

Cajun people and culture alive for 400 years." It is only fitting that they now are honored by the Grammy's for such a profound work like "L'Amour ou la Folie (Love or Folly)" which embodies a diverse cultural blend of Cajun and Creole classics, blues, South Louisiana swamp-pop, New Orleans jazz, and Afro-Caribbean material. This prestigious award along with six prior Grammy nominations recognizes bandleader Michael Doucet's commitment to spreading the "joie de vivre" Louisianians find in our music while keeping the traditions of our culture alive for everyone to cherish.

Furthermore, Mr. Speaker I am proud to add that BeauSoleil was not the only band to be nominated by the Grammys from my Congressional District. Mr. Jo-El Sonnier and the Hackberry Ramblers were among the elite musicians to receive this special honor as well. Mr. Jo-El Sonnier's "Cajun Pride" and the Hackberry Ramblers' "Deep Water" were both nominated for the Best Traditional Folk Recording. I am extremely proud of these nominees who have shared long, fruitful careers in the entertainment industry and extend my deepest appreciation for their celebrating the musical treasures indigenous to our state for so many years.

In conclusion, let me join with my fellow Louisianians in congratulating these talented musicians on their outstanding achievements as we are fortunate to have such great Ambassadors of our music and culture.

DESIGNATE D.C. CITY-WIDE EMPOWERMENT ZONE AND GIVE MAJOR TAX CUTS TO D.C. RESIDENTS

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1998

Ms. NORTON. The economic package I introduce today is the missing piece for the revitalization of the District of Columbia. The new and improved District of Columbia Economic Recovery Act of 1998 (DCERA) proposes tax incentives for D.C. residents and businesses designed to stem the inexorable flight to middle income residents from the District, a phenomenon that has resisted the presence of a control board, a historic rescue package, and improvements in the city's financial condition.

The bill has two important goals. First, the DCERA affords benefits to the only group in the city that has received none—D.C. residents. Last year, the District government got a billion dollar rescue package that grows in value each year and D.C. businesses got billions in potential tax benefits that all agree are invaluable. D.C. residents are still waiting for tax benefits that can stem the mounting tide that is sweeping the middle income tax base from this city while we look the other way. Second, the bill makes city-wide the tax benefit package I won for the District last year in the Taxpayer Relief Act of 1997.

Let me turn first to needed remedies to correct unfair advantages to some and outright discrimination against others unintentionally incorporated into the package we recently won for D.C. businesses. Although I pleaded with Congress to make city-wide the benefits for D.C. businesses in the Taxpayer Relief Act passed last summer, Congress was unwilling

to absorb the small additional cost. These very valuable business tax benefits, including a \$3,000 tax credit for every D.C. resident employed and elimination of capital gains tax, were limited to certain levels of residential poverty. These neighborhood limitations have justifiably stirred objections and the unintended consequences I warned of are all too apparent. For example, the Willard Hotel can get \$3,000 off the \$15,000 it may pay to a cleaner or a bell hop, but the Hay Adams and the Washington Hilton, whose general manager will speak this morning, can not. Businesses in one section of a struggling commercial strip are included, but their mirror counterparts down the street are not, as one business owner who will speak here today can testify. High income university students with little personal income have brought Georgetown and Foggy Bottom businesses under the law, but businesses in struggling areas of Ward 5 do not qualify. These discriminatory effects litter the economic landscape city-wide.

This section of my bill would correct anomalies that give some businesses an unearned competitive advantage, forcing competition among our already depleted pool of businesses instead of between those in and outside of D.C. The solution is simple and fair; designate the District of Columbia an empowerment zone. This designation is sensible for three reasons. It would (1) erase indefensible distinctions that tear neighborhoods apart and help some D.C. businesses at the expense of others; (2) draw upon the criterion of poverty already in the law; and (3) assure the congressional intent of the existing package to make the city an exemplary capital is not undercut by the hit-and-miss effect of the recently passed D.C. tax package. The present law requires a 20% residential zone poverty rate for businesses to receive the tax benefits and a 10% poverty rate to qualify for capital gains tax elimination. Since the poverty rate for the District is 23%, it makes sense to use the city-wide poverty rate to designate the entire city an empowerment zone.

I want to move to the second major section of the bill. This is not the first time that I have introduced a tax cut package for residents, but the urgency has grown. Bills that represent a decided departure almost never pass except after several introductions, lots of hard work, and the building of momentum. In introducing a tax cut this year, I mean to indicate that I do not intend to give up until D.C. residents and those who might be attracted here are given a reason to live in this city. We need this provision because we lack what has saved other big cities from collapse: a state to funnel money back from fleeing taxpayers and the ability to tax commuters who work in the city. As a result of these twin deficits, the continuing population hemorrhage could find the recovery now in progress countermanded by a simultaneous exodus of the city's core middle income tax base. We are losing three times as many residents in the 1990s as we lost in the 1980s. Ominously, in the two years since 1995, even with a control board in place to stabilize the city, we lost nearly as many residents as we lost in the 1980s. This unchecked flight is virtually the worst among other cities today.

Yet the totals at the bottom line do not tell the real story of what the loss means to the city. Worse than the total loss is the income distribution of that loss. The people who are

leaving I call prime movers because they are in the prime income groups. They give communities their grassroots vitality, insist upon excellence in education for their children, prevent the deterioration of neighborhoods, and pay taxes adequate to fund city services. The prime movers are in the prime years of their earnings, with disposable income rising each year. Two-thirds of the prime movers are ages 25–44 and 50% of them earn \$50,000 or more. A hefty majority of the taxpayers in flight, or 63%, earn between \$35,000 and \$100,000. This income group are the people whom demographers mean when they use the words "middle class." The greatest flight, 38% is in the taxpaying core of this group between \$50,000 and \$100,000. Just below them at \$35,000–\$50,000 is the second largest group of prime movers. At only 3%, the least likely to leave are the poorest residents with income under \$15,000, who need the most services.

The major tax breaks my bill provides residents are simple. After affording sharp increases in the traditional standard deduction and personal exemption, a uniform rate of 15% will be applied progressively up the income scale to reduce present tax liability—from a 79% reduction to a 34% reduction, depending on income. The lower the income, the greater the tax reduction. The DCERA would leave 50% of D.C. residents off of the tax rolls altogether. The uniform rate would rescue the rest from bracket creep, and thus assure that income increases resulting from the tax cut are not then significantly taxed away.

Let me try to dispose of one canard. It is true, of course, that people don't leave one jurisdiction for another because of their federal income taxes, and they are not leaving D.C. primarily because of the onerous combination of federal and high local D.C. taxes. It does not follow, however, that a substantial federal tax reduction will not be an incentive to keep people here or bring some back. The feedback from residents indicates that today only a tax break makes a significant difference to prime movers. They see a tax break as an incentive that overcomes the many disincentives to stay in the District today, including schools, other services, and urban conditions.

The bill has important safeguards against artificially rapid property value increases and against gentrification. A list of these safeguards, all of them in previous versions of the bill, is attached as an addendum to this statement. An important new safeguard against gentrification is my recently enacted \$5,000 D.C. homebuyer credit. This credit already is allowing D.C. residents of modest means to become homeowners and to avoid exclusion as the market rises, as you will hear from one of our speakers today.

The District has less to work with than any American city: no lifesaving state to help as Maryland helps Baltimore and Virginia helps Richmond; no ability to tax commuters who use costly city services, as Philadelphia and New York do; and no clearance of state functions, such as welfare and mental health, among the costly functions that the President's revitalization package did not take. Above all, the District uniquely is denied the most fundamental of American rights—full representation by a Congress that extracts the same federal taxes as it does from those, who, unlike District residents, have full representation in the Congress and full democracy where they

live. What the DCERA seeks today is not the full value of the rights and remedies due us and which we will never concede. Today, we seek enough relief from taxes to give us the only route to economic salvation for the city—a middle income tax base.

**SAFEGUARDS AGAINST UNNATURAL INCREASES
IN COST OF LIVING**

Requires Proof of D.C. Residency For 183 Days Annually

Applies Only to Wage and Salary Income Earned in D.C. or Metropolitan Region

Applies to Investment and Dividend Income Earned Within D.C. Only

Capital Gains Relief on D.C. Investments Only

Old IRS Rate on Investments Outside D.C. Annual Treasury Study to Protect Against Unintended Consequences

Stand-by Legislation Examples

Council Passed Legislation Freezing Property, Sales, and Income Taxes Effective Upon Enactment of DCERA

Cap on Property Tax Rates and Growth of Assessments (Similar to TRIM, P.G. County)

Surtax on Capital Gains Derived from Excess Profits

Revolving Fund for Zero Percent Interest Loans (Or Tax Credits) to Cover Unusual Increases in Home Prices

Maintenance of Rent Control

INTRODUCTION OF THE COMPREHENSIVE ONE-CALL NOTIFICATION ACT OF 1998

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1998

Mr. BAKER. Mr. Speaker, I rise today joined by the distinguished gentleman from New Jersey, Mr. PALLONE, in introducing the "Comprehensive One-Call Notification Act of 1998."

This is an industry initiated, self-help, pro-environment bill that places public health and human safety at the very top of the list of our concerns as this nation builds an underground infrastructure that we all rely on for the movement of goods and services across this country.

The introduction of this legislation addresses an important national public safety issue—the prevention of damage to this nation's underground infrastructure. My bill is aimed at improving state one-call notification, or "call-before-you-dig," systems. Participation in one-call programs saves lives and protects the environment by reducing the number of accidents caused by excavation near unmarked facilities.

These accidents are serious business—something my constituents know about firsthand. In May 1996, an underground petroleum pipeline near Grammercy, Louisiana, was hit, causing the release of 8,400 barrels of highly flammable gasoline into a nearby swamp. The accident killed hundreds of fish, six alligators, snakes and at least one deer. It caused the closure of U.S. Route 61, inconveniencing scores of re-routed drivers. It forced the shutdown of the Kansas City Southern Railroad. And finally, the bearer of the Olympic torch, who just happened to be passing through the area on the way to the opening of the Atlanta games, was forced to detour.

This accident was caused when an unknown excavator dug into the pipe, and failed

to report the damage. Mr. Speaker, my bill could prevent such terrible accidents.

Too often, laws are only changed as a result of a disaster, such as the one in Louisiana. In Louisiana, we learned from our experience. We passed a strong state one-call law. Now it is time for the rest of the nation to follow suit.

One-call programs work by giving excavators a clearinghouse to use prior to beginning a project. A contractor or other excavator calls a central number and notifies the one-call center of the location of the planned excavation. The one-call center then notifies all pipelines, utilities and phone companies in the area of the proposed excavation, so that all underground facilities can be located and marked. The excavator can then work around the underground utilities, and avoid the use of heavy equipment near such facilities.

Better communication is the answer, and better communication is what one-call centers are all about. But while 49 states have one-call statutes and programs, these programs vary widely in the level of required participation, and in the overall effectiveness of damage prevention. Some states exempt certain groups of excavators, and some states exempt certain underground facility operators. The result is an accident rate that is much too high. This is unacceptable.

We must improve the effectiveness of state one-call programs—before another disaster occurs. And that is precisely what this legislation does.

The idea is simple: prevent accidents by establishing an open line of communication. All excavators should call before digging. All underground facility operators should accurately mark their facilities. And states should enforce their own laws to discourage violations.

The answer to better one-call systems is not billions of dollars in federal money, or federal mandates on the states. The answer is national leadership on improving one-call systems nationwide, followed by more comprehensive and consistent programs in all 50 states.

Mr. Speaker, this bill does not try to write the perfect one-call statute. Those decisions need to be made at the state level, by those involved in looking at the unique problems within a particular state. What this legislation does do is encourage states to provide for a maximum level of one-call participation by all excavators and all underground facility operators. It also encourages states to develop more effective enforcement efforts.

On the question of exemptions, the bill advocates the use of a risk-based analysis to determine whether a party should be required to participate. Those entities which represent a potential risk to the public or the environment should be required to participate. On the other hand, those who represent only a de minimis risk can participate on a voluntary basis, if at all. The whole question of whether exemptions should be made, however, is still left to the states. Ultimately, it is the state governments which need to be examining the unique situations within their borders.

My legislation is based on incentives, not mandates. If a state feels that its one-call program provides the level of coverage and enforcement envisioned in this legislation, then it can apply to the Department of Transportation for a one-time grant. We are, in essence, rewarding the "A" students and encouraging the

others to do better. States are not compelled to apply for a grant, and they are not punished if they chose not to participate. This legislation does give the advocates of stronger one-call programs one more tool to use in their efforts at the state level.

Let me be clear. This legislation is not a federal "takeover" of state one-call programs. To the contrary, the goal of my legislation is to support states in their efforts to improve the quality of underground damage prevention. After this becomes law, states will continue to exercise exclusive jurisdiction over one-call programs within their borders. I view this type of legislation as an example of the kind of responsible federalism that should be supported by this Congress, and extended to other programs as well.

Similar legislation has already passed unanimously in the other chamber. That legislation, S. 1115, was sponsored by Majority Leader TRENT LOTT and Minority Leader TOM DASCHLE, as well as a host of other Republicans and Democrats. The bipartisan support of the Senate bill is something I believe will happen in the House as well.

Improving public safety is not a partisan issue. All of us want to do a better job in preventing life-threatening accidents. I want to encourage my Republican and Democratic colleagues to join me in supporting this legislation.

Mr. Speaker, I look forward to working with my colleagues on both sides of the aisle to move the process forward here in the House and send this common sense initiative to the President for his signature. The Comprehensive One-Call Notification Act provides a public policy statement which is long overdue. My state of Louisiana learned its lesson the hard way. It's time for the rest of the country to follow our example. Let's not wait for another accident. Let's improve One-Call programs today.

**THE COMPREHENSIVE ONE-CALL
NOTIFICATION ACT OF 1998**

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1998

Mr. PALLONE. Mr. Speaker, four years ago, I introduced H.R. 4394, the Comprehensive One-Call Notification Act, in response to a terrible pipeline accident that occurred in my district. In Edison, NJ, a rupture in a natural gas pipeline caused an explosion that demolished eight apartment buildings and left hundreds of people homeless. The explosion produced a fireball so great that it could be seen in three States, and a fire so intense that it melted the cars parked at the apartment complex.

Four years later, I am still trying to pass a Comprehensive One-Call Notification Act. Four years later, I am still working to improve One-Call systems. I am pleased today to join my colleague from Louisiana, Mr. BAKER, in introducing the Comprehensive One-Call Act of 1998. This legislation is a modified version of my 1994 bill, designed to encourage the development of better One-Call programs. This bill does not contain any state mandates with regard to One-Call programs. It does encourage states to adopt comprehensive programs to maximize safety assurances for all citizens.