

## SMALL BUSINESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 31, 1996*

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 24, 1996 into the CONGRESSIONAL RECORD:

## SMALL BUSINESS: CREATING OPPORTUNITY

Small businesses are the backbone of the American economy. They generate a majority of our new jobs and provide many important technological innovations. They also play a vital role in satisfying the country's need for opportunity and choice. For years, small businesses have repeatedly led this country out of troubled economic times and into prosperity.

There are over 5.8 million small businesses in the U.S. today, employing more than 92 million private sector workers. Small businesses account for 50% of the nation's sales, 50% of private sector output, 53% of U.S. employment, and 99.7% of all employers. There are over 129,000 small businesses in Indiana, employing over 2.1 million people. By any measure, small businesses are a key source of growth and dynamism in our economy.

## WHITE HOUSE CONFERENCE

The small business community, however, does face numerous challenges in the national and global marketplaces. Last summer a bipartisan delegation of over 2,000 small business men and women, including representatives from southern Indiana, met in Washington to identify the key concerns of America's entrepreneurs and develop specific recommendations for maintaining and encouraging the economic viability of small business.

The White House Conference on Small Business made 60 recommendations, focusing on three critical areas: improving access to capital; easing regulatory burdens; and making investments in our workforce. Congress and the President took some steps over the last year to address these concerns, but more work needs to be done.

## CAPITAL FORMATION

Access to capital is a critical problem for many small businesses. More than two-thirds of all new firms begin with less than \$10,000 in total capital, much of it provided by the owner, family members or friends. Once established, a small firm must face interest rates on bank loans two or three percentage points above the prime rate. The White House Conference made several recommendations to improve access to the capital needed to finance the survival and growth of small businesses, and Congress has acted on some of those proposals.

Congress, with my support, approved the Small Business Lending Enhancement Act which will allow SBA to increase total loan volume at a lower cost to the taxpayers, and SBA has acted independently to simplify the application process for small businesses. Furthermore, federal bank regulators have reduced regulation and paperwork burdens for small national banks, and securities regulators have eased registration and filing burdens for small business.

Small business is also keenly interested in tax relief, particularly relating to capital gains and estate taxes. I agree that the federal government should encourage investment, and have been supportive of carefully designed efforts to increase savings and investment. I would expect to support such changes again in the context of comprehensive, fiscally responsible tax reform.

## REGULATORY RELIEF

Federal, state and local governments impose too many requirements on the operation of businesses. The burdens often include substantial paperwork and record-keeping requirements. The White House Conference made several recommendations for easing or eliminating federal regulations, some of which have been acted upon and others of which are under consideration in Congress.

Congress, with my support, approved a measure to minimize the paperwork burden for regulatory compliance. I have also supported bills, approved by the House and pending in the Senate, to impose a temporary moratorium on regulations; require federal agencies to conduct risk assessment and cost-benefit analysis of federal regulations; permit small businesses to challenge proposed federal rules in court; require compensation for property owners adversely affected by regulations; reform product liability laws; and change federal procurement laws to increase government use of commercial items.

We need a commonsense regulatory system that works for small businesses, not against them. The system should protect health, safety and the environment without imposing unacceptable or unreasonable costs on small business. Regulations should recognize that the private sector is the best engine for economic growth, respect the role of state and local governments, and be effective, sensible and understandable.

## WORKFORCE INVESTMENT

As business technology has become more complex and the world economy more competitive, the strength of the American economy depends on the skills and training of our workforce. Small business owners often tell me of the need to improve the quality of education and access to skill training. The White House Conference echoed these views.

The task of preparing our workers falls on many of us: parents, educators, businesses, and the public sector. The federal government has a secondary, though, important role. Congress, with my support, is currently reforming federal job training efforts—streamlining various programs and giving more flexibility to the states. I do not support, however, the deep cuts in job training and school-to-work programs favored by Speaker Gingrich.

The White House Conference also focused attention on the rising cost of providing workplace benefits, urging various pension and health care reforms to ease these pressures. Congress, with my support, approved a measure to reinstate the 25% health insurance premium deduction for the self-employed and raise the deduction level to 30% in tax year 1996. I favor a 100% deduction. Congress is also debating proposals to encourage greater retirement savings.

## CONCLUSION

We Americans should try to help small businesses compete by increasing their productivity—by increasing the quality and quantity of capital their workers use, by improving their employee skills through training, and by enhancing their management skills. Ensuring that financing is available and affordable will be critical to allowing small business to achieve these goals. Their competitiveness will also be improved by easing regulations. Small firms must also continue to do what they do best—experiment with new products and process innovations—if they are to hold their important position at the leading edge of the American economy.

ELLA LEE COLLINS TURNS 100  
FEBRUARY 20

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 31, 1996*

Mr. WALSH. Mr. Speaker, I ask my colleagues to join me today in wishing a special happy birthday to Ella Lee Collins of Syracuse, NY, who turns 100 on February 20.

On behalf of her 3 children, 19 grandchildren, and 26 great-grandchildren, all of whom turn to her for advice and guidance as she remains an active matriarch and all of whom have never been neglected a birthday wish from her—I wish her a happy, happy centennial celebration.

On my own behalf I want to thank her for 30 years of service as an active member of the Board of Elections in Baldwinsville, NY. Fulfilling civic responsibility in this way, she has gained many admirers through her career.

Having spent her life in service to family and community, Ella Lee Collins now lives in the Bishop Ludden Apartments and spends her private time on some favorite TV watching: The Guiding Light soap opera and New York Yankees games.

May God grant us all the longevity and vitality of Mrs. Collins.

BILL TO AUTHORIZE THE ARMY  
CORPS OF ENGINEERS TO MAKE  
CAPITAL IMPROVEMENTS TO  
WASHINGTON AQUEDUCT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 31, 1996*

Ms. NORTON. Mr. Speaker, since 1859, the Washington Aqueduct has provided Washington, DC, and the metropolitan region with safe drinking water. Each and every day, 24 hours each day, the Aqueduct collects, treats, and transports water to the District, Arlington County, Falls Church, the Pentagon, National Airport, and Arlington Cemetery. The Army Corps of Engineers owns and operates the Aqueduct on behalf of the Department of the Army and in fiscal year 1994 alone, delivered 67 billion gallons of water to Aqueduct customers—60 percent of that amount to the District of Columbia.

In his February 1, 1996 report, The Washington Aqueduct: Financing and Ownership Study, Secretary of the Army Togo West reports that throughout its history, the Aqueduct has been continually upgraded and improved to meet changing regulations and new technology. The Secretary, however, admits that Aqueduct facilities currently are "in need of modernization to meet future drinking water and water quality." Evolving Safe Water Drinking Act standards in fact require upgrading Aqueduct facilities.

Last November, Virginia Senator JOHN WARNER, chair of the Senate Subcommittee on Transportation and Infrastructure, included a provision in both the Water Resources Development Act (S. 640) and the Safe Drinking Water Act (S. 1316) which authorizes the Army Corps of Engineers to borrow the funds from the Treasury necessary for improving the

Washington Aqueduct. This loan would have to be repaid by the Aqueduct's customers and, as such, the Congressional Budget Office scores it as no cost to the Federal government. The measure I introduce today is identical to Senator WARNER's legislation.

This bill will provide a financial mechanism for the repairs so that the hundreds of millions of dollars for the work do not result in exorbitant hikes in water rates. Under current rules, any needed capital improvements at the Aqueduct must be paid for in advance by District consumers and consumers in Arlington County and the city of Falls Church.

In response to more stringent water quality requirements being implemented nationally by the EPA, substantial costly improvements of \$200-\$500 million will be necessary at the Aqueduct over the next 10-15 years. Affordable water rates can be maintained only if payments are spread out over an extended period of time. This bill will ensure the long term future of the Aqueduct at reasonable consumer rates.

I urge my colleagues to support this important measure granting the Corps of Engineers the authority to provide vital improvements to the Aqueduct and ensuring safe drinking water for all of those served by this facility.

H.R. —

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

**SECTION 1. CAPITAL IMPROVEMENTS FOR THE WASHINGTON AQUEDUCT.**

(a) AUTHORIZATIONS.—

(1) AUTHORIZATION OF MODERNIZATION.—Subject to approval in, and in such amounts as may be provided in appropriations Acts, the Chief of Engineers of the Army Corps of Engineers is authorized to modernize the Washington Aqueduct.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Army Corps of Engineers borrowing authority in amounts sufficient to cover the full costs of modernizing the Washington Aqueduct. The borrowing authority shall be provided by the Secretary of the Treasury, under such terms and conditions as are established by the Secretary of the Treasury, after a series of contracts with each public water supply customer has been entered into under subsection (b).

(b) CONTRACTS WITH PUBLIC WATER SUPPLY CUSTOMERS.—

(1) CONTRACTS TO REPAY CORPS DEBT.—To the extent provided in appropriations Acts, and in accordance with paragraphs (2) and (3), the Chief of Engineers of the Army Corps of Engineers is authorized to enter into a series of contracts with each public water supply customer under which the customer commits to repay a pro-rata share of the principal and interest owed by the Army Corps of Engineers to the Secretary of the Treasury under subsection (a). Under each of the contracts, the customer that enters into the contract shall commit to pay any additional amount necessary to fully offset the risk of default on the contract.

(2) OFFSETTING OF RISK OF DEFAULT.—Each contract under paragraph (1) shall include such additional terms and conditions as the Secretary of the Treasury may require so that the value to the Government of the contracts is estimated to be equal to the obligational authority used by the Army Corps of Engineers for modernizing the Washington Aqueduct at the time that each series of contracts is entered into.

(3) OTHER CONDITIONS.—Each contract entered into under paragraph (1) shall—

(A) provide that the public water supply customer pledges future income from fees assessed to operate and maintain the Washington Aqueduct;

(B) provide the United States priority over all other creditors; and

(C) include other conditions that the Secretary of the Treasury determines to be appropriate.

(c) BORROWING AUTHORITY.—Subject to an appropriation under subsection (a)(2) and after entering into a series of contracts under subsection (b), the Secretary, acting through the Chief of Engineers of the Army Corps of Engineers, shall seek borrowing authority from the Secretary of the Treasury under subsection (a)(2).

(d) DEFINITIONS.—In this section:

(1) PUBLIC WATER SUPPLY CUSTOMER.—The term "public water supply customer" means the District of Columbia, the county of Arlington, Virginia, and the city of Falls Church, Virginia.

(2) VALUE TO THE GOVERNMENT.—The term "value to the Government" means the net present value of a contract under subsection (b) calculated under the rules set forth in subparagraphs (A) and (B) of section 502(5) of the Congressional Budget Act of 1974 (2 U.S.C. 661a(5)), excluding section 502(5)(B)(i) of the Act, as though the contracts provided for the repayment of direct loans to the public water supply customers.

(3) WASHINGTON AQUEDUCT.—The term "Washington Aqueduct" means the water supply system of treatment plans, raw water intakes, conduits, reservoirs, transmission mains, and pumping stations owned by the Federal Government located in the metropolitan Washington, District of Columbia, area.

TRIBUTE TO HELEN G. JACOB

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 31, 1996*

Mr. QUINN. Mr. Speaker, I rise today to recognize the distinguished community service of Helen G. Jacob, on the occasion of the opening of the Department of Veteran's Affairs Western New York Healthcare System Women's Wellness Center dedicated in her honor.

Ms. Jacob has served the State of New York as the chairperson of the Rehabilitation Committee for Women Veterans, a project which she initiated in 1984. She has also served as the vice president of the National Historians' Association, Area 1, which encompasses 12 States and 3 separate countries.

In addition to these remarkable duties, Helen Jacob is also the women's coordinator for the Veterans Administration Medical Center in Buffalo, NY. In this capacity, she has selflessly dedicated countless hours on a volunteer basis to the personal needs of both inpatient and outpatient women in the medical center's care.

Helen also holds the prestigious honor of being the only woman elected as Commander of the American Legion of Erie County, a position responsible for approximately 14,000 members in over 50 posts.

Since its inception in 1992, Ms. Jacob has provided insight and expertise in veteran related issues on my 30th Congressional District Veterans Advisory Committee. Helen's insight and sage advice on matters concerning our Nation's veterans is truly appreciated, and I unreservedly offer her my enthusiastic con-

gratulations and commendations for this dedication.

The dedication of the Helen G. Jacob Women's Wellness Center is also testimony to the innovative spirit of the hospital itself, as it is the only one of its kind nationwide in a veterans hospital or medical center.

Mr. Speaker, today I join with the Jacob family, her colleagues, friends, all of those who served our Nation in the Armed Forces, and indeed, the entire western New York community to honor Ms. Helen G. Jacob for her dedication, hard work, and commitment to western New York and its veterans.

AMERICORPS: INVESTMENTS WORTH MAKING IN OUR CHILDREN AND COMMUNITIES

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 31, 1996*

Mr. VENTO. Mr. Speaker, I rise today in support of a valuable initiative that is an investment in both our Nation's communities and the citizens who live in them, the AmeriCorps Program. AmeriCorps participants earn money for their education by giving their time to efforts that improve communities and help people in need. The goal of the AmeriCorps Program is to support communities' efforts to provide for the human, educational, environmental, and public safety needs in their area. AmeriCorps initiatives serve to strengthen communities, increase civic responsibility, and expand opportunities for our Nation's citizens in need. These goals mean the AmeriCorps Program benefits our Nation on two fronts. It expands the knowledge and skill of our Nation's next generation of workers while simultaneously benefiting community organizations that are struggling to deliver essential assistance to our most vulnerable citizens, a struggle that will only increase in future years as budgets tighten and these organizations are asked to take a more prominent role in the delivery of such assistance.

When discussing AmeriCorps, some of my colleagues have referred to a General Accounting Office [GAO] study that shows higher costs per participant in the AmeriCorps Program than first calculated. The study states that the average cost per AmeriCorps member is \$26,654. The study, however, neglects to calculate the benefits, economic or social, that the program provides. In fact, the very objective of this GAO study was solely to calculate the per participant cost figure, not to determine whether the AmeriCorps Program provides higher benefits than those costs or whether the program has been effective in reaching its goals. The GAO analysis, therefore, is a one dimensional study because major value is added by AmeriCorps participants that is not considered.

The University of Minnesota recently completed a study of the benefits of the AmeriCorps Program in Minnesota and how those benefits compare with program costs. The study noted a number of economic and social benefits that the GAO study ignores, concluding that AmeriCorps initiatives benefit communities far more than they cost. One example is an AmeriCorps project in Minneapolis