

## EXTENSIONS OF REMARKS

IN HONOR OF THE REPUBLIC OF  
LATVIA

**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. KUCINICH. Mr. Speaker, I rise today to honor the mark of the 10th anniversary of Latvias' adoption of the constitutional law "On the Statehood of the Republic of Latvia".

On August 21, 1991, the Supreme Council of the Republic of Latvia took advantage of the political situation in the country and passed the law "On the Statehood of the Republic of Latvia" providing for the full restoration of Latvia's independence. This revoked the transition period set on May 4, 1990 for the de facto rejuvenation of the state power of the Republic of Latvia.

In order to commemorate the anniversary of this very significant event, the Saeima of the Republic of Latvia will host a ceremonial meeting of the Parliament on August 21, 2001. There, they will lay flowers at the Freedom monument and organize a festive concert and garden party in Jurmala.

The Republic of Latvia has always been a strong pillar of cultural heritage and exchange. Tradition and true faith drove this State to independence, and now, 10 years later, we are celebrating this important and distinguished anniversary.

Please Join me in celebrating the 10th anniversary of such a joyous occasion. The Republic of Latvia is a true stronghold for political freedom and independence.

TRIBUTE TO MARY JANE  
TURNIPSEED

**HON. ASA HUTCHINSON**

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. HUTCHINSON. Mr. Speaker, I rise today to pay tribute to Mrs. Mary Jane Turnipseed for her outstanding service as an educator at Van Buren High School in Van Buren, Arkansas. Recently, I received a heartfelt e-mail message from one of Mrs. Turnipseed's students. This student was searching for a way to recognize his teacher because she had truly made an impact in his life. After reading his email, I think it appropriate to recognize Mrs. Turnipseed today on the floor of the House of Representatives.

For more than twenty years Mrs. Turnipseed has dedicated herself to her profession, to her school, and most of all, to her students. As a teacher, Mrs. Turnipseed has demonstrated her diligence and desire to make learning an exalting experience. Her student described her teaching by saying, "Mrs. Turnipseed combines teaching with real-life experiences in an attempt to bring history alive. Not only does she allow us to teach on some days and as-

sign hands-on projects, but also uses class discussion and physical demonstrations to allow us to not just study history, but experience it."

Mrs. Turnipseed is a remarkable teacher, but she doesn't stop at simply doing her job. Her student remarked, "Mrs. Turnipseed has been more than a teacher to me; she has been a mother, counselor, mentor, and most importantly a friend. When she finds a way to connect with a student, she uses the link to build a relationship like none other. We have formed a once in a lifetime relationship that I will never forget."

Mrs. Turnipseed represents the type of educator we, as parents, want to teach our children. In an era of drugs and violence in schools around the nation, Mrs. Turnipseed provides a calm and safe environment for her students. In her class, students can forget the pressures waiting outside in the hallway and focus on learning.

Mr. Speaker and fellow colleagues, please join me in recognizing Mrs. Mary Jane Turnipseed for the truly remarkable impact she has made on the teaching profession and her students.

STATEMENT ON THE LOSS OF  
MRS. KATHARINE GRAHAM

**HON. TOM DAVIS**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise to pay tribute to a great lady, Katharine Graham, former chairman and CEO of the Washington Post Co., who passed away on Tuesday, July 17th, from head injuries sustained after she fell on a sidewalk in Sun Valley, Idaho. My heart goes out to Mrs. Graham's family and those who became part of her extended family.

Mrs. Graham was a gutsy pioneer. She was not intimidated by power or titles and created, with the utmost integrity, her own fulcrum to help move the world. And the world came to know she was here.

Katharine Graham found the best people and backed them to the hilt. In any controversy she always came down on the side of principle. And she did so with style, grace, and good cheer. "Think no little thoughts, do no little deeds" could have served as Katharine Graham's motto.

When faced with tragic situations in her own life that would have destroyed most others, Mrs. Graham reached deep down and discovered strength. She could have lived a carefree life, going down an easy, well-traveled road. But by the sheer force of her indomitable will and genius Katharine Graham took the road less traveled. And she made it her own.

Katharine Graham's passing saddens me in a very personal way—because she was so much a part of this town and this region. Her death leaves a void. When I say "this town"

I mean this great city, the District of Columbia, our Nation's Capital, and the Washington Region. Most of the tributes to Mrs. Graham have properly noted her immense role in our great national adventure as a country, and her key part in the stewardship of one of the greatest newspapers in American history, The Washington Post. Those tributes are fully justified, as she breathed new life into the First Amendment, without which our democratic republic would be unthinkable.

But the Katharine Graham I will always remember so vividly and personally is the Katharine Graham who loved this city and who soared above the crowd in her devotion to, and involvement in, the lifeblood of Washington, D.C.

Less than 2 years ago I had the honor of being a guest in her home upon the occasion of congressional passage of the District of Columbia Tuition Act, landmark legislation I was pleased to sponsor as Chairman of the D.C. Subcommittee. Mrs. Graham and her son, Don Graham, took a keen interest in that legislation, which has provided unprecedented educational opportunities for D.C. students. Likewise with other local issues, Mrs. Graham as publisher of The Washington Post helped to insure that there would always be a very sharp focus on the real city that lies just beyond the Monumental Core of the Nation's Capital.

So this week this town is in mourning. We grieve the passing of one of the most significant people ever to reside in our midst.

Mr. Speaker, Katharine Graham's legacy is one of unshakeable courage and enduring accomplishment. Our institutions of freedom and fairness have lost a great friend. May God grant us others who emulate the shining example of Katharine Graham.

TRIBUTE TO ELSIE RICH

**HON. LYNN C. WOOLSEY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Ms. WOOLSEY. Mr. Speaker, I rise today to honor Elsie Rich. As we prepare to celebrate Elsie's one hundredth birthday, we can be inspired by a life that embraces joyful energy, thoughtful discussion, and a positive approach to overcoming obstacles.

Born Elsa Shiffman in Vienna Austria in August, 1901, Elsie was one of five children in a Jewish family that owned a textile factory. In 1932 she married Henry Reich (later Rich), and the two lived in Vienna until 1938. After hearing Hitler announce his plans to exterminate all the Jews in Europe, Elsie and Henry applied for visas to America. They left a few months after Hitler's troops invaded Austria, sending many Jews to concentration camps.

In America, the Rich family lived in New York before moving to Santa Rosa, California, in 1943. They eventually bought a ranch and became U.S. citizens. "Coming to America

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

was the best thing that ever happened to me," according to Elsie. "We should enjoy the freedom, because we need to remember that we are lucky to live in such a wonderful nation."

Since arriving in Santa Rosa, Elsie Rich has been an active member and generous financial supporter of Congregation Beth Ami and the entire Jewish community. She is a woman of active participation and strong faith who always attends weekly services. Since Henry's death in 1976, Elsie's life has also included exercise classes, reading, cooking, discussing world affairs, using public transportation, and enjoying nearby casinos. For the last two years, she has been the oldest person to attend the Sonoma County Fair. Her upbeat energy and resilience have continued to inspire those around her.

Mr. Speaker, Elsie Rich's one hundredth birthday is a fitting occasion to remember, in her words, that "life is like a river. You have to go with your best stream and pick out what's best for you." Elsie has truly exemplified that approach.

### SERIOUS QUESTIONS ON STAR WARS REMAIN

#### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. GEORGE MILLER of California. Mr. Speaker, I commend the following editorial to my colleagues that ran in the July 18, 2001, edition of the Contra Costa Times, a suburban newspaper which serves my 7th Congressional district in California. The Contra Costa Times has a circulation of 185,000 readers.

This editorial emphasizes a reality that should not be overlooked; the success of the recent missile defense test does nothing to change the fundamental arguments against deployment of a national missile defense system. Call it NMD, Star Wars II, or whatever you want. It still remains a bad idea that promises to divert needed funding toward a risky gambit that will certainly worsen our relations with our international partners and our own national security.

[From the Contra Costa Times (CA), July 18, 2001]

#### IT IS STILL A BAD IDEA

After the U.S. Military shot down a mock intercontinental ballistic missile Saturday night as part of its missile defense plan, a Pentagon spokesman urged everyone not to get too excited about it. "We've got a long road ahead," cautioned Lt. Gen Ronald Kadish, director of the Pentagon's Missile Defense Organization.

Let us translate that for you: Kadish is saying that the Pentagon intends to spend scads more of the taxpayers' dollars on this hare-brained scheme, a plan that, despite Saturday's apparent success, is unworkable, prohibitively expensive, does incalculable damage to international relations, and threatens to bring back the Cold War.

On Saturday, a prototype interceptor fired from Kwajalein Atoll in the Marshall Islands struck and destroyed a dummy warhead 140 miles above the Pacific. It was not seduced by a round, reflective decoy balloon sent up with the target. The test cost \$100 million. Two previous tests had failed.

Military backers of the test, in a self-congratulatory mood, were slapping each other

on the back after the hit. But the truth is that this test doesn't mean much militarily. The only decoy used for the test was easily identifiable and in the highly unlikely event that an enemy nation were to attack it would use multiple decoys shaped like real warheads.

Nor should anyone take the cost lightly. The Pentagon plans 17 more of these tests in the next 18 months. At \$100 million each, you're talking serious money. In a faltering economy, the United States does not have the cash to waste.

Additionally, continued work on the missile defense system will increase international tensions. Russia already is nervous at the prospect of the United States trying to make itself into the only superpower, and has been making threatening rumbles about building up its own military. As we have said before, these tests torpedo decades of work toward undoing the danger to the planet created by the proliferation of nuclear weapons.

In any event, the tests are pointless. The so-called rogue nations that the military complex says might attack—North Korea, Iran and Iraq are usually mentioned—are not going to send a missile against the United States or its allies, because they know it would invite nuclear annihilation. The memory of Hiroshima and Nagasaki remain in the world's collective consciousness.

Finally, these war games, which have the military capering over their computers like teen-agers playing "Space Invaders," do not address the way an enemy nation, organization or individuals actually would attack the United States: with weapons they could carry into the country. How about defending us against that?

We have said it before, and there is no reason to change our position: This so-called missile defense system is a dangerous, costly exercise in foolishness.

### GAMBLING ATM AND CREDIT/ DEBIT CARD REFORM ACT

#### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. LaFALCE. Mr. Speaker, two years ago the National Gambling Impact Study Commission released the final report from its three-year study of gambling in the United States. The Commission took on one of the most difficult and divisive issues in America today and produced an extremely thoughtful report with more than 70 recommendations for changes in gambling policy. Unfortunately, none of the Commission's recommendations requiring federal legislation have yet been enacted by Congress.

I am today reintroducing legislation to implement one of the more important recommendations of the National Gambling Impact Study Commission to help lessen the potential financial losses of compulsive gambling for individuals and families. My legislation, the "Gambling ATM and Credit/Debit Card Reform Act", amends federal law to reduce the ready availability of cash and credit for gambling by removing credit card terminals, debit card point-of-sale machines, automated transfer machines (ATMS) and other electronic cash dispensing devices from the immediate area of gambling activities.

A major finding of the Commission is that America has been transformed during the past 20 years from a nation in which legalized

gambling was localized and limited to one in which it is almost omnipresent and a major economic and entertainment activity. Some form of legalized gambling is now permitted in 47 states and the District of Columbia. Thirty-seven states officially sponsor gambling through state lotteries. Americans now spend an estimated \$650 billion a year on legalized gambling—more than they spend on movies, records, theme parks, professional sports and all other forms of entertainment combined.

The Commission also found that while legalized gambling can produce positive economic benefits for the communities in which it is introduced, it also produces significant negative consequences for millions of individuals and families—consequences such as bankruptcy, crime, divorce, abuse and even suicide. A specific concern of the Commission has been the dramatic increase in problem and pathological gambling. Studies suggest that more than 5 million Americans are pathological or problem gamblers, and that another 15 million have been identified as "at-risk" or compulsive gamblers. The rapid growth of compulsive gambling has been particularly noticeable among women and includes growing numbers of teenagers.

The Commission identified the ready availability of cash and credit in and around gambling establishments as a major factor contributing to irresponsible gambling and to problem and pathological gambling behavior. Between forty and sixty percent of all money wagered by individuals in casinos, for example, is not physically brought into gambling facilities but is obtained by gamblers after their arrival. Much of this money derives from credit markers extended by casinos, but a sizable and growing portion involves cash derived from ATM and debit cards and cash advances on credit cards.

Credit cards, debit cards and ATMs have long been used within gambling resort hotels and near other gambling facilities. But their availability and use on gambling floors for purposes of making bets or purchasing playing chips was generally prohibited. This changed in 1996 when the New Jersey Casino Control Commission approved the use of credit card point-of-sale machines at gambling tables for direct purchases of playing chips and slot tokens. The action was immediately recognized by gambling experts as one of the "most potentially dramatic changes" in gambling in decades that would result in more impulse gambling by consumers and higher revenues for casinos. Since then, ATM machines have been moved from outside casinos and other gambling establishments to locations near gambling floors. Credit and debit card point-of-sale terminals have been installed directly at gambling tables.

Allowing gamblers to use credit or debit/ATM cards directly for gambling removes one of the last remaining checks on compulsive or problem gambling—the need to walk away to find more cash to gamble. This separation helps break the excitement of the moment and permits many gamblers to walk away. Providing immediate electronic cash transfers not only feeds compulsive behavior, but makes it easier for problem gamblers to bet all their available cash, draw down their bank accounts, and then tap into the available credit lines of their credit cards as well. Financial institutions become unwitting accomplices in encouraging gamblers to bet more money than they intended and more than most can afford.

My legislation addresses this problem in a number of ways. It amends the Truth in Lending Act (TILA) to prohibit gambling establishments from placing credit card terminals, or accepting credit cards for payment or cash advances, in the immediate area where any form of gambling is conducted. It also amends the Electronic Funds Transfer Act (EFTA) to impose a similar prohibition on the placing of any automated teller machine, point-of-sale terminal or other electronic cash dispensing device in the immediate area where gambling occurs. Contrary to statements by the gambling industry, this will not deny people use of the credit, debit and ATM cards, only move access terminals for these cards a short distance away from gaming tables or machines.

The bill directs the Federal Reserve Board to publish and enforce rules for assuring that all electronic transfers of cash and credit are physically segregated to the extent possible from all gambling areas. And it provides for comparable civil liability as provided elsewhere in TILA and EFTA to permit individuals to file private actions against gambling establishments that violate these restrictions.

Mr. Speaker, the National Commission study confirmed that legalized gambling has become a national phenomenon. While it is unreasonable to think we can put the gambling genie back in the bottle, we can take reasonable measures to help minimize the potential financial strain and anguish for American families. My legislation does not prohibit casinos, racetracks and other gambling facilities from providing or using credit card, ATM and debit card devices. It merely requires that these devices be used for the purposes they were intended and not to encourage irresponsible or problem gambling.

I believe this is reasonable and worthwhile legislation. I urge its adoption by the Congress.

TRIBUTE TO THE ALLIANCE FOR AMERICA

HON. RICHARD W. POMBO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. POMBO. Mr. Speaker, the Alliance for America (AFA) was organized in 1991 as a national non-profit grassroots coalition. Over the years, AFA has worked diligently to curb excessive government environmental regulations and to ensure the Constitutional rights of compensation for property owners.

AFA networks its mission in fifty states working with hundreds of organizations with a combined membership in the millions. These groups represent a variety of vocational, cultural and political interests including: (1) farming; (2) ranching; (3) grazing; (4) forestry; (5) commercial fisherman; (6) mining; (7) recreation; (8) energy; and (9) animal welfare.

In May 2001, AFA held its 11th Annual Fly-In for Freedom conference in Washington, DC. At the meeting, various measures were addressed and passed by the Alliance, including resolutions dealing with renewable whaling resources and the Marine Mammal Protection Act of 1972.

Mr. Speaker, at this time, I hereby submit to the RECORD RECORD for my colleagues consideration two resolutions unanimously adopt-

ed by AFA at its conference—the Resolution on Renewable Whale Resources and the Resolution to amend the Marine Mammal Protection Act.

Let me conclude by saying that although there are many different opinions on these issues, I applaud the efforts of AFA and I truly believe they do make a positive difference in our society.

ALLIANCE FOR AMERICA, FLY-IN FOR FREEDOM, WASHINGTON, DC, MAY 19-23, 2001  
RESOLUTION ON RENEWABLE WHALE RESOURCES

Whereas, the United States recognizes the sustainable use of renewable wildlife and marine resources under professional and scientific management; and

Whereas, the Law of the Sea, the United Nation's Earth Summit and the Kyoto Declaration and Plan of Action on the Sustainable Contribution of Fisheries to Food Security recognize that marine resources are to be managed to secure food for human nutritional needs as well as traditional and cultural objectives; and

Whereas, the Charter of the International Convention for the Regulation of Whaling (ICRW) recognizes that consumptive use of renewable whale resources by "proper conservation of whale stock [to] make possible the orderly development of the whaling industry;" and

Whereas, the Scientific Committee of the International Whaling Commission (IWC), the governing body of the ICRW, has stated that limited harvest of certain whale stocks is scientifically justified and would have no adverse impact on those populations, and

Whereas, contrary to the mandate of the ICRW requiring a scientific basis for action, in 1994 the IWC adopted as Resolution to create a Southern Ocean Sanctuary and is currently considering a proposal for the adoption of a Resolution to create a Pacific Ocean Sanctuary, again, without scientific justification; and

Whereas, certain coastal and island nations are currently undertaking legal limited harvests of non-endangered whale stocks under scientific guidelines for valid scientific research and for human food consumption, as these nations have done for thousands of years; now, therefore, be it

*Resolved*, That the Alliance for America, representing over ten (10) million American citizens, at its 2001 Fly-In for Freedom Conference request the United States government:

To recognize and support the cultural, economic and dietary traditions of island and coastal nations who seek to undertake limited harvests of non-endangered whale species, and

To be guided by scientific evidence in deliberations at the Annual Meetings of the International Whaling Commission and the Conference of the Parties of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) rather than following any unscientific political policy; and

To permit these sovereign nations to undertake limited harvests of whales without the threat of economic sanction or censure.

ALLIANCE FOR AMERICA 11TH ANNUAL FLY-IN FOR FREEDOM, WASHINGTON, DC, MAY 20, 2001  
RESOLUTION

The key observation arising from the Alliance for America 11th Annual Fly In For Freedom is that the promotion of animal-rights beliefs has produced unacceptable consequences that include ongoing violations of fundamental human rights.

The representative of the Inuit people from Arctic Canada has eloquently described how

their culture, livelihoods and society are being devastated by the animal rights-inspired Marine Mammal Protection Act (MMPA)—a law which contradicts accepted principles of sustainable use and environmental conservation.

This outdated legislation arbitrarily bans the import of seal products from an abundant species, and violates the American ideal of individual freedom and the rights of the people to self-determination, including the right to use and trade abundant local resources.

We believe that the American people would be shocked and distressed to discover that the MMPA has so severely harmed so many people and cultures. Indigenous people attempt to live in harmony with the environment as active practitioners of sustainable use. The MMPA disrupts this ecological relationship.

Seals are abundant in Arctic Canada and other regions and provide a vital source of food in Arctic communities, but provisions of the MMPA prevent Inuit and other people from fully utilizing animals upon which they depend for their survival, because trade is prohibited.

Therefore this assembly of the Alliance for America:

(I) Calls for the amendment of the MMPA to allow for the import of seal products, to protect US commercial and recreational fisheries, and to bring the MMPA into accord with the Convention on International Trade in Endangered Species (CITES) as implemented by the Endangered Species Act and Agreements under the WTO; and,:

(II) Resolves to work to inform the American public and legislators about the injustice which has been done by this law; and,

(III) Calls upon all people and organizations that respect human rights to join us in our efforts to right the wrongs that have been done.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

SPEECH OF

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2500) making appropriations for the Departments of Commerce, Justice and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002, and for other purposes:

Mrs. MORELLA. Mr. Chairman, over the years we have heard a number of contentious arguments about the viability of the Advanced Technology Program (ATP). As a consistent ATP supporter, I understand these discussions are difficult to resolve and stem from fundamental questions about the proper role of government in the development of technology. While government should, and must, contribute to funding our basic research enterprise, there is fair ambivalence about the government taking on the role of private investors and picking the "winners and losers" of the market by targeting funds to specific projects. While I also question the superiority of government over Adam Smith's "invisible hand" of the marketplace, I think this argument is severely flawed when it comes to ATP.

The Advanced Technology Program is not public financing of established technologies. It should not be seen as speculative investment nor should its success be measured in the same economic terms as private investment. Framing the debate in these terms is fundamentally wrong and misses the point of the program. The ATP is a research and development program, not an exercise in government venture capital.

The program seeks to provide a critical bridge for the "funding gap" from innovation to the marketplace of pre-competitive, emerging technologies. ATP seeks to smooth the transition from invention to commercialization, the so-called "valley of death" or "Darwinian Sea." The United States has the greatest research effort in the world. Our universities and industries develop more ideas and discover more innovations than everywhere else combined. We also understand capital markets and have used our knowledge to produce the world's most vibrant and robust economy. Yet we are still not very good at turning raw ideas into commercial products. While it is tempting to believe that this process is straightforward and should be understandable from basic social and economic principles, it is not and cannot. The relationship between the private sector and this intermediate stage between research and venture capital investment is poorly understood and the subject of intense scrutiny. It would be wrong to treat it as a mature, fully-formed, capital arena.

As such, there is a role for government to play. What's more, the ATP has been largely successful in carrying out that role. The purpose of the ATP is to develop and disseminate high-risk technologies with the potential for broad-based economic benefits. It is devoted to technical research; research that is more directed than basic proof-of-principle work, but not to product development. And more often than not, it involves matching funds from industry. This process has worked. In a recent review of the first 50 ATP awards, 32 projects have been successful in bringing 61 products or processes to market.

Despite this success, H.R. 2500, the Fiscal Year 2002 Commerce-Justice-State Appropriations bill, only provides enough funds to fulfill existing commitments and halts new awards. While I understand the rationale to suspend new ATP grants is due to the on-going program re-evaluation efforts conducted by the Secretary of Commerce, I am concerned that this may ultimately lead to a zeroing out of the program. The ATP is one of the most closely reviewed government programs of all time. In addition, the National Research Council has just completed the most comprehensive review of ATP to date and the review is extremely positive. The report calls ATP an "effective federal partnership program" and claims that it "appears to have been successful in achieving its core objective." It also cites its "exceptional assessment effort" and compliments its review and awards process. These are extremely strong statements for a non-partisan group that tries to avoid making policy judgments.

The Academy report, however, does not say the program is perfect and does take issue with certain aspects of the ATP. It also makes recommendations for changes and improvements. These concerns should be taken seriously, but the report is still a strong endorsement for continuing the program. Effective pro-

grams that produce measurable long-term economic benefits should not be sacrificed on the altar of short-term budget constraints. The success of the ATP speaks for itself and the program should be continued. At the very least, I hope that when this legislation is considered in conference, there will be adequate funding to continue the program pending the Secretary's reevaluation.

TRIBUTE TO THE HORNETTES OF  
NASHVILLE HIGH SCHOOL

**HON. JOHN SHIMKUS**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. SHIMKUS. Mr. Speaker, I rise today to recognize the Hornets of Nashville High School on their recent state softball championship. The Hornets defeated the Stanford Olympia Spartans 3-0 to win their first ever Class A State Softball Championship.

In addition to being crowned state champs, the Nashville Hornets tied the state record for most wins in a season with 41 victories and only 2 losses. The team gave Nashville softball fans a thrill throughout their historic season.

I would like to personally commend the team members and coaches for a job well done. They are: Cara Pries, Lindsay Henry, Tessa Schmale, Amy Harre, Amber Fark, Linda Maschhoff, Amy Rybacki, Ashley Schaeffer, Mallory Ruggles, Krystal Stein, Kristen Klingler, Danielle Kaufman, Chelsi Boatright, Nicole Richard, Danielle Chambers, Heather Guest, Sara Skibinski, Nicole Asberry, and Stephanie Niedbalski. Their coaches are: Neil Hamon, Wayne Harre, Charlie Heck, and Head Coach Chad Malawy. I am very proud of you all.

TRIBUTE TO THE LATE POLICE  
CHIEF CECIL GURR

**HON. CHRIS CANNON**

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. CANNON. Mr. Speaker, I rise today with a heavy heart to pay tribute to a fallen police chief from Roosevelt, Utah. Police Chief Cecil Gurr was "off duty" in his car en route to the grocery store to run family errands when he heard a police dispatch about a domestic dispute at a nearby convenience store. As he had countless other times, he responded to the call. Drawing attention away from his officers, Chief Gurr deliberately placed himself in the line of fire to protect his men. Caught in the exchange of gunfire, Gurr died Friday, July 6th, 2001 in the line of duty for the Duchesne County community. I send my prayers and condolences to his family, neighbors, and the community as a whole.

Cecil Gurr had been Roosevelt's police chief since 1978. He grew up in Roosevelt and joined its police force in 1974 after a tour of duty in Vietnam and a short stint with the FBI. Nearly 30 years of his life was devoted to protecting his hometown of 4,000 residents. He is survived by his wife, Lynnette, his three children, and four grandchildren. Left behind are

neighbors and a community that will greatly miss his unconditional self sacrifice, kindness, generosity, and quiet demeanor. And, now those left behind must unite to support and strengthen one another during the coming months and years as they heal.

"He was very fair and firm and always had the best interests of the community at hand . . . He'd do anything for you. He never asked for anything in return," stated Roosevelt Police Officer Brad Draper. The National Law Enforcement Officer Memorial says that "it is not how these officers died that made them heroes, it is how they lived."

We may never truly comprehend the latent danger associated with the daily routines of our law enforcement officers. They continually put themselves in danger as they stop a vehicle, respond to an incident or a suspicious circumstance. The dangers, risks, and violence they encounter each day are very real. Sorrowfully, at such times we pause to honor the brave law enforcement officers who serve and protect our communities. I hope they will routinely be given the honor, respect and thanks they deserve—not only when life's fragile nature is revealed.

Mr. Speaker, today I ask that you and our colleagues join me in remembering this fine man and the selfless life he lived. On behalf of the residents of the Third District of Utah, we extend our prayers and most heartfelt sympathy to his family and loved ones.

IN TRIBUTE TO KATHARINE  
GRAHAM

**HON. FRANK R. WOLF**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. WOLF. Mr. Speaker, our nation has lost one of the true giants of American journalism. Katharine Graham, 84, the former chairman and chief executive officer of The Post Co. and former publisher of The Washington Post, died on July 17 from head injuries she sustained in a fall while on a business trip in Idaho.

Mrs. Graham was a remarkable woman of courage, grace and integrity who lead the Post through what has been called two of the most celebrated episodes in American journalism: the publication in 1971 of the Pentagon Papers and the Watergate scandal. She is credited with transforming the Post into one of the nation's leading newspapers.

Mr. Speaker, to our colleagues who spend so much time in Washington, D.C., The Washington Post is required daily reading if we want to stay on top of the news of the nation and world. To the handful of us who are privileged to represent congressional districts in the Washington metropolitan region, The Washington Post is our hometown newspaper and we today share in the loss of its legendary leader.

I would like to share with our colleagues the July 18 editorial from The Washington Post in tribute to Katharine Graham.

[From the Washington Post, July 18, 2001]

KATHARINE GRAHAM 1917-2001

It's one of the wonderful mysteries of journalism that, though a thousand people's labor may be necessary to produce each day's issue, every newspaper takes on an

identity of its own. That character is shaped by people you may have heard of—the top editor, an advice columnist, a chief political correspondent, your county's school reporter—and by many whose names you probably don't know: the copy editors, the ad sellers, the press operators and distributors. Few of those who work here, though, would dispute that at The Post a single person is responsible first and foremost for making our newspaper what it is today. That person is Katharine Graham, who died yesterday at the age of 84.

Mrs. Graham's imprint was the product both of her values, which suffused the paper, and of the crucial decisions she made about its leadership and direction. At The Post and Newsweek, she chose great editors, such as The Post's Benjamin Bradlee, and then gave them the independence and resources they needed to produce strong journalism. She also supported them at crucial moments, when their work was doubted or under attack by powerful forces in and outside of government. Two of those cases helped define her career, and The Post: her refusal to bow to the government's efforts to block publication of the Pentagon Papers and her backing of the paper's coverage of the Watergate scandal.

Her decision in 1971 to publish the Pentagon's secret history of the Vietnam War, after a federal court already had blocked the New York Times from doing so, was even harder than it appears in retrospect. There was nothing harmful to national security in the papers, but the Nixon administration claimed otherwise, and its henchmen were not above threatening The Washington Post Co.'s television licenses. Mrs. Graham's lawyers advised against publication; they said the entire business could be ruined. But after listening to the arguments on both sides, Mrs. Graham said, "Let's go. Let's publish." In those circumstances, she didn't believe that the government ought to be telling a newspaper what it could not print.

She proved that again the following year, when The Post again came under enormous government pressure as it pursued, almost alone, the story behind the Watergate break-in. The White House insisted that The Post's reporting was false, and launched a series of public and private attacks against the newspaper—and, on occasion, against Mrs. Graham. Such pressure would have caused many publishers to rein in their newsrooms, but Mrs. Graham did not; instead, she strongly backed Mr. Bradlee and his team. Some two years later, partly because of the paper's persistence, Mr. Nixon was forced to resign.

No less important to the paper's success was the fact that Mrs. Graham was a tough-minded businesswoman who never lost sight of the fact that high-quality journalism depended on running a newspaper that turned a profit. She concentrated on the business success of the newspaper, leading it through a difficult strike by pressmen in the mid-'70s, even as she oversaw the diversification and expansion of The Post Co., which added new broadcast television stations and cable networks under her leadership.

All those decisions would have been lonely and frightening for any chief executive; given Mrs. Graham's unusual position, they were all the more so. It's hard now to recall how extraordinary it was for a woman to occupy her job, but for years she was the only female head of a Fortune 500 corporation. You get a sense of how anomalous this was when you realize that she was a brainy University of Chicago graduate with journalism experience, both at this paper and elsewhere; and yet when the time came for her father to bequeath The Post to the next generation, it was her husband, Philip Graham, who took

over. No one, least of all Katharine, found this strange. Only when her husband died did Mrs. Graham take over the paper; her insecurities in doing so are well documented in her Pulitzer Prize-winning autobiography, "Personal History."

One of Mrs. Graham's public faces over time became that of the society figure. Both in Georgetown and in her summer home in Martha's Vineyard, she hosted presidents (including the incumbent) and generals and secretaries of state. She liked doing these things—Mrs. Graham knew the pleasures of gossip, and she believed, among other things, that Washington should be fun—but there was a serious aspect to them too. Beneath the high-society veneer was an old-fashioned patriotism: a belief that liberals and conservatives, Republicans and Democrats, even politicians and journalists, shared a purpose higher than their differences and so ought to be able to break bread together. Her credentials for bringing people together were strengthened by her scrupulous refusal to use her position (not to mention this editorial page) to advance her personal or corporate financial interests. She was the same way about philanthropy; she gave generously to many institutions and causes in and outside of Washington, yet sought little credit for it.

In what she amusingly called retirement, Mrs. Graham seemed only to become more active. With the publication of her autobiography, so astonishingly honest and unselfish about herself, the well-known publisher became an even better-known author. And yet, as public a figure as she was, we here at The Post flattered ourselves to think that we saw an essential side of her that others did not. We were the beneficiaries of her investment, year after year, in a superior product: in new sections, new local, domestic and foreign bureaus, new and diverse talent. We were the beneficiaries of her gradual and graceful passing of the baton to the next generation, a transition that she made seem easy but that—as the experience of other great newspaper families shows—can work only with the greatest of care. We got to hear her brutally frank assessments of puffed-up Washington celebrities, delivered in salty language that forever altered the pearls-and-Georgetown image for anyone who heard them. Most of all, we got to see the respect she brought, and the high expectations she held, day in and day out, for fair-minded journalism. The respect was more than reciprocated. We will miss her very much.

#### VETERANS HIGH SCHOOL DIPLOMA

### HON. MICHAEL K. SIMPSON

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. SIMPSON. Mr. Speaker, As the graduation season comes to a close, I would like to recognize a few special graduates from the state of Idaho. Local high school students presented about 50 World War II veterans with high school diplomas they never received due to the war. These men put their education on hold, joined arms, and fought valiantly for our beautiful country. The high school diplomas are well deserved and long overdue.

Retired servicemen appreciate the homage that high school students are giving, and I am pleased to see the youth in Idaho recognizing the great deeds of past generations. The Greek historian Herodotus once wrote, "Great

deeds are usually wrought at great risks." When faced with the dangers of war, our American soldiers proved their valor and accomplished the greatest deed of all: heroism. How can we allow Americans to forget the heroic efforts of veterans more than 50 years ago?

As Memorial Day passes and Veterans' Day quickly approaches, we as a country cannot escape our obligation toward our American heroes. World War II veterans have never asked for a monument and were content without it, but it is time for us to say thank you for their courage and sacrifice through gestures such as a memorial. I am grateful that Americans have finally pulled together to honor these brave men and women of World War II with a national memorial.

High school students throughout Idaho have discovered a way to say thank you to the saviors of our country. As young Idahoans helped veterans to don the traditional cap and gown this year, it reminded me that throughout these 50 years we have not forgotten these men or their important role in our American history. Through the ongoing construction of the World War II Memorial, high school diplomas, and many other events, we are demonstrating our deep reverence to the heroes of our nation and keeping their memories alive.

#### DEPENDENT CARE TAX CREDIT

### HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. MURTHA. Mr. Speaker, the long-term care debate continues to grow as a key health care issue and it will continue to grow more in the coming decade as Americans live longer.

Fortunately, more attention is starting to be focused on long-term care; the bad news is that there is a tremendous gap in ideas and solutions to make sure every family has access to affordable, quality long-term care when it is needed. In Pennsylvania already 1.9 million seniors and nearly 220,000 individuals with disabilities rely on Medicare to meet long-term costs, and 84,743 Pennsylvanians are in nursing homes.

In the next decade, the first of the "baby boomers" will reach 65 sending the need for long-term care much higher very quickly.

While long-term care is usually thought of in terms of the elderly, two of every five Americans will need long-term care at some point in their lives, often because of an injury or disability as well as advanced age. It is therefore, essential that the health care system provide families with affordable, available options for long-term care—options that provide the kind of quality everyone wants to see for a family member or friend.

A major trend in long-term care is away from nursing homes, to keep people in their homes or with family as long as possible, to look at alternative living arrangements and to stress community support and involvement. As we sort through this issue, it is imperative that long-term care promote individual dignity, maximize independence and self-sufficiency and be provided in the least restrictive setting—that includes providing home and community based, flexible, benefits and services.

The trend in long-term care is moving away from institutions like nursing homes. This is

well illustrated in Pennsylvania where most people, particularly the elderly, dread the idea of leaving their home and family and moving to a nursing home. Consumers have become more sophisticated and are looking for alternatives of service and care that will allow people to retain their independence, including staying in their home or with family-member care givers.

Research suggests that a highly important cultural change is at work—a trend toward home and community based long-term care services. This means that government must recognize this important shift and encourage the expansion of home and community-based care programs and services.

While current government policies support and promotes public funding for institutionalized care (the type of care that those in need do not prefer) society has come to rely almost exclusively on informal family-care givers to provide the type of care desired by the majority of care recipients.

Researchers estimate that the value of care giving responsibilities regularly assumed by family members and friends exceeded \$200 billion in 1997. In comparison, federal spending for formal home care in 1997, was \$32 billion, with an additional \$83 billion for nursing home care.

Informal or family-care givers provide more long-term care and support, free of charge and with limited support, than the federal government in all settings combined.

The obvious question becomes: how about paying or providing relief to the informal or family-care giver? I am taking steps to do just that by introducing legislation to amend the Internal Revenue Code of 1986 to provide a \$1,200.00 tax credit for care givers of individuals with long-term care needs.

A \$1,200.00 tax credit is the logical first step designed to recognize and compensate care givers for the long-term cost associated with informal or family-care giving.

CAPTIVE NATIONS WEEK, 43RD  
OBSERVANCE

**HON. KEN CALVERT**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. CALVERT. Mr. Speaker, I rise today with a deep sense of personal conviction and pride to submit for the RECORD a proclamation on the 43rd Observance of Captive Nations Week. It was in memory of the millions who perished under authoritarian regimes and remain under authoritarian regimes still that the 86th Congress and President Dwight D. Eisenhower began the tradition of paying tribute to their fight for freedom, democracy, free market economy, human rights and national independence, with Public Law 86–90. President Ronald Reagan served to more forcibly imprint this need several years later when he called history's most powerful authoritarian regime, the Soviet Union, an 'evil empire.'

I am convinced that Captive Nations Week has served a vital role in the fight against authoritarian governments. This one week a year has provided, and continues to provide, a level of focused pressure and attention on those nations that utilize force, coercion and fear to maintain control over the individual. As a re-

sult, we no longer witness Germany fascism, Soviet Stalinism, the Nazi concentration and work camps of World War II and more. In time, I believe that remaining Captive Nations, such as China, will also join the community of democratic states.

China in particular provides us visible daily evidence of the human rights violations that continue to be perpetuated in the world. In this country the authoritarian government continues to deny men and women their inalienable rights, including freedom of speech, freedom of movement and assembly, freedom of the press and the right to practice their religious beliefs without fear of persecution.

Captive Nations Week recalls our obligation to speak out for captive peoples around the world. During this one week in July, we may reaffirm our support for peaceful efforts to secure their right to liberty and self-determination. Thomas Jefferson's timeless words on the 50th Anniversary of our Nation's Independence in 1826 best highlight the goals of Captive Nations Week:

"All eyes are opened, or opening, to the rights of man. The general spread of the light of science has already laid open to every view the palpable truth, that the mass of mankind has not been born with saddles on their backs, nor a favored few bootied and spurred, ready to ride them legitimately, by the grace of God. These are grounds of hope for others. For ourselves, let the annual return of this day forever refresh our recollections of these rights and an undiminished devotion to them. . . ."

Therefore, Mr. Speaker, I add my prayers and hopes to the millions said each and every day for the "rights of man" to be secured for all peoples around the world and that Americans are privileged to experience with each breath that they breathe. And I also applaud those who would not be victimized, the individuals who refused to be swayed by untruths and promises of power—the ones who fought tyranny and prevailed. In 2001 there remain many Captive Nations, but our hope remains that one day there will be none.

CONSTITUTIONAL AMENDMENT  
AUTHORIZING CONGRESS TO  
PROHIBIT PHYSICAL DESECRATION  
OF THE FLAG OF THE  
UNITED STATES

SPEECH OF

**HON. JERRY WELLER**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 17, 2001*

Mr. WELLER. Mr. Speaker, I rise today to give my strong support to H.J. Res. 36, the Flag Protection Amendment.

Our flag is the symbol of the free world. It is the symbol that men and women have given their lives to protect and preserve. Thanks to these sacrifices, we are at peace today and are able to return the favor to the brave soldiers and sailors who stood guard to our flag and freedom from Lexington & Concord to the shores of Kuwait.

Mr. Speaker, the United States flag stands for freedom, equality, and patriotism. These qualities are embodied in the true, tried waves of the flag as she flies proudly above this building, the United States Capitol. To protect the flag is not only the right thing to do, it is the necessary action to pursue.

Mr. Speaker, I commend Mr. CUNNINGHAM and Mr. SENSENBRENNER on their hard work on this amendment and I urge my colleagues to support this meaningful and necessary piece of legislation.

SUBCHAPTER S MODERNIZATION  
ACT OF 2001

**HON. E. CLAY SHAW, JR.**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. SHAW. Mr. Speaker, today over 2 million businesses pay taxes as S corporations and the vast majority of these are small businesses. The Subchapter S Modernization Act of 2001 is targeted to these small businesses by improving their access to capital, preserving family-owned businesses, and lifting obsolete and burdensome restrictions that unnecessarily impede their growth.

Even after the relief provided in 1996, S corporations face substantial obstacles and limitations not imposed on other forms of entities. The rules governing S corporations need to be modernized to bring them more on par with partnerships and limited liability companies. For instance, S corporations are unable to attract the senior equity capital needed for their survival and growth. This bill would remove this obsolete prohibition and also provide that S corporations can attract needed financing through convertible debt.

Additionally, the bill helps preserve family-owned businesses by counting all family members as one shareholder for purposes of S corporation eligibility. The bill also increases the limit on the number of shareholders from 75 to 150. Also, nonresident aliens would be permitted to be shareholders under rules like those now applicable to partnerships.

The Subchapter S Modernization Act of 2001 includes the following provisions to help: improve capital formation opportunities for small businesses, preserve family-owned businesses, and eliminate unnecessary and unwarranted traps for taxpayers.

TITLE I—ELIGIBLE SHAREHOLDERS OF AN S  
CORPORATION

SECTION 101. MEMBERS OF FAMILY TREATED AS  
ONE SHAREHOLDER

The Act provides for an election to count family members that are not more than six generations removed from a common ancestor as one shareholder for purposes of the number of shareholder limitation (currently 75 shareholders). The election requires the consent of a majority of all shareholders. The provision helps family-owned S corporations plan for the future without fear of termination of their S corporation elections.

SECTION 102. NONRESIDENT ALIENS ALLOWED TO  
BE SHAREHOLDERS

The Act would permit nonresident aliens to be S corporation shareholders. To assure collection of the appropriate amount of tax, the Act requires the S corporation to withhold and pay a tax on effectively connected income allocable to its nonresident alien shareholders. The provision enhances an S corporation's ability to expand into international markets and expands an S corporation's access to capital.

SECTION 103. EXPANSION OF BANK S CORPORATION  
ELIGIBLE SHAREHOLDERS TO INCLUDE  
IRAS

The Act permits Individual Retirement Accounts (IRAs) to hold stock in a bank that is

an S corporation. Additionally, the Act would exempt the sale of bank S corporation stock in an IRA from the prohibited transaction rules. Currently, IRAs own community bank stock, which results in a significant obstacle to banks that want to make an S election. The provision allows an IRA to own bank S stock, and thus, avoids transactions to buy back stock, which drains the bank's resources.

**SECTION 104. INCREASE IN NUMBER OF ELIGIBLE SHAREHOLDERS TO 150**

Currently a corporation is not eligible to be an S corporation if it has more than 75 shareholders. The Act increases the number of permitted shareholders to 150. The provision will enable S corporations to raise more capital and plan for the future without endangering their S corporation status.

**TITLE II—QUALIFICATION AND ELIGIBILITY REQUIREMENTS**

**SECTION 201. ISSUANCE OF PREFERRED STOCK PERMITTED**

The Act would permit S corporations to issue qualified preferred stock (QPS). QPS generally would be stock that (i) is not entitled to vote, (ii) is limited and preferred as to dividends and does not participate in corporate growth to any significant extent, and (iii) has redemption and liquidation rights which do not exceed the issue price of such stock (except for a reasonable redemption or liquidation premium). Stock would not fail to be treated as QPS merely because it is convertible into other stock. This provision increases access to capital from investors who insist on having a preferential return and facilitates family succession by permitting the older generation of shareholders to relinquish control of the corporation but maintain an equity interest.

**SECTION 202. SAFE HARBOR EXPANDED TO INCLUDE CONVERTIBLE DEBT**

The Act permits S corporations to issue debt that may be converted into stock of the corporation provided that the terms of the debt are substantially the same as the terms that could have been obtained from an unrelated party. The Act also expands the current law safe-harbor debt provision to permit nonresident alien individuals as creditors. The provision facilitates the raising of investment capital.

**SECTION 203. REPEAL OF EXCESSIVE PASSIVE INVESTMENT INCOME AS A TERMINATION EVENT**

The Act would repeal the rule that an S corporation would lose its S corporation status if it has excess passive income for three consecutive years. A corporate-level "sting" (or double) tax would still apply, as modified in Section 204 below, to excess passive income.

**SECTION 204. MODIFICATIONS TO PASSIVE INCOME RULES**

The Act would increase the threshold for taxing excess passive income from 25 percent to 60 percent (consistent with a Joint Tax Committee recommendation on simplification measures). In addition, the Act removes gains from the sales or exchanges of stock or securities from the definition of passive investment income for purposes of the sting tax.

**SECTION 205. STOCK BASIS ADJUSTMENT FOR CERTAIN CHARITABLE CONTRIBUTIONS**

Current rules discourage charitable gifts of appreciated property by S corporations. The Act would remedy this problem by providing for an increase in the basis of shareholders stock in an amount equal to excess of the value of the contributed property over the basis of the property contributed. This provision conforms the S corporation rules to those applicable to charitable contributions by partnerships.

**TITLE III—TREATMENT OF S CORPORATION SHAREHOLDERS**

**SECTION 301. TREATMENT OF LOSSES TO SHAREHOLDERS**

In the case of a liquidation of an S corporation, current law can result in double taxation because of a mismatch of ordinary income (realized at the corporate level and passed through to the shareholder) and a capital loss (recognized at the shareholder level on the liquidating distribution). Although careful tax planning can avoid this result, many S corporations do not have the benefit of sophisticated tax advice. The Act eliminates this potential trap by providing that any portion of any loss recognized by an S corporation shareholder on amounts received by the shareholder in a distribution in complete liquidation of the S corporation would be treated as an ordinary loss to the extent of the shareholder's ordinary income basis in the S corporation stock.

**SECTION 302. TRANSFER OF SUSPENDED LOSSES INCIDENT TO DIVORCE**

The Act allows for the transfer of a pro rata portion of the suspended losses when S corporation stock is transferred, in whole or in part, incident to divorce. Under current IRS regulations, any suspended losses or deductions are personal to the shareholder and cannot, in any manner, be transferred to another person. Accordingly, if a shareholder transfers all of his or her stock in an S corporation to his or her former spouse as a result of divorce, any suspended losses or deductions with respect to such stock are permanently disallowed. This result is inequitable and unduly harsh, and needlessly complicates property settlement negotiations.

**SECTION 303. USE OF PASSIVE ACTIVITY LOSS AND AT-RISK AMOUNTS BY QUALIFIED SUBCHAPTER S TRUST INCOME BENEFICIARIES**

The Act clarifies that, if a QSST transfers its entire interest in S corporation stock to an unrelated party in a fully taxable transaction, the income beneficiaries suspended losses from S corporation activity under the passive activity loss rules would be freed up for use by the income beneficiary.

The Act further provides that the income beneficiary's at-risk amount with respect to S activity would be increased by the amount of gain recognized by the QSST on a disposition of S stock. These provisions clarify a troublesome area under current law, and so, eliminate traps for the unwary taxpayer.

**SECTION 304. DEDUCTIBILITY OF INTEREST EXPENSE INCURRED BY AN ELECTING SMALL BUSINESS TRUST TO ACQUIRE S CORPORATION STOCK**

The Act provides that interest expense incurred by an ESBT to acquire S corporation stock is deductible by the S portion of the trust. Recently issued proposed regulations would provide that interest expense incurred by an ESBT to acquire stock in an S corporation is allocable to the S portion of the trust, but is not deductible. This result is contrary to the treatment of other taxpayers, who are entitled to deduct interest incurred to acquire an interest in a pass through entity. Further, Congress never intended to place ESBTs at a disadvantage relative to other taxpayers.

**SECTION 305. DISREGARD OF UNEXERCISED POWERS OF APPOINTMENT IN DETERMINING POTENTIAL CURRENT BENEFICIARIES OF ESBT**

The Act revises the definition of a "potential current beneficiary" in the context of the ESBT eligibility rules by providing that powers of appointment should only be evaluated when the power is actually exercised. Current law provides that postponed or non-exercisable powers will not interfere with the making of an ESBT election. However,

proposed regulations provide that, once such powers become exercisable, the S election will automatically terminate if the power could potentially be exercised in favor of an ineligible individual—whether it was actually exercised in favor of the ineligible individual or not. The application of this rule would prevent many family trusts from qualifying as ESBTs.

The Act expands the existing method to cure a potential current beneficiary problem. Under the Act, an ESBT will have a period of up to one year (currently 60 days) to either dispose of all of its S stock or otherwise cause the ineligible potential current beneficiary's position in the trust to be eliminated without causing the ESBT election or the corporation's S election to fail.

**SECTION 306. CLARIFICATION OF ELECTING SMALL BUSINESS TRUST DISTRIBUTION RULES**

The Act clarifies that, with regard to ESBT distributions, separate share treatment applies to the S and non-S portions under section 641 (c).

**SECTION 307. ALLOWANCE OF CHARITABLE CONTRIBUTIONS DEDUCTION FOR ELECTING SMALL BUSINESS TRUSTS**

The Act permits a deduction for charitable contributions made by an ESBT, while taxing the charity on its share of the S corporation's income as unrelated business taxable income. Current law discourages charitable contributions by S corporation shareholders by preventing an ESBT from claiming a charitable contribution deduction. The Act encourages philanthropy by permitting a charitable deduction while at the same time effectively taxing the S corporation's income in the hands of the recipient charity to the extent of the deduction.

**SECTION 308. SHAREHOLDER BASIS NOT INCREASED BY INCOME DERIVED FROM CANCELLATION OF S CORPORATION'S DEBT**

The Act provides that cancellation of indebtedness (COD) income excluded from the gross income of an S corporation, i.e. due to the S corporation's insolvency, does not increase shareholder's basis in S corporation stock. The Act changes the result reached in the recent U.S. Supreme Court decision in *Gitlitz v. Comm'r* (2000).

**SECTION 309. BACK-TO-BACK LOANS AS INDEBTEDNESS**

The Act clarifies that a back-to-back loan (a loan made to an S corporation shareholder who in turn loans those funds to his S corporation) constitutes "indebtedness of the S corporation to the shareholder" so as to increase such shareholder's basis in the S corporation. The provision would help many shareholders avoid inequitable pitfalls encountered where a loan to an S corporation is not properly structured, even though the shareholder has clearly made an economic outlay with respect to his investment in the S corporation for which a basis increase is appropriate.

**TITLE IV—EXPANSION OF S CORPORATION ELIGIBILITY FOR BANKS**

**SECTION 401. EXCLUSION OF INVESTMENT SECURITIES INCOME FROM PASSIVE INCOME TEST FOR BANK S CORPORATIONS**

The Act clarifies that interest and dividends on investments maintained by a bank for liquidity and safety and soundness purposes shall not be "passive" income. By treating all bank income as earned from the active and regular conduct of a banking business, banks will no longer face the conundrum of evaluating investment decisions based on tax considerations rather than on more important safety and economic soundness issues.

## SECTION 402. TREATMENT OF QUALIFYING DIRECTOR SHARES

The Act clarifies that qualifying director shares of bank are not to be treated as a second class of stock. Instead, the qualifying director shares are treated as a liability of the bank and no income or loss from the S corporation will be allocated to these qualifying director shares. The provision clarifies the law and removes a significant obstacle unique among banks contemplating a S corporation election.

## SECTION 403. BAD DEBT CHARGE OFFS IN YEARS AFTER ELECTION YEAR TREATED AS ITEMS OF BUILT-IN LOSS

The Act permits bank S corporations to recapture up to 100 percent of their bad debt reserves on their first S corporation tax return and/or their last C corporation income tax return prior to the effective date of the S election. Banks that convert to S corporation status must change from the reserve method of accounting to the specific charge off method. The resulting recapture income is treated as built-in gain subject to tax at both the shareholder and the corporate level. The Act allows banks to accelerate the recapture of bad debt reserve to their last C corporation tax year. The corporate level tax would still be paid on the recapture income, but the recapture would no longer trigger a tax for the bank's shareholders.

## TITLE V—QUALIFIED SUBCHAPTER S SUBSIDIARIES

## SECTION 501. RELIEF FROM INADVERTENTLY INVALID QUALIFIED SUBCHAPTER S SUBSIDIARY ELECTIONS AND TERMINATIONS.

The Act provides statutory authority for the Secretary to grant relief for invalid QSub elections, and terminations of QSub status, if the Secretary determines that the circumstances resulting in such ineffectiveness or termination were inadvertent. This would allow the IRS to provide relief in appropriate cases, just as it currently does in the case of invalid or ten-nated S corporation elections.

## SECTION 502. INFORMATION RETURNS FOR QUALIFIED SUBCHAPTER S SUBSIDIARIES

The Act would help clarify that a Qualified Subchapter S Subsidiary (QSSS) can provide information returns under their own tax ID number to help avoid confusion by employers, depositors, and other parties.

## SECTION 503. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY

The Act treats the disposition of QSub stock as a sale of the undivided interest in the QSub's assets based on the underlying percentage of stock transferred followed by a deemed contribution by the S corporation and the acquiring party in a nontaxable transaction. Under current law, an S corporation may be required to recognize 100 percent of the gain inherent in a QSub's assets if it sells as little as 21 percent of the QSub's stock. IRS regulations suggest this result can be avoided by merging the QSub into a single member LLC prior to the sale, then selling an interest in the LLC (as opposed to stock in the QSub). The Act achieves this result without any unnecessary merger and thus removes a trap for the unwary.

## SECTION 504. EXCEPTION TO APPLICATION OF STEP TRANSACTION DOCTRINE FOR RESTRUCTURING IN CONNECTION WITH MAKING QUALIFIED SUBCHAPTER S SUBSIDIARY ELECTIONS

The Act provides that the step transaction doctrine does not apply to the deemed liquidation resulting from QSub elections. Application of the step transaction doctrine, in the context of making a QSub election, introduces complexity and uncertainty in what

should be a simple matter. The doctrine requires knowledge of decades of jurisprudence and administrative interpretations, and poses an unnecessary trap for the unwary.

## TITLE VI—ADDITIONAL PROVISIONS

## SECTION 601. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS

The Small Business Job Protection Act of 1996 eliminated certain pre-1983 earnings and profits of S corporations that had S corporation status for their first tax year beginning after December 31, 1996. This provision should apply to all corporations (C and S) with pre-1983 S earnings and profits without regard to when they elect S status. There seems to be no policy reason why the elimination was restricted to corporations with an S election in effect for their first taxable year beginning after December 31, 1996.

## SECTION 602. NO GAIN OR LOSS ON DEFERRED INTERCOMPANY TRANSACTIONS BECAUSE OF CONVERSION TO S CORPORATION OR QUALIFIED S CORPORATION SUBSIDIARY

The Act makes clear that any gain or income from an intercompany transaction is not taxed at the time of the S corporation or QSub elections.

## SECTION 603. TREATMENT OF CHARITABLE CONTRIBUTION AND FOREIGN TAX CREDIT CARRYFORWARDS

The Act provides that charitable contribution carryforwards and other carryforwards arising from a taxable year for which the corporation was a C corporation shall be allowed as a deduction against the net recognized built-in gain of the corporation for the taxable year. This provision is consistent with the legislative history of the 1986 Act.

## SECTION 604. DISTRIBUTION BY AN S CORPORATION TO AN EMPLOYEE STOCK OWNERSHIP PLAN

An ESOP will usually borrow from the sponsoring corporation to fund its acquisition of employer securities. In the case of a C corporation, the tax code provides that an ESOP will not be treated as engaging in a "prohibited transaction" if it uses any "dividend" on employer securities purchased with loan proceeds to make payments on the loan regardless of whether such employer securities have been pledged as collateral to secure the loan. The policy facilitates the payment of ESOP loans and thereby promotes employee ownership. Because S corporation distributions are technically not "dividends", the Act provides that S corporation distributions are treated as dividends. This clarification is necessary to ensure that the policy of facilitating the payment of ESOP loans applies equally to S corporation and C corporation ESOPs.

## SECTION 605. SPECIAL RULES OF APPLICATION

The effective dates of some amendments made by the Act may occur in years in which it is too late to file a claim for refund arising in such years from applying the amendments. The Act grants a 1-year extension beginning on the date of enactment in which to file such claims for these closed years.

Mr. Speaker, I urge my fellow members to review and support the S Corporation Modernization Act, which will help create a level playing field for small businesses. I look forward to working with my colleagues on the Ways and Means Committee to enact this bill.

GIVING PRAISE TO ZION  
EVANGELICAL LUTHERAN CHURCH

## HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. BARCIA. Mr. Speaker, I rise today to sing the praises of Zion Evangelical Lutheran Church in Bay City, Michigan, as Reverend William H. Allwardt, his family and the congregation celebrate the 100th anniversary of its founding. Since its humble beginnings in 1901 in a small wood-frame building, Zion has grown to become a stronghold of faith for over 2,000 members in and around Bay City.

In 1901, Zion members first gathered to worship in a wooden building that once had been the Salzburg Band Hall. As the congregation grew, so did the need for a larger forum, resulting in the building in November 1930 of the present-day church. From the beginning, church leaders also recognized that religious education doesn't take place only on Sundays, so they built a schoolhouse. The commitment to Christian education continues today inside the Zion Memorial Building, named to honor the men and women of Zion who served in World War II. During the last school year, 170 students studied and learned at Zion.

Tradition and a sense of continuity have always been important elements in Zion's spiritual mission. In keeping with those practices, the church has had just seven pastors in a century's time. The present pastor, Reverend Allwardt, his wife, Paulette, and children, Will and Charice, have been part of the Zion family since 1978 and have contributed greatly to its rich history and Christian undertaking to spread the word of God to people near and far.

A fruitful church cannot multiply the ranks of the faithful without reaching out and Zion's congregation has always opened its doors and expanded its influence well beyond the sanctuary and into the surrounding community. Over the years, Zion has led by Christian example with their involvement in many social organizations, including the Saginaw Valley Blood Program, the Boy Scouts and Girl Scouts of America, the Bay County Food Pantry and the CROP Walk.

Mr. Speaker, I ask my colleagues to join me in honoring Zion Evangelical Lutheran Church for a century of Christian service, fellowship and leadership from the pulpit, the pews and among the greater community and in wishing them another hundred years of success.

## SALUTE TO VERNA SMALL

## HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. NADLER. Mr. Speaker, I rise today to laud the incredible and enduring community activism of Verna Small. Verna has been active in the Greenwich Village community of New York City for over half a century, however she got her start right here in Washington, D.C. A 1937 graduate of George Washington University, Verna soon began working for the United States Department of

Labor, which took her on assignments all across this nation. Thankfully for us New Yorkers she landed in the heart of New York City, Greenwich Village, and immediately made it her home.

During her early years in the nation's Capital, Verna grew to love the Potomac River and other waterways, a love that would signal a passion that would last a lifetime. In New York, Verna recognized the beauty and splendor of the Hudson River and its vital relationship to Greenwich Village. She decided to make it part of her life's work to preserve this relationship and save the history of this neighborhood from disappearing at the hands of developers. Throughout the 1960's Verna, along with her comrade in arms Ruth Wittenberg, spearheaded an epic movement that culminated in the astounding creation of the New York City Landmarks Law in 1965 and the designation of the Greenwich Village Historic District in 1969, which remains today the city's largest historic district. Throughout this time Verna founded organizations that stand today to fight for the preservation of our city's neighborhoods, including the Association of Village Homeowners, the Historic Districts Council, the Greenwich Village Society for Historic Preservation, and the Federation to Preserve the Greenwich Village Waterfront & Great Port, Inc.

In 1964 Verna became a member of Manhattan Community Board 2. During her nearly forty-year tenure on the Community Board, she served as Chair of the Landmarks Committee for ten of those years. In 1994 she received the Elliot Willinsky Award from New York City's Landmarks Preservation Commission. Even today, Verna is fighting hard to preserve the history of the Village during the creation of the Hudson River Park.

Amidst all of her community activism, Verna led a full life as a wife, a mother, editor and author. She is truly a dynamic woman who has had a profound impact on those she has touched.

Mr. Speaker, I salute Verna Small and all of her accomplishments. I am happy to know her and am in constant awe of her passion and fortitude. It is my hope that she will continue to fight for what she believes in for a long time to come.

BISHOP TIMLIN CELEBRATES 50  
YEARS IN PRIESTHOOD

**HON. PAUL E. KANJORSKI**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. KANJORSKI. Mr. Speaker, I rise today to call the attention of the House of Representatives to the 50th anniversary of the ordination to the priesthood of Bishop James C. Timlin of the Catholic Diocese of Scranton, Pennsylvania, which includes much of my Congressional District. Bishop Timlin is an institution in Northeastern Pennsylvania, known not only for his spiritual guidance but also for his leadership in a broad range of social issues.

Bishop Timlin, the eighth bishop of Scranton and the first native-born son of the diocese to become its bishop, celebrated his 50th anniversary on July 16. On September 21, he will celebrate the 25th anniversary of his elevation to the rank of bishop.

He was born in 1927 in the High Works section of Scranton to the late James C. and Helen Norton Timlin. He attended St. John the Evangelist and Holy Rosary schools in Scranton and graduated from Holy Rosary High School and St. Charles College in Catonsville, Md.

Those who knew him in childhood sensed he was on the path to the priesthood, as his face bore a radiant expression while he served Mass and he had already joined the Future Priest Club by the time he entered eighth grade at Holy Rosary. He attended St. Mary's Seminary in Baltimore before completing his studies for the priesthood at the North American College in Rome.

Bishop Timlin was ordained in 1951 in Rome by the Most Rev. Martin J. O'Connor, D.D., then-Rector of North American College, who ordained him a year early because of the speed with which he managed his studies. He continued studies in Theology there before returning to the diocese where in 1952 he was appointed assistant pastor at St. John the Evangelist Parish, Pittston.

On June 12, 1953, he became assistant pastor of St. Peter's Cathedral Parish, Scranton, where he served until September 12, 1966, when he was named assistant chancellor of the diocese and secretary to Bishop J. Carroll McCormick, D.D., the sixth Bishop of Scranton.

Other papal honors and diocesan appointments followed as he was named Chaplain to His Holiness, Pope Paul VI, on August 3, 1967, Chancellor of the diocese on December 15, 1971, and Prelate of Honor of His Holiness on April 23, 1972.

Earlier in his ministry, Bishop Timlin served as chairman of the Diocesan Liturgical Commission and the Priests' Education Committee, as well as librarian and secretary at St. Pius X Seminary, Dalton. In 1972, he was appointed to the Diocesan Board of Consultors, and three years later, was elected President of the Board of Directors of The Catholic Light.

He was named Auxiliary Bishop of Scranton on August 3, 1976. He was ordained in St. Peter's Cathedral on September 21, when he also became Vicar General of the diocese. In September, 1979, he became pastor of the Church of the Nativity of Our Lord, Scranton.

In the summer of 1983, Cardinal John J. O'Connor, the seventh Bishop of Scranton, appointed him chairman of the Board of Advisors for St. Pius X Seminary, and chairman of the Preparatory Commission for the Diocesan Synod. Following the Cardinal's transfer to the Archdiocese of New York in March, 1984, Bishop Timlin was elected Diocesan Administrator by the Diocesan Board of Consultors. His Holiness, Pope John Paul II, appointed him the eighth Bishop of Scranton on April 24, 1984, and his installation followed on June 7.

Bishop Timlin has served two terms as a member of the National Conference of Catholic Bishops' Administrative Board and the National Advisory Council. He also served as a member of the Board of the North American College, as well as a consultor on the Liturgy Committee.

He is presently a consultant to the NCCB's Ecumenical and Migration committees. He is well known for his commitment to ecumenism. To give just two examples, he led the Jewish Federation United Jewish Campaign's Super Sunday Telethon in 1984 and accepted an invitation to the Polish National Catholic

Church's 100th anniversary banquet in 1997, where he addressed the crowd, sharing their joy and seeking to restore unity between them.

He has also served a five-year term as Episcopal Moderator of the National Association of Holy Name Societies. A long-time licensed pilot, the bishop is the Episcopal Moderator of the National Association of Catholic Airport Chaplains.

When he was appointed bishop, he chose the motto "Fides Spes Caritas," faith, hope, love. I think also serves as a fine summary of Bishop Timlin's life and work.

Mr. Speaker, I am pleased to call to the attention of the House of Representatives the long and dedicated service of Bishop James C. Timlin and to wish him all the best as he continues to serve Northeastern Pennsylvania.

GUAM'S STUDENT MUSICAL  
GROUP

**HON. ROBERT A. UNDERWOOD**

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. UNDERWOOD. Mr. Speaker, I rise before you today to bring attention to the outstanding accomplishments of Guam's student musical group, the Silouettes. Started in 1996-1997 by Michael Song in his first year as music instructor at JFK High School in Tamuning, Guam, the Silouettes have overcome difficult obstacles on their road to success and recognition. Originally composed of 13 females, 3 male voices, 1 accompanist and an outdated piano, the Silouettes struggled to earn the community's respect in their inaugural year. Due to their unrelenting desire to succeed and tremendous hard work, the Silouettes not only excelled in gaining the local community's respect, but also attained international recognition. They toured Korea and Japan, and eventually traveled to the U.S. mainland, where they were selected as champions in the "Show Choir" division of the 1999-2000 MusicFest Orlando. This year, the Silouettes have successfully defended their title, and have additionally placed first in the "Concert Choir" division, thereby earning the title of "Grand Champions" in the competition.

The attributes setting the Silouettes apart are the group's tremendous ambition and will to succeed. In their inaugural year, without any community or government assistance, the group raised \$17,000 and went on a tour to Korea, where they became the first foreign school students ever allowed to perform on the prestigious campus of EWAH Girls High School. The success greatly magnified their reputation, but the Silouettes continued to struggle while trying to obtain financial support. Through extensive fund-raising efforts, the group managed to raise the necessary funds to tour Japan and perform at 9 schools and for the mayor of Gifu, who awarded the group Honorary Citizenship of his city. Their diligence, dedication, hard work paid off. Due mainly to their growing reputation, Government of Guam funds were appropriated enabling the Silouettes to fulfill their dream and compete against some of the highest rated U.S. High Schools at the Orlando MusicFest 1999-2000 and 2000-2001.

Their magnificent talent led the Silouettes to place first in the "Show Choir" division, in

which pop music is played using drums and other musical instruments accompanying the piano. In 2000–2001, the group not only defended their “Show Choir” title, but also won the “Concert Choir” division, playing classical music relying solely on the piano. To win both titles, the Silouettes defeated a total of 47 schools, and were selected as “Grand Champions” by the committee of judges. Due to their success, the Silouettes have produced their first CD, earned two resolutions in the Guam Legislature, and garnered the appreciation and pride of the entire island of Guam. I, therefore, ask that you join me in commending this outstanding group of students for their phenomenal success.

I additionally wish to submit for the RECORD, the names of the members of the Silouettes: Michael Song (Music Director), Troy Taitano (Accompanist), Brian Machie (Drummer), Ray Yoshida (Sound Technician), Charleen Remotigue, Verna Ventura, Karen Ikeno, Kim Solomon, Emily Servino, Tara Atencio, Gwen Nolos, Lucretio San Nicolas, Anselma Reyes, Azusa Hanashima, Sheena Hess, Michelle Ganadam, Krystal Abaya, Lily Tizon, Geneva McCoy, Kris Tiongzen, Eugene Guillermo, Daryl Muya, Calvin Huynh, Jeff Moreno, Steve Terlaje, Robert Brito.

NATIONAL GUARD YOUTH  
CHALLENGE PROGRAM

**HON. RICHARD H. BAKER**

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. BAKER. Mr. Speaker, I am introducing legislation to provide additional Federal funding for the National Guard Youth ChalleNGe Program and invite all my colleagues to join me in sponsoring this legislation.

Our Nation is facing an epidemic in juvenile crime and education delinquency of historical proportion. Over 2,806 students drop out of high school each day, while another 17,297 students are expelled. Dropping out of school and failing to identify or working toward achieving personal goals is leading young people down a path of self-destruction. The National Guard Youth ChalleNGe Program was created in order to help these young people enhance their life skills, increase their educational levels, improve their employment potential, and provide tools and experience for success.

Since 1993, over 27,800 at-risk youth have graduated from the program, and more than 19,170 of the graduates received their high school diploma or GED. The Youth ChalleNGe Program helps 16 to 18 year-old male and female high school dropouts complete their high school education; prepare for employment, higher education, or a career in the military; and obtain the skills necessary to succeed in life.

All troubled youth should have an opportunity to turn their lives around and realize success. Unfortunately, because of federal funding restraints, only 24 states and Puerto Rico can offer this program. In addition, of the states that offer the program, only 37 percent of interested young adults who have applied have been able to participate because of the lack of funding. Currently, federal law caps federal spending for the Youth ChalleNGe

Program at \$62.5 million. States must share 35 percent of the cost while the federal government assumes 65 percent. By lifting the cap and adjusting the matching requirements, thousands of youths could be given the opportunity to participate in this program annually.

The legislation I have drafted will completely eliminate the \$62.5 million cap on Youth ChalleNGe Program spending, remove the mandate that directs excess Youth ChalleNGe Program funding to JROTC, and adjust the federal/state match from 65/35 to 75/25. I believe this is the right thing to do to help America's at-risk youth. This program is a success, and its performance outshines virtually every other federal program that targets at-risk youth. The benefits are proven and substantial. I invite my colleagues to review my legislation, and I respectfully request their support.

TRIBUTE TO TOM PHILLIPS AND  
WILLIAM RUSHER

**HON. RON PAUL**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. PAUL. Mr. Speaker, on Saturday, August 4th Young Americans for Freedom (YAF) will hold its National Convention in Newport Beach, California. At this event the organization will honor two fine people. Mr. Tom Phillips, Chairman of Phillips International, will receive the organization's highest award, the Guardian of Freedom. Mr. Phillips has been a strong supporter of YAF and is involved in various other entities engaged in the fight for liberty. As publisher of “Human Events,” he has helped to further a publication steeped in the tradition of freedom. Mr. Phillips has also shown a particular interest in the kind of private preservation activities I so frequently advocate. Rather than leave it to the taxpayers to fund and the federal government to manage, Mr. Phillips has personally helped to fund the preservation of President Reagan's Ranch by the Young America's Foundation so that it might be used as a training ground for young people dedicated to the individual liberty which President Reagan spoke of so often.

Also, at this event, Mr. William Rusher will receive a lifetime achievement award. Mr. Rusher was instrumental in the founding of YAF in 1960 around those set of principles enunciated in the Sharon Statement, a great document explicating the philosophy of freedom. In addition, Mr. Rusher was instrumental in many other important activities such as the Draft Goldwater Committee and the National Review Magazine.

Mr. Speaker, I wanted to take this opportunity to honor YAF as it prepares for its 41st year of training young men and women in the philosophy of freedom and holds its National Convention, as well as to offer my congratulations to these honorees.

HONORING CHAMPION WRESTLER  
JOEL EDWARDS

**HON. CURT WELDON**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. WELDON of Pennsylvania. Mr. Speaker, I would like to take a moment to congratulate

an extremely accomplished high school athlete from my congressional district, in Upper Darby, PA. Joel Edwards, a recent graduate of Upper Darby High School, recently won the Pennsylvania State wrestling championship in his weight class.

Joel Edwards has proven himself to be one of the best, if not the best, wrestler, Upper Darby High has ever had. Joel has a long list of accomplishments: a two-time Sectional champion, two-time District champion, two time Regional champion, and the 2001 State Champion. In addition, Joel recently placed eighth in the nation in the National High School Senior Wrestling Championship, earning him All-American honors. These accomplishments are but a few, but show Joel's remarkable wrestling talent. Numerous honors and awards have been bestowed on Joel for his accomplishments. The Philadelphia Inquirer and the Delaware County Daily Times named him “Wrestler of the Year”, and he was also a three-time All-League and All-County selection. His career record was a phenomenal 116–23.

Joel is now on his way to a great institution of higher learning, Penn State University, where he has been given a full scholarship to pursue his wrestling career for the Nittany Lions. It is my pleasure to represent Joel Edwards in Congress and to see his accomplishments. He has been a great source of community spirit and pride in the entire Upper Darby area. I wish Joel continued success at Penn State and again wish to congratulate him on his remarkable achievements.

IN HONOR OF WILLIAM  
HAMBRECHT

**HON. NANCY PELOSI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Ms. PELOSI. Mr. Speaker, I rise today to celebrate a business pioneer, a philanthropist, and a long time friend, Bill Hambrecht. Bill is being inducted into the Bay Area Business Hall of Fame today, Thursday, July 19. I can think of no worthier gentleman to receive such a distinct honor.

William R. Hambrecht is Founder, Chairman, and CEO of WR Hambrecht & Co., an investment banking, entrepreneurial investment firm headquartered in San Francisco. In 1968, he co-founded Hambrecht & Quist which he headed until the late 1990s.

William Hambrecht is a legendary trailblazer in investment banking. Through his “West Coast-style” investing, he has engineered major success stories such as Genentech, Apple Computers, and Amazon.com. By bringing fresh ideas to the financial world such as its innovative auction-style OpenIPOs, WR Hambrecht & Co. has been recognized as a groundbreaking investing company.

His philanthropic work demonstrates his concern for the community and the environment. He serves as a Director of Beacon Education Management, an education management company. He also sits on the board of KQED, San Francisco's public television and radio station and is a trustee of the Sierra Club.

William Hambrecht is dedicated to education and business growth. He serves on the Advisory Board of the Haas School of Business at

UC Berkeley. As a member and former Chairman of the Council on Competitiveness, he is committed to improving U.S. economic competitiveness and leadership in world markets. The Council, composed of corporate CEOs, university presidents, and labor leaders, focuses on strengthening U.S. competitiveness through innovation and technology.

William Hambrecht is an inspiration and a friend to many. His brilliant leadership has changed the face of California business and philanthropy. It is my honor to recognize the achievements of my constituent, and to join with his wife Sally and the Bay Area Council in acknowledging his contributions and ongoing dedication to social justice and the advancement of the Bay Area's wellbeing. I applaud his commitment to his community and cherish his friendship.

**BROWNSVILLE TEXAS IS ALL  
AMERICAN CITY**

**HON. SOLOMON P. ORTIZ**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. ORTIZ. Mr. Speaker, I rise to share my pride today in the beautiful South Texas city of Brownsville which was chosen by the National Civic League and Allstate Insurance Company as an "All American City." Brownsville was one of 10 municipalities named All American Cities.

This is a recognition for civic excellence honoring communities where citizens, government, businesses, non-profits and others demonstrate successful partnerships to resolve critical challenges before the community. Brownsville is a great example of this dynamic.

Brownsville's unique location "On the Border by the Sea," with its multi-cultural, historical and natural resources, is a good look at what America will be, and should be, over the next decades. It is a friendly city, populated by smart, visionary people which borders both the Gulf of Mexico and Mexico itself.

Brownsville's rich history includes: Karankawa Indians, Spanish explorers, vaqueros (Mexican cowboys), ranchers, soldiers, prospectors and present day captains of business and industry. The City of Brownsville was incorporated in 1853, taking its name from Fort Brown Post Commander Major Jacob Brown.

But of all the natural resources, easily the most valuable, most often-cited natural treasure is the people of Brownsville themselves. The nicest people I know live in the Rio Grande Valley. The life is easy, but the work is hard. So often, the border area is seen by both the United States and Mexico as a separate region, a place unto itself.

But the people there find ways to deal with the challenges that face them . . . the challenge of finding the water the community needs, keeping up with the rapidly-growing population, and supporting infrastructure for the international trade that flows across the U.S.-Mexico border.

This bi-cultural city, which is big, but not too big, is a family oriented place of beauty. The unique plants and wildlife, resacas, proximity to the beach and to the neighboring country of Mexico, all bring tourists to this area of the country in droves.

This leading border city whose people come together when the mission or purpose calls is most deserving of this award. All the people who participated in the award process are to be commended.

I ask my colleagues to join me in honoring the community of Brownsville on this outstanding achievement.

**TAIWAN PRESIDENT CHEN SHUI-  
BIAN CHAMPIONS HUMAN RIGHTS**

**HON. DONALD M. PAYNE**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. PAYNE. Mr. Speaker, President Chen Shui-bian of Taiwan recently completed his first year of service as head of state, and I would like to take this occasion to congratulate him and comment on a few of Taiwan's achievements.

Taiwan has long been a friend of the United States. Over the last decades, Taiwan has made great strides towards becoming a model of rapid political reform. Taiwan subscribes to the private enterprise system and offers its people one of the highest standards of living in Asia. In terms of its trading relations with us, Taiwan represents our seventh largest export market, thus providing many jobs for our manufacturers. In addition, more than 30,000 Taiwan students are studying at U.S. colleges and universities. The U.S. is the number one destination for most of Taiwan travelers. Taiwan and the United States share many values in common such as attachment to freedom, democracy, and human rights.

One of the most notable feature of President Chen's administration is his championing of human rights. For many decades, human rights had been a taboo subject in Taiwan until Taiwan's martial law was repealed in 1987. In recent years, the government has been cooperating with civic groups to recognize the government's past mistakes and has taken concrete steps to help raise human rights awareness. Under the sponsorship of the Human Rights Foundation, in 1999 a monument was erected in Green Island, off the southeast coast of Taiwan, opposite Taitung County. The monument was to help people remember the many victims who were imprisoned and died in Green Island, a notorious prison camp. To prevent future violations of human rights, Chen's government has made every effort to guarantee its people the most basic human rights—freedom of expression, the right to assemble peacefully, and freedom of association. There will be no more prisoners of conscience and no more extrajudicial killings. Civil liberties are to be respected at all times.

In his inaugural address delivered on May 20, 2000, President Chen committed Taiwan to upholding the Universal Declaration of Human Rights, the International Covenant of Civil and Political Rights, and the Declaration and Action Program of 1993 Vienna Conference on Human Rights. In essence, President Chen believes that every citizen ought to enjoy the right to work, the right to freedom of thought, conscience and religion, the right to an education, the right to medical care, the right to participate in elections, and the right to social security in the event of unemployment,

illness, and disability. Also, President Chen has urged the Taiwan legislature to consider drafting legislation to protect the rights of women, children, the elderly, and the indigenous people, laborers, and soldiers. Clearly, there is a long way to go and human rights work is a never ending effort.

It is appropriate that we applaud Taiwan's many efforts in upholding and maintaining human rights for its people. Taiwan is indeed fortunate to have its president as its foremost human rights champion.

**PERSONAL EXPLANATION**

**HON. LUIS V. GUTIERREZ**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this Chamber when rollcall votes Nos. 206, 213, 214 were cast. I want the RECORD to show that had I been present in this Chamber at the time these votes were cast, I would have voted "yes" on rollcall vote No. 206, "yes" on rollcall vote 213, "yes" on rollcall vote 214.

**IN HONOR OF AMBASSADOR  
JAMES C. HORMEL**

**HON. NANCY PELOSI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Ms. PELOSI. Mr. Speaker, I rise today to pay tribute to a distinguished, accomplished man who by devoting his life to public service has become a champion for social justice, a leader in his community, and an example of courage for us all. Today, Thursday, July 19 in my district in San Francisco, the American Civil Liberties Union will honor Ambassador James C. Hormel with the 2001 On The Frontline Award. He is most deserving of this award and I am proud to acknowledge his contributions on this occasion.

Ambassador Hormel graduated from Swarthmore College and received his J.D. from the University of Chicago Law School where he later served as the Dean of Students. He also established the James C. Hormel Public Service Program at the University, which encourages law students to venture into public service.

Ambassador Hormel has spent a lifetime fighting sexual orientation discrimination. He helped originate the Human Rights Campaign, the country's largest gay and lesbian political organization. For the last two decades, Mr. Hormel has assisted many local and national AIDS organizations, including San Francisco AIDS Foundation, Project Open Hand, AIDS Emergency Fund and Shanti Project.

In 1996, the San Francisco Public Library opened the James C. Hormel Gay & Lesbian Center. Mr. Hormel's generous donation kicked off a major fundraising campaign and created an endowment to ensure the center's continuing development.

Ambassador Hormel was nominated to serve as Ambassador to Luxembourg. Mr. Hormel lived in the glare of the spotlight but he did not shy away from the intense inspection of his personal life. He remained graceful,

poised and courageous. On June 29, 1999 James Hormel was sworn in as U.S. Ambassador to Luxembourg by Secretary of State Madeleine Albright, thus becoming the first and only openly gay Ambassador in United States history. He served his term with great distinction. Mr. Hormel is an inspiration to us all.

I join Jim's partner, Timothy Wu, and his five children, Alison, Anne, Diz, Sarah, and James Jr. in recognizing the achievements of my constituent and dear friend, Ambassador James C. Hormel, and acknowledging his contributions and on-going commitment to human rights, social justice and the betterment of our nation.

**TOM KNITTER LEAVES MILWAU-  
KEE'S THOMAS MORE HIGH  
SCHOOL AFTER 33 YEARS**

**HON. GERALD D. KLECZKA**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. KLECZKA. Mr. Speaker, I would like to publicly thank Mr. Tom Knitter, an outstanding educator and community leader from my district, who is moving on to a new set of challenges and opportunities in California.

Tom Knitter first began teaching social studies and physical education at Pio Nono High School in 1968. Ten years later, when Pio Nono merged with my alma mater, Don Bosco, Tom settled in at the newly formed Thomas More High School, where he became the assistant principal. With Tom as its wrestling coach from 1973 to 1982, the school brought home three state championships. In 1987 he was named principal of Thomas More, and seven years later he became the school's first president.

Since that time Tom has worked tirelessly as the school's chief executive officer. He has been responsible for its strategic planning, development, finances, and marketing for the better part of a decade. On July 21, 2001, Tom celebrates his 33-year association with Thomas More High School, and says goodbye, as he leaves for a position with Garces High School in Bakersfield, California.

Tom is leaving behind many friends, memories, and most importantly, many lives that were touched by his unparalleled dedication to molding today's students of Thomas More High School into tomorrow's leaders. The people of Bakersfield are privileged to gain the services of a talented educator with such a passion for his work.

The void left by the departure of Tom and Josie, his wife of 30 years, will not be easily filled. In addition to his responsibilities as the head of a National Blue Ribbon School, he has worked with groups such as the Healthier Communities Initiative, the Archdiocese of Milwaukee Marketing Committee, and the National Catholic Education Association.

And so, it is with both great appreciation and sadness that I join the entire community at Thomas More High School in thanking Tom Knitter for his 33 years of exemplary service, and wishing him all the best in his future endeavors.

PERSONAL EXPLANATION

**HON. JOHN B. LARSON**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. LARSON of Connecticut. Mr. Speaker, I rise today to state on the record that my vote on Roll Call Vote 248 (final passage for H.R. 2500, Commerce, Justice, State Appropriations for Fiscal Year 2002) did not register. I inserted my voting card into the machine and voted aye, but my vote did not register. This is the second time that this has occurred this year on the final passage of a bill, despite the fact that my voting card was recently replaced after it would not work at all. While I realize that human error can be involved in this situation, the fact that I was in the Chamber and voting, and my card has malfunctioned so many times in the past, I think it is self-evident that my vote should have been recorded as aye on Roll Call Vote 248 and I ask unanimous consent that this statement appear after Roll Call Vote No. 248 in the permanent CONGRESSIONAL RECORD.

**TRIBUTE TO MATTHEW  
ALEXANDER ENGEL**

**HON. STEVE ISRAEL**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. ISRAEL. Mr. Speaker, it is with great pride that I rise today to recognize one of New York's outstanding young students, Matthew Alexander Engel. The Boy Scouts of his troop will honor him as they recognize his achievements by giving him the Eagle Scout honor.

Since the beginning of this century, the Boy Scouts of America have provided thousands of boys and young men each year with the opportunity to make friends, explore new ideas, and develop leadership skills while learning self-reliance and teamwork.

This award is presented only to those who possess the qualities that make our nation great: commitment to excellence, hard work, and genuine love of community service. Becoming an Eagle Scout is an extraordinary award with which only the finest Boy Scouts are honored. To earn the award—the highest advancement rank in Scouting—a Boy Scout must demonstrate proficiency in the rigorous areas of leadership, service, and outdoor skills.

I ask my colleagues to join me in congratulating the recipients of these awards, as their activities are indeed worthy of praise. Their leadership benefits our community and they serve as role models for their peers.

Also, we must not forget the unsung heroes, who continue to devote a large part of their lives to make all this possible. Therefore, I salute the families, scout leaders, and countless others who have given generously of their time and energy in support of scouting.

It is with great pride that I recognize the achievements of Mr. Engel, and bring the attention of Congress to this successful young man on his day of recognition. Congratulations to Matthew and his family.

TRIBUTE TO JUDGE VIRGINIA MAE  
DAYS

**HON. ZOE LOFGREN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 20, 2001*

Ms. LOFGREN. Mr. Speaker, I rise to congratulate Judge Virginia Mae Days, who is retiring after more than 20 years on the bench of the Santa Clara County Superior Court. When Governor Edmund Brown Jr. appointed her in 1981, Judge Mae Days was the first Latina on the bench in Santa Clara County.

A lifelong resident of the Bay Area, Virginia Mae Days was born in San Jose in 1934. She served in the US Navy WAVES during the Korean War, earning both the National Defense Service Ribbon and the Good Conduct Medal. After the war, Judge Days attended the University of California at Berkeley for both her undergraduate and graduate years, earning her law degree there in 1963.

Judge Days' long record of service to Santa Clara County includes 6 years as the mayor of Morgan Hill and terms on Santa Clara County's drug abuse commission, regional criminal justice planning board and human relations commissions. Immediately prior to her appointment to the bench, Judge Days was the Director of the California Department of Veterans Affairs.

Throughout her tenure on the Court, Judge Virginia Mae Days has been a strong role model for the community. She summed this philosophy up best in March of 2000 at a dinner honoring the groundbreaking women jurists of Santa Clara County: "The more the bench reflects the community, the fairer the process."

I want to thank Judge Mae Days for her many years of service to our community and wish her nothing but the best in this next phase of her life.

**IN HONOR OF HERBERT AND  
MARION SANDLER**

**HON. NANCY PELOSI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Ms. PELOSI. Mr. Speaker, I rise to salute Herbert and Marion Sandler for their longstanding at entrepreneurial and philanthropic commitment to the San Francisco community. Today, Thursday, July 19 in my district, Herbert and Marion Sandler will be inducted into the Bay Area Business Hall of Fame. They are most deserving of this honor and I am proud to acknowledge their contributions on this occasion.

Herbert and Marion Sandler co-founded Golden West Financial Corporation in Oakland, California in 1963. As Chief Executive Officers and Chairmen of the Board, they have had phenomenal success in building Golden West Financial into a Fortune 500 company. With 420 offices and \$57 billion in assets, it is the third largest savings and loan in the country today.

Marion Sandler has been recognized by Fortune Magazine as one of the most powerful women in business today. By being one of the first women to break through the Fortune 500

glass ceiling, her accomplishments are an inspiration to businesswomen everywhere. Golden West Financial Corporation has the significant distinction of being one of the very few major companies with more women on its Board of Directors than men.

Herbert Sandler serves on numerous advisory boards sharing his expertise with others. He was elected to the Board of Directors of the Federal Home Loan Bank of San Francisco. He also serves as a member of the board of directors of the Success for All Foundation and of the Center For Real Estate and Urban Economics of the University of California at Berkeley.

The Sandlers are committed to philanthropy and community activism. Through the Sandler Family Supporting Foundation, they support nonprofit and community organizations in the Bay Area and nationwide. Among the numerous recipients of their generosity are the Sandler Program for Asthma Research, the Human Rights Center at the University of California at Berkeley, and the National Women's Law Center. They also fund many research grants in the fields of medicine and social work. In addition, Herbert and Marion have donated generously to worthy causes such as Human Rights Watch.

It is with personal and civic pride that I celebrate with my dear friends on this festive occasion. The Sandler's dedication to the people of the Bay Area has had a significant, lasting effect on Californians. Their service to our country and our community is indeed a cause for celebration.

#### PERSONAL EXPLANATION

### HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 19, 2001*

Mr. SHAYS. Mr. Speaker, during recorded vote 248, on final passage of H.R. 2500, the Departments of Commerce, Justice, and State Appropriations Act for Fiscal Year 2002, a technical error resulted in my vote not being recorded.

I had intended to vote "yes" on this measure.

#### TRIBUTE TO THE BALLISTIC MISSILE DEFENSE ORGANIZATION

### HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. REYES. Mr. Speaker, I rise today to congratulate the men and women of the Ballistic Missile Defense Organization for the successful ballistic missile defense test that took place late Saturday night over the Pacific Ocean. The first success since 1999, the ballistic missile interceptor that shot down a dummy warhead used a "hit to kill" technology and was able to destroy its target hundreds of miles away from launch point. This test demonstrates our commitment to defending against the threat of Intercontinental Ballistic Missile launches and once again shows that this "bullet to bullet" method of target destruction is technologically feasible. Further, it justifies

our need to continue with vigorous testing as we aggressively move forward with maturing our ballistic missile defense capabilities. We must continue to develop, test and fund missile defense technologies to create a defensive system to protect this nation and our allies against missile threats worldwide. Mr. Speaker, I yield back the balance of my time.

#### TRIBUTE TO DEBBY O'CONNOR

### HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. GARY G. MILLER of California. Mr. Speaker, I rise to pay tribute and honor the accomplishments of Debby O'Connor of Diamond Bar, California.

Mrs. O'Connor served as Mayor of the City of Diamond Bar for the year 2000. In that position she demonstrated civic leadership, responsibility and deep personal commitment to her community. She previously served as Mayor Pro Tem, and served a two-year term on the Parks and Recreation Commission.

Mrs. O'Connor is Co-Chair of the City Community/Civic Task force. She is the City of Diamond Bar's voting delegate on the Wildlife Corridor Conservation Authority and on the San Gabriel Valley Economic Partnership of Commerce and Cities. She is one of the City Council's liaisons to the volunteer planning committee behind the City's successful anniversary celebrations and, is also very involved with the Diamond Bar Community Foundation. In addition to her Council duties, she has demonstrated her long time support and concern for the community by being actively involved in the Friends of the Diamond Bar Library, Diamond Bar Improvement Association, Lorbeer Middle School PTSA, Diamond Ranch High School Boosters and Diamond Point Elementary School Safety Site and Technology committees. She is a youth soccer referee and board member for the Region 311, American Youth Soccer Organization. Mrs. O'Connor has been a dedicated fundraiser for the Diamond Bar/Walnut YMCA since 1996, and has also served on the board for the Diamond Bar Community Nursery School and Diamond Point Swim and Racquet Club.

Mrs. O'Connor's leadership in strong economic development programs and her impressive record of civic and volunteer community involvement have earned the admiration and respect of those who have had the privilege of working with her. I would like to congratulate Debby O'Connor on these accomplishments and thank her for her outstanding service to her community.

#### ENVIRONMENTAL TERRORISM REDUCTION ACT

### HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Ms. HOOLEY of Oregon. Mr. Speaker, America has a long tradition of civic activism. From the anti-slavery movement to women's suffrage to the civil rights era, citizen activists have accomplished many important social re-

forms by working together through peaceful means to influence their friends and neighbors and building support for change.

We Americans fight for change at the ballot box and in the halls of legislatures—not with incendiary devices and pipe bombs.

Mr. Speaker, unfortunately violent acts in the name of protecting the environment are growing in alarming numbers throughout the western United States. Earlier this month I visited a timber company facility in Monmouth, Oregon that had been burned down in an arson perpetrated by the Earth Liberation Front.

In the Monmouth attack, which roused firefighters out of bed on Christmas morning, the arson caused the roof to collapse only minutes after those who were fighting the fire pulled out. Paul Evans, the mayor of Monmouth and a volunteer firefighter who fought the blaze that Christmas day, told me he narrowly escaped injury or death in the fire. Ironically, Paul, who is now serving a military tour of duty in the Persian Gulf, was probably in more danger in his own town than he now is in Kuwait.

Mr. Speaker, these are not victimless crimes, and they must be halted. That is why I'm introducing the Environmental Terrorism Reduction Act.

The most challenging aspect of these crimes is that the perpetrators have been difficult to apprehend, leaving most of these crimes unsolved because with limited resources and manpower, local law enforcement officials have little success closing these cases.

The Environmental Terrorism Reduction Act closes this gap by requiring the Attorney General to establish a national clearinghouse for information on incidents of eco-terrorism to help investigators stay ahead of the curve in preventing additional acts of terror.

In addition, this bill establishes the Environmental Terrorism Reduction Program in the Department of Justice. This program would authorize the Attorney General, upon consultation with the heads of Federal, State, and local law enforcement agencies and the Governor of each applicable State, to designate any area as a high intensity environmental terrorism area. After making such a designation local law enforcement agencies could access funding to assist them in solving and preventing these types of crimes in the future.

Mr. Speaker, I believe the provisions in the Environmental Terrorism Reduction Act will greatly aid our communities and industries that are vulnerable to eco-terrorism. It is high time the federal government addressed this situation, and I urge my colleagues to join me in sponsoring this measure and enacting it into law.

#### INTRODUCTION OF COLORADO SCHOOL LANDS BILL

### HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. UDALL of Colorado. Mr. Speaker, I am today introducing a bill to modify the 1875 Act—usually referred to as the Colorado Enabling Act—that provided for admission of Colorado to the Union. The bill is cosponsored

by my colleague, Representative DEGETTE. I greatly appreciate her support.

The purpose of this bill is to remove any possible conflict between a decision of the people of Colorado and that original federal legislation under which some 3 million acres of federal lands were granted to our state.

In granting the lands to Colorado, Congress provided that they were to be used as a source of revenue for the public schools—and for many years they were managed for that purpose.

However, over the years the revenue derived from these lands has become a less and less significant part of the funding for Colorado's schools, while there has been an increasing appreciation of the other values of these lands.

As a result, in 1996 the people of Colorado voted to amend our state constitution to permit part of these school trust lands to be set aside in a "stewardship trust" and managed to preserve their open space, wildlife and other natural qualities.

To assure that this decision of the voters can be implemented, my bill would amend the original Colorado Enabling Act to eliminate the requirement that the state must raise revenue from the school-trust lands that are set aside for their natural resource values and qualities.

Similar legislation has been introduced by other Members of Colorado's delegation in the Congress. However, those bills include a specific limit on the acreage that could be placed in the stewardship trust.

The 1996 state legislation does set such a limit. I supported that part of the state legislation. However, I think that whether that limit should be retained or revised should be decided solely by the people of Colorado, and not determined by Congress. So, the bill I am introducing today does not include a specific acreage limit. That would be left to Colorado law to control.

Mr. Speaker, Colorado is experiencing rapid population growth. That is putting increasing pressure on all our undeveloped lands. In response, the people of Colorado have voted to allow some of these school-grant lands to remain as open spaces to be managed for their wildlife and other natural resources and values. This bill will keep faith with that decision by our votes by removing any conflict with federal law. I will do all I can to press for its speedy enactment.

For the information of our colleagues, I submit a recent newspaper editorial on this subject:

[From the Denver Post, May 28, 2001]

#### ENABLE LAND-BOARD FIXES

Disputes over State Land Board deals arise partly because the board's narrow mandate may no longer fit Colorado's needs. But altering the board's focus literally may take an act of Congress.

As Uncle Sam welcomed new states into the union, the federal government set aside entire sections of land to raise money for public education through grazing leases, mineral rights, etc. The federal law that granted Colorado statehood in 1876, called the Enabling Act, included a similar provision.

But during the past 125 years, Colorado has found other ways to fund public education. Colorado's school acres now supply less than 2 percent of the state's annual K-12 budget.

Today, some school sections offer tremendous public value as open space or rec-

reational land. Emerald Mountain forms the scenic backdrop to Steamboat Springs.

In 1996, Colorado voters put Amendment 16 in the state Constitution, aiming to give the State Land Board, which manages the school lands, flexibility to preserve open space and wildlife habitat, as well as support public education. The amendment told the land board to set aside 300,000 acres of the 3 million school acres as a Stewardship Trust. Note that 90 percent of the school acres still raise money for education.

But soon after the amendment's passage, a federal court firmly said the land board is obligated always to fund schools first, under the federal law that granted Colorado statehood. That means the State Land Board might have to accept profitable offers even on lands now in the Stewardship Trust.

Clearly, public school funding is of utmost importance. But taken together, the court decision and statehood act mean the Stewardship Trust that voters thought they were putting in place might prove ephemeral. Instead of preserving the cherished 300,000 acres, Amendment 16 simply may have run up their ultimate real estate development value.

To solve the problem, Colorado must ask Congress to amend our statehood act. The 10 percent of state lands held in the Stewardship Trust then could be permanently set aside.

However, the state could only ask the federal government to do so if the legislature guaranteed an equally secure funding source for public education.

Moreover, the Stewardship Trust will work in the long run only if the legislature also patches an obvious and troubling gap in Amendment 16, which we'll discuss tomorrow.

### CONSTITUTIONAL AMENDMENT AUTHORIZING CONGRESS TO PROHIBIT PHYSICAL DESECRATION OF THE FLAG OF THE UNITED STATES

SPEECH OF

**HON. SILVESTRE REYES**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 17, 2001*

Mr. REYES. Mr. Speaker, I rise today in support of House Joint Resolution 36, proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the United States flag. I urge all Members to support this resolution. This is a positive step toward finally taking necessary accountability in protecting the integrity and sanctity of our most precious national symbol.

I understand that this issue has experienced years of contentious debate involving constitutional challenges. Rather than focus on these arguments, I would rather take this time to share parts of a story written in my local newspaper, the El Paso Times. The story concerns a local shopping center that proudly flies a 30-by-30 foot American flag that has recently been taken from its flag pole for the first time in several years in order to have its wind-torn, tethered appearance repaired so that it may return with a new and fully restored appearance. Since its removal, motorists and pedestrians, inhabitants of the neighborhood of where the flag resides, tourists and travelers, every single person that has come in contact

with this flag have missed its presence. As one person stated, "People love it when they notice it, and they notice when it's gone."

And the people who love this symbol, not just the people in my district who give directions to their homes based on the shopping center flag, but people all over the country will notice when their symbol is destroyed. We have traditional codes and customs that encourage utmost respect for the American flag, yet we have never protected this symbol with the strength of our laws. We have sent soldiers to wars who fought and sometimes died in defense of the flag, carrying it honorably and proudly into battle. We have erected monuments all over this country and around the world that fly the American flag. We have placed the American flag on places where Americans have claimed victory in battle and scientific achievement, including one place that is not even on this Earth. I ask the Members to consider what protest would be profound, what speech should be protected and what principle is to be defended if the American flag flying over the Iwo Jima memorial is burned, or the flag flying over the Memorial at Normandy, or the flag that adorns the casket of a fallen soldier, or the flags that fly proudly over our international embassies, or the flag that flies in a shopping center in my district of El Paso, Texas. People will certainly notice it when it is gone.

Mr. Speaker, the brilliance of our constitutional laws is that they are amendable, they can change with the will of the people. And I believe and encourage that the will of Congress is to finally protect the symbol that flies over this House.

### INTRODUCTION OF THE EXPORT ADMINISTRATION ACT OF 2001

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. GILMAN. Mr. Speaker, I have today introduced the "Export Administration Act of 2001", H.R. 2581.

This bill is identical to counterpart legislation that has been reported by the Senate Committee on Banking, Housing, and Urban Affairs, S. 149, except that it includes two additional sections relating to nuclear transfers to North Korea. These additional sections are substantively identical to legislation that Congressman ED MARKEY and I introduced last year, H.R. 4251 (106th Congress), the "Congressional Oversight of Nuclear Transfers to North Korea Act of 2000".

H.R. 4251 was intended to ensure that congress will be fully involved in the decision our nation may have to make in several years to either permit or delay the transfer to North Korea of key components for the two light water nuclear reactors that are being built in North Korea pursuant to the 1994 Agreed Framework with North Korea. H.R. 4251 commanded broad bipartisan support in the House of Representatives and was approved on May 15, 2000, by a vote of 374-6. Regrettably, the Senate did not approve H.R. 4251 before final adjournment of the 106th Congress last year.

Last year's vote demonstrates that the two additional sections I have added to the text of S. 149 are essentially non-controversial. I

have included them in the text of the bill I am introducing today because they relate the control of dual-use exports and should, in my opinion, be included in any Export Administration Act enacted this year.

I would note that I have based the bill I am introducing today on S. 149 because that measure commands strong support in the Senate and elsewhere. I have reservations about certain aspects of the Senate bill, however, and accordingly anticipate that I will support some amendments to this legislation as it moves forward in the legislative process.

#### PERSONAL EXPLANATION

### HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mrs. MYRICK. Mr. Speaker, since I was unexpectedly called away from the Capitol, I was unable to participate in the following votes. If I had been present, I would have voted as follows:

July 17, 2001:

Rollcall vote 233, on H. Amdt. 169 to H.R. 2500, increasing funding by \$11.7 million for the methamphetamine lab seizures program by the DEA, I would have voted "nay."

Rollcall vote 234, on H. Amdt. 170 to H.R. 2500, increasing funding for the Economic Development Administration by \$73 million, I would have voted "nay."

Rollcall vote 235, on H. Amdt. 171 to H.R. 2500, striking Section 103 from the bill which prohibits the use of funds to pay for abortions services in federal prisons, I would have "nay."

July 18, 2001:

Rollcall vote 236, on approving the Journal, I would have voted "yea."

Rollcall vote 237, on the motion to disagree to the Senate amendment and agree to a conference on H.R. 1, I would have voted "yea."

Rollcall vote 238, on the motion to table the motion to instruct conferees to H.R. 1, I would have voted "yea."

#### IN RECOGNITION OF THE 27TH BLACK ANNIVERSARY OF CYPRUS

### HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mrs. MALONEY of New York. Mr. Speaker, it is my distinct honor and privilege to commemorate the 27th anniversary of the 1974 illegal Turkish invasion of Cyprus. I have commemorated this day each year since I have become a Member of Congress and unfortunately, each year the occupation continues. The continued presence of Turkish troops represents a gross violation of human rights and international law.

Since their invasion of Cyprus in July of 1974, Turkish troops have continued to occupy 37% of Cyprus. This is in direct defiance of numerous United Nations resolutions and has been a major source of instability in the eastern Mediterranean. Recent events, however, have created an atmosphere where there is now no valid excuse to avoid resolving this long-standing problem.

Peace in this region cannot happen without committed and sustained U.S. leadership, which is why I am heartened that President Bush, like his predecessor President Clinton, is committed to working towards the reunification of Cyprus. He recently stated (and I quote): "I want you to know that the United States stands ready to help Greece and Turkey as they work to improve their relations. I'm also committed to a just and lasting settlement of the Cyprus dispute."

I was also encouraged to read last week that the European Union considers the status quo in Cyprus unacceptable and has called on the Turkish Cypriot side to resume the U.N.-led peace as soon as possible with a view to finding a comprehensive settlement.

Now is the time for a solution. More than twenty years ago, [in 1977 and 1979] the leaders of the Greek and Turkish Cypriot communities reached two high level agreements which provided for the establishment of a bicomunal bizonal federation. Even though these agreements were endorsed by the U.N. Security Council Resolution 649 of 1990, there has been no action on the Turkish side to fill in the details and reach a final agreement. Instead, for the last 27 years, there has been a Turkish Cypriot leader presiding over a regime recognized only by Turkey and condemned as "legally invalid" by the U.N. Security Council in resolution 541 (1989) and 550 (1984).

Cyprus has been divided by the green line—a 113-mile barbed wire fence that runs across the island and Greek-Cypriots are prohibited from visiting the towns and communities where their families have lived for generations. With 35,000 Turkish troops illegally stationed on the island, it is one of the most militarized areas in the world. This situation has also meant the financial decline of the once rich northern part of Cyprus to just one quarter of its former earnings. Perhaps the single most destructive element of Turkey's fiscal and foreign policy is its nearly 27 year occupation of Cyprus.

We now have an atmosphere where there is no valid excuse for not resolving this long-standing problem. Cyprus is set for accession to the European Union in 2004, and I am hopeful that this reality will act as a catalyst for a lasting solution of the Cyprus problem.

EU membership for Cyprus will clearly provide important economic, political, and social benefits for all Cypriots, both Greek and Turkish alike. This is why both sides must return to the negotiating table without any conditions. There is also a new climate of cooperation between Turkey's Ismail Cem and Greece's George Pappandreou is a positive sign. More has been achieved in a year than what has been achieved in the past 40 years, but his cooperation needs to extend to the resolution of the Cyprus occupation. While the U.S., the EU, Greece and Cyprus have all acted to accommodate Turkish concerns, however, it remains to be seen whether Turkey will put pressure on Rauf Denktash to bargain in good faith. And make no mistake about it, if Turkey wants the Cyprus problem resolved, it will not let Denktash stand in the way.

Now is the time for a solution to the Cyprus problem. It will take diligent work by both sides, but with U.S. support and leadership, I am very hopeful that we will reach a peaceful and fair solution soon. Twenty-seven years is too long to have a country divided. It is too long to be kept from your home. It is too long

to be separated from family. We have seen many tremendous changes around the world in the last several years; it is now time to add Cyprus to the list of places where peace and freedom have triumphed.

IN HONOR OF BISHOP MARTIN  
JOHN AMOS

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. KUCINICH. Mr. Speaker, I rise today in honor of Bishop Martin John Amos. He was made a Bishop in the Cathedral of Saint John the Evangelist in Cleveland, Ohio on June 7, 2001. His tremendous faith and giving nature have brought hope and joy to many lives.

Son of William and Mary Amos, Bishop Amos's life began on December 8, 1941 in Cleveland. After graduating from James Ford Rhodes High School, he attended Borromeo Seminary in Wickliffe and St. Mary Seminary in Cleveland. Following this period of spiritual growth and learning, Bishop Amos was ordained on May 25, 1968 in St. John Bosco Parish of Parma Heights, Ohio.

Thirty-three years later, Bishop Amos was ordained as Auxiliary Bishop of Cleveland and Titular Bishop of Meta on June 7, 2001 in the Cathedral of Saint John the Evangelist. In the interim, he served many distinguished roles in the Catholic Church in the Cleveland area. He was Assistant or Associate Pastor at various churches and served as an instructor and Assistant Principal at Borromeo Seminary High School. Friends, I am sure that you will agree that there are few honors greater than that of teaching. Bishop Amos has most recently held the position of Pastor at St. Dominic Parish in Shaker Heights for the past sixteen years.

My distinguished colleagues, please join me in honoring this outstanding citizen of Ohio. His spiritual leadership throughout his life will serve him well as a Bishop.

TRIBUTE TO TRINITY SENIOR,  
AMANDA RIVAL, NCAA DIVISION  
III HEPTATHLON CHAMPION

### HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. LARSON of Connecticut. Mr. Speaker, today I pay tribute to Trinity College senior Amanda Rival of Berlin, Connecticut. On May 25, 2001, Rival won the heptathlon in the National Collegiate Athletic Association (NCAA) Division III Outdoor Track and Field Championships, Rival won with 4,603 points, edging out the competition by 24 points.

This is the latest, and perhaps the most prestigious award that Amanda Rival has received in the years that she has dedicated to athletics. As a student at Berlin High School, she won numerous state titles and set many school records. She also concluded her successful youth career, by winning the Connecticut High School State Open in the long jump and high jump events.

Amanda Rival continued her success in the track and field arena throughout her college

years. In indoor tack, she was a four time All-New England pentathlete, a three time All-Eastern College Athletic Conference (ECAC) selection, and the winner of the New England Pentathlon Championship title for the past three years. Amanda was also extremely successful in outdoor track. She was a three time All-New England selection, a two time All-NESCAC selection, and an All-ECAC member in 1999. Amanda Rival also competed well enough to earn All-American honors in 1999. This year, Rival recorded the team's season best results in the shot put, long jump, high jump, javelin, 100-meter high hurdles and the 200-meter dash.

In addition to her many athletic achievements, Amanda Rival has also thrived as a student at Trinity College. She was acknowledged for her success as a student-athlete by receiving the prestigious Trinity Club of Hartford award this year. Amanda also received Trinity's award for architecture for her academic achievements in that field of study. Amanda Rival graduated from Trinity College this past spring with a 3.0 G.P.A.

I commend Amanda Rival for the determination and dedication she has shown throughout her life as a student-athlete. I urge my colleagues to join me in wishing her nothing but the best of luck in the next chapter of her life, as I am sure she will continue to maintain a strong work ethic throughout her life.

**SUPPORT OF THE PATIENT BILL OF RIGHTS IN ORDER TO IMPROVE QUALITY OF HEALTH CARE FOR HISPANICS**

**HON. SILVESTRE REYES**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. REYES. Mr. Speaker, every American is concerned with good health and accessing quality health care. However, far too many Americans including many Hispanics do not have adequate health care options. When Health Maintenance Organizations, HMOs, were first introduced, they were promoted as cost-saving revolutions in preventative health care. However, what subscribers did not anticipate is that their health care options would be restricted. It is dangerous for health related decisions to be taken away from doctors and health care professionals and assigned to HMOs, insurance companies, and corporate bureaucrats.

With 37 percent of the Hispanic population lacking health insurance, access is a huge issue. However, access to coverage does not always translate into access to quality health care. Many Latinos with health insurance experience numerous barriers to quality health care. Anyone who deals with the bureaucracy of managed care plans knows that it is daunting; for those with limited English skills, it is overwhelming. Two-thirds of privately-insured Latinos are enrolled in managed care, while only about half of privately-insured Whites are in managed care. Hispanics are thus, more likely to be the victim of care delayed, or more even disturbing, care denied. In addition, Hispanics are more likely to have limited provider options and limited treatment options.

We must enact patient protections for all Americans in managed care plans. In so

doing, we are not only protecting Hispanics, but all Americans. We must pass the bipartisan Patients' Bill of Rights and return medical decision to patients and their doctors.

Again, I encourage my colleagues to support this important legislation.

**AARP CRITICIZES BUSH SOCIAL SECURITY PRIVATIZATION PLAN**

**HON. JANICE D. SCHAKOWSKY**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Ms. SCHAKOWSKY. Mr. Speaker, Next week, the President's handpicked Social Security Commission will issue an interim report, a version of which is already circulating among Commission members, the media and Social Security experts.

It is disappointing, but far from unexpected, that the interim report is attempting to "spin" the American public by claiming that there is a "crisis" in Social Security. The Commission and the Bush Administration are laying the groundwork for next fall's final report, which will call for privatization and individual retirement accounts.

Privatizers are trying to claim that the sky is falling—the only way that they can justify the drastic changes that they are proposing. But the facts are different. Even without any changes, Social Security will be able to pay full benefits through 2038 and, after that, it will be able to pay 73 percent of benefits. Moderate changes are needed but not a privatization plan that will take \$1 trillion out of the Trust Fund and reduce future benefits by up to 54 percent. It's also reasonable to ask President why, if he thinks the situation is so dire, he decided to give a \$1.7 trillion tax break, the majority of which goes to the wealthiest Americans, before taking steps to protect Social Security.

I want to draw my colleagues' attention to a statement by AARP on the interim plan, which I think says it best: the Commission is out of the "mainstream" and the interim report is just a "public relations" ploy to undermine the basic guarantee of Social Security that will lead to "a dramatic overhaul of Social Security that would lead to cuts in guaranteed benefits and shift financial risk to individuals."

STATEMENT BY AARP EXECUTIVE DIRECTOR WILLIAM D. NOVELLI ON THE DRAFT INTERIM SOCIAL SECURITY COMMISSION REPORT

WASHINGTON, July 19.—The following is a statement by AARP Executive Director William D. Novelli on the Draft Interim Social Security Commission Report:

The President's Social Security Commission continues to work toward a predetermined outcome—a dramatic overhaul of Social Security that would lead to cuts in guaranteed benefits and shift financial risk to individuals.

Today's draft interim report puts forward a fundamentally flawed and biased view of the nature and purpose of Social Security. It implies that the program is riskier than private investment. It recycles old alarmist arguments that portray the financial shape of Social Security in the worst possible light. The rhetoric in the report demonstrates how far outside the mainstream the Commission appears to be headed, referring to Social Security as a "novelty" and calling the system "broken."

The draft report lays the public relations groundwork for a campaign to change the fundamental nature of Social Security. It argues for turning Social Security into a system of wealth-building. But Social Security was designed to provide income protection and a floor of financial security. For many, especially women and minorities, Social Security is the only income-protection they will have, providing them with a lifetime, guaranteed benefit that is adjusted annually for inflation. The report ignores the fact that other vehicles currently exist for wealth-building through personal savings and employer provided pensions.

Individual accounts do not address Social Security's long-term financing issues. Add-on accounts—which have merit—can add value on top of Social Security, but taking money from workers' Social Security contributions to fund new private accounts only worsens Social Security's ability to pay today's retirees and advances the date of insolvency.

Social Security is the bedrock of our nation's income security system. To preserve this benefit for future generations, the Commission should focus on all potential options and tradeoffs, rather than a narrow and fundamental restructuring of the program. The sooner the nation begins to address the program's long-term financing needs, the more moderate the changes that are needed and the more time provided for those affected to adjust their plans.

**INTERNET GAMBLING PAYMENTS PROHIBITION ACT**

**HON. JOHN J. LaFALCE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. LaFALCE. Mr. Speaker, two years have passed since the Congressional-mandated National Gambling Impact Study Commission released its final report on gambling in the United States. A major recommendation of the report, adopted unanimously by the Commission, was a Federal prohibition on Internet gambling. The Commission determined that the traditional approach of state regulation of gambling was inadequate to address the problem of Internet gambling and that Federal legislation was needed.

The bill I am introducing today, the "Internet Gambling Payment Prohibition Act," seeks to implement this important Commission recommendation. However, it does not propose an outright prohibition of Internet gambling, since outright prohibition presents significant technical and enforcement difficulties. Instead, the bill would restrict the electronic payments that permit online betting and, thus, make Internet gambling possible. Regulation of electronic payment transfers and the most traditional check clearance system are Federal responsibilities that, in my view, offer the most effective means to address the unique challenges of Internet gambling.

Any American with a computer and a credit card can find numerous opportunities for high stakes gambling on the Internet. The number of Internet gambling sites has grown geometrically in recent years. The Internet Gaming Council has identified some 1,400 web sites that entice people to engage in some form of gambling. The typical Internet gambling site or virtual casino operates from locations outside the United States, in places such as Antigua

or the Netherlands Antilles that impose little regulatory scrutiny other than collecting licensing fees. And Internet gambling is proving to be extremely lucrative for both site operators and their host countries. Between 1999 and 2001, combined annual revenues received by Internet gambling sites nearly tripled, from \$1.3 billion to \$3.1 billion. Industry experts expect annual revenues to double to more than \$6 billion by 2003.

The problems presented by these lucrative and poorly regulated Internet gambling operations are numerous. There is no meaningful way to limit participation in gambling by adolescents or by problem gamblers. There is no assurance as to the integrity of the web site operators or the honesty of their games. There are little or no protections against security breaches, hacking, diversion of credit card payments or identity theft. And there is a strong chance that many off-shore gambling operations will be used as part of money laundering and other criminal operations.

Perhaps my greatest concern with Internet gambling is the fact that the problems created by compulsive gambling, which in the past were largely localized to areas with legal gambling, will be experienced almost anywhere, but without any added public revenues to help address these problems. The National Commission identified a very strong correlation between the availability of high stakes gambling opportunities and the incidence of problem or pathological gambling. Current estimates of compulsive gamblers range from 1.5% of the adult population to over 5%, depending on the amount of legal gambling in the state. Add to this another 15 million people which the Commission identified as also being at risk at any time of becoming addicted gamblers, the potential universe of problem gamblers is significant. Psychologists estimate that more than 5 percent of people develop a gambling problem at some time, twice the rate of cocaine or other serious drug addiction.

Like alcoholism or any other addiction, the problems of compulsive gambling are not limited to individual gamblers, but affect entire families and communities. At a minimum, compulsive gambling leads to severe indebtedness and often bankruptcy. By the time most problem gamblers seek help they have debts exceeding \$120,000 and their families are in shambles. Compulsive gamblers have a high incidence of broken families and lost homes, poor work productivity and job terminations, health problem and related alcohol or drug addiction. Most alarming is the high suicide rate among problem gamblers. The New York Times reported in 1999 that more than 80 percent of compulsive gamblers seriously consider suicide and nearly 20 percent attempt or succeed in killing themselves. This is considerably higher than the suicide rate for major depression.

With the Internet rapidly expanding access to high-stakes gambling, the number of compulsive and pathological gamblers can only increase. This poses a serious problem for our nation's youth. A number of factors converge to make today's adolescents particularly vulnerable to the lure of Internet gambling. Today's teenagers are far more experienced and comfortable with computers than many of their parents. They have grown up playing a wide variety of video and computer games. Most have broad access to the Internet. And large numbers of adolescents now have access to

some form of credit, debit or stored value cards to make on-line bets. Banks and credit card companies have aggressively marketed credit cards on college campuses for years and have recently initiated new programs to market stored-value cards to high school aged youth.

While youth involvement in sports betting and other forms of gambling has increased in recent years, the heightened accessibility of Internet gambling, the ability to gamble in private and the ability to gamble with credit cards all place teenagers at greater risk. A young person sitting alone at home or in a college dormitory can gain access to hundreds of gambling sites and can easily run up the credit line on their own or their parent's credit cards on games that appear little different than the computer card games they have played for years. What seems an easy opportunity to win a big jackpot could result in financial losses that could harm their families and destroy their future plans.

The issue Congress must address is how we can protect our nation's youth from the growing availability and potential negative consequences of Internet gambling. To me, the answer is simple. We cut off Internet gambling at its source by prohibiting the primary payment vehicles that make on-line betting possible. My legislation, the "Internet Gambling Payment Prohibitions Act," would prohibit known Internet gambling sites from accepting any check, credit card, debit card or other form of electronic transfer as payment of any bet or wager over the Internet. The effect of this prohibition is to deny known Internet gambling sites from being approved for credit card, debit and other electronic transfer accounts. While liability for accepting prohibited payments would be on Internet site operators, credit card issuers, banks and money transmitting services would also be liable if it is determined that they knowingly participated in transferring payments to known Internet gambling operations. The benefit of this approach is that it is equally effective in denying payment to Internet gambling operations regardless of whether they are based within a state or half way around the world.

Other bills have been introduced that propose to prohibit payments only to "unlawful" Internet gambling operations. While this approach may be appealing politically, it is of little practical benefit. The open and unrestricted nature of the world wide web makes distinctions between legal or unlawful gambling extremely difficult, if not impossible. We cannot distinguish with any certainty the location of most Internet gambling sites, nor the location of persons attempting to access these sites. If Internet gambling is legal anywhere in the world, it will be available to people everywhere in the world. Proposals that only restrict payments to "unlawful" Internet gambling sites would, in effect represent an actual expansion of legalized gambling under Federal law. For once the Internet gambling is sanctioned in any jurisdiction, domestic or international, the restrictions on electronic funds transfer, would be inoperative. We would, in effect, be legally sanctioning such gambling—the exact opposite of what we portend to do.

Mr. Speaker, I believe the bill I am offering today provides the only effective approach for prohibiting Internet gambling and eliminating its potentially disastrous consequences for millions of American families. I urge adoption of this needed legislation.

SUPPORT FOR H.R. 1954

**HON. LORETTA SANCHEZ**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. SANCHEZ. Mr. Speaker, I rise today in strong support of H.R. 1954 which extends the Iran and Libya Sanctions Act until 2006. I have previously co-sponsored similar legislation and remain an advocate of trade sanctions on Iran and Libya. I look forward to the President's report in 18 months on the effectiveness of these actions. I am also extremely interested in examining the impact of this law on humanitarian interests and on national security, foreign policy, and the economic interests of the United States. Again, Mr. Speaker, I want to affirm my strong support of H.R. 1954 to extend the Iran and Libya Sanctions Act for an additional 5 years and look forward to its favorable consideration by this body.

IN RECOGNITION OF TIMOTHY  
JOHN LYNCH, SR.

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

**HON. ELLEN O. TAUSCHER**

OF CALIFORNIA

**HON. GEORGE MILLER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

Mr. STARK. Mr. Speaker, Mrs. TAUSCHER, Mr. GEORGE MILLER of California and myself would like to take this time to mourn the passing and celebrate the life of a very special man, Timothy John Lynch, Senior. His memory will be honored this weekend, when a memorial redwood and plaque will be dedicated to him at the 50th anniversary celebration of the Pleasant Hill Parks and Recreation District.

Born July 20, 1917 in San Francisco to Irish immigrant parents, Timothy grew up in the Irish Castro District of the City. He left his home state during World War II and served as captain and bombardier instructor in the U.S. Army Air Corps. He was married for 57 years to Mary-Louise Leach, and was the proud father of seven children, eighteen grandchildren, and nine great-grandchildren.

In 1950, Timothy moved his family from San Francisco to Pleasant Hill, California. During that very same year, he helped to build a community fit for his family and friends. He realized the need for a community park and worked alongside two other Pleasant Hill citizens to help raise funds to purchase the original land known today as the Pleasant Hill Park. Active in the Catholic Church his entire life, he also helped to establish Christ the King Catholic Parish, which is celebrating its fiftieth anniversary this year.

Shortly after settling in Pleasant Hill, Timothy served as a member and chairman of the Founding Board. He was elected and re-elected to serve on the board of trustees for the Pleasant Hill Parks & Recreation Department. Appointed to the Contra Costa Planning Commission, he made history as the first to represent the area that would later become the City of Pleasant Hill. Timothy also made

efforts to contribute to education. He served as a member on both the President's Advisory Council and the College President's Fundraising Committee at St. Mary's College of California.

Timothy worked in the private sector as Vice President of a major San Francisco Bay Area wholesale liquor distributor. After retiring, he volunteered thirty hours per week in his community at Kaiser Hospital, and at the Contra Costa Regional Medical Center as head liaison for surgery and recovery until his death.

A lifelong active member of the Democratic Party, he placed his ideals alongside those of Franklin Delano Roosevelt. He served on Representative Jerome Waldie's "kitchen cabinet" during Waldie's terms in the California State Legislature and United States Congress. He continued to work for Waldie during his campaign for governor of California.

Timothy John Lynch, Sr. was an example of a model citizen for all. His tireless efforts to make a positive impact in his community, his state, and his country are evident. We ask our colleagues to join us in paying tribute to this

great person, wonderful character, and community leader.

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FOREIGN OPERATIONS, EXPORT  
FINANCING, AND RELATED PRO-  
GRAMS APPROPRIATIONS ACT,  
2002

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SPEECH OF

**HON. JUANITA MILLENDER-McDONALD**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 20, 2001*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes:

Ms. MILLENDER-McDONALD. Mr. Chairman, I am submitting the following letter that I received from the U.S. Agency for Inter-

national Development pertaining to my amendment on HIV/AIDS in the Foreign Operations Appropriations Act, 2001.

U.S. AGENCY FOR INTERNATIONAL  
DEVELOPMENT,  
*Washington, DC, July 19, 2001.*

Hon. JUANITA MILLENDER-McDONALD,  
*House of Representatives,*  
*Washington, DC.*

DEAR CONGRESSMAN MILLENDER-McDONALD: Enclosed is a copy of our recent report to Congress on the U.S. Agency for International Development's efforts to prevent mother-to-child transmission of HIV/AIDS. It describes the vital role of mother-to-child transmission prevention activities and the complex issues that must be addressed as we and others expand our efforts in this important area.

Thank you for your interest in these programs.

Sincerely,

ROBERT M. LESTER,  
*Acting Deputy Asst. Administrator,*  
*Bureau for Legislative and Public Affairs.*

Enclosure: a/s.