EXTENSIONS OF REMARKS

June 29, 2001

Stanton has made a huge impact in Colorado art, and has brought international attention to the glorious landscapes of Colorado. He worked with the art community to act as a model for the young and the old, for the artist and the admirer. Mr. Speaker, I ask for the recognition to the women who have suffered from postpartum depression and psychosis with the introduction of the Melanie Stokes Postpartum Depression Research and Care Act which will:

Expand and intensify research at the National Institute of Health and National Institute of Mental Health with respect to postpartum depression and psychosis, including increased discovery of treatments, diagnostic tools and educational materials for providers;

Provide grants for the delivery of essential services to individuals with postpartum depression and psychosis and their families, including enhanced outpatient and home-based health care, inpatient care and support services.

It is my hope that through this legislation we can ensure that the birth of a child is a wonderful time for the new mother and family, and a time of mourn over the loss of yet another mother or child.

INSULAR AREAS OVERSIGHT AVOIDANCE ACT

HON. ROBERT A. UNDERWOOD
OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 2001

Mr. UNDERWOOD. Mr. Speaker, today I would like to reintroduce the Insular Areas Oversight Avoidance Act, legislation I previously introduced during the 106th Congress. This legislation, which is cosponsored by Congresswoman DONNA CHRISTIAN-CHRISTENSEN from the Virgin Islands and Resident Commissioner ANIBAL ACEVEDO-AVILA of Puerto Rico, seeks to hold the federal government more accountable in the manner that federal policy is developed towards the insular areas, which include Guam, the Virgin Islands, the Commonwealth of Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands. The bill would require that the Office of Management and Budget explain any omission of any insular area from any policy statement issued by the Office of Management and Budget on federal initiatives or legislation.

The impetus for the bill is to improve federal-territorial relations and to encourage greater use of government resources in a more cost-efficient manner. Given our geographical distance from Washington, D.C., and our political status as territories, it is very difficult for insular area officials to sometimes be heard at the federal level. We face repeated challenges in ensuring that the insular areas are not forgotten in federal initiatives and policies on a daily basis, whether it be international treaties, Presidential Executive Orders, proposed legislation by the Executive Branch or Congressional Members, or federal regulations.

It is my belief that the U.S. insular areas should be considered at the outset of the development of federal policies, including Presidential initiatives. I believe that such consideration would be a more effective way of ensuring that all Americans—in the fifty states, the District of Columbia, and the insular areas—are treated fairly.

The failure of the federal government to contemplate the impact of the insular areas in federal initiatives often results in the need for federal initiatives to contemplate the insular areas in federal initiatives to expend an exorbitant amount of resources and energy to either rectify the “oversight” through legislation or through extensive and sometimes futile negotiations with federal agency officials.

An example of such a situation is the way in which U.S. Treasury Department officials negotiate international tax treaties. There are around 75 international tax treaties that the U.S. has negotiated with other countries. The treaties govern the bi-lateral relationships the U.S. has with other countries on tax matters, including foreign investment withholding rates.

In its definition of the term “United States,” there are several definitions used by U.S. negotiators. The most commonly employed definition explicitly excludes Guam and the other insular areas by name. Another definition explicitly excludes Guam and the other insular areas in their entirety. The other definition includes the states of Washington, Oregon, and California.

It is my hope that through this legislation we can ensure that the federal government is held accountable in a manner that is more cost-efficient and effective in ensuring that the insular areas are not forgotten in federal initiatives and policies on a daily basis.

I would not have to be pushing for the Guam Foreign Investment Equity Act if the federal government had contemplated its impact on the insular areas, including Guam, when the current U.S. tax treaties with other countries were negotiated.

To understand why this “oversight” is detrimental to Guam and the federal government, let me give you an overview of how this action has stymied economic development on Guam. Currently, under the U.S. Internal Revenue Code, there is a 30% withholding tax rate for foreign investors in the United States. Since Guam’s tax law “mirrors” the rate established under the U.S. Code, the standard rate for foreign investors in Guam is 30% since Guam is not included in the definition of “United States” for international tax treaties. As an example, the U.S. withholding rate for foreign investors is 10%. That means while Japanese investors are taxed at a 10% withholding rate on their investments in the fifty states, those same investors are taxed at a 30% withholding rate on Guam. As 75% of Guam’s commercial development is funded by foreign investors, such an omission has deprived Guam of attracting foreign investment opportunities.

Other territories under U.S. jurisdiction have already remedied this problem or are able to offer alternative tax benefits to foreign investors through delinking, their unique covenant agreements with the federal government, or through federal statute. Guam, therefore, is not included in the definition of “United States” for international tax treaties. As an example, the U.S. withholding rate for foreign investors is 10%. That means while Japanese investors are taxed at a 10% withholding rate on their investments in the fifty states, those same investors are taxed at a 30% withholding rate on Guam. As 75% of Guam’s commercial development is funded by foreign investors, such an omission has deprived Guam of attracting foreign investment opportunities.

The Insular Areas Oversight Avoidance Act would be helpful to insular area governments and the federal government by requiring that