

the regulatory process. Subsequent hearings will cover the principles for reforming the regulatory process, including cost/benefit analysis, risk analysis, market incentives, periodic review of existing regulations, regulatory accounting, property rights, administrative process costs, and centralized review of regulations.

The hearings will be held in SD-342, from 9:30 a.m. to 12:30 p.m.

For further information, please call Paul Noe at (202) 224-4751.

COMMITTEE ON ENERGY AND NATURAL
RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources to consider the President's 1996 proposed budget.

The committee will hear testimony from the Department of Energy and the Federal Energy Regulatory Commission on Thursday, February 9, 1995.

The hearing will begin at 9:30 a.m., and will take place in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call Betty Nevitt or Jim Beirne at (202) 224-0765.

AUTHORITY FOR COMMITTEES TO
MEET

COMMITTEE ON ARMED SERVICES

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 10 a.m. on Thursday, February 2, 1995, in open session, to receive testimony on the foundations of U.S. national strategy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Finance Committee be permitted to meet Thursday, February 2, 1995, beginning at 9:30 a.m., in room 215 of the Dirksen Senate Office Building, to conduct a hearing on whether U.S. personal savings can be increased by targeted incentives.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, February 2, 1995, at 2 p.m. to hold a nomination hearing for Dr. Martin S. Indyk, of the District of Columbia, to be Ambassador to Israel.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. SIMPSON. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet on Thursday, February 2, at 9:30 a.m. for a hearing on the subject: Reinventing Government

II: Information Management Systems in the Federal Government.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION, ARTS, AND
HUMANITIES

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts, and Humanities be authorized to meet for a hearing on Education's Impact on Economic Competitiveness, during the session of the Senate on Thursday, February 2, 1995 at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

COMMERCIAL AVIATION FUEL TAX
EXEMPTION

• Mr. SANTORUM. Mr. President, I am pleased to introduce a bill with Senator GORTON, Senator BRYAN, and others to repeal the commercial aviation fuel tax, and I am proud that this is the first piece of legislation I am introducing as a U.S. Senator. As I traveled throughout all of Pennsylvania's 67 counties this past year, it was clear that the threat to jobs and industry from this upcoming tax required immediate attention. In keeping with my promise to Pennsylvanians, I am confident that this will remove an obstacle to the recovery of an industry critical to Pennsylvania's economy.

This tax, which will take effect on October 1, 1995, will force the troubled airline industry to assume another massive financial burden. The Omnibus Budget Reconciliation Act of 1993 imposed a new 4.3 cents per gallon tax on commercial aviation fuel. At the time, the airline industry was experiencing deep financial difficulties, so the act granted a 2-year waiver on the imposition of this tax. Clearly, the industry has yet to recover, and a tax costing \$527 million annually will have a devastating effect on service providers, airline manufacturers, and other related employers. More layoffs, increased ticket prices, and greater deterioration of consumer confidence in our Nation's airlines is not the goal of a responsible Congress.

Historically, the airline industry has been assessed excise and cargo taxes in lieu of a fuel tax. These alternate taxes amount to \$5.4 billion annually. In addition, since 1990, the industry has lost \$12.8 billion, nearly 120,000 employees have lost their jobs, and tens of thousands of airline manufacturing employees have been laid off. For a troubled industry which pays more than its fair share of taxes, I believe it is our responsibility to repeal this excessive and potentially destructive tax.

Last Autumn, 59 Senators and 4 future Senators, myself included, wrote to President Clinton seeking relief from this tax. This Congress, I am proud to report a groundswell of support amongst Republicans and Demo-

crats in both the Senate and the House of Representatives. I hope this support continues unabated as we proceed to final passage of a repeal which is needed and in the best interests of our Nation's airline laborers, service employees, and the industry as a whole.

• Mr. GORTON. Mr. President, I am pleased to join with Senator SANTORUM, Senator BRYAN, and others in introducing a bill to repeal the fuel tax on commercial aviation. The effect of this bill will be simply to disallow the 4.3 cents per gallon fuel tax from going into effect on October 1, 1995. Two years ago, Congress correctly recognized that the airlines had undergone tremendous financial difficulties and that imposing another new tax upon this beleaguered industry made no sense—this remains true today.

The airline industry has lost approximately \$12 billion in the last 4 years. The industry is aggressively trying to turn this picture around and is just now beginning to show some signs of success. In the last several years, the industry has had to resort to massive layoffs, wage and benefit concessions, route reductions, and substantial cuts in capital spending. Six of the largest airlines have canceled or deferred orders for 647 aircraft totaling \$38 billion. Tens of thousands of airline and aircraft manufacturing employees have lost their jobs. Boeing's employment alone has dropped by 43,000 in the last 5 years due to a substantial decline in both the commercial and the defense business. Three major air carriers—United, Northwest, and TWA—have transferred substantial amounts of ownership to company employees in exchange for wage and benefit concessions.

In order to meet stage 3 aircraft noise requirements, it is estimated that the industry will spend \$7 to \$8 billion a year during the remainder of this decade. The industry cannot afford to add an additional \$527 million a year in new taxes—this on top of the many taxes it is already paying. Most people, I believe, would be shocked to learn that the industry pays over \$5.4 billion annually in excise taxes and fees, the equivalent to a 45.82 cents per gallon fuel tax.

Last year I was proud to serve on the National Airline Commission. In our report, we discussed the proposed fuel tax and other burdensome taxes placed upon the industry. It was our collective conclusion that, "there are several tax provisions that impede the ability of the industry to return to financial health. We believe those provisions violate reasonable principles of common sense and good public policy." I hope the Congress will join with us in rejecting burdensome new taxes on this important industry and will support the enactment of this legislation.●

PUERTO RICO'S COLONIAL
DILEMMA

• Mr. SIMON. Mr. President, representing Puerto Rico in the House of Representatives is CARLOS ROMERO-BARCELÓ, the former Governor of the Commonwealth of Puerto Rico.

I have worked with him through the years and have come to have great respect for him.

One of his passions is that Puerto Rican citizens not be second-class citizens but have all the rights that the rest of us, as Americans, have.

I share that passion with him.

The blatant inconsistency of the way we treat people in Puerto Rico should be on the consciences of those of us who serve in the House and the Senate.

Recently, Representative ROMERO-BARCELÓ sent a "Dear Colleague" to the Members of the House and enclosed an item of his that was published in the Washington Times about Puerto Rico.

I ask to insert that at the end of these remarks and urge my colleagues in the Senate and the House to listen to his powerful message.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, January 24, 1995.

Re Puerto Rico's colonial dilemma.

DEAR COLLEAGUE: On December 15, 1994, I wrote a column—a copy is provided on the reverse side—published in the Washington Times in which I discussed Puerto Rico's colonial dilemma and the unequal treatment of U.S. citizens in Puerto Rico.

For the past 97 years, Puerto Rico has been and still is a territory, or a colony, of the United States. The Island is home to 3.7 million American citizens who are disenfranchised and deprived of participating in the democratic process of the Nation. This disenfranchisement has been justified by a policy, created and maintained by Congress, which frees residents of Puerto Rico from paying Federal personal and corporate income taxes. Puerto Rico's residents do, however, pay most all other Federal taxes and user fees. In addition, this exemption from Federal income taxes has justified the exclusion of the island's residents in critical Federal programs such as Supplement Security Income [SSI].

Moreover, through section 936 of the Internal Revenue Code, the Federal Government has exempted subsidiaries of multi-national corporations in Puerto Rico from Federal corporate taxes. Section 936 has resulted in a socio-economic policy for Puerto Rico that is exactly opposite of the socio-economic policy of the rest of the Nation. While wealthy corporations in Puerto Rico are given billions of dollars in annual tax credits, the poor, the disabled, the elderly, and children at risk are denied the same safety net and economic opportunities that their fellow citizens receive in the 50 States and the District of Columbia.

Like the District, Puerto Rico has no voting representation in Congress, yet its residents are also denied the right to vote in the Presidential elections. This is significant because the President is our top elected official and the one who makes daily policy decisions that affect all citizens, including those in Puerto Rico.

We preach the virtues of democracy throughout the world. Nevertheless, the United States still maintains the largest colony in the world—Puerto Rico—home to 3.7

million disenfranchised American citizens that are excluded from the democratic process of their Nation.

American citizens in Puerto Rico should not be denied full participation in our great democratic experience. Residents of the island should share in equality with their fellow citizens in the 50 States, not only in the rights and benefits protected by the U.S. Constitution but in the responsibilities and duties as well.

I urge you to read my column which sheds more light on Puerto Rico's colonial dilemma and the unequal and unfair treatment which our people receive as a result of the existing colonial relationship.

Sincerely,

CARLOS ROMERO-BARCELÓ.

[From the Washington Times, Dec. 15, 1994]

THE CASE FOR PUERTO RICO'S VOTING RIGHTS
(By Carlos Romero-Barceló)

Regarding your Dec. 6 editorial "Taxation, representation and the District": As Puerto Rico's only elected representative to Congress, I am, keenly aware of the limitations faced by the five delegates in the House of Representatives.

Since the early 1970s we have been able to vote in the House committees on which we serve. This important authority was secured by the Puerto Rican delegate of the time, Jorge Luis Cordova-Diaz. In 1993, Delegate Eleanor Holmes Norton did indeed actively seek and obtain the right to vote in the Committee of the Whole for herself and the other four delegates. Although this was merely symbolic, we nevertheless welcomed the opportunity for added participation in House proceedings.

With respect to the distinction you make between the District's representative and the other delegates on the basis of federal taxation in our respective districts, I differ with your analysis, at least in the case of Puerto Rico.

First, Puerto Rico, a U.S. territory since 1898, is home to 3.7 million American citizens, who are disenfranchised and deprived of participating in the democratic process of their nation. Federal personal income taxes are not levied on residents of the island, not because we don't want to pay them, but because Congress has maintained this policy since income taxes were first imputed in order to justify our disenfranchisement. Nevertheless, most other federal taxes and user fees are indeed applicable in Puerto Rico (e.g., Social Security taxes, unemployment taxes, Medicare taxes, customs duties, certain excise taxes and even income taxes on income derived outside of Puerto Rico). In fact, the U.S. Treasury collected from Puerto Rico \$2.5 billion during 1993 (source Advanced Draft, IRS Commissioner's Report, 1993).

The congressional policy of not extending federal income taxes to the island has also been used as an excuse for not granting equal treatment in federal programs to U.S. citizens in Puerto Rico. For example, the Supplemental Security Income (SSI) program is not applicable to otherwise eligible U.S. citizens in Puerto Rico. Other critical programs such as Chapter I education funds, Medicaid, Aid to Families with Dependent Children and the Nutritional Assistance program are severely capped. Medicaid is capped at approximately 10 percent of what we would get if we were treated on an equal basis.

Moreover, Congress and successive administrations have put in effect a tax and economic policy that has a "reverse Robin Hood effect." The federal government, for instance, has opted to exempt subsidiaries of U.S. corporations in Puerto Rico from federal corporate taxes through Section 936 of

the Internal Revenue Code. The 936 tax credit has cost U.S. taxpayers \$50 billion in the past two decades. According to the latest estimates from the Joint Committee on Taxation, Section 936 will cost the federal government \$19.7 billion in the next five years. Congress has maintained, through Section 936, a tax policy that results in a socio-economic policy for Puerto Rico that is exactly the opposite of the socioeconomic policy for the nation. While wealthy multinational corporations are given billions of dollars in annual tax credits (corporate welfare), hundreds of thousands of poor families the disabled, the elderly, and children are denied the same safety net and financial and economic support that their fellow citizens receive in the 50 states and the District of Columbia.

The public and the national media have the false impression that citizens in Puerto Rico do not pay any income taxes. Nothing could be further from the truth. People in Puerto Rico have indeed a very high local tax burden. Personal income taxes in Puerto Rico are generally higher than anywhere else in the United States, including jurisdictions where people pay local/state and federal income taxes.

Thus, it is the middle class, the working poor, the indigent, the elderly and the children who suffer the detrimental consequences of a federal taxation policy that makes no sense in Puerto Rico, we do not set the rules; Congress does I must reiterate that, just as in the case of the District, Congress has absolute power over the affairs of Puerto Rico. And just like the District, we have our version of "home rule," inappropriately referred to as "commonwealth." Make no mistake about it, Puerto Rico was and continues to be, de facto and de jure, a territory or colony of the United States.

Second, although residents of the District, like their counterparts in Puerto Rico, have no voting representation in Congress, at least they are able to vote in presidential elections. This is significant because the president is our top elected official and the one who makes the daily policy decisions that affect all citizens, including the ones in Puerto Rico. All U.S. citizens, including those abroad, are able to vote for the president, except those who make Puerto Rico and the other territories their home. People in Puerto Rico have no input in the election of the nation's commander in chief, notwithstanding the fact that they are subject to all federal laws and policies.

Thousands of U.S. citizens in Puerto Rico have paid the ultimate price and have died defending our shared democratic values. In our armed forces, more Puerto Ricans have died in armed conflicts during this century than citizens of any other state (on a per capita basis).

As mayor and governor, I have denounced federal tax policy toward Puerto Rico that benefits most those who are wealthy and penalizes the poor, the elderly, the children and the working class. I urge federal policymakers to take steps to extend full and equal economic benefits and responsibilities to Puerto Rico. Puerto Ricans and all U.S. taxpayers will benefit from uniform and sensible application of our fiscal laws and our socioeconomic policies.

Finally, I have always maintained that we want to share in equality with our fellow citizens in the 50 states, not only in the rights and benefits but in the responsibilities and duties as well. At least in the District of Columbia citizens are partially enfranchised with political power. Not so the 3.7 million U.S. citizens of Puerto Rico. Political power is the ultimate form of liberation.

It is ironic indeed that the virtues of democracy are being highlighted during the