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, the tax rules that have complicated 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.

On a broader scale, modernization of this 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 EXPANSION 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 as sets.

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 technology current. We allow businesses to expense their computers, peripheral equipment, networking, software, networks, wireless communications equipment, 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.

This 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 deprecate, 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
radio station in Kalamazoo to begin broad-casting in stereo. Over the years, as the sta-
tion's popularity has grown so has its signal strength. From a meager 400 watts in 1951, 
today, WMUK broadcasts at 50,000 watts. 

Today, after 50 years, WMUK is a corner-
stone 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 pro-
gramming 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 me-
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 real-
ize 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 En-
hancement Act is a simple and straightforward bill 
which establishes a grant program for Vet-
ers Service Organizations who need finan-
cial 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 en-
couraging local veterans and providing them 
with the resources necessary to ensure that 
veterans memorials are treated with the re-
spect 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 En-
hancement 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 
troduce the Eliminate Colorectal Cancer 
Act, a bill that can save the lives of thousands 
of people who might otherwise succumb to 
a type of cancer that could be prevented. This 
legislation seeks to address the lack of cov-
erage 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 sur-
vivors 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 peo-
ple will die from colorectal cancer this year 
and I 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 re-
moved before they become cancerous and the 
cancer will never develop.

And yet tens of thousands of Americans 
continue to die from this disease, mostly be-
cause 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 dis-
tease. 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 Serv-
ces have worked together to develop a na-
tionwide colon cancer awareness and educa-
tion program. Grassroots efforts by individ-
uals like 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 be-
cause their insurers will not pay for a screen-
ing 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 would require insurers to cover 
regular colorectal cancer screening exam. 
Doctors and patients will be able to decide to-
gether the appropriate screening method and 
frequency of testing.

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