Major clothing retailers in the United States that have garments sewn on Saipan settled lawsuits by agreeing to establish a $1.25 million fund to finance monitoring, compensate workers and create a public education program.

Senator Daniel Inouye won Senate approval of a bill to extend U.S. immigration and minimum-wage laws to the Marianas and allow “Made in the USA” labels only on garments on which more than half the work had been done by American citizens. The measure died in the House.

Mr. Speaker, John Fristachi and his wife Betsy have made many sacrifices during his naval career. His distinguished service has exemplified honor, courage and commitment. As they depart the Appropriations Matters Office to embark on yet another great Navy adventure in the service of a grateful nation, I call upon my colleagues to wish them both every success and the traditional Navy send-off “fair winds and following seas.”

In introducing this legislation, I am joined by the National Structured Settlements Trade Association (NASP) on behalf of the structured settlement industry and the National Association of Settlement Purchasers (NASP) on behalf of the factoring industry. In light of the

TRIBUTE TO COMMANDER JOHN FRISTACHI
HON. JERRY LEWIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 4, 2001

Mr. LEWIS of California. Mr. Speaker, I rise today to recognize an outstanding Naval Officer, Commander John C.P. Fristachi, who served with distinction and dedication for almost three years for the Secretary of the Navy and Chief of Naval Operations under the Assistant Secretary of the Navy (FM&C) as a Principle Assistant in the Appropriations Matters Office. It is a privilege for me to recognize his many outstanding achievements and commend him for the superb service he has provided to the Department of the Navy, the Congress, and our great Nation as a whole.

During his tenure in the Appropriations Matters Office, which began in April of 1998, Commander Fristachi has provided members of the House Appropriations Committee, Subcommittee on Defense as well as our professional and associated staffs with timely and accurate support regarding Navy plans, programs and budget decisions. His valuable contributions have enabled the Defense Subcommittee and the Department of the Navy to strengthen its close working relationship and to ensure the most modern, well-trained and well-equipped naval forces attainable for the defense of our nation.

More recently, a Labor Department investigation has uncovered similar abuses in American Samoa, with work and living conditions so horrid that some garment workers, mostly women from Vietnam, looked like “walking skeletons.”

Similar to the situation on Saipan, up to 250 workers had borrowed $2,000 to $7,000 each to acquire their jobs and fly from Vietnam or China to Saipan. Investigators found frequent violations of the Samoan minimum wage ($2.60 an hour) and numerous abuses, including the beatings of workers and withholding of meals as a form of punishment.

Daewoosa, a Korean-owned clothing manufacturer that had made apparel for J.C. Penney Co. and a New York firm in 1999, had a judge in Saipan placed Daewoosa under receivership after it failed to pay $600,000 in back wages and fines resulting from the Labor Department investigation.

Penney had canceled contracts with the factory immediately after learning of the abuses. Daewoosa owner Kil Soo Lee now faces charges of involuntary servitude and false pretenses. He has said he fired the Daewoosa manager who set up the Saipan factory immediately after learning of the Labor Department investigation.

While the semiautonomous status of U.S. territories in the Pacific may vary, the conditions that were found on Saipan and Samoa should be condoned on none of them. As leaders of the U.S. community in the Pacific, Hawaii’s congressional delegation should promote legislation to end these human-rights abuses.

STRUCTURED SETTLEMENT PROTECTION ACT
HON. E. CLAY SHAW, JR.
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 4, 2001

Mr. SHAW. Mr. Speaker, I rise today to introduce the Structured Settlement Protection Act. This legislation protects the Congressional policy underlying structured settlements and brings a final resolution to the issue known as “factoring” of structured settlement payments.

In introducing this legislation, I am joined by my colleague Mr. STARK and by a broad bipartisan group of our colleagues from the Ways and Means Committee, including Mr. Houghton and Mr. Coyne, the Chairman and the

Ranking Minority Member respectively of the Oversight Subcommittee which held a hearing on the structured settlement factoring issue in the last Congress. There are a total of 19 Ways and Means co-sponsors of this important legislation.

I am a long-time supporter of the use of structured settlements to compensate victims of physical injuries. Structured settlements constitute a private sector funding alternative to taxpayer-financed programs to meet the ongoing, long-term medical and living needs of seriously-injured victims and their families. Structured settlements enable these injured people to live with dignity, free of reliance on government. For these reasons, Congress adopted special tax rules to encourage the use of structured settlements to provide long-term financial security to injured victims and their families.

The Structured Settlement Protection Act that I am introducing today addresses concerns which have been raised over the “factoring” of structured settlement payments, in which factoring or settlement purchase companies buy up part or all of the structured settlement stream of future payments for cash. My legislation is part of a single overall package of complementary Federal and State legislation that has been agreed upon by the structured settlement industry and the factoring industry to resolve these concerns.

Under the Structured Settlement Protection Act, the States are given the consumer protection role. The Act relies upon a State court review process to govern a proposed factoring transaction to ensure that the structured settlement serves the purpose Congress intended—providing long-term financial security for the injured victim and the victim’s family—while enabling the victim to get access to future payments should the court determine that such access is in the best interests of the victim, taking into account the welfare and support of the victim’s dependents, and does not contravene other applicable statutes and existing court orders.

The complementary State model legislation agreed to by the structured settlement and factoring industries specifies the process for State court review. Legislation similar to the State model has now been enacted in 19 States and is being actively considered in some 20 other States during the current State legislative cycle.

The Structured Settlement Protection Act protects the Congressional policy underlying structured settlements by providing the threat of an excise tax sanction to ensure compliance with State regulation in light of the multi-State nature of the factoring business, as well as resolving Federal tax uncertainties which factoring has created for the other parties to the structured settlement.

The Structured Settlement Protection Act is similar to legislation that I introduced in the last Congress along with Mr. Stark and a similarly broad bipartisan group of our colleagues from the Ways and Means Committee.

This legislation has been agreed to by the National Structured Settlements Trade Association (NSSTA) on behalf of the structured settlement industry and the National Association of Settlement Purchasers (NASP) on behalf of the factoring industry. In light of the
Mr. FROST. Mr. Speaker, I would like to recognize and congratulate the Arc of Dallas for its efforts in improving the quality of life of persons with mental retardation and related developmental conditions. The Arc of Dallas will celebrate its 50th anniversary this year and deserves to be recognized for its accomplishments in my district.

The Arc of Dallas formed when a small group of concerned parents met in 1951 to discuss their children’s educational needs. This small group was the beginning of an organization that grew into the largest mentally handicapped advocacy group in the Dallas area. Today, there are chapters of the Arc across the United States. While the Arc of Dallas remains connected to the national office, it also works independently to reach the goals of the Dallas community.

The Arc of Dallas works diligently to accomplish its goals and has produced impressive results. Presently, one person in every 10 families in the Dallas area, about 60,000 individuals, has some form of mental retardation and related conditions. It is no surprise that in 2000, the Arc of Dallas family in the Dallas area, about 60,000 individuals, has some form of mental retardation and related conditions. It is no surprise that in 2000, the Arc of Dallas

An example of the great success of this advocacy group is its day-camp program. Last year was the first year to offer a spring and summer day-camp program for children ages 5 to 21. It made a difference in the lives of 140 children last year. This year, the day-camp program will run for 11 weeks and will offer fun summer activities for nearly 220 children such as field trips, crafts, computer centers and outdoor activities. Programs like these truly demonstrate the success of the Arc of Dallas.

Once again, I am very proud to see the honorable work being accomplished in my district. The Arc of Dallas has made a difference in the lives of its clients and in the community in their existence. The difference they make is immeasurable. I know my colleagues will join me in saluting the Arc of Dallas and chapters across the Nation.