wilderness for her husband and eight children, she wrote poetry despite criticism that she was not devoting enough time to ''domestic responsibilities.'' To that, she replied, ''I am obnoxious to each carping tongue who says my hand a better needle fits.''

Finally, Louise du Pont Crowninshield of Salem, was a great and knowledgeable collector of antiques and a tireless advocate of historical preservation. Crowninshield's energy and dedication to charity work and historic preservation benefitted and continues to serve the National Trust for Historic Preservation and the Peabody-Essex Museum in my hometown of Salem, Massachusetts.

Mr. Speaker, America would not have flourished were it not for the tireless work of women. They have been, and continue to be, essential to building a country where all citizens, male and female, are free to live to their fullest potential.

## THE PROHIBITION AGAINST ALCOHOL TRAFFIC TO MINORS ACT PAAT ACT

### HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 24, 1998*

Ms. MILLENDER-McDONALD. Mr. Speaker, today I am introducing legislation to help save our Nation's children: The Prohibition Against Alcohol Traffic to Minors Act. The PAAT Act curbs the problem of underage drinking by prohibiting the ''direct shipment'' of alcoholic beverages to persons not meeting a State's legal drinking age.

The bill amends Title 18, United States Code by inserting a new section after 1865 that prohibits shippers, their employees, common carriers or agents of common carriers or delivery companies from delivering a package containing an alcoholic beverage or compound, fit for consumption, to any person not meeting the minimum drinking age within a state.

On Friday, December 12, 1997, a local NBC affiliate aired in which an underage youth ordered and received shipment of alcoholic beverages. The youth in question lived in New York, purchased the alcohol via the internet from a retailer in California, paid for the order with a credit card, and accepted delivery of the alcohol from a commercial air-freight carrier. This same story is also the subject of an undercover operation being conducted by the Attorney General of the State of New York. While this particular incident was documented by television cameras, there are numerous others that are not.

According to the Center for Disease Control, 80.4% percent of the nation's high school students have had at least one drink of alcohol during their lifetime; 51.6% have had at least one drink in a 30 day period; and 32.6% qualify as ''episodic heavy drinkers'' having had five or more drinks on at least one occasion during a 30 day period.

Sixty-nine percent of Americans polled oppose the direct shipment of alcohol to minors; 85% agree that the sale of alcoholic beverages over the Internet would give minors easier access to alcohol and could result in more abuse; and 70% of those polled don't trust delivery drivers to ensure that the recipient of alcoholic beverages via common carriers is at least 21 years of age.

Direct shippers operate outside of the licensed distribution system. The licensed beverage distribution system is an essential and legal of the alcohol control process and contributes billions in federal and state taxes each year. Direct shipments circumvent these laws and robs states of tax revenues. Florida, Tennessee, Kentucky, Georgia and North Carolina have recently upgraded their laws to make ''direct shipment'' a felony. At least 26 other states have sent ''cease and desist'' letters to wineries or retailers urging them to stop illegal shipments.

Every state has set 21 as the minimum drinking age. The passage of ''21'' laws by states stopped underage drinkers from driving to another state to purchase alcohol. However, Internet and toll-free direct shipment creates a new technological way for underage drinkers to have alcohol shipped directly to the home.

With ''shipments'' there is no regulatory system to guard against underage access and to collect alcohol beverage taxes. What started many years ago as a cottage industry to sell rare wines and micro brewed beer to connoisseurs has burgeoned into a billion dollar a year business.

According to the Center for Disease Control, 80.4% percent of the nation's high school students have had at least one drink of alcohol during their lifetime; 51.6% have had at least one drink in a 30 day period; and 32.6% qualify as ''episodic heavy drinkers'' having had five or more drinks on at least one occasion during a 30 day period. This behavior is dangerous, life threatening and must be stopped. I ask that my colleagues support our nation's children and pass this important legislation.

SUMMARY OF THE PROHIBITION AGAINST ALCOHOL TRAFFIC TO MINORS ACT (PAAT ACT)

The PAAT Act curbs the problem of underage drinking by prohibiting the ''direct shipment'' of alcohol beverages to persons not meeting a State's legal drinking age.

The bill amends Title 18, United States Code by inserting a new section (1866) after 1865 that prohibits shippers, their employees, common carriers or agents of common carriers, delivery companies, or business entities that deliver goods from delivering a package containing an alcoholic beverage or compound, fit for consumption, to any person not meeting the minimum drinking age within a state.

## THE FRENCH BROAD RIVER DOESN'T NEED NEW BUREAUCRACY

### HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 24, 1998*

Mr. TAYLOR of North Carolina. Mr. Speaker, I commend to your attention this article written by Will Haynie for the *Asheville Citizen-Times*—a newspaper in North Carolina's 11th Congressional District. It provides a persuasive argument against the American Heritage Rivers Initiative as proposed by President Clinton.

[From the Asheville Citizens-Times, March 22, 1998]

OLD MAN RIVER DOESN'T NEED THE FEDS

(By Will Haynie)

The song says that Old Man River, he just keeps rolling along. In today's political environment permeated by hype and hysteria, some say that may be easy for an old man, but a French Broad needs federal help.

After the American Heritage Rivers Initiative was announced, the result was a knee-jerk reaction to jump on the federal bandwagon to do something nice for rivers. Not for all of America's rivers, but just for the ten whose communities jump through the federal hoops required for a chance to be personally picked by the president. And with this president, how could ours lose with a name like French-Broad?

The American Heritage Rivers initiative was announced by President Clinton in his State of the Union Address in February 1997. This is an executive branch program, the details of which I viewed at the web site maintained by the federal Environmental Protection Agency (the address is http://www.epa.gov/rivers).

The efforts to nominate the French Broad for American Heritage River status sparked a healthy local debate over the role of the federal government and its control over our lives and property. This debate combines the best lessons from history and social studies along with some environmental science topics thrown into the mix.

With such a precious natural resource as the focal point, it's tempting for even the most conservative of us to respond by supporting what looks at face value to be a good intention.

But one thing I learned spending a lot of my youth around water is to look before you leap. Sometimes smooth surfaces hide harmful obstacles.

One obstacle in this initiative is that it comes straight from the executive branch of the federal government and involves the allocation of the funds and assets. When our constitution was framed, the representative branch was given such powers.

One of the initiative's stated goals is to ''protect the health of our communities by delivering federal resources more effectively and efficiently.''

Two of the most famous lies in the world are ''the check's in the mail'' and ''we're from the federal government and we're here to help you.'' Add another one to that list: ''we will deliver federal resources more effectively and efficiently.'' Sure, like the speed of the Post Office, the thriftiness of the Pentagon, and the courtesy of the IRS.

Is this to say that paying our federal taxes and acting in a law-abiding manner are not enough reasons to get effective, efficient service from federal agencies? Do we now have to petition the feds and hope for special designations just to get what we are owed?

The third stated requirement for communities whose rivers receive the designation is ''the willingness . . . to enter into new, or to continue and expand existing partnership agreements.''

The EPA also states ''designated rivers and their communities will also receive a commitment from federal agencies to act as 'Good Neighbors' in making decisions that affect communities.'' That statement raises another question: where does that leave communities who either don't seek or seek but don't achieve American Heritage status? They better not count on the feds to be their good neighbors. They didn't buy an indulgence.

Proponents of The American Heritage Rivers Initiative swear it is not a federal land and power grab. Yet the initiative lists ten contact agencies involved with the program, and the only state agency listed is the North Carolina Historical Preservation Office.

The biggest mystery in this initiative is the statement that federal agencies will support local communities ''within existing laws and regulations.'' Really?

Then, why must we approach the federal government by pleading and petitioning and promising to play by their rules so we can get protection for our river?

Nobody wants the French Broad River to be an open sewer. But running to the executive branch so all the king's horses and all the king's men can put it back together again is not the only solution, and it certainly isn't the best solution. Our congressman is called a representative because that's what he does for us in Washington.

Rep. Charles Taylor has presented a viable plan for the French Broad that will use existing channels to make all applicable agencies do their jobs for us without having to be petitioned to do so. The river is not yet in perfect condition, but it's a lot cleaner than it was fifty or even twenty-five years ago. We're making too much progress to call in the feds, even if they are ''here to help us.''

## HONORING RUTH PUGH

### HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 24, 1998*

Mr. MANTON. Mr. Speaker, I rise today to pay special tribute to Ruth Pugh—a modern day Florence Nightengale whose contribution to the nursing profession has spanned approximately 40 years.

Born in Jamaica, West Indies, Ruth was trained in Plaistow Hospital London, England, and graduated as an RN in 1961. Her interest in the study of midwifery resulted in her commencing specialized training in this field in 1962, later to be complemented by an interest and experience in the disciplines of medicine and surgery. Knowing the significance of the mind-body connection as it pertains to patient care, Ruth went on to attain a Bachelor's degree in Psychology/Sociology from Marymount College, Manhattan, New York.

A Master's degree from Long Island University soon rounded out the academic picture and manifested the striving for excellence that has always been the hallmark of her professional life. Later, a nursing administration certification in 1986 served as a preamble to her distinguished career as the Associate Director of Nursing, Department of Medicine, Jacobi Medical Center, where she was aided by her loyal associate Juanita Duncan and many friends and colleagues.

Mr. Speaker, although Ruth's academic credentials are comprehensive and impressive, they fail to show the most abiding dimension of who she is as a woman and a person—her strong sense of compassion. I, personally, know that Ruth Pugh's supervision and care of a beloved family member resulted in her being affectionately called ''Commander Pugh.'' For that is indeed who she is—a leader of people, a person who pays attention to detail, and one who inspires a sense of teamwork among the healthcare professionals with whom she serves. She can, at times, be strong and firm in ensuring that the highest quality of health care is given and then, at a moment's notice, upon seeing a distraught family member, rush to console them with prayer and kind words. This combination of qualities is unbeatable.

Mr. Speaker, those for whom she has been a steadfast source of help and support recognize this quality in her. They know that she can set a goal and, no matter how insurmountable the obstacles, achieve those goals. Such was the case when in the history of her hospital budget and financial constraints necessitated the elimination of several nursing positions. It was Ruth Pugh, who saw to it that when qualified nursing staff was so desperately needed those staff positions were reinstated. This was no small task in a time of limited resources and fiscal pressures.

Ruth Pugh is a human dynamo, a gracious human being, an accomplished professional, and a hallmark of those characteristics that define the consummate nurse—caring for others while simultaneously caring for her husband Sidney and three children. She is someone not easily forgotten, and through her care and the meaningful way she has touched people's lives, someone whose influence will endure forever.

## PERSONAL EXPLANATION

### HON. RON LEWIS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 24, 1998*

Mr. LEWIS of Kentucky. Mr. Speaker, on March 19, 1998, I was unavoidably detained and therefore missed roll call vote #62. Had I been present I would have voted ''no.''

## REAL ESTATE INVESTMENT TRUST TAX EQUITY ACT

### HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 24, 1998***HD***I. INTRODUCTION*

Mr. COLLINS. Mr. Speaker, I rise today to introduce the Real Estate Investment Trust Tax Equity Act. This legislation is an important measure which levels the playing field among investors and businesses competing in similar real estate markets. It addresses an inequity first recognized by Congress in 1984. Unfortunately, the legislative change that occurred in the Deficit Reduction Act of 1984 made important modifications that were too open-ended. As a result, certain players in the REIT market have taken advantage of a loophole which potentially shifts the markets in their favor. Specifically, paired-share REITS were provided a shotgun tax benefit in the 1984 legislation which has created a meaningful imbalance in certain industries. My legislation seeks to install equity, true to the intent of the 1984 changes.***HD***II. BACKGROUND

A. WHAT IS A REAL ESTATE INVESTMENT TRUST (REIT)?

A REIT is organized as a corporation, business trust or similar association which allows many investors to pool capital in order to acquire or provide financing for real estate.

REITs were first created in 1960 in order to give small investors access to the commercial real estate investment market. Previously this market had been monopolized by large capital investors, and this new structure afforded a wider group of investors to share in the profit opportunities.

A REIT is not required to pay a corporate level of tax, but must pass 95% of its taxable income through to its investors. Additionally, 95% of a REIT's income must come from passive sources, such as lease payments or interest on mortgage debt, etc. Also, 75% of a REIT's income must come from real estate. A REIT may not receive a significant portion of income from operating its real estate.

Over the years, there have been several legislative efforts to modify the REIT structure. While REITS have been generally prohibited from self-managing properties that they hold in trust, changes to the code were made in 1986 which allowed REITS that own specific types of real estate to provide customary services to their tenants. However, under current law, REITS are still restricted from operating real estate that requires a high level of operation management services (usually associated with such entities as hotels, casinos or similar properties). REITs that operate in these markets must lease the property to a third party, usually structured as a C corporation, which is tasked with providing the operation and direct management of the restricted real estate held by the REIT.

The REIT market has seen considerable recent growth. According to the National Association of REITs, five years ago there were 142 REITS with a market value of $16 billion. Today there are 210 REITs with a value of $141 billion. Experts forecast that at current growth rates, within a decade REITs will reach a market value of $1.3 trillion.

B. WHAT ARE PAIRED-SHARE REITS?

In the 1980s certain REITS began pairing their shares of the REIT with those of the management company. For each share of the REIT received by the investor, they also received one share of the management company. Pairing these shares creates significant benefits because the same shareholders derive all of the profits from operations related to the real estate owned by the REIT.

C. CONGRESSIONAL ACTION

Because of several concerns about the paired share structure, including the fact that it could cause an artificial reduction in tax liabilities attributable to the income associate to management of properties, Congress took action in 1984 to ensure that the two structures would be treated as one for purposes of applying the REIT gross income tests. However, in this legislation, Congress considered the impact on the companies that had already adopted the paired-share REIT structure. Consequently, these existing entities were grandfathered, with the acknowledgment that they would need additional time to ''unwind'' in the effort to meet the standard gross income tests.

Historical discussion language indicates Congressional intent:

''Congress did not intend to eliminate the corporate tax on the portion of an active business' income that arises from the ownership of its real estate.''

''Congress believed that to permit the use of such a transparent device would have weakened the integrity of the tax system.''

''Congress believed that all stapled entities should have adequate time to remove the requirement that shares trade in tandem . . .''

D. THE COMPETITIVE BENEFITS OF PAIRED-SHARE REITS

Although supporters of paired-share REITs argue they have no benefit over competitors within their industries, indications are to the contrary. Specifically, this structure provides significant benefit because it eliminates the sometimes adversarial relationship between the REIT and the management company. If