander	Brady (TX)	Courtney
Altmire	Braley (IA)	Cramer
Andrews	Broun (GA)	Crenshaw
Arcuri	Brown (SC)	Crowley
Baca	Brown, Corrine	Cuellar
Bachmann	Brown-Waite, Ginny	Culberson
Bachus	Buchanan	Cummings
Baird	Burgess	Davis (AL)
Baker	Burton (IN)	Davis (CA)
Baldwin	Butterfield	Davis (IL)
Barrett (SC)	Buyer	Davis (KY)
Barrow	Calvert	Davis, David
Bartlett (MD)	Camp (MI)	Davis, Lincoln
Barton (TX)	Campbell (CA)	Davis, Tom
Bean	Cannon	Deal (GA)
Becerra	Cantor	DeFazio
Berkley	Capito	DeGette
Berman	Capps	Delahunt
Berry	Capuano	DeLauro
Biggert	Cardoza	Dent
Bilbray	Carnahan	Diaz-Balart, L.
Bilirakis	Carson	Diaz-Balart, M.
Bishop (GA)	Carter	Dicks
Bishop (NY)	Castor	Dingell
Bishop (UT)	Chabot	Doggett
Blackburn	Chandler	Donnelly
Blumenauer	Christensen	Doolittle
Blunt	Clarke	Doyle
Boehner	Clay	Drake
Bonner	Cleaver	Dreier
Bono	Clyburn	Duncan
Boozman	Coble	Edwards
Bordallo	Cohen	Ehlers
Boren	Cole (OK)	Ellison
Boswell	Conaway	Ellsworth
Boucher		Emanuel

Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett
Faleomavaega
Fallin
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gillibrand
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Jordan
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
McNerney
McNulty
Meek (FL)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Norton
Nunes
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Richardson
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Sessions
Sestak
Shadegg
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOES—1

Castle

NOT VOTING—10

Allen
Carney
Cubin
Davis, Jo Ann
Gilchrest
Jindal
Johnson (GA)
Johnson, Sam
Meeks (NY)
Serrano

□ 1407

Mrs. BACHMANN, Messrs. SIMPSON, EHLERS, BURGESS, BRADY of Texas and Mrs. BLACKBURN changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 2 OFFERED BY MR. PEARCE

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New Mexico (Mr. PEARCE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 194, noes 230, not voting 13, as follows:

[Roll No. 882]

AYES—194

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bean
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
Deal (GA)
DeFazio
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fortuño
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
Kingston
Kline (MN)
Knollenberg
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marshall
McCarthy (CA)
McCotter
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
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
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Taylor
Terry
Thornberry
Tiahrt
Tiberi
Tierney
Turner
Udall (CO)
Upton
Walberg
Walden (OR)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—230

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

Watson	Welch (VT)	Wu
Watt	Wexler	Wynn
Waxman	Wilson (OH)	Yarmuth
Weiner	Woolsey	

NOT VOTING—13

Allen	Hooley	Miller, George
Carney	Jindal	Serrano
Cubin	Johnson (GA)	Tancredo
Davis, Jo Ann	Marchant	
Gilchrest	McCaul (TX)	

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised there are 2 minutes left in this vote.

□ 1414

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ROSS) having assumed the chair, Mr. ISRAEL, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 2761) to extend the Terrorism Insurance Program of the Department of the Treasury, and for other purposes, pursuant to House Resolution 660, he reported the bill, as amended by that resolution, back to the House with a further amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. 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. DREIER

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

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

Mr. DREIER. Absolutely.

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

The Clerk read as follows:

Mr. Dreier moves to recommit the bill, H.R. 2761, to the Committee on Financial Services with instructions to report the same to the House promptly without the changes made by the amendment printed in part A of the report of the Committee on Rules (Report No. 110–333, 110th Congress) accompanying the resolution, H. Res. 660, 110th Congress.

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

Mr. DREIER. Mr. Speaker, I offer this motion to recommit to rectify what my Rules Committee colleague, the gentleman from Miami (Mr. LINCOLN DIAZ-BALART), eloquently described as an outrage.

What we have done in this measure is unprecedented, and we are undermining the goal that I think most all of us share of trying to have a responsible Federal backdrop to deal with the potential terrorist attack on our country.

Mr. Speaker, one of the things that we all know is that certainty is absolutely essential when you are dealing with the issue of insurance. Now, we know that people can't run a business without insurance, people can't hire people without insurance, they can't build without insurance. Insurance is absolutely essential. But it is critical that certainty be provided and, unfortunately, it is not being provided under this measure.

I would like to quote the letter that was sent from our friend from New York (Mr. ACKERMAN) to Speaker PELOSI when he said, ''It is our strong belief, however, that making the entire program contingent on Congress passing a second piece of legislation completely undermines the intent and desired effect of the legislation. Under this proposal, policyholders would not know for certain whether their policies would pay out in the event of an attack and insurers could be placed in the unthinkable position of either not paying out on their policies or facing insolvency. The uncertainty that this proposed solution to the PAYGO problem would cause would render the legislation almost completely useless.''

Now, Mr. Speaker, it is very, very important that that certainty be provided. Now, I have heard that there is a letter that has come from the Speaker to my friend from New York (Mr. ACKERMAN) that says this will be rectified. Well, Mr. Speaker, by passing this motion to recommit, we can guarantee that it will be rectified. We can guarantee that it will be rectified because we are in fact sending it back to the committee.

Why is it we are doing this promptly rather than forthwith? We know there are PAYGO problems that need to be addressed by this committee. The problem with what we have done is that in the name of trying to protect this poorly crafted PAYGO rule that was put into place at the beginning of the 110th Congress, we are waiving PAYGO. That is exactly what is happening here, Mr. Speaker.

So I urge my colleagues, if you in fact want a responsible Terrorism Insurance Act package, we need to recommit this bill to the committee so that they can come out with an even better work product than the one they have today.

I urge an ''aye'' vote on the motion to recommit.

Mr. FRANK of Massachusetts. Mr. Speaker, I rise in opposition to the motion to recommit.

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

Mr. FRANK of Massachusetts. First of all, of course it says ''promptly.'' Members make a choice. The purpose of this is terrorism risk insurance expires the end of this year. We are on a reasonable timetable but not one that has a lot of water in it.

Yesterday, on an important bill that goes before the Committee on Financial Services, they said ''promptly.'' So the notion is that they can make the Committee on Financial Services a revolving door and then complain when we can't get the work done when we will have to do it two and three times.

Secondly, Members on the other side, and I don't know where the gentleman from California was on this, but in Committee, before the PAYGO problem arose, while we got substantial Republican support, 14, 19 Republicans, including the ranking member, voted ''no.'' So the Republicans had taken an opposing position in the majority. The administration is in the majority against it.

And what are they telling us? That a bill that the Republicans on the whole are against doesn't do enough for the people who want the bill. This is people intervening on behalf of people who don't want their intervention.

It is true that there is some ambiguity that I hope will be resolved; but the American Insurance Association, and that is the group that, despite the Republican's argument that this can be done by the market, says no, the market can't handle it. And, in a letter signed by a former chairman of the Republican National Committee, Governor Marc Racicot, president of the AIA, they say please go ahead with the bill. And they say: We have concerns about this fix. We hope we can go forward and work on it as opposed to delaying it further.

We got a letter today from the Chamber of Commerce and the National Association of Manufacturers, the Bankers, the League of Cities, being aware of the problem and of the first cut at fixing it, that say please go forward.

Now, if the people who were expecting to be the participants in this program said, wait a minute, this can't go forward, they would be, I think, entitled to be listened to. When people who have on the whole been opposed to the whole program and who voted against it before this arose now appear to say, oh, my goodness, this poor program, you are not doing enough justice, when they want to kill it, I don't think have a lot of credibility.

So, yes, this does need some work. There are a variety of suggestions that have been made. We do have a Senate to go forward and we have a conference process.

And I will say to the Republicans, I understand their skepticism about a conference process, because when they were in the power, they didn't have any. They did a lot of backroom, okay, we will do this.

We will have a conference. I am chairman of this committee. I can promise, and I have talked to the leadership, we will have an open conference and there will be debates and discussions.

I am explaining it because the Republicans, some of them, the newer ones don't know what one is. It will be the

House and the Senate, and we will talk about it. And so we will address this particular issue.

And, again, all of those who are in favor of this program as it was drafted, all of them want us to go forward as we continue to make this final fix. Most of those who are saying, oh, no, you can't go forward, it is not perfect, didn't like it in any case.

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

Mr. FRANK of Massachusetts. I yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding. Just to answer the question that was raised earlier, I will say to my friend, if we pass this motion to recommit, I will vote in favor of the legislation and I would recommend that some of the other committee follow the example set.

Mr. FRANK of Massachusetts. I thank the gentleman, but I take back my time. He will vote in favor of the legislation after it is sent back to committee, after it is wide open again to an amendment process, after members of the committee on his side of the aisle will offer a whole lot of new amendments. And so weeks could go by before we are able to get floor time again and do it. There are a lot of things on the floor, and they are complaining that we didn't pass other things.

So the gentleman will vote for it in the sweet by-and-by if we send it back. There is an alternative: We go through the regular process. The Senate votes on this, aware of the CBO. We go to an open conference. We debate it, and we bring that to the floor.

I will yield again to the gentleman.

Mr. DREIER. I thank my friend for yielding.

And I will simply say, Mr. Speaker, that the issue here happens to be jurisdictional as well. He is talking about conference committees and everything. The Rules Committee abdicates this responsibility through expedited procedures by going through this process.

Mr. FRANK of Massachusetts. I know turf is more important to some Members than anything else.

Mr. DREIER. No, the institution is very important.

Mr. FRANK of Massachusetts. It is rather odd to proclaim yourself an institutionalist while violating the rules.

The fact is that I understand turf makes some people jittery. And I will certainly advocate that the Rules Committee be included in the conference report.

Again, the Republicans have forgotten how conferences work. Conferences can have more than one committee, so the Rules Committee can get representation on the conference.

Again, everybody who is for this bill in the House and the private sector, people on the whole and the cities, the representatives of the public affected, want us to go forward and say, in good faith work, this out.

People who have been on the whole opposed to it, not entirely but on the whole opposed to it, have found this hook to try and hold it up. I don't think they are trying to hold it up to make it better when a majority of them wanted to kill it in the first place.

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. DREIER. 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 196, noes 228, not voting 8, as follows:

[Roll No. 883]

YEAS—196

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)
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
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
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)
Kingston
Kirk
Kline (MN)
Knollenberg
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
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)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
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)

NAYS—228

Abercrombie
Ackerman
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
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
Fossella
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth 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
King (NY)
Klein (FL)
Kucinich
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
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
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
Shays
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

NOT VOTING—8

Allen
Carney
Cubin
Davis, Jo Ann
Jindal
Johnson (GA)
McHugh
Miller, George

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining on this vote.

□ 1445

Mr. RUPPERSBERGER changed his vote from ''yea'' to ''nay.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

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

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

Mr. PRICE of Georgia. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

The vote was taken by electronic device, and there were—yeas 312, nays 110, not voting 10, as follows:

[Roll No. 884]

YEAS—312

Abercrombie
Ackerman
Alexander
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt
Bono
Boozman
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Butterfield
Calvert
Cantor
Capito
Capps
Capuano
Cardoza
Carnahan
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Coble
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Fortenberry
Fossella
Frank (MA)
Frelinghuysen
Gallegly
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastert
Hastings (FL)
Hayes
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Klein (FL)
Knollenberg
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHenry
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (MI)
Miller (NC)
Miller, Gary
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Nunes
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pickering
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Putnam
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Richardson
Rodriguez
Rogers (KY)
Rogers (MI)
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
Sessions
Sestak
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stearns
Stupak
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walsh (NY)
Walz (MN)
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)

NAYS—110

Aderholt
Akin
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Berry
Biggert
Bilbray
Blackburn
Bonner
Boustany
Brady (TX)
Broun (GA)
Burgess
Burton (IN)
Buyer
Camp (MI)
Campbell (CA)
Cannon
Carter
Castle
Chabot
Cole (OK)
Conaway
Culberson
Davis, David
Deal (GA)
Doolittle
Drake
Dreier
Duncan
Ehlers
Everett
Fallin
Feeney
Flake
Forbes
Foxx
Franks (AZ)
Garrett (NJ)
Gingrey
Gohmert
Goode
Goodlatte
Granger
Hastings (WA)
Heller
Hensarling
Herger
Hoekstra
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jordan
King (IA)
Kingston
Kline (MN)
LaHood
Lamborn
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul (TX)
McCrery
McKeon
McMorris Rodgers
Miller (FL)
Musgrave
Myrick
Neugebauer
Paul
Pearce
Pence
Peterson (PA)
Petri
Pitts
Poe
Price (GA)
Radanovich
Rogers (AL)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Sensenbrenner
Shadegg
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Sullivan
Tancredo
Walden (OR)
Wamp
Weldon (FL)
Westmoreland
Wicker
Wilson (SC)

NOT VOTING—10

Allen
Boehner
Carney
Cubin
Davis, Jo Ann
Delahunt
Jindal
Johnson (GA)
McHugh
Miller, George

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes are remaining in this vote.

□ 1454

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2761, TERRORISM RISK INSURANCE REVISION AND EXTENSION ACT OF 2007

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that in the engrossment of H.R. 2761, the Clerk be authorized to correct section numbers, punctuation, cross-references, and to make such other technical and conforming changes as may be necessary to accurately reflect the actions of the House.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1644

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin's (Mr. RYAN) name be removed as a cosponsor of H.R. 1644. Our staff inadvertently, mistakenly added his name.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

FOOD AND DRUG ADMINISTRATION AMENDMENTS ACT OF 2007

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3580) to amend the Federal Food, Drug, and Cosmetic Act to revise and extend the user-fee programs for prescription drugs and for medical devices, to enhance the postmarket authorities of the Food and Drug Administration with respect to the safety of drugs, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3580

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Food and Drug Administration Amendments Act of 2007''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows: