law, the report on the evaluation of utility early replacement programs; to the Committee on Energy and Natural Resources.

EC–774. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the Integrated Resource Planning; to the Committee on Energy and Natural Resources.

EC–775. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report relative to the refunds of offshore lease revenues where a recoupment or refund is appropriate; to the Committee on Energy and Natural Resources.

EC–776. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report relative to the refunds of offshore lease revenues where a recoupment or refund is appropriate; to the Committee on Energy and Natural Resources.

EC–777. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report relative to the refunds of offshore lease revenues where a recoupment or refund is appropriate; to the Committee on Energy and Natural Resources.

EC–778. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report relative to the refunds of offshore lease revenues where a recoupment or refund is appropriate; to the Committee on Energy and Natural Resources.

EC–779. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report relative to the refunds of offshore lease revenues where a recoupment or refund is appropriate; to the Committee on Energy and Natural Resources.

EC–780. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report relative to the refunds of offshore lease revenues where a recoupment or refund is appropriate; to the Committee on Energy and Natural Resources.

EC–781. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the report of a construction prospectus; to the Committee on Environment and Public Works.

EC–782. A communication from the Administrator of the Environmental Protection Agency, transmitting drafts of proposed legislation entitled "The U.S.-Mexico Border Water Pollution Control Act" and "The U.S. Colonias Water Pollution Control Act"; to the Committee on Environment and Public Works.

EC–783. A communication from the Acting Secretary of Agriculture, transmitting, pursuant to law, the report under the Comprehensive Environmental Response Compensation and Liability Act for calendar year 1994; to the Committee on Environment and Public Works.

EC–784. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of the shipping study; to the Committee on Environment and Public Works.

EC–785. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of the surface transportation research and development plan; to the Committee on Environment and Public Works.

EC–786. A communication from the Deputy Under Secretary of Defense (Environmental Security), transmitting, pursuant to law, the report on the Defense Environmental Restoration Program; to the Committee on Environment and Public Works.

EC–787. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report on storm water discharges; to the Committee on Environment and Public Works.

EC–788. A communication from the Acting Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, the report on the Salem River Deep Draft Navigation Project; to the Committee on Environment and Public Works.

EC–789. A communication from the Senior Vice President (Communications), Tennessee Valley Authority, transmitting, pursuant to law, the report on the statistical summaries for fiscal year 1994; to the Committee on Environment and Public Works.

EC–790. A communication from the Chairman of the Physician Payment Review Commission, transmitting, pursuant to law, the annual report for calendar year 1995; to the Committee on Finance.

EC–791. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the report of the Treasury Bulletin for March 1995; to the Committee on Finance.

EC–792. A communication from the Chairman of the U.S. International Trade Commission, transmitting, pursuant to law, the report on trade between the United States and China, the successor States to the Former Soviet Union and other Title IV countries during calendar year 1994; to the Committee on Finance.

EC–793. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the Medicaid Drug Rebate Program; to the Committee on Finance.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HELMS, from the Committee on Foreign Relations:

Lawrence Harrington, of Tennessee, to be United States Alternate Executive Director of the Inter-American Development Bank.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HELMS, from the Committee on Foreign Relations:

Treaty Doc. 104–3 Extradition Treaty with Jordan (Exec. Rept. No. 104–2).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DASCHLE:

S. 742. A bill to amend the Wild and Scenic Rivers Act to limit acquisition of land on the 39-mile segment of the Missouri River, Nebraska and South Dakota, designated as a recreational river, to acquisition from willing sellers, and for other purposes; to the Committee on Energy and Natural Resources.

By Mrs. HUTCHISON:

S. 743. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes; to the Committee on Finance.

By Mr. CRAIG:

S. 744. A bill to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compactors that meet appropriate American National Standards Institute design safety standards; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE:

S. 742. A bill to amend the Wild and Scenic Rivers Act to limit acquisition of land on the 39-mile segment of the Missouri River, Nebraska and South Dakota, designated as a recreational river, to acquisition from willing sellers, and for other purposes; to the Committee on Energy and Natural Resources.

THE WILD AND SCENIC RIVERS ACT AMENDMENT ACT OF 1995

Mr. DASCHLE. Mr. President, in 1991 Congress designated a 39-mile stretch of the Missouri River from Fort Randall to Lewis and Clark Lake as a national recreational river. The purpose of the recreational river designation is to protect the river and its environment, protect landowner rights, and provide for visitor use.

Recreational river designations preserve an important part of our Nation's natural heritage. This section, along with other segments of the Missouri River, provides critical native wildlife habitat, buffers against floods, and scenic waterways for recreation including fishing and hunting. For these reasons, South Dakotans feel strongly about the care and management of the river.

The National Park Service is currently evaluating alternative plans for managing this segment of the Missouri River. The selected plan will set goals and mechanisms for the care and public use of the river.

Numerous South Dakotans have commented officially on management alternatives proposed by the National Park Service. Some favor plans that emphasize the protection of wildlife habitat and provision of a primitive river experience. Others advocate a recreational emphasis with attention drawn to cultural and historical aspects of the river. Most agree on a balanced approach to river management.

However, many people who own land adjacent to the river have expressed concerns about the effectiveness of river protection efforts. They worry that recreational facilities developed on either side of the river will threaten the fragile river ecosystem. They are afraid that the Federal Government will take away portions of their land but will not do an adequate job of river protection.

I have always believed that ranchers and farmers are the original environmentalists. They make their living off the land and, therefore, know how the Earth and its rivers work. For farmers and ranchers, a healthy Earth makes for a healthy living.

The National Park Service has stated that, at this juncture, it does not believe that land condemnation will be necessary to accomplish the designation. While I appreciate the sensitivity of the Park Service to this issue, concerns persist among landowners over the potential for land condemnation when the final plan is announced. These fears, which have created a climate of mistrust, threaten to impede the designation process. For this process to move forward in a constructive and productive way, I believe it is important to clarify this issue and ensure that land condemnation is no longer an option in this process.

Therefore, today I am introducing a bill to amend the Wild and Scenic Rivers Act. The bill will limit acquisition of land on the 39-mile segment of the Missouri River designated as a recreational river to acquisition from willing sellers.

The bill seeks to ensure that the people who live with the river, who best know its seasonal ebbs and flows, will retain control of the management decisions that will affect them and the river. The bill guarantees that landowners with river property will not have their land condemned by the National Park Service for the purpose of this designation.

South Dakotans living along this stretch of the Missouri River are entitled to be the stewards of their own land. They are eager to protect this stretch of the river and to maintain its natural beauty.

In this time when States are clamoring for greater control over their natural environment and the laws that guide its use, it is my hope that Congress will provide the degree of control that Americans are asking for along this 39-mile stretch of river. Local landowners must take responsibility for the health and well-being of their natural environment. This bill, which applies only to the 39-mile stretch of the Missouri River from Fort Randall to Lewis and Clark Lake, will provide that opportunity in this case.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. LIMITATION OF ACQUISITION OF LAND ON PORTION OF THE MISSOURI RIVER DESIGNATED AS A RECREATIONAL RIVER.

Section 3(a)(22) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)(22)) is amended in the ninth sentence by striking ''owner:'' and all that follows through the end of the sentence and inserting ''owner.''

By Mrs. HUTCHISON:

S. 743. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes; to the Committee on Finance.

COMMERCIAL REVITALIZATION TAX CREDIT ACT

Mrs. HUTCHISON. Mr. President, the bill that I am introducing today is the Commercial Revitalization Tax Credit Act of 1995 [CRTC]. This legislation will encourage business investment in economically distressed areas. It will create jobs; expand economic activity; improve the physical appearance and increase property values in these areas. My bill would provide a targeted, limited tax credit to businesses to help defray their costs of construction, expansion, and renovation. Currently, such an incentive is lacking. This credit would fill a gap in the range of tools that States and localities need to make declining neighborhoods good places to do business, to work, and to reside. Martha Murphree, executive director of the Houston chapter of the American Institute of Architects said it very well: This legislation would ''give small businesses leverage to expand and/or improve their facilities, thus adding value to their establishments and allowing them to hire more employees.''

In fact, the American Institute of Architects is one of the prime reasons that this bill came to my attention and I applaud them for taking this initiative.

Mr. President, this tax credit will help businesses form a partnership with the Government to help revitalize areas of our country that have, in some cases, long suffered from neglect.

I firmly believe that we must reduce the size and scope of the Federal Government. I also firmly believe that there are compassionate ways to aid our cities without adding more Federal Government bureaucracy. Expanding tax incentives to enable the private sector to create real jobs in the economically depressed areas of our country is an excellent way to combat poverty, crime, despair, and the physical deterioration of our cities. This legislation encourages empowerment at the local level. It builds on the empowerment zone/enterprise community program that is now unfolding in 109 communities across the Nation. My own State of Texas has five of these specially designated areas in these cities: Houston, Dallas, El Paso, San Antonio, and Waco. The legislation could also benefit additional communities which have had previously approved and designated economic revitalization areas and which now receive Federal funds under the Community Development Block Grant Program.

I have always been a supporter of the pro-growth ideas that are at the foundation of the enterprise zone concept. But what was enacted in 1993 did not include the broad based incentives for capital formation that former Secretary of Housing and Urban Development Jack Kemp had envisioned. These specially designated zones primarily encourage wage-based tax credits to employers who hire an individual to work for a business within the zone. But there is no existing incentive for a business within the zone to expand so that larger numbers of people could be hired. Increasing and upgrading buildings and infrastructure is a necessary part of improving our cities and combating cycles of poverty and crime. This is the part of the equation that has been missing.

This is not intended to be a panacea. I do not anticipate that the tax credits will be the primary reason for going forward with such an expansion. However, I do think it can be an important, positive factor that would give the business man or woman the push needed to go forward with construction, renovation, or expansion. The credit will mitigate the inherent risk in business decisions to locate in areas experiencing a variety of social and economic troubles. The credit will provide an incentive to invest in these areas, and the result will be new sources of tax revenues and new jobs.

We have seen how other targeted tax incentives can achieve such goals. Two excellent examples are the historic rehabilitation tax credit and the low-income housing tax credit. The historic rehabilitation tax credit provides a 20-percent credit to the owners of properties listed on the National Register of Historic Places to restore their properties for commercial purposes. According to the National Park Service, the credit has definitely created jobs. In fiscal year 1994, the credit produced almost 21,000 jobs, among 524 projects, and leveraged $483 million in private investment at a Federal cost of $97 million. Over the previous 4 fiscal years, $509 million in tax credits leveraged $2.5 billion in private investment. In the 17 years since Congress enacted the credit, it has generated almost $17 billion in private investment, in more than 25,000 projects. Moreover, this credit has preserved thousands of this Nation's most precious architectural treasures. It has also sparked tourism which in turn has generated millions of tax dollars.

The low-income housing tax credit is the residential housing construction and rehabilitation partner to the CRTC. It provides a tax credit of up to 9 percent per year for up to 10 years against the cost of developing or renovating housing affordable to low- and moderate-income people. Since its creation in 1986, it has financed 700,000 new and rehabilitated housing units. At an annual credit amounting to about $320 million, the low-income housing tax credit attracts about $975 million in private investment a year. According to the U.S. Department of Housing and Urban Development, for every 100,000 new housing starts, 170,000 jobs are created. Of these jobs, 40 percent are on-site and another 20 percent are in trade, transportation, and services that come primarily from local markets. The National Association of Homebuilders reported that, for fiscal year 1992, the 92,000 units built or rehabilitated spun off more that $1.6 billion in wages and taxes.

Clearly, Congress has found that targeted tax credits can serve a valuable public purpose. My proposal will do the same for economically depressed communities struggling to attract new business investment, just as the historic rehabilitation tax credit has done for historic properties and the low-income housing tax credit has done for affordable housing. According to the National Association for Counties' report on business development incentives, it is important to ensure that tax incentives are crafted to encourage new activity which might not otherwise occur. Also, the credit must be carefully targeted and used judiciously. There must be safeguards to ensure accountability. The tax credit must fit within a State or locality's overall economic development policy. It must also be designed to stimulate the local economy, and to promote job growth in economically depressed areas. My proposal meets all of those standards.

This tax credit will be a cost-efficient instrument of Federal policy. It will require a minimum of Federal bureaucracy. Most of the work will be done by the State, which will allocate the tax credits, and monitor projects to make sure that the proposed benefits are realized. It will engage the private sector in addressing the economic development needs of low-income communities. The Government cannot and should not do the job alone. Private sector involvement helps ensure success. Because their own funds will be at risk, private investors will rigorously assess the feasibility of ventures before undertaking them. This is not a charity or a Government give away program. The credit will attract additional private lending. Lenders want to see the kind of private equity investment generated by the CRTC before they will consider a loan, particularly in an economically distressed community. The CRTC is flexible. It will work for a wide range of retail, industrial, health care, and other facilities which are crucial to making their communities good places to live and to do business. The CRTC is based on the principal of paying for performance. Tax credits can be claimed only after the investment is made; the project completed; the assets remain in use; and income is generated. That ensures that the taxpayers will get what they are paying for.

The tax credit I propose has the following major features:

The credit may be applied to construction, amounting to at least 25-percent of the basis of the property, which takes place in specially designated revitalization areas, including enterprise communities, empowerment zones, and other areas specially designated according to Federal, State, or local law.

Qualified taxpayers could choose a one time 20-percent tax credit against the cost of new construction or rehabilitation. For instance, if the expansion of a supermarket in the El Paso enterprise community cost $150,000, the tax credit against income would be $30,000. Alternatively, the business owner could take a 5-percent credit each year over a 10-year period.

Annually, the credit would be allocated to each of the States, according to a formula that takes into account the number of localities where over half the people earn less than 60 percent of the area's median income.

Localities would determine their priority projects and forward them to the State for allocation of credits according to an evaluation system which the States establish.

The CRTC would provide $1.5 billion in tax credits over 5 years, in amounts as follows: $100 million in fiscal year 1996, $200 million for fiscal year 1997, and $400 million each year from fiscal years 1998 to 2000.

Mr. President, the legislation I offer today is designed to attract over $7 billion of private sector investment to the most troubled neighborhoods and communities of this Nation. It will create jobs, generate tax revenue, and improve the physical appearance of these specially designated revitalization areas. With a minimum of bureaucracy and through a proven tax mechanism, my initiative will make a difference to the people and the economies of hundreds of communities and thousands of neighborhoods across this country.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 743

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Commercial Revitalization Tax Act of 1995''.

SEC. 2. COMMERCIAL REVITALIZATION TAX CREDIT.

(a) ALLOWANCE OF CREDIT.—Section 46 of the Internal Revenue Code of 1986 (relating to investment credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following new paragraph:

''(4) the commercial revitalization credit.''

(b) COMMERCIAL REVITALIZATION CREDIT.—Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to rules for computing investment credit) is amended by inserting after section 48 the following new section:

''SEC. 48A. COMMERCIAL REVITALIZATION CREDIT.

''(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable percentage' means—

''(A) 20 percent, or

''(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

''(2) CREDIT PERIOD.—

''(A) IN GENERAL.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

''(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

''(c) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

''(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

''(A) such building is located in an eligible commercial revitalization area,

''(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

''(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

''(2) QUALIFIED REHABILITATION EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified rehabilitation expenditure' means any amount properly chargeable to capital account—

''(i) for property for which depreciation is allowable under section 168 and which is—

''(I) nonresidential real property, or

''(II) an addition or improvement to property described in subclause (I),

''(ii) in connection with the construction or substantial rehabilitation or reconstruction of a qualified revitalization building, and

''(iii) for the acquisition of land in connection with the qualified revitalization building.

''(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed $10,000,000, reduced by any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

''(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

''(i) STRAIGHT LINE DEPRECIATION MUST BE USED.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

''(ii) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

''(iii) OTHER CREDITS.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this part unless the taxpayer elects to take the expenditure into account only for purposes of this section.

''(3) ELIGIBLE COMMERCIAL REVITALIZATION AREA.—The term 'eligible commercial revitalization area' means—

''(A) an empowerment zone or enterprise community designated under subchapter U,

''(B) any area established pursuant to any consolidated planning process for the use of Federal housing and community development funds, and

''(C) any other specially designated commercial revitalization district established by any State or local government, which is a low-income census tract or low-income nonmetropolitan area (as defined in subsection (e)(2)(C)) and is not primarily a nonresidential central business district.

''(4) SUBSTANTIAL REHABILITATION OR RECONSTRUCTION.—For purposes of this subsection, a rehabilitation or reconstruction shall be treated as a substantial rehabilitation or reconstruction only if the qualified revitalization expenditures in connection with the rehabilitation or reconstruction exceed 25 percent of the fair market value of the building (and its structural components) immediately before the rehabilitation or reconstruction.

''(d) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—

''(1) IN GENERAL.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified rehabilitated building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation or reconstruction of a building shall be treated as a separate building.

''(2) PROGRESS EXPENDITURE PAYMENTS.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

''(e) LIMITATION ON AGGREGATE CREDITS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

''(1) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

''(2) COMMERCIAL REVITALIZATION CREDIT AMOUNT FOR AGENCIES.—

''(A) IN GENERAL.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the portion of the State commercial revitalization credit ceiling allocated under this paragraph for such calendar year for such agency.

''(B) STATE COMMERCIAL REVITALIZATION CREDIT CEILING.—

''(i) IN GENERAL.—The State commercial revitalization credit ceiling applicable to any State for any calendar year is an amount which bears the same ratio to the national ceiling for the calendar year as the population of low-income census tracts and low-income nonmetropolitan areas within the State bears to the population of such tracts and areas within all States.

''(ii) NATIONAL CEILING.—For purposes of clause (i), the national ceiling is $100,000,000 for 1996, $200,000,000 for 1997, and $400,000,000 for calendar years after 1997.

''(iii) OTHER SPECIAL RULES.—Rules similar to the rules of subparagraphs (D), (E), (F), and (G) of section 42(h)(3) shall apply for purposes of this subsection.

''(C) LOW-INCOME AREAS.—For purposes of subparagraph (B), the terms 'low-income census tract' and 'low-income nonmetropolitan area' mean a tract or area in which, according to the most recent census data available, at least 50 percent of residents earned no more than 60 percent of the median household income for the applicable Metropolitan Standard Area, Consolidated Metropolitan Standard Area, or all nonmetropolitan areas in the State.

''(D) COMMERCIAL REVITALIZATION CREDIT AGENCY.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

''(E) STATE.—For purposes of this section, the term 'State' includes a possession of the United States.

''(f) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION CREDIT AGENCIES.—

''(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization credit dollar amount with respect to any building shall be zero unless—

''(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved by the governmental unit (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) of which such agency is a part, and

''(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such project and provides such individual a reasonable opportunity to comment on the project.

''(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

''(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

''(B) which considers—

''(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for an eligible commercial revitalization area through a citizen participation process,

''(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

''(iii) the active involvement of residents and nonprofit groups within the eligible commercial revitalization area, and

''(C) which provides a procedure that the agency (or its agent) will follow in monitoring for compliance with this section.

''(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2000.''

(b) CONFORMING AMENDMENTS.—

(1) Section 39(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(7) NO CARRYBACK OF SECTION 48A CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 48A may be carried back to a taxable year ending before the date of the enactment of section 48A.''

(2) Subparagraph (B) of section 48(a)(2) of such Code is amended by inserting ''or commercial revitalization'' after ''rehabilitation'' each place it appears in the text and heading thereof.

(3) Subparagraph (C) of section 49(a)(1) of such Code is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) the basis of any qualified revitalization building attributable to qualified revitalization expenditures.''

(4) Paragraph (2) of section 50(a) of such Code is amended by inserting ''or 48A(d)(2)'' after ''section 47(d)'' each place it appears.

(5) Subparagraph (B) of section 50(a)(2) of such Code is amended by adding at the end the following new sentence: ''A similar rule shall apply for purposes of section 48A.''

(6) Paragraph (2) of section 50(b) of such Code is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) a qualified revitalization building to the extent of the portion of the basis which is attributable to qualified revitalization expenditures.''

(7) Subparagraph (C) of section 50(b)(4) of such Code is amended by inserting ''or commercial revitalization'' after ''rehabilitated'' each place it appears in the text or heading thereof.

(8) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting ''or section 48A'' after ''section 42'', and

(B) by striking ''CREDIT'' in the heading and inserting ''AND COMMERCIAL REVITALIZATION CREDITS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1995.

By Mr. CRAIG.

S. 744. A bill to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compactors that meet appropriate American National Standards Institute design safety standards; to the Committee on Labor and Human Resources.

THE BALERS AND COMPACTORS SAFETY STANDARDS MODERNIZATION ACT

Mr. CRAIG. Mr. President, I introduce the Balers and Compactors Safety Standards Modernization Act.

This bill would make long-overdue revisions to safety standards set by the Department of Labor's Hazardous Occupation Order Number 12 (HO 12).

HO 12 is a regulation issued by DOL in 1954 to protect employees who are under 18 years of age. In brief, it specifically prohibits minors from operating more than a dozen different types of equipment in the workplace. I certainly agree with the underlying purpose of HO 12, which is that younger workers should not be allowed to operate certain types of machinery when doing so would place them in harm's way.

Specifically, this Safety Standards Modernization Act would address problems caused by DOL's interpretation and enforcement of HO 12, with respect to cardboard balers and compactors that commonly are used in supermarkets, grocery stores, and other retail establishments, for preparing and bundling cardboard and paper materials for recycling purposes.

DOL's current interpretation of HO 12 goes so far as to prohibit minors from placing, tossing, or loading cardboard or paper materials into a baler or compactor. Such activities take place during a loading phase that is prior to, and separate from, the actual operation of the machine. While such a loading-phase prohibition may have made sense back in 1954, when HO 12 was originally issued, such is not the case today.

Technology has brought about significant safety advancements to balers and compactors. Much like a household microwave oven or trash compactor, the newest generation of balers now in use in grocery stores and other locations cannot be engaged and operated during the loading phase.

This important design feature is a result of safety standards issued by the American National Standards Institute [ANSI]. An employee is not at risk when placing cardboard materials into a baler that is in compliance with ANSI standards Z.245.5 1990, or putting paper materials into a compactor that is in compliance with ANSI standards Z245.2 1992.

Nonetheless, DOL treats all balers and compactors the same, and considers the placement of materials into these machines, if performed by a minor, to be a clear-cut violation of HO 12. Each violation can result in a fine of $10,000 against an employer.

If DOL could produce injury data showing that workers are at risk when loading materials into a machine that meets current ANSI standards, I might agree that the current interpretation and enforcement of HO 12 is warranted. However, DOL has acknowledged that it has no injury data for balers that meet the ANSI standard.

Despite the complete lack of evidence that workers are at risk in these situations, DOL has cited numerous supermarkets throughout the United States and has assessed several million dollars in fines against grocery owners in recent years.

It is difficult to understand the logic behind this kind of enforcement when, in fact, a review of 8,000 compensation cases involving injuries over the past 7 years by the Waste Equipment Technology Association failed to find a single injury attributable to a baler that meets current ANSI safety standards.

The present, rigid interpretation of HO 12 is bad regulatory policy and should not continue. It benefits no one, especially workers. Worker protection is not enhanced by issuing large fines against employers that use balers meeting current safety standards.

Such a policy also is clearly inconsistent with the goal of creating employment opportunities for young people. Because so many grocers have been fined by DOL for loading violations, the industry has become less inclined to hire younger workers.

Originally, DOL applied this interpretation of HO 12 to cardboard balers. As burdensome and objectionable as this policy has been, concerning cardboard balers, DOL more recently went a step farther and now is applying the same interpretation to compactors, a similar piece of equipment that retail establishments use to recycle paper materials.

Without the benefit of formal rulemaking and the opportunity for interested parties to file comments, DOL extended the jurisdiction of HO 12 to compactors at the beginning of 1994, and employers found themselves subjected to fines when it was documented that a minor had placed materials into a compactor.

This is one more example of the "speed trap" mentality of Federal agencies, and the Department of Labor, in particular. Balers and compactors are both governed by ANSI safety standards and cannot be engaged or operated during the loading phase. This means, to re-emphasize, that employees loading machines meeting ANSI standards are not at risk.

Clearly, DOL's position on HO 12, as it relates to cardboard balers and compactors, is not in step with the technology being used in the workplace. In view of the fact that this equipment can not be operated during the loading phase, there is no compelling reason to continue treating the placement of materials by minors a violation of HO 12.

The old joke goes that, when something is difficult to accomplish, you compare it to passing an Act of Congress. If there is one process more intractable, it must be modernizing Federal agency regulations.

HO 12 needs to be revised so that the placement of paper or cardboard materials into a baler or compactor that meets its respective ANSI safety standards by an employee under age 18 is no longer a violation of the regulation. The loading phase should be completely distinguished from the operating phase of the machine.

While DOL has solicited comments on its child labor regulations, in general, Congress does not need to, and should not, wait any longer for this one, simple revision to HO 12. Throughout at least two administrations, DOL has promised to reconsider the rule. Their latest offering is the goal of issuing a new, final regulation by February 1996, even through we have yet to see a proposed revision to the rule.

We don't need months of agency hearings and reams of paper. I've seen these grocery store balers operate. What's needed is a simple, commonsense change, and the bill I'm introducing today would make that change in a simple, straightforward way.

The many young people who will not have summer jobs this year under DOL's status quo interpretation of HO 12 should not have to wait another year or more for the glacier-like process of regulatory change to catch up with technology.

By promptly acting on the bill I'm introducing today, we can open up thousands of youth summer job opportunities without relying on government programs and grants.

The jobs are there. The young people are there. All we need to do is remove one, unnecessary, regulatory wall between them.

This bill would provide a narrow amendment to the Fair Labor Standards Act that would overrule DOL's interpretation of HO 12 in the limited and appropriate way I've described. My bill would not change the critically important safety focus of the regulation. In fact, I agree that DOL should remain vigilant and enforce the regulation in case when the safety of young workers is compromised by use of equipment that does not meet current ANSI safety standards.

The bill would provide only that young workers would be allowed to operate balers and compactors that meet the current industry standards that ensure complete safety in their operation.

Mr. President, I ask unanimous consent to print the text of my bill in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 744

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Compactors and Balers Safety Standard Modernization".

SEC. 2. AUTHORITY FOR MINORS TO LOAD MATERIALS INTO BALERS AND COMPACTORS.

In the administration of the child labor provisions of the Fair Labor Standards Act of 1938, minors under 18 years of age shall be permitted to—

(1) load materials into baling equipment that is in compliance with the American National Standards Institute safety standard ANSI Z245.5 1990, and

(2) load materials into a compacter that is in compliance with the American National Standards Institute safety standard ANSI Z245.2 1992.

ADDITIONAL COSPONSORS

S. 191

At the request of Mrs. HUTCHISON, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 191, a bill to amend the Endangered Species Act of 1973 to ensure that constitutionally protected private property rights are not infringed until adequate protection is afforded by reauthorization of the act, to protect against economic losses from critical habitat designation, and for other purposes.

S. 227

At the request of Mrs. FEINSTEIN, the name of the Senator from Montana