

unwary that was inadvertently created with the Taxpayer Relief Act of 1997. The bill would clarify the treatment for foreign tax credit limitation purposes of the income inclusions that arise upon a transfer of intangible property to a foreign corporation.

Section 367(d) of the Internal Revenue Code provides for income inclusions in the form of deemed royalties upon the transfer of intangible property by a U.S. person to a foreign corporation. Prior to the 1997 Act, these income inclusions under section 367(d) were deemed to be U.S.-source income and thus were not eligible for foreign tax credits. The international joint venture reforms included in the 1997 Act eliminated this special source rule and provided that deemed royalties under section 367(d) are treated as foreign-source income for foreign tax credit purposes to the same extent as an actual royalty payment.

The amendments made by the 1997 Act were intended to eliminate the penalty that was provided by the prior-law deemed U.S. source rule and that had operated to discourage taxpayers from transferring intangible property in a transaction that would be covered by section 367(d). Prior to the 1997 Act, in order to avoid this penalty, taxpayers licensed intangible property to foreign corporations instead of transferring such property in a transaction that would be subject to section 367(d). The 1997 Act's elimination of the penalty source rule of section 367(d) was intended to allow taxpayers to transfer intangible property to a foreign corporation in a transaction that gives rise to deemed royalty payments under section 367(d) instead of having to structure the transaction with the foreign corporation as a license in exchange for actual royalty payments.

However, the intended goal of the 1997 Act provision is achieved only if the deemed royalty payments under section 367(d) not only are sourced for foreign tax credit purposes in the same manner as actual royalty payments, but also are characterized for foreign tax credit limitation purposes in the same manner as actual royalty payments. Without a clarification that deemed royalty payments are characterized for foreign tax credit limitation purposes in the same manner as an actual royalty payment, there is a risk in many cases that such deemed royalties would be characterized in a manner that leads to a foreign tax credit result that is equally as disadvantageous as the result that arose under the penalty source rule that was intended to be eliminated by the 1997 Act.

The bill I am introducing today provides the needed clarification that deemed royalties under section 367(d) are treated for foreign tax credit limitation purposes in the same manner as an actual royalty, ensuring that the penalty that was intended to be eliminated with the 1997 Act is in fact eliminated. Without this clarification, a taxpayer that transfers intangible property in reliance on the 1997 Act will find that its transfer is in fact effectively subject to the penalty that the taxpayer believed had been eliminated. Without the clarification, those taxpayers that have structured their transactions in reliance on the 1997 Act provision will be worse off than they would have been if the purported repeal of the penalty source rule had never occurred and they

had continued to structure their transactions to avoid that penalty. This bill will achieve the intended goals of the 1997 Act and prevent a terrible trap for the unwary that has been inadvertently created.

COMMENDING THE GOVERNMENT
OF BULGARIA

HON. HENRY BONILLA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. BONILLA. Mr. Speaker, I commend the leadership of the government of Bulgaria for its ongoing interest in and support for modernization of the Maritza III East thermal plant. I urge the sitting Parliament in Sofia to express their support for this project by granting, all necessary government approvals before their scheduled dismissal prior to the upcoming, general elections. This will ensure that this important project can move forward expeditiously and successfully.

The Maritza III East thermal plant project has benefits that are well documented and widely-acknowledged at the local, regional and national levels. When the refurbishment work begins, more than \$75 million in local goods and services will be purchased and more than 600 construction jobs will be created.

Regionally, refurbishment of the Maritza III East power plant will reduce sulphur dioxide emissions by as much as 90 to 95 percent. The refurbished power plant will meet the emissions requirements of the World Bank, European Union, the Bulgarian government, which in turn, will fulfill important criteria for Bulgaria's ultimate entry into the European Union. Also at the regional level, the joint venture (Entergy & NEK) company that will operate the rehabilitated power plant will provide direct and indirect tax revenues to Bulgaria and to the Galabovo municipality in the Stara Zagora region.

On a broader scale, modernization of this power plant will have several positive impacts on Bulgaria's national economy. Long-term, modernization of this power plant will move Bulgaria closer to competitive energy independence.

INTRODUCTION OF THE EXPENSING
TECHNOLOGY REFORM ACT
OF 2001

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. WELLER. Mr. Speaker, today, Representative NEAL and I have introduced legislation which will update the existing depreciation schedules for high tech assets. Currently, businesses must depreciate much of their high tech equipment over a 5 year period. This bill would allow businesses to expense these assets.

The 5 year depreciation lifetime for tax purposes is outdated since many companies today must update their computers as quickly

as every 14 months in order to stay technologically current. We allow businesses to expense their computers, peripheral equipment, servers, networks, wireless telecommunications equipment, software, high tech medical equipment and copiers in this bill.

This will stimulate the economy! According to a study conducted by the Printing Industries of America, printers would purchase 20 percent more computers if the depreciation schedules reflected the actual life of the equipment.

It is time to update an outdated tax code to reflect the realities of today's technology-based workplace. A 5 year depreciation schedule for high tech equipment is no longer realistic.

This legislation will allow every company, from the neighborhood real estate office, to the local hospital, to the local bank to fully depreciate, or expense, their high tech equipment during the tax year in which the equipment is purchased. As a result, these companies will no longer be forced to keep their equipment "on the books" for tax purposes long after its useful life has become obsolete.

Mr. Speaker, I look forward to working with you and my colleagues to get this important pro-business legislation signed into law.

PERSONAL EXPLANATION

HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. WALDEN of Oregon. Mr. Speaker, due to my presence at a funeral in Oregon on Tuesday, April 3, I was not able to participate in any roll call votes that took place on that day. If I had been present, I would have voted "yea" on roll call votes #76, #77 and #78.

HONORING THE 50TH
ANNIVERSARY OF WMUK RADIO

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. UPTON. Mr. Speaker, I rise today to honor the 50th Anniversary of one of the finest radio stations in my state of Michigan, and indeed the entire Midwest, WMUK, of Kalamazoo, Michigan.

Like many of our country's greatest institutions, WMUK had modest beginnings. In 1951, based on the campus of what was then Western Michigan College, WMUK was founded under the call letters WMCR. WMCR was only on the air for a few hours each day and early programming consisted of music and instructional programs. At the time, WMCR was a pioneer in radio. As such, it was the first FM station in Kalamazoo.

Over the years, WMCR's development mirrored the growth of Kalamazoo. For example, in 1961, WMCR changed their call letters to WMUK to reflect Western Michigan College's name change to Western Michigan University. A few years later, in 1965 WMUK was the first

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radio station in Kalamazoo to begin broadcasting in stereo. Over the years, as the station's popularity has grown so has their signal strength. From a meager 400 watts in 1951, today, WMUK broadcasts at 50,000 watts.

Today, after 50 years, WMUK is a cornerstone of the Kalamazoo community. I am pleased to say that WMUK is now on the air 21 hours a day offering a wide variety of programming to suit the diverse tastes of our community.

Mr. Speaker, I ask that these remarks be made part of the permanent record of the Congress so that other public broadcasters can emulate the quality example that WMUK has set across our country.

VETERANS MEMORIAL
ENHANCEMENT ACT

HON. CHRISTOPHER JOHN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. JOHN. Mr. Speaker, a few months ago, a Vietnam Veterans memorial in my district was vandalized, and the cost to repair the memorial is estimated to be \$4,000. When I learned of the damage done, I contacted the Department of Veterans Affairs and a number of other federal agencies, and I came to realize there was no federal assistance available for these organizations. While federal veterans memorials are taken care through the National Park Service, local monuments and memorials which are scattered across the nation receive no such assistance. A joint venture with the federal government and veterans is the perfect answer to this unfortunate problem. It requires private organizations to take the initiative as well as provide their own funding to complete the refurbishing.

The bill I am proud to introduce today will do just that. The Veterans Memorial Enhancement Act is a simple and straightforward bill which establishes a grant program for Veterans Service Organizations who need financial assistance in refurbishing or repairing aged or harmed veterans memorials. The grant would provide federal funding for up to fifty percent of the total project cost, thus encouraging local veterans and providing them with the resources necessary to ensure that veterans memorials are treated with the respect they deserve. Even in this time of peace, it is important that we remember and recognize the sacrifices our veterans have made, and I urge my colleagues to join me in cosponsoring the Veterans Memorial Enhancement Act.

PREVENTIVE SCREENING FOR
COLORECTAL CANCER

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Ms. SLAUGHTER. Mr. Speaker, I am proud to introduce the Eliminate Colorectal Cancer Act, a bill that can save the lives of thousands

EXTENSIONS OF REMARKS

of people who might otherwise succumb to a type of cancer that could be prevented. This legislation seeks to address the lack of coverage for colorectal cancer screening by all health insurers.

I am proud to introduce this bill along with my distinguished colleagues, Senator EDWARD KENNEDY and Representative CONNIE MORELLA, as well as colorectal cancer survivors and groups dedicated to the effort of preventing this disease.

Colorectal cancer is the second leading cause of cancer death in the U.S. for men and women combined. An estimated 56,700 people will die from colorectal cancer this year and 1 in 17 people will be diagnosed with colorectal cancer in their lifetime.

This is an unspeakable tragedy because colorectal cancer is preventable, treatable, and curable when detected at an early stage. When colorectal cancer is detected before it has spread, the five year survival rate is over 91 percent.

Further, colorectal cancer is just about the only cancer we know how to prevent. If polyps are discovered in the colon, they can be removed before they become cancerous and the cancer will never develop.

And yet tens of thousands of Americans continue to die from this disease, mostly because their cancer is detected at a later, less treatable stage.

No one should die of colorectal cancer. This cancer is preventable and detectable. It is slowgrowing and easy to stop in its tracks. The fact that over 56,000 Americans die of this disease is nothing more than a massive failure of our preventive health system.

We need to do more to educate Americans about the ways they can avoid this deadly disease. Too many misconceptions persist about colorectal cancer.

For example, many women consider colorectal cancer a man's disease, but it is an equal opportunity killer. In fact, the American Cancer Society estimates that more women than men will die of colorectal cancer this year.

Federal agencies such as the Centers for Disease Control, the National Cancer Institute and Department of Health and Human Services have worked together to develop a nationwide colon cancer awareness and education program. Grassroots efforts by individuals like as Kevin Richardson of the Backstreet Boys are also critical to improving public health and awareness.

Today we continue our efforts to combat colorectal cancer. Too many people are failing to have regular colorectal cancer tests because their insurers will not pay for a screening exam in the absence of symptoms.

What makes colorectal cancer so insidious is that there are often no symptoms until the cancer is widespread.

Our legislation will require insurers to cover a regular colorectal cancer screening exam. Doctors and patients will be able to decide together the appropriate screening method and frequency of testing.

For many Americans, denial of insurance coverage equals denial of care. They simply cannot afford to pay for these tests out-of-pocket when they are already paying thousands of dollars per year for insurance. A colonoscopy costs around \$1000 per test.

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Our bill makes sense for both consumers and insurance companies. Colorectal cancer screening is cost-effective, considering that treatment for a patient with an advanced form of cancer can easily be \$40,000 or more.

In fact, many insurers do cover colorectal cancer screening. But in order to make a meaningful impact and save lives, all insurers should give their enrollees access to this vital form of screening.

Here in the House of Representatives we have already have the support of 48 original cosponsors. The bill would require all insurance plans to cover colorectal cancer screening in accordance with recognized guidelines, such as those issued by the American Cancer Society.

I am proud to be a part of this effort to ensure that all Americans can get tested for colorectal cancer. I look forward to working with everyone here to pass our legislation as soon as possible.

APRIL 26, 2001 IS NATIONAL D.O.
DAY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. DINGELL. Mr. Speaker, Thursday, April 26, is National DO Day. We recognize the more than 47,000 osteopathic physicians (D.O.s) across the country for their contributions to the American healthcare system. On National DO Day, more than 500 members of the osteopathic medical profession, including osteopathic physicians and medical students, from 40 states will descend upon Capitol Hill to share their views with Congress.

For more than a century DOs have made a difference in the lives and health of Americans everywhere. They have treated presidents and Olympic athletes. They have contributed to the fight against AIDS and the fight for civil rights. DOs are represented at the highest levels of the medical profession. Indeed, the U.S. Assistant Secretary of Defense for Health Affairs, the chief medical officer for the U.S. Coast Guard, and the Surgeon General of the U.S. Army were all osteopathic physicians during the last Administration.

As fully licensed physicians able to prescribe medication and perform surgery, DOs are committed to serving the health needs of rural and underserved communities. They make up 15 percent of the total physician population in towns of 10,000 or less. In addition, 64 percent of DOs practice in the primary care areas of medicine, fulfilling a need for more primary care physicians in an era marked by the growth of managed care.

More than 100 million patient visits are made each year to DOs, making them the physician of choice for many people. That's because DOs approach their patients as "whole people." They don't just treat a specific illness or injury. DOs take into account home and work environments, as well as lifestyle, when assessing overall health. This distinct approach provides Americans with the highest quality of healthcare—patients seen as people, not just illnesses or injuries.