April 5, 2001

Speaker, please join me and my colleagues as we congratulate the young scholars from Wilson High School as they compete in this national civics competition.

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO TREAT DISTRIBUTIONS FROM PUBLICLY TRADED PARTNERSHIPS AS QUALIFYING INCOME OR REGULATED INVESTMENT COMPANIES

HON. WALLY HERGER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. HERGER. Mr. Speaker, today I am introducing a bill to allow mutual funds to invest without restriction in publicly traded partnerships, or PTPs. PTPs, which are also known as MLPs, are limited partnerships which are traded on public securities exchanges in shares known as "units." Because interests in PTPs are often bought in small increments, they can be and often are bought by small investors. Many of those investing in PTPs are older individuals, who buy them for the reliable income stream they receive from quarterly PTP distributions.

Unfortunately, the tax code currently deters mutual funds representing many small investors from investing in PTPs. As safe, liquid securities which generally provide a steady income stream, PTPs could be an excellent investment for mutual funds. However, the tax code requires that mutual funds get 90 percent of their income from specific sources in order to retain their special tax treatment. Disbursements from a partnership do not qualify, nor do most types of partnership income. Therefore, the PTP income does not qualify.

Mr. PAYNE. Mr. Speaker, I would like to ask my colleagues here in the United States House of Representatives to join me in paying tribute to the late Raymond F. Conkling, a popular and well-respected professional who gave many years of outstanding public service to this institution. During his 3 years on Capitol Hill, Ray made many friends on both sides of the aisle and made a significant contribution to the work of the Congress.

Mr. Conkling, who passed away on October 25, 2000, lived in Arlington, was born in Michigan, and grew up in Peekskill, NY. He graduated from Columbia University, where he received a law degree. During World War II and the Korean War, he was a naval aviator and received a Distinguished Flying Cross. Later he was a captain in the Navy Reserve. He began his legal career in New York with the firm of Milbank, Tweed, Hope and Hadley, then in 1954 moved to Washington. He served in the tax legislative counsel's office in the office of the Secretary of the Treasury and later as tax counsel of the House Ways and Means Committee. He was senior tax attorney for Texaco and then tax legislative counsel to Diamond Shamrock Corp. He returned to government service in 1986 on Representative Guy Vander Jagt's staff, where he handled tax issues. He was a member of the National Democratic Club, the Capitol Hill Club and the Army Navy Country Club.

Survivors include his wife of 28 years Juanita Conkling of Arlington, and a daughter, Tracy Conkling of Maryland.

Mr. Speaker, I know my colleagues join me in honoring Ray Conkling's memory and in expressing our deepest sympathy to his family.

Mr. COYNE. Mr. Speaker, today I am introducing legislation that would make the tax incentives for cleaning up and redeveloping brownfields permanent. Mr. WELLER, who has a long history of involvement on this issue, has cosponsored this important legislation.

There are half a million "brownfield" sites around the country—old polluted industrial sites that continue to sit vacant because businesses do not want to deal with the environmental hazards that may exist on those sites. All across the country, potentially productive pieces of real estate lie vacant because businesses are concerned about the cost of cleaning up after the industries that used to operate mills and factories on those sites.

If we want to bring jobs and tax revenues back to those sites, we have to create an environment that fosters their return. This legislation would ensure just that, and I urge my colleagues to support it.

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even playing field for businesses making decisions about where to locate their new facilities. I worked with other Representatives and Senators to provide federal tax support for cleaning up and re-using brownfield sites. In 1997, we succeeded in adding a provision to the federal tax code which allowed taxpayers to expense the costs of environmental remediation of brownfield sites in certain economically distressed areas. Last year, I worked successfully with Congressman WELLER and several colleagues to extend the provision, which was scheduled to sunset at the end of 2000, and to apply it to brownfield sites anywhere in the country.

I believe that one additional change should be made to the brownfields tax provision. I think that Congress should make the brownfields provision a permanent part of the federal tax code. Consequently, I have introduced legislation today to make the brownfields expensing provision permanent. I urge my colleagues to join me in supporting this legislation.

INTRODUCTION OF THE BUILDING, RENOVATING, IMPROVING, AND CONSTRUCTING KIDS' SCHOOLS ACT OF 2000

HON. JUDY BIGGERT
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 4, 2001

Mrs. BIGGERT. Mr. Speaker, in 1995 and 1996, the United States General Accounting Office (GAO) released reports outlining the deplorable conditions in many of our nation’s elementary and secondary schools. A GAO survey showed that America’s schools are in need of an estimated $112 billion in repairs and that $11 billion alone is required to get schools in compliance with federal mandates requiring the elimination of hazards such as asbestos, lead in water, radon, and to improve accessibility for the disabled.

It’s no small wonder these repair bills are mounting—the U.S. Department of Education has found that the average age of a public school building is 42 years. And while our school buildings are aging, student enrollments are expanding—putting even more pressure on a crumbling infrastructure. According to the Projections of Education Statistics to 2010 by the National Center for Education Statistics, total K–12 student enrollment in 2010 will exceed 53 million.

The decline in the condition of our nation’s schools is not limited to one particular region. Every state has schools that are in need of repair and modernization, and my home state of Illinois has no exception. The Illinois State Board of Education estimates that over the next five years, Illinois’ school districts will need more than $8.2 billion in infrastructure work.

Mr. Speaker, as a strong supporter of local control of education, I believe that school construction and renovation are areas best dictated by states and local communities. That’s why I applaud those states that have passed measures designed to help schools replace and modernize their facilities. Illinois is one of those states that have stepped up to the plate in this regard.

In December 1997, The Illinois General Assembly passed a school construction law to address the shortage of classroom space brought on by population growth and aging buildings. To fund the program, the General Assembly approved the sale of $1.4 billion in school construction bonds over a five-year period. Illinois Governor George Ryan’s “Illinois FIRST” program later added another $1.1 billion to extend the program.

But despite the best efforts of Illinois and other states, the long-term costs of repairing and upgrading our nation’s schools are proving more than many state and local governments can bear. In an attempt to assist these efforts, Congress last year provided over $1 billion in grants for school modernization purposes. But that amount is like a drop in the bucket, and our schools continue to fall into further disrepair and obsolescence.

That’s why I rise today to introduce the “Building, Renovating, Improving, and Constructing Kids’ Schools (BRICKS) Act”—legislation addressing our nation’s burgeoning demand for elementary and secondary education school repair. This legislation is a slightly modified version of legislation I introduced last year and is the companion bill to S. 119, which was introduced in the Senate by my friend and colleague, Senator OLYMPIA SNOWE of Maine.

Here is what the BRICKS Act does. First, it provides $20 billion in interest-free and low-interest federal loans to support school construction and repair at the local level. These loans can be used in two ways. One, at least 50 percent of the loans are designated to pay the interest owed by states and localities to bondholders on new school construction bonds that are issued through the year 2003. And two, the loans can be used to support State revolving fund programs or other State-administered school modernization programs. These loans will be interest-free for the first five years, with low interest rates to follow.

The BRICKS Act allocates these school construction loans on an annual basis, using the Title I distribution formula. Monies would be distributed to states at the request of each state’s governor and without a lengthy application process.

The money provided for under this bill is used to support, not supplant, local school construction efforts. These loans are designed to allow states and localities to issue bonds that would not otherwise be made due to financial limitations.

Third, and perhaps most importantly, these loans will be distributed in a fiscally responsible manner that does take away from the Social Security program or the projected on-budget surpluses. Specifically, my bill will generate funding from the Exchange Stabilization Fund (ESF)—a fund that was created through the Gold Reserve Act of 1934 and that currently has more than $40 billion in assets. This is a fund that some—including former Federal Reserve Board Governor Lawrence B. Lindsey—have called for liquidating.

Finally, the school construction and modernization loan is a truly fiscally responsible government handout. The BRICKS Act requires a State entity or local government that receives funding under this legislation to repay the loan to the Exchange Stabilization Fund. At the same time, this proposal ensures that states and local governments will not be burdened by exces-