

as afterthoughts. As a result, educators in the insular areas must follow a patchwork system of funding arrangements, varying from state shares to special formulas for outlying areas, in order to obtain needed and fair funding of federal program resources.

I am pleased that we will be included in most of the increases, including the President's proposal to increase spending by \$5 billion on reading programs for Kindergarten to 3rd grade. And, I am particularly pleased that local school districts will be given greater flexibility to transfer up to 50 percent of the Federal education dollars they receive through ESEA programs. I am also pleased that the bill will help states and local schools with their development of annual reading and math assessments for students in 3rd through 8th grade and that there will not be a uniform ruler to measure all achievement because one size does not fit all. However, I remain concerned that the over-reliance on standardized testing as the only measure of educational success might only lead to failure. In a place like Guam, standardized testing as a single measure can be particularly misleading, therefore, additional measures should be employed.

I have long been an advocate for establishing a Federal educational policy for the insular areas that would help to bring consistency to their treatment throughout H.R. 1. In the absence of such policy, I have worked to develop language and legislation to extend the opportunities provided to all Americans to those living in the insular areas. Thus, I proposed an amendment to H.R. 1 which provides the framework for Federal education policy to the insular areas and calls for the reestablishment of the Territorial Assistance Program to provide teacher training to help students graduate from high schools in the insular areas. Unfortunately, this amendment was struck down along with more than a hundred other amendments proposed for this deliberation today.

I am here before you to urge your consideration of the special needs of children living in the insular areas. The Federal Government has recognized that special attention must be given to the challenging circumstances of insular area educational systems. It is my hope that Congress will work to resolving these longstanding issues which impede the delivery of education to children living in the insular areas. Why should our educators be left to searching for information in footnotes and obscure references to find the policies which apply to them?

We need to work in concert to level the playing field for all American children in the states and in the territories. I hope my colleagues will join in supporting my legislation to ensure that no American child is left behind in our national education programs no matter where they live, and urge support for the inclusion of this policy in any final agreement of H.R. 1.

forts of Professor Basilio Catania of Turin, Italy. Professor Catania is the retired director general of Italy's Central Telecommunications Laboratory, a distinguished scientist, holder of the European Union's first Telecommunications Prize, holder of Italy's internationally acclaimed Marconi Prize. Following years of meticulous research, Professor Catania is now trying to bring to light the merits of Mr. Antonio Meucci, who claimed that he and not Alexander Graham Bell invented the telephone. In October 2000, at New York University, Professor Catania presented "Antonio Meucci, Inventor of the Telephone: Unearthing the Legal and Scientific Proofs."

Had Mr. Meucci been able to afford the ten-dollar fee to extend his 1871 caveat from the United States Patent Office beyond 1874, the Bell patents could never have been issued and we would have a very different vocabulary today in discussing telecommunications issues.

The fight over who actually should hold the patent for the telephone and succeeding inventions dates back to the earliest days of the telecommunications industry. The federal government even played a direct roll. In 1885, the Meucci claim was presented before Secretary of Interior Lucius Lamar, who at the time had jurisdiction over the Patent Office. Fifty affidavits and the exhibition of two dozen of Meucci's telephone models were part of the presentation. One of the affidavits was the translation into English of Mr. Meucci's Memorandum Book, in which he kept the notes on his various experiments on the telephone as far back as 1862. A drawing in the Memorandum Book shows that Mr. Meucci had discovered the inductive loading of long distance telephone lines many years before the Bell Company. It was also found that Mr. Meucci should have been credited with other firsts, such as call signaling, the anti-side tone circuit, and the first measures to optimize the structure of telephone lines.

The outcome of the hearings led to a recommendation to proceed against the Bell Company. Unfortunately, little attention has been paid to this important trial brought by the Department of Justice in January 1887 *United States v. Bell Telephone Company and Alexander Graham Bell*. This lawsuit was instituted by the federal government against Bell to strip him of his patents for fraud and misrepresentation. Appealed on demurrer to the Supreme Court, it was determined by the High Court that a viable and meritorious contention against Bell had been raised, and the case was remanded for trial. The record of the trial proceeding was never printed and now resides in storage with the National Archives and Records Administration.

Interestingly, the hearings before the Interior Secretary coincided with a lawsuit brought by the Bell Company against Mr. Meucci for patent infringement. Sadly, none of proceedings at Interior were made available during the patent infringement trial.

by the IRS that has interfered with the ability of municipal gas systems to enter into long-term prepaid contracts to obtain natural gas for their citizens. I am joined today by 20 of my colleagues who share my great concern for this issue.

The approximately 1,000 publicly owned gas distribution systems in the United States comprise about 5 percent of the market. They are primarily located in small towns and rural communities. In the last 15 years there have been major changes in the natural gas industry that have increased their exposure to the great uncertainties of the natural gas market. In 1985 the Federal Energy Regulatory Commission "FERC" began deregulating the delivery of natural gas. In 1993 FERC began requiring that pipelines "unbundle" their services to customers. This meant that municipal gas systems could no longer purchase natural gas supplies on a reliable and regulated basis from interstate natural gas pipelines. This fundamental change in the marketplace meant that for the first time municipal gas systems had to acquire reliable gas supplies and transport on their own in a deregulated marketplace. In response, many formed joint action agencies, as contemplated in the FERC restructuring, to acquire and manage the delivery of gas.

In today's natural gas markets, long-term prepaid supply arrangements are the most reliable means for municipal gas systems to obtain an assured supply of natural gas. To fund prepaid supply contracts, the municipality or the joint action agency issues tax-exempt bonds. These contracts contain stiff penalties if the supplier fails to perform making this the most reliable gas supply that municipal gas agencies can purchase. Until August of 1999, joint action agencies entered into prepayment supply contracts with gas suppliers to obtain a long-term (e.g., 10-year) supply of gas.

In August 1999, the IRS published a request for comment that has effectively prevented municipal gas systems from using their tax-exempt borrowing authority to fund the purchase of long-term, prepaid supplies of natural gas for their citizens. The IRS questioned whether the purchase of a commodity, such as natural gas, under a prepaid contract financed by tax-exempt bonds has a principal purpose of earning an investment return, in which case the bonds would run afoul of the arbitrage rules of the Internal Revenue Code. The IRS has not issued any guidance following the August 1999 request for comment.

Under the Internal Revenue Code, tax-exempt bonds may not be used to raise proceeds that are then used to acquire "investment-type property" having a higher yield than the bonds. Governmental bonds that violate this arbitrage restriction do not qualify for tax-exempt status. Treasury regulations provide that investment-type property includes certain prepayments for property or services "if a principal purpose for prepaying is to receive an investment return." But, "a prepayment does not give rise to investment-type property if . . . the prepayment is made for a substantial business purpose other than investment return and the issuer has no

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MEUCII

**HON. ELIOT L. ENGEL**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 24, 2001*

Mr. ENGEL. Mr. Speaker, I rise today to bring to the attention of my colleagues the ef-

MUNICIPAL GAS SUPPLY ACT OF  
2001

**HON. MAC COLLINS**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 24, 2001*

Mr. COLLINS. Mr. Speaker, I am introducing legislation today to correct a problem created