

Charities cannot increase their charges above certain levels, however, without putting their services beyond reach of the very people whose needs they serve. Moreover, in some sectors at least, efforts to begin or expand the sale of related goods and services may encounter complaints from for-profit suppliers claiming unfair competition.

#### IN SUMMARY

Certainly, charities and their donors will do whatever they possibly can to increase gift revenues and services to compensate for reduced government spending.

But we can only do so much. We cannot begin to do it all.

These are facts of life. We, the undersigned organizations, urge you to take these facts carefully and fully into account in your deliberations, decisions, and votes.

American Arts Alliance, American Association of Museums, American Cancer Society, American Foundation for Vision Awareness, The American Indian College Fund, American Jewish Congress, American Lung Association, American Social Health Association, American Symphony Orchestra League, American Tinnitus Association.

Arrow, Incorporated, Arthritis Foundation, Association for Healthcare Philanthropy, Association of Jesuit Colleges and Universities, Battle Creek Community Foundation, The Boston Foundation, Otto Bremer Foundation, California Association of Nonprofits, Camp Berea, Inc., Camp Fire Boys and Girls.

Cancer Care, Inc., CARIE (Coalition of Advocates for the Rights of the Infirm Elderly), Catholic Health Association, Catholic Social Service—Kansas City, KS, Center for Applied Linguistics, Center for Community Change, Chesapeake Bay Foundation, Children's Aid International, Church Women United, The Community Foundation Serving Coastal, S.C.

Compeer Inc., Compton Foundation, Council for Advancement and Support of Education, Dance/USA, Direction Center, Grand Rapids, MI, Donors Forum of Chicago, Epilepsy Foundation of America, Eureka Communities, Evangelical Lutheran Church in America, Maurice Falk Medical Fund.

Families International, General Conference of Seventh Day Adventists, General Federation of Women's Clubs, General Services Foundation, Girls Scouts of the USA, Greater Worcester Community Foundation, Alan Guttmacher Institute, Holland Home, Grand Rapids, MI, Hudson—Webber Foundation, Illinois Association of Non-Profit Organizations.

Illinois Literacy Resource Development Center, InterAction, International Primate Protection League, Jewish Community Centers Association of North America, Jewish Federation of Metropolitan Chicago, Harris and Eliza Kempner Fund, Albert Kundstadter Family Foundation, Lakeshore Lung Society, Laubach Literacy, Leukemia Society of America.

March of Dimes, Maryland Association of Nonprofit Organizations, Mental Health Association in Texas, Mercy Medical Airlift, Metropolitan Association for Philanthropy, Minnesota Community College System, Nagle & Associates, National AIDS Fund, National Asian Pacific American Legal Consortium, National Association for Visually Handicapped.

National Association of Homes and Services For Children, National Association of Service and Conservation Corps, National Benevolent Association, National Committee for Responsive Philanthropy, National Committee to Prevent Child Abuse, National Council of Catholic Women, National Council of Churches of Christ in USA, National Council of Jewish Women, National Council

of Nonprofit Associations, National Easter Seal Society.

National Humanities Alliance, National Multiple Sclerosis Society, National Neighborhood Coalition, National Resource Defense Council, National Society of Fund Raising Executives, National Wildlife Federation, National Women's Law Center, Native American Rights Fund, NC Center for Nonprofits, New York Regional Association of Grantmakers.

Noble Centers, Inc., Nokomis Foundation, OMB Watch, OPERA America, Options for Independence, The Park Ridge Center for the Study of Health, Faith, and Ethics, People's Place—Milford, DE, The Pittsburgh Foundation, Recording for the Blind, Inc., Research! America.

School for Field Studies, Second Harvest, Stepping Stones-Morgantown, WV, Theatre Communications Group, The Union Institute, United Church of Christ, Office for Church in Society, United Way of Michigan, Warren Village, The Wesleyan Church, Wichita Industries and Services for the Blind.

Women's College Coalition, World Emergency Relief, YMCA of the USA, YWCA of Chemung County, Elmira, NY, YWCA of the USA.

### TRIBUTE TO THE LEAGUE OF WOMEN VOTERS

#### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mr. DINGELL. Mr. Speaker, I am honored to rise today in recognition of the 75th anniversary of one of this Nation's most unique and venerable political institutions—the League of Women Voters. Founded in 1920, 6 months prior to passage of the 19th amendment, the League of Women Voters is dedicated to furthering the active and informed participation by citizens in the democratic process.

Today, the League of Women Voters boasts more than 1,100 chapters and 150,000 members, men and women. The hallmark of this nonpartisan organization, which does not support political parties or their candidates, is its grassroots approach to action. Official policy positions advocated by the league are based upon the collective ideas and opinions of its members. In addition, individual chapters consistently put forward innovative community-based strategies to encourage citizen participation at the local level.

As we look back on many of the most important legislative accomplishments of the past 75 years, it is clear that the involvement of the League of Women Voters has had a lasting impact. Individuals such as Eleanor Roosevelt, who was a very active member of the New York League, have fought on countless occasions for the enactment of measures to improve working conditions for the American worker; ensure that our children are well fed and properly educated; guarantee equal rights for all; strengthen our health care system; and protect our environment for this and future generations.

I am pleased to join with my colleagues in honoring this exceptional organization committed to responsible citizenship. By encouraging the enlightened debate of vital national, State, and local issues, the League of Women Voters has contributed greatly to the representative system of government envisioned by our Founding Fathers.

### THE ENERGY EFFICIENCY AND CONSERVATION ACT OF 1995

#### HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mr. McDERMOTT. Mr. Speaker, today I am introducing the Energy Efficiency and Conservation Act of 1995. This is the same legislation that I introduced in the 103d Congress as H.R. 784.

Energy experts across the Nation recognize conservation as the most environmentally responsible and cost-effective source of energy available today. Under the direction of the Northwest Power Planning Council, the States of Washington, Oregon, Idaho, and Montana are committed to achieving 1,500 megawatts of energy conservation over the next decade. This effort will save enough energy to meet the electricity demands of a city half again as large as Seattle.

This legislation will overturn the Internal Revenue Service practice that discourages private utilities from pursuing the kind of effective conservation programs that are vital to the Nation's energy future. Longstanding IRS policy has allowed electric and gas utilities to deduct from their tax liabilities the costs of their energy conservation programs in the year incurred. However, the Service has begun to pressure private utilities to spread these deductions over a period of several years. The Puget Sound Power & Light Co. estimates that this could reduce its annual conservation expenditures by up to 10 percent. That amount is equivalent to the loss of electricity conserved when 4,500 homes participate in the company's residential weatherization program.

I want to emphasize that this legislation is nothing more than an affirmation of longstanding tax policy, and a rejection of the Service's recent attempts to modify it. Utilities have deducted conservation expenditures in the current year since the beginning of these programs in the 1960's. As recently as 1991, the IRS acknowledged in a technical memorandum that conservation expenditures are, in fact, allowable as a current deduction.

Investor owned utilities are the key to the success of conservation programs across the country. Of the 1,500 megawatts of energy savings the Pacific Northwest has committed to achieve in this decade, over half of that will come from private utilities. I am committed to supporting these companies in this important effort, and this legislation is a vital first step.

### CONTRIBUTIONS IN AID OF CONSTRUCTION

#### HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mrs. JOHNSON of Connecticut. Mr. Speaker, today I am introducing revenue neutral legislation to reinstate the exclusion from gross income of Contributions In Aid of Construction—known as CIAC—to a water or wastewater utility. Joining me as original co-sponsors are Representatives ROBERT MATSUI, RICHARD NEAL, ANDY JACOBS, and WILLIAM JEFFERSON.

Utilities are capital intensive industries. Historically, they have received the capital for the construction of a utility extension directly from new customers—typically through the developer or small municipality. The customer contributes this property, or a cash equivalent, equaling the cost of the extension to the utility. In this manner, existing customers will not face rate increases every time the utility gains new customers.

Prior to enactment of the Tax Reform Act of 1986, CIAC were not included in the gross income of an investor-owned utility and therefore were not subject to Federal income tax. On the other hand, utilities could not take tax depreciation or investment tax credits on CIAC.

The 1986 act repealed Internal Revenue Code section 118(b) and thus forced utilities to include CIAC in gross income and pay Federal income tax on them. Removing the exclusion from gross income of CIAC was intended as a tax on utilities. In practice and by regulation in most States, the CIAC tax is not a tax on utilities, but a tax on utility customers, primarily developers, home buyers, small municipalities, and even the Federal Government.

State utility regulatory bodies, referred to as PUC's, generally require utilities to pass tax costs onto their customers. This is done in one of two ways. The most common approach is to require the new customer to pay the cost of the tax, plus the tax on the tax known as the gross-up. Depending on the State, a gross-up can add as much as 70 percent to a customer's cost of the contribution. Alternatively, the PUC's may allow the utility to recover the tax cost over a period of time from the new rate base.

Whichever method is chosen, utilities do not pay the tax, they pass it on. But passing the tax on has detrimental effects, not only on the utility's ability to bring in new business, but on the environment and—most significantly—on the price of new housing.

A developer ultimately will pass the cost of the CIAC and the gross-up on to the new home buyer. The National Association of Home Builders has estimated that the CIAC tax can increase the cost of new housing by as much as \$2,000 per unit. This additional cost is enough to end the dream of homeownership for a young couple.

The CIAC tax also has some important environmental effects. New customers can avoid paying the CIAC tax by building their own independent water systems. This leads to a proliferation of systems that may not have the financial, technical, or managerial ability to comply with the rigorous requirements of the Safe Drinking Water Act. Such systems are referred to as nonviable. According to the EPA, in fiscal year 1990, over 90 percent of the violations of Safe Drinking Water Act were made by systems serving fewer than 3,300 individuals. By encouraging the proliferation of nonviable systems, the CIAC tax frustrates the environmental policy goal of consolidating these systems into exiting, professionally managed systems.

Mr. Speaker, repeal of the tax on CIAC for water and wastewater utilities will have a noticeable effect on both housing prices and environmental policy. It is supported by the National Association of Water Companies, the National Association of Regulatory Utility Commissioners, and the National Association of

Home Builders. I urge my colleagues to co-sponsor this important legislation.

50TH ANNIVERSARY OF THE  
BATTLE OF IWO JIMA

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mr. GILMAN. Mr. Speaker, I want to take this opportunity to call to the attention of my colleagues the upcoming 50th Anniversary of the Battle of Iwo Jima.

Fifty years ago this month, our American Marines from the Third, Fourth, and Fifth United States Marine Divisions courageously battled in a struggle which lasted 30 days, to capture the Japanese occupied island of Iwo Jima. With over 25,000 American casualties, including over 6,000 killed, the Battle of Iwo Jima was one of the bloodiest battles in all of American history. This Pacific island later provided bases for fighter support for raids over Japan, as well as an emergency landing field for damaged aircraft. It was planned that Iwo Jima would be used as a major launching facility for the Allied invasion of Japan. The invasion, of course, never took place because the atomic bomb brought about a rapid surrender of Japan prior to any invasion being necessary.

However, I can attest from my own personal experience that the capture of Iwo Jima, although extremely dear, resulted in the saving of countless American lives and hastened the end of the war.

Joe Rosenthal's Pulitzer Prize winning photograph of five men raising the American flag on Suribachi summarizes the spirit of the battle. Some authorities believe that this is the most duplicated photograph in all of history. In the classic words of Fleet Admiral Chester Nimitz: "Uncommon Valor Was a Common Virtue".

As a World War II staff sergeant stationed at Guam, I flew many missions over Tokyo. On several of these missions our aircraft was hit by enemy fire. We were forced on several occasions to make emergency landings, and were extremely grateful that the base on Iwo Jima was available to use. If these courageous Marines had not captured this island from Japan, myself and thousands of other American Marines would not have survived.

The capture of Iwo Jima made it possible for the United States to successfully protect bombers flying from Saipan, Tinian, Guam and other points to Japan. The airfields at Iwo Jima provided an important emergency landing field for 2,251 damaged Superforts carrying 24,761 crewmen. Thousands of American veterans, including myself, owe our lives to those who courageously captured the island of Iwo Jima.

Few battles in our history have captured the imagination of the public as has Iwo Jima. Immortalized in movies, novels, and other productions, all Americans are well aware that the name of Iwo Jima is emblazoned forever in the pantheon of glory. Unfortunately, few Americans are aware of why the courage of the Iwo Jima heroes was so significant to all of us.

It is in the spirit of gratitude and patriotism, Mr. Speaker, that I would like to call to the at-

ention of my colleagues a Reunion of Honor for the 50th Anniversary of Iwo Jima. The reunion will take place March 10–16, 1995. The surviving veterans of Iwo Jima, among the greatest heroes in our history, will be returning to Iwo Jima, Guam, and Saipan.

Mr. Speaker, this is an appropriate time to salute the brave dedicated men who fought in the Battle of Iwo Jima.

OPEN FOREIGN CAPITAL MARKETS  
TO U.S. AIRLINES

**HON. WILLIAM F. CLINGER, JR.**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mr. CLINGER. Mr. Speaker, during the three previous Congresses I served as the ranking member of the Aviation Subcommittee. While in that role it became very clear to me that U.S. carriers had tremendous difficulty raising capital to sustain their operations as well as meeting the high cost of acquiring expensive new equipment. Over the past 5 years the commercial air carrier industry has lost \$12.5 billion. That number far exceeds all profits earned by the industry since the Wright Brothers first flew.

High taxes, fare wars, burdensome regulations have all taken their toll. A lingering aftereffect of this bloodletting has been an inability on the part of most carriers to attract new capital. One of the biggest problems now facing the airlines is the dearth of available capital. This is a capital intensive industry. One step we can take to help assure their future is to address this capital crisis.

Under current law, foreign investors cannot hold more than a 25 percent stake in the voting stock of a U.S. carrier. The bill I am introducing today would be more favorable to foreign investment while retaining enough discretion with the Secretary of Transportation so that deals that were clearly not in the public interest could still be blocked.

Under my bill, foreign investments below the current 25 percent threshold could continue as before without restriction. Investments above 25 percent would be permitted as long as: first, the key officers and two-thirds of the airline's board of directors would still be U.S. citizens; second, U.S. citizens would still control at least 51 percent of the airline's stock; and third, the Secretary found that the investment would be in the public interest.

The first two requirements are objective standards that should be easy to apply in specific cases and would give some assurance of continued U.S. control. The third requirement, the public interest test, is intended to give continued discretion to the DOT Secretary.

In applying the public interest test, the Secretary is directed to consider seven factors. No one factor is meant to be an absolute bar to the transaction. Rather, the Secretary is to give the proper weight to each factor in each individual case in deciding whether the deal should be consummated.

Under the bill, the Secretary would be expected to look favorably upon an investment that would help a weak carrier survive and effectively compete, that would help preserve U.S. jobs, or that would enhance domestic or international competition.