

of dollars and raised morale across the command despite the turbulence of the dramatic defense draw down. This success led to high praise from Vice President GORE during the National Performance Review and an invitation for General Loh to join him at the Reinventing Government Summit in Philadelphia in June of 1993.

As fiscal pressure and geopolitical necessities drove American forces to become increasingly expeditionary, General Loh became the leading advocate for the immediacy and flexibility of air power. Throughout his career, he has worked closely with local governments to foster technology transfer to private, non-defense businesses. The governors of Ohio and Virginia each chose him to co-chair their State's technology transfer and defense reutilization commissions. He has also been one of the Nation's most effective advocates for maintaining the unique portions of the Nation's industrial base that have allowed us to field weapons with stealth and other sophisticated, force-multiplying characteristics.

General Loh's ability to master diverse challenges and draw on his own experience to interweave the efforts of combat forces and the industries that support them has given the nation the world's preeminent combat air force. His vision of what this fighting force can and should be has made it a national model for the people-centered, intellectually nimble work horse of the future. None of these things would have been accomplished without General Loh's conviction, courage, and leadership. He set a new standard for air power and gave our Nation the world's most effective combat air force.

General John Michael Loh, on behalf of the Congress of the United States and the Americans we represent, I offer our sincere thanks for your dedicated and selfless service to our Nation.

AMENDMENT TO EXCLUDE
LENGTH OF SERVICE AWARD
PROGRAMS

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1995

Mr. HOUGHTON. Mr. Speaker, I am joined today by several of my colleagues, including Mr. McNULTY, Mr. ACKERMAN, Mr. BUNNING, Mr. VOLKMER, and Mr. SHAW, in introducing legislation to exclude Length of Service Award Programs [LOSAP's] for volunteers performing firefighting or prevention services, emergency medical services or ambulance services from section 457 of the Internal Revenue Code. Likewise, the legislation would exempt the LOSAP's from FICA and Medicare taxation. This corrective legislation would support the important role that volunteer firefighters and rescue personnel play in small towns and rural areas across the United States.

There are approximately 150,000 volunteer firefighters in about 37 States, who receive nominal awards, about \$250 per year on average, under LOSAP's from their governmental or tax-exempt fire districts. Volunteers earn awards under a LOSAP while they are performing volunteer services, on the basis of their years of service. However, the awards are not actually paid to volunteers in cash until

after they have retired as volunteers. There are similar award programs for volunteers performing other emergency medical services, such as rescue personnel and ambulance drivers.

These nonqualified plans are covered by section 457. Participants under a section 457 plan normally report for tax purposes any compensation deferred and any income attributable to the amounts when it is actually received, similar to so-called qualified pension plans. However, one of the requirements for delayed taxation under section 457 is to limit such deferred amounts to a percentage of compensation paid. Of course, with most volunteer fire and rescue personnel, there is no regular pay, or only nominal amounts to cover expenses. Section 457 is in the Code to prevent governmental and tax-exempt entities from setting aside excessive amounts of tax-deferred income for the highly compensated employees, while at the same time being able to avoid the nondiscrimination rules that are applicable to qualified plans. Volunteers are far from being highly compensated, so our proposal does not undermine this policy.

However, the result of the current limitations may be to tax the volunteer with zero or minimal pay, on the amounts set aside as LOSAP's for retirement, at the time the amounts vest with the volunteer; that is, there are no restrictions on the receipt other than the passage of time. This could result even though it may be years before the volunteer will actually receive any funds.

The proposal would provide that the LOSAP's are excluded from the provisions of section 457. The result would be deferral of taxation until the LOSAP awards are paid. It would also exempt the amounts awarded under the LOSAP's from FICA and Medicare payroll taxes. The latter provision is similar to other areas of the tax law, such as exempting Peace Corp allowances paid to volunteers, as well as other plans established by the Government for deferral of compensation.

The proposal would promote volunteerism in the United States. There are strong public policy reasons for promoting volunteerism, and programs such as LOSAP's are important in doing this. In many areas of the country it is not economically or geographically feasible to provide these fire protection and emergency medical services through paid career personnel.

We urge our colleagues to support this sensible and important legislation.

DEFENSE WORKERS HEALTH
BENEFITS LEGISLATION

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1995

Mr. SKAGGS. Mr. Speaker, I am today introducing legislation to provide health insurance benefits to former employees at defense nuclear facilities such as the Rocky Flats site in Colorado.

This bill, the Defense Nuclear Workers' Health Insurance Act of 1995, is essentially identical to a bill I introduced in the last Congress, and is based on provisions of a defense nuclear workers' bill of rights that I introduced in 1991. Other provisions of that larger

bill were enacted as part of the 1993 defense authorization bill.

The bill I am introducing today would establish a health insurance program to help with the costs of serious illnesses resulting from workplace exposure to radiation or toxic materials. This would be funded through the Department of Energy and would cover treatment costs exceeding \$25,000 for the covered illnesses or injuries.

Mr. Speaker, nuclear weapons plant workers were on America's frontlines in the cold war. They helped our national defense mission, working with dangerous materials often under conditions that would not be acceptable by today's standards. Now, as the work force at these sites is reduced, we need to act to assure prospective future employers that company health insurance rates will not be adversely affected if they hire these former defense workers. We also need to act to give these workers assurance that they'll have health insurance coverage for work-related illnesses.

This is the right thing to do, Mr. Speaker. America has already rightly recognized a special obligation to veterans and to those exposed to dangerous levels of radiation during the cold war—uranium miners, people who were downwind from nuclear tests, and atomic veterans. Nuclear weapons workers deserve similar consideration, and this bill would provide that.

MILITARY CONSTRUCTION
APPROPRIATIONS ACT

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1995

Mr. PACKARD. Mr. Speaker, this bill addresses two current and critical concerns raised by the Department of Defense: The lack of quality family dwellings and a shortage of troop barrack space.

Two-thirds of the 350,000 family housing units in the Department of Defense inventory are over 30 years old and require extensive maintenance. Troop housing is in an even more dire situation. About one-half of all military barracks were built 30 or more years ago. The Department of Defense considers more than a quarter of this housing substandard and in need of constant upkeep to deal with problems such as asbestos, corroded pipes, inadequate ventilation, faulty heating and cooling systems, and peeling lead-based paint. Mr. Speaker, our service men and women deserve more. Chairwoman VUCANOVICH'S bill addresses this issue.

This bill also provides adequate support facilities for our service members and their families. These facilities are vital to ensure adequate working environments, productivity, and readiness, particularly with the growing number of deployments. They are essential to a strong national defense.

These men and women voluntarily put their lives on the line to serve their country. They deserve nothing less than the best we can offer them and I strongly urge support for this bill.