

The interim lease provisions have not been as successful as planned because many of the terms and conditions act as disincentives to economic development conveyance. For example, there is no commitment for final ownership by federal agencies upon assumption of control or occupancy of transferred property. Commercial firms are willing to enter into leases, but are refusing this option because of the lack of commitment for final ownership. In addition, the new occupants of closed base property are unable to conduct major renovations unless they agree to restore the property to its original condition. Many of the facilities require major alterations from their original condition just to bring them to local code standards. Why are we requiring restoration of undesired conditions? This makes no sense and ultimately results in taxpayer waste.

Prior to 1996, departure of federal agencies reverted property to the federal government for disposal by GSA. A "leaseback provision" was established in the National Defense Authorization Act for fiscal year '96 to protect communities from a federal agency revolving door. Under this law, property approved for federal usage would be transferred to the local redevelopment agency, then leased to a federal agency at no cost for up to fifty years. The reasoning behind this is to ensure transfer of property to local communities in the event of departure by federal agencies. The lack of a mandatory requirement for leaseback acceptance allows for circumvention of the legislative intent. In Orlando, Florida, the Veterans Administration (VA) requested Orlando Naval Training Center property through the federal screen process. VA refused to enter into a long-term lease with the city. This created major problems for community redevelopment authorities as it limited their ability to finalize reuse plans. My legislation guarantees an option for communities to obtain reuse property after the departure from the property by the first federal agency lessee.

We must allow common sense to prevail in this base reuse process. There are some instances where it makes sense to lease to organizations affiliated with the branch of service that previously occupied the base property. This is currently prohibited; yet doesn't it make sense to relocate recruiting stations, reserve centers, and military processing centers onto closed base property?

The four branches of the U.S. Armed Forces are currently able to contract with local governments for fire and police services for only the last six months prior to the closure of a base. Many times a base is phased out over a long period of time and the military eliminates military fire and police services much longer before the base is fully closed. Families and military personnel remaining need fire and police services from the local community. The military should be able to contract for these services throughout a long closure process.

Mr. Speaker, the bill I'm introducing today will make major strides in reforming the base closure reuse process. We must enact this legislation to protect our local communities. I urge my colleagues' support.

## EXTENSIONS OF REMARKS

IN SUPPORT OF THE 1999 TRUST  
FUND OFF-BUDGET BILL

**HON. WILLIAM O. LIPINSKI**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 6, 1999*

Mr. LIPINSKI. Mr. Speaker, I am pleased to join Chairman SHUSTER and Ranking Member OBERSTAR in introducing a bill that will take the remaining user financed transportation trust funds off budget. Specifically, this bill removes three transportation trust funds—Aviation, Harbor Maintenance, and Inland Waterways—from the unified federal budget. These trust funds are user-financed, self-supporting funds which provide important federal assistance for infrastructure preservation and improvement projects. This bill would restore the integrity of the trust funds by allowing the full, prompt utilization of collected user fees for transportation improvements rather than artificially limiting their use to help mask the federal deficit. In other words, this bill puts the "trust" back into the trust fund.

This bill also launches off what Chairman SHUSTER has referred to as the "Year of Aviation." Chairman SHUSTER, Ranking Member OBERSTAR, Chairman DUNCAN and I will be working hard this year to significantly increase capital investment funding for our national aviation system. More and more people are flying each day. In fact, a record 600 million people will fly this year. Yet because of a lack of capital investment, our national aviation system will not be able to meet the increased demand that is expected in the near future. The Federal Aviation Administration has not modernized our air traffic control system. Our airports do not have an adequate number of gates or runways to accommodate future growth and competition. It is obvious that something need to be done to make sure our national aviation system is ready for the 21st century.

It is our belief that by lifting the artificial spending constraints on the aviation trust fund—by taking the aviation trust fund off-budget—the federal funds necessary to ensure that our national aviation systems survives well into the 21st century will finally be spent on aviation needs and aviation needs only. A strong aviation system is key to our strong economy. Aviation and aviation-related activities account for six percent of the United States' Gross Domestic Product. Businesses depend on aviation as the fastest way to move both people and goods. In addition, the tourism industry, which is one of the fastest growing, most successful industries in the world, would not survive without a strong national aviation system.

I look forward to the year ahead as we work to take the aviation trust fund off budget in order to significantly increase capital investment in aviation. We do not have much time. The Airport Improvement Program, one of the most important federal aviation capital investment programs, will expire on March 31, 1999. For this reason, I am proud to again join Chairman SHUSTER, Chairman DUNCAN and Ranking Member OBERSTAR in introducing a bill to authorize the AIP program through Fiscal Year 1999. Although the Transportation

and Infrastructure Committee and the Aviation Subcommittee are committed to working on putting together a larger reauthorization bill before the end of March, Congress is not known for meeting tight schedules. It would be an indelible mark on the Year of Aviation if the AIP program expired at the same time Congress was working on increasing federal funding for our national aviation system.

I urge my colleagues to support this bill to take the remaining three transportation trust funds off budget. The future of our national aviation system depends on it.

THE LONG-TERM CARE  
ADVANCEMENT ACT OF 1999

**HON. CHRISTOPHER H. SMITH**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 6, 1999*

Mr. SMITH of New Jersey. Mr. Speaker, today I am re-introducing the Long-Term Care Advancement Act to provide real assistance to families and jump-start debate over how to best prepare Americans for their long-term care needs.

Although the worsening long-term care situation in this country does not get a lot of media attention, it is very real and millions of families will find themselves under tremendous emotional and financial pressures unless measures are adopted now to address it. The rapid expansion of the group of Americans defined by the Bureau of the Census as "the oldest old"—those senior citizens aged 85 and above—is slated to double by the year 2030. In fact, the fastest growing demographic age group in the United States are the "oldest old," and about half of such individuals will eventually require assistance with various activities of daily living (ADLs).

The Long-Term Care Advancement Act of 1999 will assist Americans as they prepare for their future long-term care needs. To help families keep more of what they have earned over the years, my bill allows penalty-free withdrawals from IRAs and 401(k) plans when the funds are used to pay for "qualified" long-term care (LTC) insurance premiums (as defined by the Health Insurance Portability and Accountability Act of 1996).

In addition, my legislation will enable a family to make an IRA/401(k) withdrawal to pay for an LTC insurance policy premium and a portion of the withdrawal will be excluded from their taxable income. Depending on one's tax bracket, age, and type of policy purchased, the savings on an LTC insurance policy under my bill are considerable.

Lastly, the Long-Term Care Advancement Act will provide a refundable \$500 tax credit for families caring for a dependent elderly spouse or parent in the home. This tax credit is important because most of the long-term care provided in America is provided by families in the home, and these families desperately need and deserve tax relief. In my view, families trying to take care of their loved ones should be rewarded by the tax code, not punished as they are now.

The tax breaks contained in this legislation will help families provide the peace and security they want and need against the massive

costs of professionally provided long-term care, including nursing home care, home health care, respite care, and adult day care services.

Last year, this legislation secured the support of the 60 Plus Association, the American Health Care Association, and the Home Health Assembly of New Jersey. The Health Insurance Association of America (HIAA) has also supported the concept behind the bill.

This year, I was very pleased to see the President Clinton has decided to join my colleagues and I in the long-term care debate by proposing a tax credit for elderly disabled persons as part of his fiscal year 2000 budget. Many will recall that the Republican "Contract with America" called for providing "tax incentives for private long-term care insurance to let older Americans keep more of what they have earned over the years." They say that imitation is the sincerest form of flattery, so Republicans should be flattered that Mr. Clinton has decided to make a plank in of the "Contract with America" the centerpiece of his new domestic initiatives contained in his budget.

However, in addition to providing a tax credit, I believe a vital part of any comprehensive proposal on long-term care must also be the promotion of private long-term care insurance. Although the number of persons insured under LTC policies has nearly doubled between 1992 and 1996, this growth is from a very low base. The fact of the matter is that the overwhelming majority of Americans still do not have any private LTC insurance coverage at all. This needs to change, and soon.

Unless it does, changing demographics will put an enormous strain on our nation's fragmented system of long-term care. Already, our Medicare and Medicaid programs have demonstrated their financial shortcomings when providing long-term care services to increasing numbers of the frail elderly. The Medicaid program already spends over \$41 billion on nursing home care services for senior citizens. Medicaid expenditures are projected to double over the next 10 years, with nursing home care driving much of the growth.

By encouraging more Americans to plan for their future care needs, I believe we can improve the medical, social, and financial well being of families, as well as provide substantial future savings to the Medicaid and Medicare programs. According to the John Hancock Mutual Life Insurance Company, there is a 48% chance of any given individual needing long term care in one's lifetime. And the costs of nursing home care for one year is approximately \$40,000. If we can successfully encourage families to purchase LTC insurance, the potential for savings to American families, as well as the Medicaid and Medicare programs, is simply enormous.

I look forward to working on and discussing long-term care issues with my colleagues throughout the 106th Congress, and urge all of my colleagues to support this important initiative.

**EXTENSIONS OF REMARKS**

**SECTION BY SECTION ANALYSIS OF THE LONG-TERM CARE ADVANCEMENT ACT OF 1999**

**SECTION 1: SHORT TITLE**

**SECTION 2: EXCLUSION FROM INCOME FOR RETIREMENT PLAN WITHDRAWALS USED TO PURCHASE LONG-TERM CARE INSURANCE**

Penalty taxes are waived on IRA/retirement plan withdrawals used to pay for LTC insurance policy premiums.

IRA/retirement plan withdrawals will not be included as taxable income if the withdrawal is used to pay for "qualified" LTC insurance policy premiums. The amounts excludable from taxation are as follows (the amounts are identical to the LTC tax breaks contained in P.L. 104-193):

Age of LTC policyholder	Exclusion from income allowed on IRA/401(k) withdrawals for "qualified" policies under HR—
40 or less .....	\$200.00
41 to 50 .....	375.00
51 to 60 .....	750.00
61 to 70 .....	2,000.00
71 and up .....	2,500.00

"Qualified" LTC plans eligible for the incentives contained in this bill are defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA, or P.L. 104-193).

Double tax benefits are prohibited. For example, a taxpayer otherwise eligible to take a deduction for LTC premiums could either take the tax deduction allowed by P.L. 104-193, or make a tax-excludable withdrawal from their IRA or other retirement plan. They cannot do both.

Only the amounts withdrawn to pay for actual LTC premiums are eligible to receive tax benefits under LTCAA. Amounts withdrawn in excess of those needed to pay LTC premiums would be subject to normal tax rules (including applicable penalties, if any).

Provisions effective for taxable years beginning after December 31, 1998.

**SECTION 3: TAX CREDIT FOR TAXPAYERS CARING FOR A DEPENDENT PARENT OR SPOUSE IN THE HOME**

A \$500 tax credit (refundable) can be claimed for each chronically ill spouse/parent who cannot perform two or more activities of daily living (ADLs) due to a physical or mental impairment.

Dependent spouse/parent must reside in the taxpayer's principal place of residence for more than half of the taxable year.

'Elder-care' tax credit phased in over the next five years as follows:

Calendar year	Applicable 'elder-care' tax credit amount
1999 .....	\$250
2000 .....	350
2001 .....	400
2002 .....	450
2003 .....	500

The tax credit is indexed for inflation after 2003. It will be indexed to the medical cost component of the Consumer Price Index (CPI).

Income limits for 'elder care' credit are identical to \$500-per-child tax credit included in Taxpayer Relief Act of 1997 (P.L. 104-34).

Provisions effective for taxable years beginning after December 31, 1998.

January 7, 1999

TRIBUTE TO JOE MORAN

**HON. PAUL E. KANJORSKI**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1999

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to a distinguished educator from Northeastern Pennsylvania, Joe Moran. This month, Joe's colleagues, family, and students will gather to honor him as he retires. I am pleased to have been asked to participate in this tribute.

Joe Moran grew up in Luzerne County and had a distinguished athletic career at the University of Scranton. After earning his degree, he went to work as an engineer for Martin Aircraft of Baltimore, Maryland. Not long afterwards, Joe became a teacher in New Jersey and in 1959, he returned to Wilkes-Barre to teach. Joe spent twenty-four years as a physics teacher and coach at Coughlin High School. During Joe's tenure as coach, Coughlin's football team went to seven city championships and one Wyoming Valley Conference championship. As a result, Joe was named coach of the year in 1960 and 1966. He also led the track and field team to several championships. From 1973 to 1978, he was the Athletic Director at Coughlin High School. He later coached the defensive line at Wilkes College, helping to garner three Mid-Atlantic Conference crowns.

In 1982, Coughlin High School made Joe an Assistant Principal and he helped integrate computers into the academic program. A few years later, Joe became principal of the G.A.R. Memorial Junior High School, also in Wilkes-Barre. There, he was instrumental in establishing the state-of-the-art technology center. In 1998, he became principal of the high school.

Joe's love of sports and long career has helped shape the nature of high school athletics in the Wyoming Valley. He cofounded the Scholastic Tennis Conference and was Co-Commissioner of the Wyoming Valley Track and Field Conference for two decades. He organized the first junior high girls track meet in the state. He served on the State Committee for Scholastic Football, the Commission of the Wyoming Valley Football Conference, and the Eastern Football Conference. Joe has been a swimming official for more than twenty years and was executive director of the Wyoming Valley Track and Field Officials Association. During this time, he and his wife, Fran, have raised six children who have, in turn, produced six grandchildren.

Mr. Speaker, Joe Moran deserves our gratitude for the dedication he has shown our area youth for almost forty years. Not only is he an educator and administrator, but he is an inspiration to our young athletes. I am proud to join with his family, his friends, and the community in congratulating Joe on a job well done. I send him my very best wishes for a happy and healthy retirement.