

HONORING SERGEANT KYLE
THOMAS

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 2001

Mr. GARY MILLER of California. Mr. Speaker, I congratulate Sergeant Kyle Thomas, of the Orange County California Sheriff's Department, upon his retirement.

Sergeant Thomas began his career in law enforcement in 1958 when he joined the Alameda County Probation Department. He worked there until volunteering to serve in the United States Army in 1962. A distinguished veteran, Sergeant Thomas was an M.P. in Korea. After being honorably discharged, Sergeant Thomas was hired by the North Orange County Marshal's Department in 1966. Only three short months after being hired, Sergeant Thomas was promoted to Deputy II and assigned to Civil Field Services. For 15 years, Sergeant Thomas worked as a Civil Deputy, handling all types of enforcement duties.

In January of 1981, he was promoted to the rank of Sergeant. As a Sergeant, his responsibilities have spanned all aspects of North Orange County's operations. Because of his vast knowledge of civil procedure, Sergeant Thomas has become the Department's resident civil expert.

Sergeant Thomas is also an active leader in our community. He is a member of the Latino Peace Officers Association and served as their First Vice President for five years. He has been an active representative for the Association of Deputy Marshal's of Orange County and the State Marshal's Association.

In addition to his professional leadership, Sergeant Thomas also takes the time to keep local youth on a winning path. Since 1969, he has volunteered his services to teach Judo and wrestling at the Anaheim YMCA. He has also volunteered as an Orange Youth Soccer League trainer and currently coaches Judo at the Gemini Judo Club in Yorba Linda.

A resident of Placentia, California, Sergeant Thomas' retirement will bring more time with his wife of 38 years, Virginia, his two children, and three grandchildren.

Sergeant Thomas' exemplary career in law enforcement distinguishes him as a true American hero, worthy of this Congress' praise and gratitude.

RECOGNIZING JANE KRATOCHVIL

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 2001

Mr. SHIMKUS. Mr. Speaker, today I recognize an admirable citizen from the great state of Illinois, Jane Kratochvil. As President Bush releases his Education Plan, "No Child Left Behind," and sets up his Faith Based Liaison Office in the White House that will encourage volunteer work as part of a multi-pronged approach to addressing social challenges, I wanted to take this opportunity to draw your attention to Ms. Kratochvil who is a shining example of selfless volunteerism.

Mr. Speaker, in addition to a very demanding full time job, Ms. Kratochvil spends her unpaid free time working with a program called "The School First Foundation." This non-profit organization helps underserved K-12 schools gain access to technology and teaching resources that serve to improve their learning environment. As part of this program, Jane works extensively in the Chicago inner-city area and travels on occasion to help in the difficult Roxbury district of Boston.

Jane's efforts are commendable. Not only is she touching the lives of the many underprivileged boys and girls she is teaching directly, but her organization is helping to identify and advance educational content that improves learning performance, so in essence, she is helping more students improve their minds and lives than we could ever quantify.

I want to extend my deepest thanks to Jane Kratochvil and all others like her. It is through volunteers like Jane that we will be successful in ensuring that all children receive a quality education and a fair shot at a successful life.

THE TENNESSEE STATE UNIVERSITY ALUMNI ASSOCIATION'S
MIDWEST REGIONAL CONFERENCE

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 2001

Mr. KUCINICH. Mr. Speaker, today I recognize the Tennessee State University Alumni Association. Since its inception in 1923, it has provided guidance and scholarships to alumni both nationally and in the Northeast Ohio region.

The many local chapters of the alumni association have become pillars of our community, often sponsoring soup kitchens and mentoring programs in their neighborhoods. The Tennessee State University Alumni Association has worked tirelessly to help foster a sense of dignity and honor in the young people of their communities.

Countless children have been able to further their education and their futures because of the opportunity to attend college provided by Tennessee State University alumni support. The scholarships which the alumni association sponsors help to mold the lives of youths who might not otherwise have the resources necessary to attend such a fine institution. The intrinsic role that the alumni association has played in the lives of these young people is noteworthy.

The theme of this conference, "Don't Forget The Bridge That Brought You Across . . . Then and Now" gives us reason to reflect upon the many opportunities which we were blessed with throughout our lives. As children, we were all confronted with many challenges, and it is important to remember the people who helped us overcome those hurdles and have allowed us to succeed. The theme of this conference should inspire us to continue to contribute to our communities, to allow us to continue to provide opportunities for our youth, and to strengthen the social fabric of our society.

My fellow colleagues, please join me in honoring the Tennessee State University Alumni Association.

A BILL TO REPEAL SECTION 809, WHICH TAXES POLICYHOLDER DIVIDENDS OF MUTUAL LIFE INSURANCE COMPANIES, AND TO REPEAL SECTION 815, WHICH APPLIES TO POLICYHOLDER SURPLUS ACCOUNTS

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 2001

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague from Massachusetts, Mr. NEAL, together with a number of our colleagues in introducing our bill, "The Life Insurance Tax Simplification Act of 2001." The bill repeals two sections of the Internal Revenue Code which no longer serve valid tax policy goals. Except for the effective date, the bill is identical to the one we introduced in the 106th Congress.

Congress has taken a major step forward in rewriting the regulatory structure of the financial services industry in the United States. This realignment is already having a positive impact on the way life insurance companies serve their customers, conduct their operations and merge their businesses to achieve greater market efficiencies. Unfortunately, the tax code contains several provisions which no longer represent valid tax policy goals, and in fact are carry-overs from the old tax and regulatory regimes that separated the life insurance industry from the rest of the financial world and differentiated between the stock and mutual segments of the life insurance industry. Today, the lines of competition are not between the stock and mutual segments of the life insurance industry. Rather, life insurers must compete in an aggressive, fast moving global financial services marketplace contrary to the premises underlying these old, outmoded tax rules.

In 1984 Congress enacted Section 809, which imposed an additional tax on mutual life insurers to guarantee that stock life insurers would not be competitively disadvantaged by what was then thought to be the dominant segment of the industry. Section 809 operates by taxing some of the dividends that mutual life insurers pay to their policyholders. When Section 809 was enacted, mutual life insurers held more than half the assets of U.S. life insurance companies. It is estimated that within a few years, life insurers operating as mutual companies are expected to constitute less than ten percent of the industry.

The tax is based on a bizarre formula under which the tax of each mutual life insurer increases if the earnings of its large stock company competitors rise—even when a mutual company's earnings fall. The provision has been criticized by the Treasury Department and others as fundamentally flawed in concept. The original rationale behind the enactment of Section 809 no longer exists. Accordingly, the bill would repeal Section 809.

Section 815 was added to the Code as part of the 1959 changes to the life insurance companies tax structure. Before 1959, life insurance companies were taxed only on their investment income. Underwriting (premium) income was not taxed, and underwriting expenses were not deductible. The change provided that all life insurance companies paid tax on investment income not set aside for policyholders and on one-half of their underwriting income. The other half of underwriting income for stock companies was not taxed unless it was distributed to shareholders (so-called "policyholders surplus account or PSA"). The 1959 tax structure sought to tax the proper amount of income of stock and mutual companies alike and the PSA mechanism helped implement that goal.

In 1984, Congress rewrote the rules again. Both stock and mutual companies were subjected to tax on all their investment and underwriting income. In this context, dividend deductions for mutuals were limited under Section 809, and the tax exclusion for a portion of stock company's underwriting income was discontinued. Congress made a decision not to tax the amount excluded between 1959 and 1984. Rather the amounts are only taxed if one of the specific events described in the current Section 815 occurs (principally dissolution of the company).

The bill would repeal the obsolete Section 815 provision. Since 1984, the Federal government has collected relatively small amounts of revenue with respect to PSAs as companies avoid the specific events which trigger PSAs taxation. There is not a "fund", "reserve," "provision" or "allocation" on a life insurance company's books to pay PSA taxes because, under generally accepted accounting principles, neither the government nor taxpayers have ever believed that significant amounts of tax would be triggered. Nevertheless, the continued existence of the PSAs does result in a burden on the companies in today's changing financial services world—a burden based on bookkeeping entries made from sixteen to forty-one years ago to comply with Congress' then vision of how segments of the life insurance industry should be taxed. In addition, the prior Administration made proposals to require that PSA balances be taxed, even though no triggering event has taken place—thus creating additional uncertainty.

The repeal of these two provisions, Sections 809 and 815, would provide certainty, less complexity, and remove two provisions from the Internal Revenue Code, which no longer serve a valid tax policy goal in the life insurance tax structure of the Internal Revenue Code. We urge our colleagues to join us in co-sponsoring this legislation.

TRIBUTE TO SHERIFF MICHAEL GAGE

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 2001

Mr. BARCIA. Mr. Speaker, today I pay tribute to Sheriff Michael Gage upon his retirement as Huron County's top law enforcement

official. During his decade-long tenure, Sheriff Gage pioneered community policing long before the term became common-place. As a police officer, as a father, as a devoted member of his church and contributor to his community, Michael Gage serves as a model for others to emulate.

Mike's strength of character, deep sense of duty and judiciousness earned him a well-deserved reputation for principled leadership within the Sheriff's Department and his community. His service was marked by a keen understanding that the law's reach must be guided by a firm but measured hand that takes into account individual and unique circumstances, as well as one's duty to strictly enforce the law.

While never swaying from his duty, Michael Gage also refused to shrink from offering compassion to those in need. During his time and after his time as Sheriff, Mike demonstrate a continuing commitment to helping those who found themselves on the wrong side of the law. In recent years, Mike has maintained correspondence with numerous former inmates and attempts to keep them on the right path by lending a willing ear and a responsive heart.

In his work and in his life, Michael Gage has lived out his faith in ways which have made a real difference for his family and his community. Mike has been thoroughly devoted to Carol, his wife of 34 years, and their three children, and their family has also reached out across international borders in hosting 17 exchange students in 20 years.

Finally, Mr. Speaker, I am proud that my friend's decision to turn in his badge will not mean a retreat from the dedicated service to his fellow citizens that has been the benchmark of his storied career. In fact, Mike is wasting no time in continuing his public service with his recent election to the Huron County Board of Commissioners. I know the board will welcome the addition of his significant knowledge, skills and experience as they work for the future of Huron County.

I ask my colleagues to join me in expressing gratitude to Sheriff Gage for his outstanding service and wish him continued success in serving the needs of Huron County.

SOCIAL SECURITY AND MEDICARE LOCK BOX ACT OF 2001

SPEECH OF

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. RILEY. Mr. Speaker, protecting America's retirement must be of the highest order. H.R. 2 is extraordinarily important for guaranteeing a secure retirement for Americans. Our Government must never revert back to raiding the Social Security trust fund.

We have a moral obligation to not allow the Medicare or Social Security surpluses to be carelessly squandered. All funds that are originally designated for Medicare or Social Security must stay there, regardless of a surplus or not. This legislation mandates that no Social Security or Medicare surpluses can be used

for any other purpose other than debt reduction or Social Security and Medicare reform legislation. The creation of a "lockbox" for these funds, I believe, is essential for maintaining the current status of Social Security benefits and for protecting the future retirees in our country.

Every American citizen has been promised a secure retirement and access to health care in their twilight years, and as representatives of these citizens, we not only have a professional duty, but a moral obligation to keep that promise. The Social Security and Medicare LockBox Act will guarantee that these funds will be out of the reach of wasteful government spending and kept secure for today's beneficiaries and future retirees.

I urge my colleagues to join me today in support of the Social Security and Medicare Lockbox Act.

RECOGNIZING AMERICAN HEART MONTH

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 14, 2001

Mr. BACA. Mr. Speaker, on Valentine's day, a time of celebration of our loved ones, we should take a moment to recognize American Heart Month, established by the Congress in 1963. This February the American Heart Association's 22.5 million volunteers and supporters are joining together with the message that we can combat heart disease.

I worked on this issue in California, authoring a bill to fight against heart disease, and standing with the American Heart Association on this important issue.

Cardiovascular disease, including heart attack and stroke, is America's No. 1 killer and a leading cause of permanent disability. An American dies from cardiovascular disease every 33 seconds. Nearly 61 million Americans suffer from cardiovascular diseases. Cardiovascular diseases kill nearly 1 million Americans every year—about 41% of deaths in the U.S. If cardiovascular diseases were eliminated, life expectancy would rise by almost 7 years. Cardiovascular disease, will cost Americans an estimated \$300 billion in medical expenses and lost productivity in 2001.

Coronary heart disease (including heart attack and crushing chest pain) is the single largest killer of all Americans. Every 29 seconds someone suffers a heart attack and every 60 seconds someone dies. This year, more than 1 million Americans will suffer a heart attack. More than 40% of these victims will die.

This tragic illness affects women, too. Heart disease, stroke and other cardiovascular diseases actually kill more American women than men. Cardiovascular diseases, including heart disease and stroke, remain the No. 1 killer of American females. More than 500,000 die each year. Cardiovascular diseases kill more females each year than the next 14 causes of death combined. Heart disease kills five and a half times as many American women as breast cancer. Stroke kills more than twice as many women as breast cancer. Cardiovascular diseases kill almost twice as many American females as all forms of cancer.