

SUPPORT THE INTERSTATE CHILD
SUPPORT ACT**HON. ROBERT MENENDEZ**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1995

Mr. MENENDEZ. Mr. Speaker, it is time for Congress to protect the rights of millions of children whose parents refuse to support them. This is a national disgrace. Our continued failure to act is eroding public support for helping families who most deserve our compassion. It is time for us to send a clear, unambiguous message: The American people will do what is necessary to protect our children. We will not let parents abandon their duty to the children they bring into the world.

I am therefore joining as a cosponsor of H.R. 95, the Interstate Child Support Act of 1995 introduced by Congresswoman BARBARA KENNELLY of Connecticut. This bill includes a long, tough list of enforcement measures recommended by the U.S. Commission on Interstate Child Support.

The bill would deny deadbeat parents occupational, professional, and business licenses, driver's licenses, and vehicle registrations. It would expedite the seizure of bank accounts and authorize the seizure of pensions, lottery winnings, and other public benefits. The bill would deny passports to deadbeats and deny them Federal jobs, benefits, loans, and loan guarantees.

The bill would improve enforcement of child support orders across State lines, strengthen paternity establishment, and improve record-keeping by requiring Social Security numbers of marriage licenses, divorce decrees, parentage decrees, and birth certificates.

It would also set the stage for future reforms, by requiring a study of the feasibility of developing national child support guidelines, and of collecting past-due child support through the Internal Revenue Service. It would test alternative child support assurance strategies, publish information about effective approaches to increasing child support, and test programs providing jobs for unemployed noncustodial parents to enable them to pay what they owe.

I urge my colleagues to join us in enacting the Interstate Child Support Act of 1995.

INTRODUCTION OF H.R. 693

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1995

Mr. HALL of Texas. Mr. Speaker, I rise today to explain a bill I am introducing for the fourth time. During the 103d session it was H.R. 3033. This session it is H.R. 693, and it deals with a very important issue, an issue that is so worthy of our attention that some Members of this body may find it odd that in 6 years no hearings have been held and no debate conducted on it. Some Members may even think it is futile to again bring this bill before the House. But that is not the case. This matter is too important; the case behind this bill is too just; the damage done to ordinary citizens is too egregious to leave this matter alone.

To assist the Members of this body in understanding the background of this bill, I would like to offer a brief explanation of the events which led up to its introduction.

In 1931, an Italian immigrant, Joe Zeppa, founded Delta Drilling Co. In doing so he was simply following the American dream. Joe was able to take part in the oil boom of the 1930's that helped bring east Texas out of the Great Depression and make the American dream a reality for many people like him. Organized as a closed corporation, Delta Drilling was modestly profitable until the early 1970's, when the energy crisis dramatically increased the company earnings. Increased profitability made the prospect of going public a very attractive option—and inspired Joe with a method of rewarding his many longtime, loyal employees.

Considering the possibilities of the company going public, Delta founder Joe Zeppa worried about the fate of employees should a takeover occur. In order to protect these ordinary, hard-working men and women and to reward them for their loyalty over the years, he initiated employee participation plans under which each employee—executives, managers, secretaries, and laborers alike—with at least 15 years of service with Delta was allocated participation units based on his or her annual compensation and years of service in excess of 15. Each participation unit was to be valued at the price of one share of Delta stock when the company went public. The plans were implemented in 1974 with 88 employees participating. In 1975, Joe Zeppa passed away and was succeeded by his son, Keating Zeppa. With revenues jumping from \$38 million in 1974 to \$161 million by 1980, Delta decided to go public.

On March 17, 1981, Delta Drilling Co. publicly offered 2,000,000 shares of common stock at \$17.50 per share. The public offering triggered the participation plans and the exchange of participation units. Under the agreement with the underwriters for the public offering, however, the employees at Delta could not sell or transfer shares issued to them under these terms for a 120-day period after the commencement of the offering. Immediately prior to the public offering of stock the employees agreed to exchange their participation units for a combination of stock and cash. As a result, they received Delta stock equal to 70 percent of the value of their units and cash representing the remaining 30 percent. All told, 2,128,665 shares and \$5,321,667 were distributed to the 87 remaining participating employees. An additional \$10,643,333 representing 20 percent of the total value of their participation units was withheld for taxes.

Although Delta stock sold in the initial public offering at \$17.50 per share, at the end of the 120-day transfer restriction period, the over-the-counter market price had plummeted to only \$13.50. In January of 1982, the price fell below \$9.00 and dropped to \$6.625 per share by April 6, 1982. Due to circumstances completely out of the hands of Delta Drilling employees, the stock eventually became entirely worthless.

This wouldn't seem that bad, Mr. Speaker, because it was just a gift that they had not had before. Right? Wrong! Enter the IRS.

On April 15, 1982, the employees who received this gift of stock found themselves subject to an enormous tax burden. Under the IRS Code, the shares received under the plan were taxed as ordinary income at the rate of

50 percent and were valued at the initial public offering price of \$17.50—regardless of when the employees disposed of their stock. Consequently the average tax burden for each employee was a staggering \$300,000. In order to help the former plan participants, Delta provided them with an option to exchange each share of stock they received under the plan for one 5-year convertible bond valued at the then per-share market price of Delta stock, \$6.625, which could then be used as collateral for loans to pay their taxes. Only 30 of the 87 employees who had received stock under the plans accepted the offer.

Delta, as a group, also sought relief directly from the Internal Revenue Service, and—after extended negotiations—several individuals were offered the opportunity to report receipt of each stock at \$15.50 per share. Clearly, however, in no event could any employee have received more than \$13.50 per share for their stock received under the plan—even if they had sold it on the very first day after the expiration of the 120-day transfer restriction period. Indeed, if all the employees had managed to sell their stock, the resulting flood of shares would have had a precipitous impact on the market. Further, as I said earlier these are ordinary people—the majority of the employees had little formal education, no training in finance, and few had been to college. Most had never previously owned stock and many did not even know how to go about selling it.

So you see, hard-working employees—many of whom had spent years with this company—were given a gift by their employer. He certainly had no malicious intent in setting up this program. In fact, it is one of the most generous gifts I have ever heard of an employer giving his employees. And the employees certainly stood to gain from his generosity. But instead, they were forced to pay income taxes on an income that they never received—and that is wrong.

The end result of this is that you have ordinary people—as I said earlier this includes janitors, secretaries, roughnecks, everyone—who have to pay more in taxes than they make working. It would have been a typical scenario for an employee of this company who made \$25,000 a year to be told by the IRS that he or she owed \$300,000 or more. In fact, many employees had to sell their homes and other possessions to pay taxes on a benefit they never had a legal right to enjoy.

This body is often referred to as the people's House. There has been a great deal of talk in this chamber about the forgotten middle class. With this legislation, we have the opportunity to assist ordinary people and correct an extraordinary wrong. The employees of Delta Drilling who were affected by this financial burden are not just the top managers and executives. Do not think this bill is some sort of loophole or tax break for a bunch of rich oilmen down in Texas. That is simply not the case. This bill changes a policy that has hit a small group of ordinary people in a bad way. That's what we are supposed to do here in the people's House—establish good laws that help good people and change bad laws that hurt good people. We must pass this good bill to help these good people and other people all across our Nation who have faced or may face this devastating situation.

I look forward to working with the new chairman of the Ways and Means Committee, my friend from Texas, Mr. ARCHER, and my other

friends and colleagues on the committee to see this bill through the legislative process. I think it is important that we hold a hearing on this matter. When the Members of this body are able to hear firsthand the stories of these ordinary, hard-working people from east Texas, I know they will understand the injustice of what has happened to them. I urge my colleagues to take a look at this matter, read the bill, talk to me, talk to the people involved, and you will see that we must pass this bill.

TRIBUTE TO DR. YOUSSEF
YOMTOOB

HON. LYNN N. RIVERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1995

Ms. RIVERS. Mr. Speaker, I rise today as a former school board member, a State legislator, and Member of Congress. It is a distinct pleasure for me to recognize and honor my friend Dr. Youssef Yomtoob today. Dr. Yomtoob will retire this year from his post as superintendent of the Willow Run School District after spending over 30 years of his life in the field of education. From his position as a mathematics teacher in the 1960's in Niles, MI, to his current post as superintendent, Dr. Yomtoob has continuously left a legacy of extreme competence and knowledge. He has co-authored 16 books, primarily dealing with mathematics and has served on dozens of educational advisory boards such as the Michigan Educational Research Association, the Michigan Department of Education variable task force, and the validation team for the Michigan Department of Education.

More importantly, over the past three decades, Dr. Yomtoob has left an indelible mark as a warm and kind-hearted man who values the students, teachers, and administrators with whom he works. Dr. Yomtoob has always taken pains to personally know the students in the schools in which he taught or administered.

While Dr. Yomtoob has accomplished an extraordinary amount in the academic field, he has dedicated much of his time to community activities and public service projects as well. Dr. Yomtoob has been involved in the United Way for well over a decade and currently serves as the Washtenaw County division chairman. He served as chairman for the Willow Run Christmas dinner for the homeless and served on the Ypsilanti Press Give-A-Christmas task force. Dr. Yomtoob has been active in his congregation as well. He served as president of the Men's Club at Temple Beth Israel in Jackson, MI, for 4 years and has been a member of Temple Brotherhood for 4 years. Dr. Yomtoob has been involved in countless other community projects that are simply too numerous to list.

In the past few years, Dr. Yomtoob has been recognized several times for his accomplishments. He was recognized as the recipient of the Minority Business Organization of Washtenaw County's Education and Community Award and in 1992 was selected by the Ypsilanti Press as their Person of the Year. It gives me great pride to recognize Dr. Yomtoob once again for his many years of service both in the education community and the community at large. Although he is leaving us in Michigan, I am certain that Dr. Youssef

Yomtoob will continue to enrich the educational community and to brighten many lives.

COMMENDATION TO STEVE
MAISNER FOR RESCUE

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1995

Ms. HARMAN. Mr. Speaker, I rise today in tribute to a hero—a young man from my district who should serve as an inspiration to us all. As you know, southern California has been reeling from the "storm of the century," a storm that cascaded more than 8 inches of rain on area neighborhoods during the course of one afternoon. The storm produced extensive flooding, not just through the storm drains and along watercourses, but through neighborhoods and canyons.

In the community of San Pedro, a mother and her 5-year-old daughter were caught up in a flood current and swept beneath a car. A young man named Steve Maisner rushed to the scene and retrieved the little girl, quickly administering back blows and chest thrust to restore her breathing. Then, with assistance from the neighbors, Steve pulled the mother, Edith, from under the car. She was not breathing and had no pulse. He would not give up, however, beginning CPR immediately and continuing until the paramedics arrived. I am happy to say that both mother and daughter are home today, thanks to Steve's knowledge and skill.

I went to Steve Maisner's home several weeks ago—to thank him on behalf of the community. He was modest about what he had done, and said he hopes to make a career as a paramedic in the fire department. He has certainly proved his skill and courage, and I am proud to commend him for his heroism.

BALANCED BUDGET AMENDMENT
OR BUST

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1995

Mr. GUNDERSON. Mr. Speaker, I have been looking forward to this day since I was elected to the Congress 15 years ago. The first bill I ever introduced, and the first speech I ever gave on the floor of the House, called for a balanced budget amendment to the Constitution. Back then the deficit was about \$74 billion, far less than what we face today. But a number of us thought that a \$74 billion deficit was a serious problem because it was a drag on the economy and it saddled future generations with obligations that are not of their own making. We felt that an amendment to the Constitution was necessary to impose some fiscal discipline and ensure that Congress would make the tough choices necessary to balance the budget. Unfortunately, we weren't successful then in persuading our colleagues.

Fifteen years later, with the deficit at \$202 billion and over \$3.5 trillion added to the national debt, it is time to get this done. The defi-

cit is an even greater weight slowing down our economy. Our national debt is so large that almost \$130 billion of the fiscal year 1994 budget must be devoted to interest payments on the debt. That is more than half of our current budget deficit. It is more than four times what we currently spend on all discretionary education, training, and social services programs. Similarly, the dollars that future generations will need to pay back our debt are funds that could otherwise be spent on improving roads, supporting programs for disadvantaged students, or reducing our tax burden. Instead, these dollars will go to investors that have lent the Federal Government money by purchasing Government securities. This must stop.

While I have argued that the best solution would be to pass a straightforward amendment requiring that Federal outlays not be permitted to exceed Federal revenues, many here in Congress support adding a three-fifths majority requirement for any future increase in taxes. While it is true that the Federal Government has become inefficient and we need to slim it down, I have concerns about tying the hands of future Congresses on how we should attain balanced budgets. Nevertheless, I think such concerns, while important, are outweighed by the urgent need to pass a balanced budget amendment. Further, a three-fifths majority requirement was included in the version described in the contract With America. While I voted for the three-fifths majority requirement, I urge all of my colleagues to support House Joint Resolution 1, the balanced budget amendment, whether or not they vote for the three-fifths majority requirement. We cannot allow another decade or more of deficits to pass before we stop adding to the looming debt of this country. We must begin the process of restoring fiscal responsibility to the congressional budget process.

INDIA REPUBLIC DAY: A CELEBRATION
OF 45 YEARS OF DEMOCRACY

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1995

Mr. PALLONE. Mr. Speaker, today, January 26, is a date of enormous significance for all the people of India, and for the many sons and daughters of India living in the United States and around the world. Today marks the celebration of Republic Day, a national holiday that holds the same significance for Indians as the Fourth of July does for Americans.

On January 26, 1950, India became a Republic. The country adopted a Constitution which enshrined the principles of democracy and secularism. At that time, Dr. Rajendra Prasad was elected as the nation's first President. Since then, despite the challenges of sustaining economic development while reconciling her many ethnic, religious, and linguistic communities, India has stuck to the path of free and fair elections, a multi-party political system and the orderly transfer of power from one government to its successor.

I would like to draw particular attention to the similarities and shared values of the United States and India. The framers of the Constitution that Indians celebrate today drew on