

tax bill provides incentives for domestic film production. It must use all resources to cure the concerns presented in the two reports outlined in this Article. Organizations, such as SAG, must work with Congress to develop a proposal that is acceptable in terms of cost and other political considerations.

While it seems unlikely that there is the political will or desire to match the incentives offered by many of our competitors, it is conceivable to the authors that an effective approach can be designed to substantially close the gap on cost savings without eliminating them. Thus, the approach advocated involves identifying the level where cost savings of filming abroad are minimized so as not to be the determinative location factor. An appropriate level may be in the range of ten percent cost savings versus the twenty-six percent cost savings now common in some Canadian locations.

It is important to note the strategy used to fashion a remedy is just as important as the relief sought. The industry should be willing to approach the tax-writing committee staff with the afore-mentioned concept and work closely with them in designing a legislative remedy. This strategy represents a holistic approach to a global problem. It is important to remember the United States risks losing its economic advantage in a vital industry which carries with it enormous economic consequences. As noted in the Department of Commerce Report:

If the most rapid growth in the most dynamic area of film production is occurring outside the United States, then employment, infrastructure, and technical skills will also grow more rapidly outside the United States, and the country could lose its competitive edge in important segments of the film industry.

VI. CONCLUSION

Politics represents the art of the possible. The approach advocated in this Article should find a receptive ear in the halls of Congress if for nothing else than its simplicity. Timing is crucial. Left unchecked, the only certainty is continuing runaway production with the attendant economic costs, lost jobs, and diminished tax revenues at all levels of government. In a time of waning economic growth and warning signs of dwindling surpluses and future economic weakness, including production incentives into any upcoming tax relief is essential to preserving the U.S. workforce in the American entertainment industry.

IN RECOGNITION OF THE VIRGIN ISLANDS COUNCIL OF THE BOY SCOUTS OF AMERICA

HON. DONNA M. CHRISTENSEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 2001

Mrs. CHRISTENSEN. Mr. Speaker, I rise today to pay tribute to the Virgin Islands Council of the Boy Scouts of America, (VIBSCA) for their long-standing service to the people of the U.S. Virgin Islands and on the occasion of their being recognized by the organizers of the 29th Annual Open Atlantic Blue Marlin Fishing Tournament, popularly known as the "Boy Scouts Tournament," held each year on St. Thomas. Considered the best of its kind, the contest attracts top anglers from around the globe.

Scouting in the United States Virgin Islands can be traced as far back as 1914. After the transfer of the islands in 1917 from Denmark

to the United States, there was scouting of a sort that for all intent and purposes was open only to children of the military. However, it was not until February of 1930, just three years after Scouting was established in Puerto Rico, that the first official Boy Scout Troop was formed in the United States Virgin Islands.

Mr. Speaker, history was made twice on the first of January 1965 when the Virgin Islands got their own Boy Scout Council and Mr. Samuel B. King became the first black council executive in the entire Boy Scout movement in the United States.

During the last thirty-six years, the VIBSCA have sent leaders to Wood Badge Courses in Puerto Rico and to the U.S. mainland and in 1983, the first leadership Wood Badge course was held at Howard M. Wall on St. Croix, U.S. Virgin Islands. Wood Badge, very similar to the U.S. Army's Basic Training regimen, is the highest training offered to selected male and female leaders to enable them to better serve the youth. The VIBSCA has participated in eight National Jamborees, one World Jamboree, nine Caribbean Jamborees and many trips to Philmont Scout Reservation in Cimmaron, New Mexico as well as many training courses locally and on the mainland for both leaders and Scouts.

I am proud to represent this segment of my constituency—the VIBSCA—because they have shaped and molded the minds and bodies of thousands of Virgin Islands youth over the past seventy-one years. As a result of their work and service to the Virgin Islands community, today many of these former scouts hold positions of influence and stature still contributing to the betterment of a rich and flourishing Virgin Islands society.

On behalf of a grateful Virgin Islands community, my family, staff and myself, I wish to congratulate the Virgin Islands Council of the Boy Scouts of America, its members, both past and present, for their many contributions to our community and for so generously giving of themselves and their values to generations of Virgin Islands youth over the years.

May God continue to bless the Virgin Islands Council of the Boy Scouts of America and scouts all over our blessed Nation. Best wishes for an eventful, fulfilling "Boy Scouts Tournament."

BILL TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO CLARIFY THE TREATMENT OF INCENTIVE STOCK OPTIONS AND EMPLOYEE STOCK PURCHASE PLANS

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 2001

Mr. HOUGHTON. Mr. Speaker, today I am introducing a bill to solve a problem that has been facing a number of companies during the past year who grant stock options to their employees.

Many companies use stock options as an incentive to attract and motivate employees. Companies give their workers the right to purchase company stock, at a small discount from the listed price, through Employee Stock Purchase Plans and Incentive Stock Options. Employee stock ownership motivates workers

and can create a positive relationship between management and workers, where both reap rewards for successful company performance.

For nearly 30 years the Internal Revenue Service (IRS) has taken the position that the income from these stock options is not subject to employment taxes. However, recent audits and rulings on specific companies have raised the troubling prospect that the IRS now believes that employment taxes should be withheld from the paychecks of individuals who exercise stock options under these plans.

Employee Stock Purchase Plans and Incentive Stock Options were created by Congress to provide tools to build strong companies and encourage greater employee ownership of company stock. It was not the intent of Congress to dilute these incentives by requiring employment tax withholding when the stock is purchased.

While I am pleased that the IRS currently has in place a moratorium so that no employment taxes will be assessed on stock options, I believe Congress needs to clarify existing law to prevent any future attempts to change past policy on stock options. The current moratorium extends until January 1, 2003, and unless Congress adopts the proposed legislation, companies and workers will face uncertainty as to whether options are subject to withholding taxes.

The legislation I am introducing would clarify that the difference between the exercise price and the fair market value of stock offered by the Incentive Stock Option or Employee Stock Purchase Plan is excluded from employment taxes. In addition, wage withholding is not required on disqualifying dispositions of Incentive Stock Option stock or on the fifteen percent discount offered to employees by Employee Stock Purchase Plans.

I urge my colleagues to join me in cosponsoring this legislation.

CLOSE FINGER LAKES NATIONAL FOREST TO DRILLING

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 2001

Mr. WALSH. Mr. Speaker, I rise today in opposition to proposals to drill for natural gas within the Finger Lakes National Forest located in Hector, New York between Seneca and Cayuga Lakes. This proposed drilling will have catastrophic effects on wildlife, recreation in the area, and tourism vital to the region's economy.

The Finger Lakes National Forest is the smallest national forest in the country and draws 46,000 recreational visitors each year who hunt, fish, camp, and hike on the 16,000-plus acre reserve. Any drilling in national parks, including the proposed drilling in the Finger Lakes National Forest which would utilize 130 foot rigs and pipelines, will cause irreparable damage to the landscape and environment.

Recently, my office has been flooded with letters from concerned neighbors across Upstate New York. I have referred their correspondence to Dale Bosworth, Chief of the United States Forest Service, to be included as part of the record on this issue.

In addition, I have expressed my concern to Congressman CALLAHAN, Chairman of the