training and blood testing strips. By helping improve Medicare coverage for Americans with diabetes, we can save untold human suffering and millions of health care dollars.

This legislation is identical to two bills we coauthored in the 104th Congress, H.R. 1073 and H.R. 1074, which were cosponsored by 250 Members of the House. Unfortunately, neither bill was passed before Congress adjourned for the year. Today, we are introducing this landmark diabetes legislation with over 65 original cosponsors and the support of virtually every major diabetes organization in America. In fact, statements of support from seven diabetes organizations will follow this statement. It was the efforts of these organizations which helped build the broad, grassroots support for H.R. 1073 and H.R. 1074 to 250 Members—a clear, bipartisan majority of the House.

Mr. Speaker, my colleagues, we can no longer wait to enact this important legislation. We must pass this bill as soon as possible to help improve the quality of life for the 16 million Americans who have diabetes. I was proud when, last July, every major diabetes organization in the United States came together in Washington for the Diabetes Call to Action! and stood on the steps of the Capitol imploring Congress to pass this legislation.

Another reason for passing this bill as soon as possible is that it saves money. The latest scoring by the Congressional Budget Office demonstrates that this bill will actually save $223 million over 6 years. Improving coverage of outpatient self-management training and blood-testing strips will help reduce costly hospitalizations and complications that result from diabetes. In fact, one statistic last year cited that Congress will lose $500,000 every day it waits to enact this bill.

For families that live with diabetes, the time for waiting is past; the time for enacting this law is now. My beautiful daughter, Amanda has diabetes. My colleague from Washington, Mr. NETHERCUTT, has a daughter with diabetes. We know first hand about this deadly disease and what it means to live with diabetes. I know that if we can help people with diabetes better manage their disease, we will save untold human suffering and the precious health care dollars that are used to treat it.

I ask all my colleagues to cosponsor this bill and urge leadership on both sides of the aisle to agree to schedule this bill for swift action on the House floor.

INTRODUCTION OF THE HOMEOWNERS RELIEF ACT OF 1997

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mrs. KELLY. Mr. Speaker, because the American people are looking to us for tax relief, I rise on the first day of the 105th Congress to reintroduce the Homeowners Relief Act of 1997. This initiative, which provides homeowners with relief from capital gains taxation when they sell their home, is identical to legislation that I introduced during their 104th Congress.

This legislation recognizes that a person's home is something more than a simple investment; it's a fundamental part of the American dream, and our Tax Code should reflect this fact. An investment in a home is an investment in your community and in your future. Indeed, for many Americans, the equity built up after many years in a home represents a significant part of their retirement nest egg.

Owning a new home is the dream of young couples starting a new life together, of newly arrived immigrants eager to realize the American dream, and of all people working to build a better life for themselves and their children.

Homeownership is special, Mr. Speaker, and it should occupy a special place in the realm of public policy. The Homeowners Relief Act does just that—any gains from the sale of a principle residence would be exempt from capital gains taxation. Specifically, the bill excludes from taxation the gains from the sale of a principle residence if, during the 7-year period prior to the sale of the residence, the property was owned by the taxpayer and used as the taxpayer's principle residence for 5 or more years.

Current law provides some relief for homeowners, but it doesn't go far enough. Taxpayers may roll the gains from the sale of a home into a new home of equal or greater value, and older Americans can claim a one-time $125,000 exclusion when they sell their principle residence. These exemptions shield some homeowners from capital gains liability, but certain circumstances force many to shoulder a significant capital gains tax bite when they sell their home. Increased home values put many taxpayers, particularly older Americans looking to retire, in the difficult situation of having to pay substantial capital gains taxes. In addition, at a time when corporate downsizing is all too common, often the most substantial asset held by laid-off workers is their home.

The problem is that current law may lock individuals into homes that they might wish to sell. Those individuals who can afford to purchase a more expensive home can postpone capital gains liability, while those who need to move to more modest accommodations, because their economic circumstances warrant doing so, must pay a tax.

Mr. Speaker, by passing this legislation, Congress will give homeowners needed relief from this inequity, and will put recognition in the Tax Code of the special status of the home. I urge my colleagues to join me in supporting the Homeowners Relief Act of 1997.

THE INTRODUCTION OF THE POSTAL REFORM ACT OF 1997

HON. JOHN M. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. McHUGH. Mr. Speaker, today I am reintroducing legislation to reform the U.S. Postal Service. The Postal Reform Act of 1997 is substantially identical to H.R. 3717 which I introduced in the 104th Congress and continues to represent the first comprehensive reform effort involving the U.S. Postal Service since its formation in 1970.

When I introduced this measure in the previous Congress, I intended to make clear that this legislation represented the first step in a lengthy legislative process aimed at ensuring the future existence and financial viability of the United States Postal Service. The legislation was the subject of four extensive hearings during the 104th Congress and I plan to continue the hearing process into this new year. This legislation, as introduced, is substantially identical to the former H.R. 3717 as considered during the previous Congress. Any differences between this measure and its predecessor reflect the legislative reform enacted into law at the close of last year's legislative session. I again emphasize that the reintroduction of this measure represents my commitment to facilitating the reform process with all areas of the legislation subject to review. Consequently, I encourage those with interests in the legislation to continue to engage the Subcommittee in a constructive manner as the legislative process continues.

During the 104th Congress the Subcommittee on the Postal Service, which I chair, conducted indepth and lengthy hearings on the U.S. Postal Service and the issue of postal reform. During the oversight phase of our hearings we heard from more than 60 witnesses representing all facets of the postal community. Further, I had the opportunity to meet with a variety of individual postal customers, postal employees, and business leaders regarding these matters. I attempted to listen and absorb the comments and interests put forth on and off the record during those meetings and address them with the introduction of H.R. 3717 on June 25, 1996.

Continuing with the Subcommittee's desire to receive the full range of public comments we held four hearings last year specifically on H.R. 3717 and the issue of postal reform. Witnesses at these sessions ran the gamut from the Postmaster General; Chairman of the Postal Rate Commission; representatives of the direct mail and newspaper industries; private sector business partners; employee unions and associations, and for the first time, the Chief Executive Officers of the two largest private sector competitors of the USPS, Federal Express, and United Parcel Service.

One thing became clear as we conducted our oversight functions and met with interested parties: that 26 years after the establishment of the United States Postal Service, postal customers across the spectrum want to maintain a viable universal mail delivery system. To achieve this goal, Congress must revisit the legislative infrastructure of the Postal Service to assist it in meeting the changing market conditions and advances in communications technology.

Maintenance of a universal postal system must be the cornerstone of any postal reform measure. I strongly believe universal service at reasonable rates remains the primary mission of the U.S. Postal Service. However, shifting mail volumes and stagnant postal revenue growth require Congress to reexamine the statutory structure under which our current postal system now operates if we are to maintain this important public service mission.

During the conduct of our oversight hearings, the Subcommittee heard many witnesses describe means of communications that were not imaginable in 1970. At that time, who could have foreseen the explosion of personal computers, the Internet and facsimile machines in our everyday lives? There has been a steady erosion of what used to be personal correspondence, protected by the postal monopoly, moving through the U.S. Mail that now moves electronically or via carriage by a number of private urgent mail carriers.

According to Reports of the General Accounting Office, the U.S. Postal Service controlled virtually all of the Express Mail market in the early 1970's; by 1995 its share had dropped to approximately 13 percent. Similarly, the Postal Service is moving considerably fewer parcels today than 25 years ago. In 1971 the Postal Service handled 536 million parcel pieces and enjoyed a 65 percent share of the ground surface delivery market. Compare this to 1990 when the Postal Service parcel volume had dropped to 122 million pieces with a resulting market share of about 6 percent.

Even the Postal Service's ''bread and butter'' mail, first-class financial transactions and personal correspondence mail, is beginning to show the effect of electronic alternatives. Financial institutions are promoting computer software to consumers as a method of conducting their billpaying and general banking, while Internet service providers and online subscription services are offering consumers the ability to send electronic messages to anyone around the world or just around the corner. Similarly, many of us have become accustomed to the immediacy of the facsimile machine. These new communication technologies all carry correspondence that formerly flowed through the Postal Service. These former sources of revenues supported a postal infrastructure dedicated to the mission of universal service.

This shift in postal revenues will have a negative long-term effect on the financial well being of the Postal Service. Should the Service continue to labor under the parameters established by the 1970 Act, its inability to compete, develop new products and respond to changing market conditions jeopardizes its future ability to provide universal service to the diverse geographic areas of our Nation. We must make adjustments to the Postal Reorganization Act of 1970 which will allow the Postal Service more flexibility in those areas in which it faces competition while assuring all postal customers of a continued universal mail service with the protection of reasonable rates that can be easily calculated and predicted. My legislation attempts to meet this goal by replacing the zero-sum game that has driven postal ratemaking for the last 25 years with a system that reflects today's changing communication markets.

Mr. Speaker, I propose to allow the U.S. Postal Service the opportunity to make a profit and remove the break-even financial mandate of existing law that promotes the wide, yearly, swings of postal profit and deficit and weeks of negotiations on arcane economic assumptions for ratemaking purposes.

I propose to divide the product offerings of the Postal Service into two primary categories. The first, the ''non-competitive mail'' category, represents all single piece letters, cards and parcels as well as those classes of users without significant alternatives. The class will utilize a postage rate ''cap'' process by which the associated customers can easily determine postal rates. The second category will be the ''competitive mail'' category and will include those mail classes, products and services the Postal Service provides through the competitive marketplace. Within the category the Postal Service may set its rates according to market forces subject to an annual audit provided to the Postal Rate Commission to assure that rates are reflective of costs while providing a contribution to the overhead of the U.S. Postal Service. In addition, it would allow the Postal Service freedom to experiment with new offerings for a period of three years before requiring the Postal Rate Commission to permanently place it in either the competitive or noncompetitive mail categories.

This legislation grants significant freedom and flexibility to the Postal Service. Consequently, other changes are needed to reflect this status. I propose to attempt to level the playing field by changing the relationship between the U.S. Postal Service and the U.S. Treasury. Several postal competitors view financial access to the Treasury as an unfair advantage of the Postal Service, while the Postal Service views it as a restriction on its financial flexibility. Similarly, I propose to apply the anti-trust laws of our nation to the Postal Service products offered in either the competitive mail or the experimental market test categories. I am also proposing that the Postal Service conduct a demonstration project that will provide us with the data needed to determine the continued necessity of providing the Postal Service with sole access to individual private mailboxes.

Mr. Speaker, last Congress when I introduced my bill I included a provision intended to settle once and for all the nagging problem of an agency's chief law enforcement officer and member of postal management serving as its Inspector General by establishing an independent Inspector General for the Postal Service. A provision of Public Law 104–208, adopted in the closing days of the 104th Congress, addressed that issue by mandating the establishment of an independent office of the Inspector General. The Subcommittee is monitoring the progress of this office and has high expectations for this new Inspector General.

Also, the bill directs stringent reporting requirements to the Congress and to the U.S. Postal Rate Commission by providing the Commission with the ability to issue subpoenas, manage proprietary documentation and procure necessary information. This legislation places significant responsibilities on the Commission and, reflective of that, directs that the Commission will have for the first time its own Inspector General.

My proposal, Mr. Speaker, also increases the penalties for repeated mailings of unsolicited sexually oriented advertising as well as the mailing of hazardous materials and controlled substances. It protects workers on the job by making it a felony to stalk, assault or rob a postal employee. Just this past month we saw a letter carrier killed while on duty in our nation's capital and we cannot allow those that would harm or rob postal carriers to go without significant punishment. My proposal addresses this serious situation by increasing the penalties for such acts of violence.

I stress that significant areas of current law remain intact. This legislation does not affect the existing collective-bargaining process. However, the Subcommittee recognizes that serious problems exist between postal management and labor. To address this dire situation, I propose to form a Presidentially appointed Commission made up of non-postal union and corporate representatives as well as those well known in the field of labor-management relations. The Commission would be charged with addressing these issues in detail and provide guidance to the Congress and the Postal Service on any needed changes.

Mr. Speaker, this bill is, indeed, far-reaching in its scope. Some have said there is no consensus for reform while others have requested reform, due to the fact that the USPS has had two years of financial success and high delivery satisfaction numbers. My response is that this is precisely the time to consider this issue.

Reforms of this scope and magnitude are best enacted outside an atmosphere of crisis. Our failure to consider these reforms in a timely manner will leave the Postal Service ill-equipped to operate in a 21st Century environment. Without such action, Congress and the Postal Service will ultimately face conditions where thoughtful reforms and a deliberative process will be unachievable.

Mr. Speaker, my bill offers the Postal Service, its customers and employees—and the American people—the opportunity to equip one of our Nation's most valued institutions with the requisite tools to remain a viable and fiscally sound entity well into the next century.

INTRODUCTION OF THE WORKING FAMILIES FLEXIBILITY ACT

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. BALLENGER. Mr. Speaker, I am joined today by many of my colleagues in the introduction of the Working Families Flexibility Act which would allow private sector employers to provide their employees with the choice of taking time-and-a-half compensatory time as payment for overtime in lieu of cash wages. This legislation is family friendly and answers the call of many workers for increased flexibility and choices in the workplace.

The Fair Labor Standards Act, which governs wages and hours of work, was written nearly 60 years ago for a predominantly male work force and a workplace primarily comprised of manufacturing firms. Yet, the demographics today are dramatically different. Sixty percent of women are employed outside of the home and two-earner families have become increasingly common.

The Fair Labor Standards Act, however, fails to recognize these changes and, as such, restricts the ability of employers to meet the needs of their work force. Many employees are finding it increasingly difficult to find enough time for important family obligations or outside interests, making receiving compensatory time instead of cash overtime an attractive option. Seventy-five percent of respondents in a national public opinion survey favored giving employees the option of receiving time off instead of cash wages for overtime hours worked.

Many employers who want to be family friendly find that flexible scheduling can be extremely difficult for employees who are paid by the hour and covered by the overtime provisions in the law. Suppose an employee has a terminally ill parent who lives several States away. Days off with pay can become precious for that employee when a 2-day weekend does not provide enough time to travel and spend time with that parent. When that employee works a few hours of overtime each week, he or she may prefer to be paid with time off rather than with cash wages. If the individual is employed in the public sector, then