

during our nation's history. The modern era of restricted federal budgets, however, threatens to erode the essential principle of "no taxation without representation." In ways that are often subtle or hidden, federal agencies are taking on—or receiving from Congress—the power to tax. They may tax by adding extra charges onto legitimate fees charged for services they provide. They may tax by requiring businesses to take on affirmative obligations (as opposed to complying with proscriptions on behavior that harms the public) as a condition of operating. Administrative taxes pass the costs of government programs on to American consumers in the form of higher prices. These secret taxes tend to be deeply regressive and they add inefficiencies to the economy. The take money from everyone without helping anyone.

The worst example of administrative taxation is the Federal Communications Commission's Universal Service Tax. "Universal service" is the idea that everyone should have access to affordable telecommunications services. It originated at the beginning of the century when the nation was still being strung with telephone wires. The Telecommunications Act of 1996 included provisions that allowed the FCC to extend universal service, ensuring that telecommunications are available to all areas of the country and to institutions that benefit the community, like schools, libraries, and rural health care facilities.

Most importantly, the Act gave the FCC the power to decide the level of "contributions"—taxes—that long-distance providers would have to pay to support universal service. The FCC now determines how much can be collected in taxes to subsidize a variety of "universal service" spending programs. It charges long-distance providers, who pass the costs on to consumers in the form of higher telephone bills. In the first half of 1998, the tax was \$625 million, and the Clinton Administration's budget projects it will rise to \$10 billion per year. Mr. Speaker, this administrative tax is already out of control.

The FCC's provisions for universal service have many flaws. Among them are three "administrative corporations" set up by the FCC. The General Accounting Office has determined that the establishment of these corporations was illegal. The head of one of these corporations was, until recently, paid \$200,000 dollars per year—as much as the President of the United States. And reports are already coming in about sweetheart deals between government contractors and their State government friends, who have access to huge amounts of easy universal service money.

The FCC has been contumacious to the will of Congress in implementing the Universal Service Tax. Chairman BLILEY has assiduously pursued the FCC's missteps and misdeeds, as have I. In the Commercial and Administrative Law Subcommittee, I chaired a hearing on administrative taxation, focusing particularly on the Universal Service Tax, on February 26, 1998, at which I raised several issues and concerns. The FCC's response to my concerns, and those of many other Members, has been anemic at best.

This can only happen because the FCC collects taxpayer dollars at levels it sets without approval from Congress or the people. The FCC can defy Congress and the people because it has the power to levy taxes on its own. It can ignore Congress without threatening its generous spending programs, which

cost Americans millions and millions of dollars. Mr. Speaker, some people thought the tax-and-spend liberals had left Washington. Not so.

Washington interest groups who want to feed at this federal trough are already geared up to accuse the Republican Congress of cutting funding for education and health care if any attempt is made to rein in the FCC. They will cynically frame the issue as a matter of federal entitlements for sympathetic causes and groups.

But the most sympathetic group is the American taxpayer, whose money is being taken, laundered through the Washington bureaucracy, and returned (in dramatically reduced amounts) for purposes set by unelected Washington poohbahs. This is why we must require the FCC, and all agencies, to get the approval of Congress before setting future tax rates.

Should tax dollars be used for federal universal service programs? In what amounts? Or should Americans spend what they earn on their own, locally determined priorities? Requiring Congress to review any administrative taxes would answer this question.

My bill would create a new subchapter within the Congressional Review Act for mandatory review of certain agency rules. Any rule that establishes or raises a tax would have to be submitted to Congress and receive the approval of Congress before it could take effect. In essence, the Act would disable agencies from establishing or raising taxes, but allow them to formulate proposals for Congress to consider, under existing rulemaking procedures. It is a version of a bill introduced and ably advocated for by Mr. HAYWORTH. He joins me today as a leading cosponsor of this bill.

Once submitted to Congress, a taxing regulation would be introduced (by request) in each House of Congress by the Majority Leader. The rule would then be subject to expedited procedures, allowing a prompt decision on whether or not it should take effect. The rule would take effect once a bill approving it was passed by both Houses of Congress and signed by the President. If the rule were approved, the agency would retain power to reverse the regulation, lower the amount of the tax, or take any otherwise legal actions with respect to the rule.

Mr. Speaker, the cry of "no taxation without representation" has gone up in the land before, and today we are hearing it again. Congress must not allow a federal agency comprised of unelected bureaucrats to determine the amount of taxes hardworking Americans must pay. While preserving needed flexibility, the Taxpayer's Defense Act will allow Congress alone to determine the purposes to which precious tax dollars will be put.

PERSONAL EXPLANATION

HON. ADAM SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mr. ADAM SMITH of Washington. Mr. Speaker, I was unavoidably detained on the evening of June 11, 1998, and unfortunately missed roll call votes 230 and 231. If present I would have voted "yea" on roll call vote 230 and "yea" on roll call vote 231.

HONORING THE SAVE OUR YOUTH INITIATIVE'S CONGRESSIONAL YOUTH COUNCIL

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mr. TOWNS. Mr. Speaker, I rise today to honor the member of my Save Our Youth Initiative's Congressional Youth Council.

One of the major challenges facing Brooklyn, and other parts of our Nation, is finding ways to open doors of opportunity for youth who constitute a disproportionately large share of the unemployed, underemployed, and incarcerated. Through the Save Our Youth Initiative, I am striving to eliminate this bleak outlook for our youth, and to provide the necessary resources so that youth can build successful lives. An important vehicle in this effort is my Congressional Youth Council.

Since Spring 1996, the Youth Council's leadership role in the community encourages youth to become more active citizens. Through organizing community forums such as a Youth Town Hall meeting attended by over 200 youth and adults, participating in public hearings and other local events, and discussing policy issues with public officials such as Mayor Rudolph Giuliani and Brooklyn Borough President Howard Golden, these youth blossomed into dedicated advocates. Each young leader—April Hudson, Irvin Daniels, Felix Ramos, Akilah Holder, Tanya Cruz, Latoya Baker, Dunni Owolabi, Jethro Jellidine, Nicole Brathwaite, Michelle Warner, Yolanshe, Alexander, Fellanthin King, and Kalonji Curwen—is a shining beacon of hope for the future of our community.

I am tremendously proud of their achievements in both school and the community. This month, four of these dedicated youth advocates will receive their New York State high school diplomas. They have truly shown that Generation X is a generation of excellence.

Mr. Speaker, it is with great pride that I ask my colleagues to join me in saluting all of the members of my Congressional Youth Council.

TRIBUTE TO INTEGRATION 2000

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mr. BONIOR. Mr. Speaker, each year a new group of children walks into a school for the first time. They are our future leaders, the hope of America. Students rely on the support they get from parents, mentors, and teachers as they prepare for their future. Harry Istok, at Malow Junior High in Shelby Township, MI, has developed an innovative technical program called Integration 2000. With the help and support of businesses throughout the Metro Detroit area, Integration 2000 has changed the way we look at technical education in Michigan.

Harry Istok is a veteran teacher. For twenty-seven years, he has taught drafting to students at Malow Junior High. But during the school year of 1995/1996, Harry took drafting to a new level. By taking skills from art, drafting, technology education, and general business, Harry integrated the manufacturing side

to show students how their final product would be produced. Students in 7th, 8th, and 9th grades have designed, engineered, manufactured and marketed products such as key chains and pen and pencil holders proudly bearing the Malow Mustang. Harry Istok is preparing students for life after secondary school. Harry has stated, "the whole purpose of education after the Industrial Revolution is to prepare students for the world of work. We have to show the kids that there are viable alternatives to a four year college education." Integration 2000 provides students and business with the opportunity to work together in a hands-on educational environment.

Since 1995, Harry has enlisted twenty-seven area businesses to participate in Integration 2000. Each business donates time and materials to the education of the students. Without their dedication and commitment Integration 2000 would not be possible. On March 8, 1998, Harry and his partners were honored with the Program Excellence Award at the 60th International Technology Education Association in Fort Worth, Texas. The participating businesses are: RCO Engineering, Northern Metalcraft, Joint Production Technologies, Thunder Tool, Shoe Design, Entire Reproductions, Rhetech, Pinnacle Technologies, Proper Mold, Macomb Sheet Metal, P-Ess Sheet Metal, Breed Technologies, Kinzer Collision, International Hardcoat, Shelby Mold Inc., Modulated Metals Inc., E & E Engineering, Advanced Machining Ltd., Mt. Clemens Steel Inc., R.-J.'s E.D.M., DCT Inc., Unique Fabricating, Acra Grinding, 3-Dimensional Services, Powder Cote II, Interplas and Consumers Lumber.

As a parent and congressman, I am impressed so many young people will have the opportunity to experience the world of high tech manufacturing when they are as young as twelve years old. Harry Istok's vision has brought together a unique partnership between Malow Junior High and businesses in southeastern Michigan. Integration 2000 will serve as an example for other schools to follow. I would like to thank Harry and all of his twenty-seven partners for their lasting contribution to education in the United States.

PERSONAL EXPLANATION

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mrs. CLAYTON. Mr. Speaker, during roll call vote numbers 245, 246, and 247, I was unavoidably detained. Had I been present, I would have voted yes on 245, and no on 246, and 247.

BANKRUPTCY REFORM ACT OF 1998

SPEECH OF

HON. MAX SANDLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3150) to amend title 11 of the United States Code, and for other purposes:

Mr. SANDLIN. Mr. Chairman, I rise today in qualified support of this legislation to overhaul our nation's bankruptcy laws. H.R. 3150 is an imperfect bill that addresses a very real and pressing problem. I will vote for this bill to advance it through this stage of the legislative process. However, if this bill does not improve in conference negotiations with the other body, I am prepared to vote against the conference report.

Although the rate of personal bankruptcy filings in Texas in 1996 was well below the national average, it is still high at 8.4 bankruptcies per 1000 households. Nationally, filings increased 20% from 1996 to 1997, and the economic cost of these bankruptcies is passed on to all consumers, creating a hidden tax of \$400 on every household.

While there are multiple factors contributing to this recent surge in bankruptcy filings, the ease with which a debtor can file for Chapter 7 bankruptcy is surely one of them. There are certainly scattered cases of debtors running up their debt and then filing Chapter 7 bankruptcy to discharge that debt when they are capable of paying a substantial portion. The bankruptcy system should not assist debtors in evading debts they could otherwise pay. Instead, our nation's bankruptcy laws should offer a fair and honest way for those overwhelmed by financial pressures to pay off as much of their debt as they can and begin a fresh start.

This bill takes a good initial step at limiting a debtor's ability to "game the system" or take advantage of our bankruptcy code. However, the bankruptcy code affects millions of working Americans annually, and any changes to the code will have significant ramifications for many of them. We must undertake any rewrite of this code with extreme diligence and caution.

Amendments to this bill, both in committee and on the House floor, addressing child support and alimony payments, have allayed some of my fears. However, I still have significant lingering concerns that making some credit card debt nondischargeable places this debt in direct competition with child support and alimony payments. Although child support and alimony payments retain priority designation, credit card companies will generally have a better ability to collect these debts than an ex-spouse. Before this bill is enacted into law, we must be absolutely certain that it will not benefit credit card companies at the expense of women and children who rely on these payments for their survival.

This bill, as reported by the House Committee on Judiciary, would have preempted provisions in the Texas Constitution which protect a debtor's homestead from seizure. The bill would have capped the homestead exemption at \$100,000, while Texas law has no monetary limit on the homestead exemption. I was adamantly opposed to this provision, and was pleased that it was eliminated from the bill on the House floor. However, I still have concerns that this bill would intrude on state law by prohibiting a debtor from exempting assets transferred into one's homestead within one year of filing for bankruptcy. I hope to see this provision eliminated from the bill in negotiations with Senate.

I will vote for this bill now, but I urge the conference committee to address these very significant issues before this legislation returns to the House for final passage. If women and

children are not adequately protected in this rewrite of the bankruptcy code, I will vote against the conference report.

RECOGNIZING WPST'S DAVE
McKAY AS TOP 40 SMALL MAR-
KET PROGRAM DIRECTOR OF
THE YEAR

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mr. PAPPAS. Mr. Speaker, I rise today in recognition of Mr. Dave McKay who was recently named Top 40 Small Market Program Director of the Year at the Gavin Seminar in San Diego, California. He is truly outstanding at what he does, making it my pleasure to recognize him today.

Every day many of us enjoy listening to the radio but are probably largely unaware of the hard work that goes into a successful broadcast. It is rare that we have the opportunity to give our thanks to those who stand out in the radio industry and provide us with daily entertainment.

Selected from hundreds of candidates across the country, Mr. McKay has proven to be at the top of his field, as is evident by the fact that he has received this honor for two consecutive years. He graduated from the University of Maryland in 1992 and has excelled in his endeavors ever since. Hired immediately as an air talent at WPST in 1993, he was recognized as a great prospect in the industry. Just five months later, he was promoted to the position of Music Director, a position that gained him many accolades. As Music Director, Mr. McKay won \$10,000 in the AIR Competition, one of the greatest achievements in the radio industry, as well as numerous other awards. Finally, in 1996, he was named Program Director at WPST, a position that he remains in at this time.

Mr. Speaker, I am proud to be able to recognize Dave McKay for his recent honor in being named as the Top 40 Small Market Program Director of the year. I want to congratulate him and wish him and WPST my best wishes.

FOURTH ANNUAL CITIZENSHIP DAY EVENT

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 1998

Mr. GREEN. Mr. Speaker, June 13, my staff and I hosted our Fourth Annual Citizenship Day Event. This is a one-stop application processing opportunity for residents who wish to become U.S. citizens.

With the help of local volunteers, elected officials, and community-based organizations, we were able to help 350 residents take their first step to becoming a U.S. citizen.

The Citizenship Day process consisted of completing INS forms, taking photographs, and having attorneys and INS representatives review the application. Upon completing this process, the application is photocopied for the applicant and immediately mailed to INS.