

developed or adopted by voluntary consensus standards bodies if the head of each such agency or department transmits to the Office of Management and Budget an explanation of the reasons for using such standards. Each year, beginning with fiscal year 1997, the Office of Management and Budget shall transmit to Congress and its committees a report summarizing all explanations received in the preceding year under this paragraph.

(4) DEFINITION OF TECHNICAL STANDARDS.—As used in this subsection, the term "technical standards" means performance-based or design-specific technical specifications and related management systems practices.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LUGAR. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, February 7, at 9:30 a.m. for a hearing on recommendations by Members of Congress relating to Federal employment.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, February 7, 1996, at 10 a.m.

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

ADDITIONAL STATEMENTS

COMMERCIAL REVITALIZATION TAX CREDIT OF 1995

• Mr. SPECTER. Mr. President, I strongly support S. 743, the Commercial Revitalization Tax Credit Act of 1995 [CRTC] and today I join several of my colleagues in cosponsoring this bill. I commend Senator KAY BAILEY HUTCHISON for her sponsorship of this legislation designed to encourage business investment in economically distressed areas. I also want to commend my Pennsylvania colleague, Representative PHIL ENGLISH who has introduced this same legislation in the House. I believe this measure will help to create jobs and expand economic activity, in addition to improving the physical appearance and property values in these areas.

Earlier in this session, I introduced legislation to replace our current cumbersome Tax Code with a simple and efficient 20-percent flat tax. My legislation, the Flat Tax Act of 1995 (S. 488) will bring tremendous economic growth to all areas of our country, and especially our cities by freeing up capital and lowering interest rates. While I continue to support the principles and necessity of a flat tax, I believe that in the interim we must proceed with measures such as the Commercial

Revitalization Tax Credit Act to bring economic growth to our cities immediately.

This legislation provides a targeted, limited tax credit to businesses to help defray their costs of construction, expansion, and renovation in urban areas. The CRTC would be another tool to aid localities and States in boosting jobs and business investment in America's most troubled neighborhoods. If enacted, estimates indicate the CRTC could attract over \$7 billion in private sector investment to these communities, create thousands of jobs, and generate new tax revenue.

America's urban areas serve an important role as centers of commerce, industry, education, health care, and culture. Yet these urban centers, particularly in the inner cities, also have special needs. As a Philadelphia resident, I have first-hand knowledge of the growing problems that plague our cities. I have long supported a variety of programs to assist our cities such as increased funding for community development block grants, extension of the low income housing tax credit, and legislation to establish enterprise and empowerment zones. I have also promoted legislation to provide targeted tax incentives for investing in minority- or women-owned small businesses.

This issue of urban renewal is not new to me. In the 104th Congress, I introduced the New Urban Agenda Act of 1995—S. 17—which would redress urban decay and decline without massive Federal outlays. S. 17 embodies many of the proposals of Philadelphia Mayor Edward G. Rendell. The bill is intended to stimulate the economies of our urban centers. Increased economic growth resulting in increased employment is the key to reversing current urban economic conditions. Specifically, my legislation would: First, require certain Federal and foreign aid purchases to be made from businesses operating with urban zones; second, favor distressed cities for the location or relocation of Federal facilities; third, expand the historic rehabilitation tax credit, expand the use of commercial industrial development bonds, and modify the arbitrage rebate rules concerning municipal bond interest; fourth, study streamlining Federal housing programs into block-grant form, and encourage community building by locating original tenants in new units on old sites; and fifth, ease environmental restrictions for governments, speed up the remediation process, and establish a pilot powerplant for the benefit of city residents and energy intensive industry.

Mr. President, I believe the CRTC will complement my legislation because it would encourage new construction and rehabilitation of structures in distressed areas. The CRTC would provide businesses with the option of taking either a one time 20-percent tax credit against the cost of new construction or rehabilitation, or a tax credit of

5 percent a year for 10 years. The credit is intended to help encourage businesses locate to economically distressed areas.

The original concept of enterprise zones provided for broad based incentives for capital formation. Current these zones primarily encourage wage-based tax, and other investment incentives to locate within the zone. There is no incentive for a business within the zone to expand so that larger numbers of employees can be hired. That is a gap which the CRTC fills.

I believe the CRTC will be an efficient and productive program. The tax credit will only be available after private sector investment has been made and the competed project is generating income. This bill authorizes a maximum of \$1.5 billion in tax credits over a 5-year period. The credits will be allocated to each State according to a formula which takes into account the number of localities where over half the people earn less than 60 percent of the area's median income. Local governments, not the Federal Government, will determine their priority projects and forward them to the States which will allocate the tax credits according to an evaluation system which the States themselves establish.

Furthermore, communities which have already been designated as economic revitalization areas by the Federal, State, and local governments would now become eligible for the CRTC Program. This is particularly good news for Philadelphia, PA, and Camden, NJ, which were jointly chosen as 1 of 6 urban empowerment zones by the Department of Housing and Urban Development. The cities of Harrisburg and Pittsburgh, and Allegheny County in my home State were also designated as enterprise communities and will benefit from S. 743.

Last June, the U.S. Conference of Mayors adopted the attached resolution sponsored by Edward Rendell, the mayor of Philadelphia, which endorsed the commercial revitalization tax credit. Other organizations which have endorsed this bill include the National Association of Counties, the American Institute of Architects, the National Association of Industrial Office Properties, the American Planning Association, the American Enterprise Zone Association, the Local Initiatives Support Corporation, the International Downtown Association, the National Congress of Community Economic Development, and the American Society of Landscape Architects.

We must address any very serious issues—jobs, teenage pregnancy, welfare reform—if we are to save our cities. It may well be that many in America have given up on our cities. That is a stark statement, but it is one which I believe may be true, but, I have not given up. And I believe there are others in this body on both sides of the aisle who have not done so. There must be new strategies for dealing with the problems of urban America. The Commercial Tax Revitalization Tax Credit