# EXTENSIONS OF REMARKS

## HUMAN RIGHTS ABUSES IN CHINA AND TIBET

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. GILMAN. Mr. Speaker, today I am introducing H. Con. Res 28, a resolution expressing the sense of the Congress that the United States should introduce and make all efforts necessary to pass a resolution criticizing the People's Republic of China for its human rights abuses in China and Tibet at the annual meeting of the United Nations Commission on Human Rights.

In a December 22, 1998 speech commemorating the 20th anniversary of the Third Plenary Session of the 11th Communist Party Central Committee, China's President and Party Secretary Jiang Zemin stated that China needed to ''nip those factors that undermine social stability in the bud, no matter where they come from.'' In the same speech, Jiang emphasized that, ''the Western mode of political systems must never be copied.'' Soon after his remarks more arrests were made of key dissidents.

We should not be surprised by the arrests and lengthy prison terms that have been imposed. The West abandoned the tactic of any serious condemnation of China at the U.N. Commission on Human Rights in Geneva, or elsewhere. It has replaced criticism of or substantive action against Beijing's ruthless representation of human rights with so-called bilateral dialogues on human rights. Accordingly, China's rulers believe that they can act with impunity.

Early last year, the word was out that the Administration would not sponsor or pursue a resolution in Geneva if China signed the International Covenant on Civil and Political Rights. Last summer, President Clinton traveled to China and in October its government signed the Covenant.

''The Democracy Wall'' movement in the late 1970s and the ''Hundred Flowers Campaign'' in the late 1950s were also periods when citizens were first encouraged to express their beliefs and then subsequently they were severely persecuted for their criticism of the Communist Party and their desire for democracy.

Similarly, the period before President Clinton visited China in June also saw an easing of political repression by the authorities—though some of us were concerned that this was only a temporary change, and that the government would—as it has indeed—revert to form.

When viewed as a cyclical historical process or as a method to preserve power, the outcome is always the same—a brutal suppression of the people's thirst for freedom and democracy in China. Regrettably, the policy of this Administration remains unchanged despite this latest wave of repression.

In December, the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China released a report stating that China has been stealing weapons designs from American nuclear laboratories and obtaining sensitive computer missile and satellite technologies. The Select Committee confirmed Pentagon and State Department findings that two American companies not only helped the Chinese space industry and may have helped improve the reliability of China's missiles.

And yet every year billions of dollars of more goods from Chinese labor camps made by imprisoned democracy advocates come into our country and adds to our growing trade deficit with China.

In a few months, China, flush with foreign currency reserves, will receive SS–N–22 ''Sunburn'' missiles that it bought from Russia. These missiles are designed to be able to destroy our most sophisticated naval ships. If in the future China blockades democratic Taiwan for refusing to reunify, how effective will our Seventh Fleet be?

We question why our assistance to Russia has not been tied to the sale of these missiles and what has the Administration done to prevent the Chinese from purchasing them?

When President Clinton was in China last year, he urged President Jiang to negotiate the future of Tibet with His Holiness the Dalai Lama. His Holiness once again publicly met Beijing's preliminary demands to the beginning of negotiations and stated that he only wants some genuine autonomy for his nation and not independence. His efforts were rebuffed.

On January 11th, Administration officials met with representatives of the People's Republic of China for a dialogue on human rights. We were pleased to learn that Harold Koh, our new Assistant Secretary for Human Rights, strongly pressured the Beijing delegation to end its repression of the democracy movement in China.

In general though, we have a pattern and failure in our China policy that has stretched for many years through many Administrations and has permitted our Nation's security to be weakened and our moral stand to be questioned. Hopefully, the Administration and the Congress will begin to confront this problem and ''nip in the bud'' this failed policy and those who benefit from it. Our economy and security are at stake. We need no stronger motivation.

This week we received the findings of an Amnesty International Report that was designed to determine whether President Clinton's visit to China last summer to bestow a formal state visit upon the Chinese leadership had resulted in any significant improvement in the human rights situation. According to Amnesty International, ''The President gave the Chinese leaders a propaganda coup, and, so far, has virtually nothing to show for it. The fact is that, while there has been minor, and mostly symbolic, progress in a few areas, in most areas the situation has actually gotten worse in the last three months.''

Accordingly, I urge my colleagues to support H. Con. Res. 28.

H. CON. RES. 28

Whereas the Government of the People's Republic of China has signed two important United Nations human rights treaties, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights;

Whereas the Government of the People's Republic of China recognizes the United Nations Universal Declaration of Human Rights, which calls for the protection of the rights of freedom of association, press, assembly, religion, and other fundamental rights and freedoms;

Whereas the Government of the People's Republic of China demonstrates a pattern of continuous, serious, and widespread violations of internationally recognized human rights standards, including violations of the rights described in the preceding clause and the following:

(1) restricting nongovernmental political and social organizations;

(2) cracking down on film directors, computer software developers, artists, and the press, including threats of life prison terms;

(3) sentencing poet and writer, Ma Zhe, to seven years in prison on charges of subversion for publishing an independent literary journal;

(4) sentencing three pro-democracy activists, Xu Wenli, Wang Youcai, and Qing Yongmin, to long prison sentences in December 1998 for trying to organize an alternative political party committed to democracy and respect for human rights;

(5) sentencing Zhang Shanguang to prison for ten years for giving Radio Free Asia information about farmer protests in Hunan province;

(6) putting on trial businessman Lin Hai for providing e-mail addresses to a pro-democracy Internet magazine based in the United States;

(7) arresting, harassing, and torturing members of the religious community who worship outside of official Chinese churches;

(8) refusing the United Nations High Commissioner on Human Rights access to the Panchen Lama, Gendun Choekyi Nyima;

(9) continuing to engage in coercive family planning practices, including forced abortion and forced sterilization; and

(10) operating a system of prisons and other detention centers in which gross human rights violations, including torture, slave labor, and the commercial harvesting of human organs from executed prisoners, continue to occur;

Whereas repression in Tibet has increased steadily, resulting in heightened control on religious activity, a denunciation campaign against the Dalai Lama unprecedented since the Cultural Revolution, an increase in political arrests, and suppression of peaceful protests, and the Government of the People's Republic of China refuses direct dialogue with the Dalai Lama or his representatives on a negotiated solution for Tibet;

Whereas the annual meeting of the United Nations Commission on Human Rights in Geneva, Switzerland, provides a forum for discussing human rights and expressing international support for improved human performance;

Whereas during his July 1998 visit to the People's Republic of China, President Clinton correctly affirmed the necessity of addressing human rights in United States-China relations; and

Whereas the United States did not sponsor a resolution on China's human rights record at the 1998 session of the United Nations Commission on Human Rights: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring,* That it is the sense of the Congress that the United States—

(1) should introduce and make all efforts necessary to pass a resolution criticizing the People's Republic of China for its human rights abuses in China and Tibet at the annual meeting of the United Nations Commission on Human Rights; and

(2) should immediately contact other governments to urge them to cosponsor and support such a resolution.

## COLORADANS CARE ABOUT LIFELONG, SATISFYING MARRIAGES AND HAPPY CHILDREN

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SCHAFFER. Mr. Speaker, for two years, Coloradans have been bombarded with opinions suggesting it's not about fidelity, commitment, or personal behavior. But now a new survey from the Rocky Mountain Family Council shows what Coloradans really care about are lifelong, satisfying marriages and happy children.

As Members of Congress returned to Washington for the recent impeachment vote, the Rocky Mountain Family Council was unveiling the Marriage Matters: 1998 Colorado Marriage Health Index. The results clearly contradict the values demonstrated by the recent affairs of our President and his apologists.

President Clinton's exploitation of a clever slogan proved decisive in ushering him into office, ''It's the economy stupid!'' Coloradans, being common sense, caring people, recognize marriage and family last forever. Economic prosperity, however, is often only as secure as the next paycheck.

Sure, some may find solace in this period of relative economic prosperity. Fatter wallets tend to squelch the alarm of cultural decay to a certain degree.

But even the highest heights of consumer confidence cannot achieve the kind of moral indifference upon which political left-wingers are banking in the face of executive scandal and infidelity. On the contrary, Coloradans bristle when politicians betray their marriage vows for extramarital affairs, even when downplayed as ''affectionate'' or ''hugging'' relationships.

According to the Family Council, when asked if they could wave a magic wand and guarantee certain life goals for themselves, Coloradans overwhelmingly chose a lifelong, satisfying marriage and happy children over material goods like fancy houses, comfortable retirements, and fulfilling careers. Further underscoring this result is the fact that Coloradans were far more willing to give up houses, retirements and careers if that would ensure a satisfying, lifelong marriage and happy kids.

The question for political leaders becomes one of how government can best help the average citizen achieve these goals. Government should take a page from the Hippocratic Oath: ''First, do no harm.''

Many well-intentioned government programs designed to strengthen families achieve just the opposite by subsidizing parents spending time away from their spouses and children. Government policies which support marriage and family, like doing away with the marriage tax penalty in the tax code, can go a long way toward ensuring Coloradans realize their family goals and dreams.

Working families struggling under a heavy tax burden may be so crushed by the weight of supporting lofty government programs they can't spend the time with their spouses and children they'd like. Economic prosperity, lower taxes, and freedom can support and strengthen families and marriages if they enable spouses and parents to devote more attention to what really matters.

Fancy houses? Fat retirement accounts? Cushy jobs? These pale in comparison to heartfelt desires for happy marriages and children. As we enter the twenty-first century, elected officials would do well to respond to what Coloradans say is really important to them. Failure to do so will only perpetuate the myth that strong marriages and families are just by-products of a strong economy.

After all, no one ever went to his or her grave saying, ''I wish I had worked longer hours.'' Government can, and should, do all in its power to allow families and marriages to grow strong without interference.

## A BILL THAT IS GOOD FOR NEW MEXICO

### HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. UDALL of New Mexico. Mr. Speaker, today I introduce legislation, which is being cosponsored by my colleague from New Mexico, HEATHER WILSON, that provides for the transfer of an unwanted facility and federal land to the people of Rio Arriba County, NM. Mr. Speaker, this is a companion bill to a bill that has already been reintroduced in the other chamber on January 21, 1999, by Senator DOMENICI and cosponsored by Senator BINGAMAN, both of New Mexico. This bill was originally introduced by Senator DOMENICI as the Rio Arriba, New Mexico Land Conveyance Act of 1998. With the administration's support, the Senate Energy and Natural Resources Committee reported the bill unanimously in May 1998. On July 17, 1998, the Senate passed this legislation as S. 1510. Unfortunately, the bill died in this chamber at the end of the last session.

This legislation provides for a transfer by the Secretary of Interior of real property and improvements at an abandoned and surplus ranger station in the Carson National Forest to Rio Arriba County. This site is known locally as the ''Old Coyote Administration Site'' and is located near the town of Coyote, NM. The site will continue to be used for public purposes and may be used as a community center, fire substation, storage facilities, or space to repair road maintenance equipment and other county vehicles.

Mr. Speaker, the Forest Service has moved its operations to a new facility and has determined that this site is of no further use. Furthermore, the Forest Service has notified the General Services Administration that improvements to this site are considered surplus and the sites are available for disposal. In addition, the land on which the facility is built, is withdrawn public domain land, and falls under the jurisdiction of the Bureau of Land Management. Since neither the Bureau of Land Management nor the Forest Service have a future plan to utilize this site, the transfer of the land and facilities to Rio Arriba County would create a benefit to a community that would make productive use of it.

In summary, this legislation creates a situation in which the federal government, the State of New Mexico, and the people of Rio Arriba County all benefit. With the bipartisan support of the New Mexico delegation, I am confident that this chamber realizes that this bill is good for New Mexico. For these reasons, I ask immediate consideration and passage of the bill.

## IN MEMORY OF BRIG. GEN. (RET) BEN J. MANGINA

### HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SKELTON. Mr. Speaker, let me take this opportunity to say a few words in tribute to the late Brigadier General (Retired) Ben J. Mangina, USAF, of Windsor, Missouri. General Mangina, a loyal and dedicated airman and a good friend of mine through the years, passed away at the age of 78.

General Mangina, a native of Birmingham, Alabama, was born the son of Joseph and Josephine Amari Mangina. He was the commander of several Air Force bases, including Richard-Gebauer Air Force Base. There he commanded the 442nd fighter wing.

General Mangina was also active in the community. He was a member and deacon of First Baptist Church along with many other civic organizations.

General Mangina is survived by his wife, Ethel Mae; his daughter, Rose; his son, Ben; two stepsons, Ken and Don; seven grandchildren and four great-grandchildren.

Mr. Speaker, Ben Mangina was a dedicated airmen and a true friend. I am certain that the members of the House will join me in paying tribute to this fine Missourian.

## COMMENDATION OF MICHAEL OSTERHOLM, EPIDEMIOLOGIST FOR THE STATE OF MINNESOTA

### HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. LUTHER. Mr. Speaker, Minnesota's longtime state epidemiologist, Michael Osterholm, has chosen to leave his post at the Minnesota Department of Health after 24 years. I want to take this opportunity to commend Mr. Osterholm for his many years of service, and more importantly, the contribution he has made to our state and the nation in the area of infectious diseases.

He has a long record of successes. In the 1990s alone, Mr. Osterholm found the link between deadly toxic shock syndrome and tampons; traced the source of a salmonella outbreak to trucks that had previously transported

contaminated eggs; and tracked the source of Legionnaire's disease that may have killed as many as eight people and hospitalized dozens more to an air conditioning unit. During his tenure he published nearly 180 scientific papers in the New England Journal of Medicine, the Journal of the American Medical Association, and other publications. In addition, he contributes to or helps edit 25 medical journals.

Most recently, Mr. Osterholm has been actively engaged in bringing attention to the threat of bioterrorism. Due in part to his diligence, the President recently announced a significant investment in the federal response to a biological attack on the United States. He highlighted the issue at every turn, and made me and others aware of the sorrowful state of our vaccination supplies for potential biological agents that could be used in an attack.

While Mr. Osterholm's departure is a loss for the state Department of Health, I am pleased that he will continue his efforts through a new enterprise he is embarking on in the private sector, and will remain ''on call'' to the state in times of need. My thanks and best wishes to Mike Osterholm and his wife Barb Colombo, a former Assistant Commissioner of Health, and their children. Your exemplary service to our state and nation is greatly appreciated.

## LEGISLATION TO PROHIBIT THE DEPARTMENT OF THE TREASURY FROM ISSUING ANY REGULATIONS DEALING WITH HYBRID TRANSACTIONS UNDER SUBPART F OF THE INTERNAL REVENUE CODE

### HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. CRANE. Mr. Speaker, joined by my Ways and Means Committee colleague, Mr. MATSUI, I introduced legislation today to prohibit the Department of the Treasury from issuing any regulations dealing with hybrid transactions under Subpart F of the Internal Revenue Code. The bill will further instruct the Secretary of the Treasury to conduct a study of the tax treatment of hybrid transactions and, after receiving input from the public, to submit his findings to the House Committee on Ways and Means and the Senate Committee on Finance.

This legislation is identical to a bill we introduced in the 105th Congress. During the last Congress, most members of the House Ways and Means Committee expressed their concern over the policy changes to Subpart F suggested by Treasury in Notice 98–11. Both Chairman Archer and Ranking Democrat Rangell wrote Secretary Rubin to express their concerns with both the policy changes pursued by Treasury as well as the means by which Treasury implemented the changes. Mr. Matsui and I, along with 31 other Committee members, also wrote Treasury asking them to withdraw the regulations in order for Congress to have an opportunity to review the issues. We hoped that Treasury would do this in consultation with members of our Committee.

The provisions of Subpart F of the Code have a direct impact on the competitiveness of U.S. businesses operating in the global marketplace. Congress historically has moved carefully when making changes to those sections of the Code relating to international taxation. Unwarranted or injudicious action in these areas can have a substantial adverse impact on U.S. businesses operating abroad.

Treasury issued Notice 98–11 to restrict the use of hybrid entities. After input from Congress and the business community, Treasury issued Notice 98–35, which withdrew Notice 98–11. However, Notice 98–35 still left Treasury with the option of issuing binding rules regarding hybrid transactions. And, although the rules will not be finalized before January 1, 2000, they will be effective for certain payments made on or after June 19, 1998. I am concerned that Treasury's actions, in effect, legislate in this area. Our bill will protect Congress' Constitutional prerogative.

With regard to the policy, I am concerned that the proposed changes would put U.S. companies at a competitive disadvantage in world markets by subjecting them to more taxation by foreign governments. This raises the question as to why the U.S. Treasury Department is so concerned about helping to generate revenue for the coffers of other countries. Furthermore, Notice 98–35, or similar regulations, is at odds with changes Congress recently made to Subpart F in the Taxpayer Relief Act of 1997.

I look forward to further study and input from Treasury on the issue of modifications to Subpart F. However, we must not allow Treasury to implement regulations in this area until Congress determines the appropriate course of action. The bill we introduce today will allow for that judicious process to go forward and I urge my colleagues to join with us by cosponsoring this bill.

## INTRODUCTION OF LEGISLATION

### HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. OBERSTAR. Mr. Speaker, the European Community has proposed regulations that would discriminate against U.S. aircraft and airlines by banning certain aircraft for allegedly creating excessive noise, while not banning European aircraft that are noisier. This proposal is particularly aggravating when we recall that we have allowed British Airways and Air France to fly the Concorde into the United States, even though the Concorde does not meet our environmental noise limits.

To counter the unfairness in Europe toward U.S. aviation, I am introducing legislation today with my colleagues Mr. SHUSTER, Mr. LIPINSKI, and Mr. DUNCAN to ban supersonic aircraft, specifically, the Concorde, from operating in the United States if the European Union (''EU'') adopts the proposed regulation that will blatantly discriminate against U.S. aviation products.

The EU proposed regulation, which may be considered by the European Parliament this week, would restrict the use, in Europe, of certain aircraft that have had either a new engine, known as a ''re-engined'' aircraft, or a hushkit installed to meet the highest current noise standards, called Stage 3 or Chapter 3. The European restriction would only apply to U.S. aircraft and engines even though, in some cases, they are quieter than their European counterparts that would continue to be operated. If finalized, the proposed regulation could potentially cost American businesses over $1 billion in spare parts and engine sales; reduce the resale value of over 1600 U.S. aircraft; and cause severe financial losses for hushkit manufacturers, all of which are U.S. companies.

The EU portrays its action as one to promote higher environmental standards. However, this claim has no basis in scientific or technical fact. ''Hushkits'' have been used for close to 15 years as an appropriate measure to quiet existing aircraft, first to meet the Chapter 2 standards and, since 1989, to meet the International Civil Aviation Organization's (''ICAO'') Chapter 3 standards. In addition, the EU regulation would not be applied consistently to re-engined aircraft. The regulation would ban only those engines with a by-pass ratio of less than 3. Engines with a higher by-pass ratio would be allowed, even though an engine's by-pass ratio has no direct correlation to the noise it produces.

As a practical matter, this cut-off would tend to ban the use of U.S. manufactured engines and allow the use of European manufactured engines. A comparison of the cumulative noise between a Boeing 727–200 (re-engined with a Pratt & Whitney JT8D–217C/15) and an Airbus A300B4–200 (equipped with a CF6–50C2 engine) underscores this point. The re-engined B727, with engines having a by-pass ratio of less than 3, has a better cumulative noise performance standard of 288.8 decibels, as compared to the Airbus' 293.3 decibels. Yet the Boeing would be banned and the Airbus would continue to fly.

A further, important consideration: the proposal's adoption would deal a severe, long-term blow to the environment because it would undermine the ability of the international community to agree to, and enforce, new and improved noise standards in the future.

Banning Concorde flights to and from the United States will have positive environmental benefits. According to a preliminary analysis from the FAA, such a prohibition will reduce the noise footprint around New York's John F. Kennedy International Airport by at least 20 percent. The Concorde aircraft has enjoyed a waiver from noise standards for over 20 years even though it does not meet Stage 2 noise standards. We in the U.S. have been very tolerant of and cooperative with the Concorde. I am willing to continue cooperating and allow continuation of this waiver, but only if the EU drops this outrageous proposal.

The Administration has seen through this thinly-veiled attempt to give a competitive advantage to EU aircraft and engine manufacturers. Transportation Secretary Slater, Undersecretary for International Trade Aaron, and U.S. Trade Representative Barshefsky have already tried to persuade to the EU Commission to defer action on this issue, and instead refer it to the proper forum—ICAO. These requests have been rejected. We must now make it clear to the EU that their initiative cannot proceed without severe consequences. Banning the Concorde is only the first step. I am committed to additional actions, including discussing the issue directly with the EU Parliament or Commission, if necessary.

The EU proposal is bad environmental policy and bad for American businesses. If we

are to deal seriously with noise and air quality standards in the future, we must ensure that the process is fair and based on scientific and technical evidence. The EU proposal fails on both accounts. By taking a strong stand against the EU action, we will help stop this current policy as well as lay the foundation for future, constructive action on aviation environmental issues. I hope my colleagues will join me in this effort, by cosponsoring this legislation.

## THE SITUATION IN KOSOVA

### HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mrs. KELLY. Mr. Speaker, peace and security for the Kosovan people will never become a reality unless NATO brings military pressure to bear on Serbian strongman Slobodan Milosevic, and unless the ongoing peace negotiations include a guaranteed right to self-determination for the ethnic Albanian majority in Kosova.

The fact is, Mr. Speaker, NATO should have intervened a year ago when widespread violence against the Kosovan people was first initiated by Mr. Milosevic. Thousands are dead, tens of thousands are homeless, and many more have fled the country. Thousands of refugees now live in camps and settlements in neighboring countries, too afraid to return out of fear of reprisals. These countries are bearing the burden of the lack of peace in this region.

Sadly, we have seen this spectacle before. Once again Milosevic carries out a genocidal campaign of ethnic cleansing, once again the international community is slow to react, and once again it is innocent civilians who must pay the terrible price that world indifference imposes.

The renewed violence in Kosova is but the latest example of the manner in which Milosevic attempts to use terror and murder to hold together the republics which made up the former Yugoslavia. His policies of ethnic cleansing in Bosnia, policies which shocked the world and eventually led to international intervention, are now being carried out with renewed vigor in Kosova. Sadly, the very same lack of resolve on the part of the international community which allowed Milosevic to kill thousands in Bosnia is allowing him to carry out a new campaign of terror against the ethnic Albanian majority in Kosova, which makes up 90% of the population.

Perhaps no event better illustrates Milosevic's brutal policies than the recent massacre in the village of Racak, where 45 ethnic Albanians, many of whom were women and children, were found murdered by Serb military and police units. As in the past, it took a tragic event to finally focus the world's attention to the plight of the Kosovan people, and to move governments to act to stop the violence.

Mr. Speaker, unless we wish to see more massacres, more fighting, and more misery in Kosova, the peace negotiations currently underway in France must include a military commitment to enforce the peace. Despots such as Milosevic and Saddam Hussein do not respect international law. They do not respond to impassioned appeals for peace and human rights. They do, however, recognize and respond to the very real threat of overwhelming military force. The world community was slow to learn this fact in Bosnia, and we continue to inch along painfully slow toward understanding this fact in Kosova.

The Kosovan people are running out of time, however. Humanity cannot stand idly by and witness further atrocities such as those committed in Racak. Milosevic enforces his policies from the point of a gun, and I fear that time has long past for NATO to confront him by doing the same.

Finally, Mr. Speaker, any peace settlement must also include an iron-clad commitment that the Kosovan people will have the opportunity that we often take for granted—the right of self-determination. Anything less is a recipe for renewed violence and death in the future.

## HONORING THE 100TH BIRTHDAY OF LEOTTA GITTENS HOWELL

### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. TOWNS. Mr. Speaker, I rise today to honor Ms. Leotta Gittens Howell, who on February 14, 1999 will be 100 years old. She is a woman whose passion filled life serves as an example to us all.

Born on February 13, 1899, Leotta Gittens was the first of four children born to Alberta and Thomas Gittens on the sunny island of Barbados, West Indies. Leotta was educated in Barbados and at an early age showed an affinity to the sewing craft. She created garments for her family, and beautiful and imaginative party dresses and gowns for special occasions.

Loetta Gittens immigrated to the United States in 1922. She met and married Edgar Howell in 1924 and from this union, a daughter Marilyn Alleyne, was born. Leotta exhibited a true entrepreneurial spirit by continuing her seamstress business, while working full time during the day. After the death of her husband, Ms. Howell continued her success as a seamstress. When her daughter, a professional musician, performed she was adorned in her mother's creations.

Ms. Howell retired in 1970 and true to her spirit became active in the Fort Greene Senior Citizens Center. She became and remains an active member today. Mr. Speaker, I would like you and my colleagues from both sides of the aisle to join me in a standing ovation for Ms. Leotta Howell Gittens.

## RICHARD GOLDBERG TO RECEIVE COMMUNITY SERVICE AWARD

### HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. KANJORSKI. Mr. Speaker, I rise today to bring the accomplishments of my very good friend, Attorney Richard M. Goldberg, to the attention of my colleagues. This month, Dick will receive the prestigious S.J. Strauss Lodge of the B'nai B'rith Community Service Award at the group's 55th Annual Lincoln Day Dinner. I am pleased and proud to have been asked to participate in this event.

The Community Service Award is presented each year to an outstanding citizen who has made a valuable contribution to the fabric of community life through courageous leadership and dedication to humanity. Dick Goldberg is a shining example of such leadership.

Those of us who know Dick know of his extreme love of country and his pride in having served for thirty years in the United States Army Reserve. Prior to his retirement, Colonel Goldberg was Chief of Staff for the 79th Army Reserve Command at the Willow Grove Air Station in Willow Grove, Pennsylvania. He was awarded the Legion of Merit, Army Achievement Medal, Humanitarian Services Medal, Army Service Ribbon, Pennsylvania Meritorious Service Medal, Pennsylvania Commendation Medal, three Meritorious Service Medals, two Armed Forces Reserve Medals, and five Army Reserve Components Achievement Medals.

Dick Goldberg has had an equally outstanding legal career. A member of the prestigious local law firm of Hourigan, Kluger, and Quinn, Dick has also served as Luzerne County Solicitor since 1984. A native of Wilkes-Barre, Dick received his bachelor of arts degree from Dickinson College and law degrees from the Dickinson, Pennsylvania State University, and Temple University. He was cited as an Outstanding Young Man of America in 1972 and has been honored with the Valley Forge Freedom Foundation Award twice. He has served as chairman of the Young Lawyers Section of the Pennsylvania Bar Association, membership chairman of the Young Lawyers Section of the American Bar Association, chairman of the Pennsylvania Bar Association Unauthorized Practices Committee, and chairman of the American Bar Association Standing Committee of the Unauthorized Practice of Law. Dick served as president of the Wilkes-Barre Law and Library Association and currently serves on the Board of Governors of the Pennsylvania Bar Association.

Dick Goldberg's dedicated service to his community is well documented by a long list of memberships and board seats. He presently is a member of the Board of Trustees of Wyoming Seminary and is a director of the Jewish Home of Eastern Pennsylvania, the United Way of Wyoming Valley, and Jewish Family Services. An Eagle Scout himself, he is active with the local Boy Scouts of America.

Dick is a past president of Temple Israel and the Jewish Community Center. He chaired the Jewish National Fund, Temple Israel School Board, Luzerne County Heart Fund Drive and the Osterhout Library Society Campaign. He has served as president of the Reserve Officers Association.

Mr. Speaker, throughout my legal career and my tenure in the House of Representatives, I have been privileged to work with Attorney Dick Goldberg many times. I consider him to be a good friend and an outstanding community leader. I am proud to join with his wife, Rosemary, his family, his friends, and the community in congratulating Dick on this prestigious honor. I extend my very best wishes on this momentous occasion and for continued good health and happiness in the years to come.

## DOUG BELL AND MARILYN STAPLETON SET EXAMPLES FOR YOUNG ATHLETES

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SCHAFFER. Mr. Speaker, I rise today to pay tribute to two fine people and world class athletes from Greeley, Colorado. Mr. Doug Bell and Ms. Marilyn Stapleton were both ranked third among America's best runners by age group in the Running Times. I commend them for their hard work, commitment and dedication. Year round, despite the elements, fatigue and adversity, these fine athletes constantly train and strive to better themselves. Doug Bell, owner of Bell's Running, and Marilyn Stapleton set fine examples for young athletes, and for everyone seeking to achieve such admirable goals.

## INTRODUCTION OF LEGISLATION OF ADD BRONCHIOLO—ALVEOLAR PULMONARY CARCINOMA TO SERVICE-CONNECTED LIST OF CANCERS FOR VETERANS

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SMITH of New Jersey. Mr. Speaker, today, I am reintroducing legislation that would add a rare form of cancer, bronchiolo-alveolar pulmonary carcinoma, to the list of cancers that are presumed to be service-connected for veterans who were exposed to radiation, in accordance with the provisions of Public Law 100–321.

The merits of adding bronchiolo-alveolar pulmonary carcinoma to the list of cancers that are presumed to be service-connected for veterans who were exposed to radiation during their military service were pointed out to me in 1986 when I became acquainted with Joan McCarthy, a constituent from New Jersey. Mrs. McCarthy has worked tirelessly for many years to locate other ''atomic veterans'' and their windows and she founded the New Jersey Association of Atomic Veterans.

Joan's husband, Tom McCarthy, was a participant in Operation Wigwam, a nuclear test in May of 1995 which involved an underwater detonation of a 30-kiloton plutonium bomb in the Pacific Ocean, about 500 miles southwest of San Diego.

Tom served as a navigator on the U.S.S. *McKinley*, one of the ships assigned to observe the Operation Wigwam test. The detonation of the nuclear weapon broke the surface of the water, creating a giant wave and bathing the area with a radioactive mist. Government reports indicate that the entire test area was awash with the airborne products of the detonation. The spray from the explosion was described in the official government reports as an ''insidious hazard which turned into an invisible radioactive aerosol.'' Tom spent 4 days in this environment while serving aboard the U.S.S. *McKinley*.

In April of 1981, at the age of 44, Tom McCarthy died of a rare form of lung cancer, bronchiolo-alveolar pulmonary carcinoma. This illness is a nonsmoking related lung cancer which is remarkable given the fact that nearly 97 percent of all lung cancers are related to smoking. On his deathbed, Tom told Joan, his wife, about his involvement in Operation Wigwam and wondered about the fate of the other men who were also stationed on the U.S.S. *McKinley* and on other ships.

Mr. Speaker, it has been well documented in medical literature that exposure to ionizing radiation can cause this particular type of lethal cancer. The National Research Council cited Department of Energy studies in the BEIR V (Biological Effects of Ionizing Radiation) reports, stating that ''Bronchiolo-Alveolar Carcinoma is the most common cause of delayed death from inhaled plutonium 239.'' The BEIR V report notes that this cancer is caused by the inhalation and deposition of alpha-emitting plutonium particles in the lungs.

Mr. Speaker, the Department of Veterans Affairs has also acknowledged the clear linkage between this ailment and radiation exposure. In May of 1994, Secretary Jesse Brown wrote to then Chairman Sonny Montgomery of the Veterans' Affairs Committee regarding this issue. Secretary Brown stated as follows:

> The Veterans' Advisory Committee on Environmental Hazards considered the issue of the radiogenicity of bronchiolo-alveolar carcinoma and advised me that, in their opinion, this form of lung cancer may be associated with exposure to ionizing radiation. They commented that the association with exposure to ionizing radiation and lung cancer has been strengthened by such evidence as the 1988 report of the United Nations Scientific Committee on the Effects of Atomic Radiation, the 1990 report of the National Academy of Sciences' Committee the Biological Effects of Ionizing Radiation (the BEIR V Report), and the 1991 report of the International Committee on Radiation Protection. The Advisory Committee went on to state that when it had recommended that lung cancer be accepted as a radiogenic cancer, it was intended to include most forms of lung cancer, including bronchiolo-alveolar carcinoma.

Back in 1995, I met with former Secretary Brown and he assured me that the VA would not oppose Congress taking action to add this disease to the presumptive list. Notwithstanding this fact, however, the VA has repeatedly denied Joan McCarthy's claims for survivor's benefits.

The VA has claimed in the past that adjudication on a case-by-case basis is the appropriate means of resolving these claims. Unfortunately, the practical experiences of claimants reveal deep flaws in the process used by the VA.

Mr. Speaker, I believe the widows of our servicemen who participated in these nuclear tests deserve better than this. They should not be required to meet an impossible standard of proof in order to receive DIC benefits, which CBO estimates will cost the government, on average, a mere $10 thousand a year for each affected widow.

As many of my colleagues will remember, this legislation was passed on the floor of the House on October 14, 1998 by a vote of 400 to 0. Unfortunately, our colleagues in the Senate failed to take up this legislation before Congress' adjournment. During the 104th Congress, the House passed H.R. 368, identical legislation to the bill we are considering today. It too added bronchiolo-alveolar pulmonary carcinoma to the list of cancers that are presumed to be service-connected for veterans who were exposed to radiation. H.R. 368 was later included as part of H.R. 3673, an omnibus veterans' package which passed the House on July 16, 1996. Unfortunately, this provision was dropped from the final conference report.

They say that the third time is the charm so I remain hopeful and determined that my introduction of this legislation today will result in its speedy consideration in the House and approval in the Senate. I would also like to thank my colleague, Congressman LANE EVANS from Illinois, the ranking democrat on the House Veterans' Affairs Committee, who is joining me today as an original cosponsor of this legislation. His tireless work on behalf of ''atomic veterans,'' and those who have suffered as a result of exposure to radiation while serving our country is to be commended and I thank him for his support of my legislation.

## A TRIBUTE TO THE LABOR MOVEMENT

### HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise to honor the labor movement. As the American trade union movement prepares to move into its second century, it is important to applaud the movement's ''century of achievement'' that included the historic reuniting of the AFL–CIO in 1955.

American labor has played a central role in the raising of the American standard of living. American workers have had to struggle to achieve the gains they have made during this century. And it has been a struggle! Improvements did not come easily. By organizing, winning the right to representation, utilizing the collective bargaining process, struggling against bias and discrimination, working Americans have built a trade union movement of formidable proportions.

Labor in America has correctly been described as a stabilizing force in the national economy and a bulwark of our democratic society. The gains that unions have achieved have brought benefits directly and indirectly to the American people and have served as a force for our nation's progress.

Labor has reached out to groups in America who strive for their share of the American dream and there is a common bond between the labor movement and African-Americans, Hispanics, and other minorities. In the words of Dr. Martin Luther King: ''Our needs are identical with labor's needs—decent wages, fair working conditions, livable housing, old age security, health and welfare measures, conditions in which families can grow, have education for their children and respect in the community.''

But today, America's workplace is in transition. The workforce that was once predominantly ''blue collar'' has now expanded to include ''white collar'' employees and the significantly increasing ''gray collar'' workers representing the workers in service industries. Mass production industries have downsized and many have gone out of business. Increasing numbers of the new industries require new skill levels from employees and work once

performed in the United States has been moved out of the country.

However, change has not lessened the absolute need for protection and representation for our nation's working men and women. And change has not lessened the resolve of the union movement to represent and protect America's workers.

As the labor movement continues to face the looming challenges, it is important to note that the union movement is on the right track. In 1998, the number of union members rose in more than half the states and union membership grew by more than 100,000 nationwide. In all, the number of union members in the nation rose from 16.1 to 16.2 million. As AFL–CIO President John Sweeney has said, ''Our commitment and dedication to organizing, at all levels of the labor movement, is beginning to bear fruit—but we still have a long way to go. We need to stay focused and redouble our efforts.''

## THE SENIOR CITIZENS INCOME TAX RELIEF ACT

### HON. MATT SALMON

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SALMON. Mr. Speaker, I rise to introduce the Senior Citizens Income Tax Relief Act. This legislation would repeal the Clinton Social Security tax increase of 1993.

Millions of America's senior citizens depend on Social Security as a critical part of their retirement income. Having paid into the program throughout their working lives, retirees count on the government to meet its obligations under the Social Security contract. For many, the security provided by this supplemental pension plan is the difference between a happy and healthy retirement and one marked by uncertainty and apprehension, particularly for the vast majority of seniors on fixed incomes.

As part of his massive 1993 tax hike, President Clinton imposed a tax increase on senior citizens, subjecting to taxation up to 85 percent of the Social Security received by seniors with annual incomes of over $34,000 and couples with over $44,000 in annual income. This represents a 70 percent increase in the marginal tax rate for these seniors. Factor in the government's Social Security Earnings Limitation and a senior's marginal tax rate can reach 88 percent—twice the rape paid by millionaires.

An analysis of government-provided figures on the 1993 Social Security tax increase finds that, at the end of 1998, America's seniors have paid an extra $25 billion because of this tax hike, including $380 million from senior citizens in Arizona alone.

Older Americans are just as willing as the rest of the country to pay their fair share, but the President and other big spenders in Congress should not take that as a license to finance their big government agenda on the backs of Social Security beneficiaries. Our nation's seniors have worked too hard to have their golden years tarnished by the government reneging on its promises. In an era of budget surpluses, surely we can find a way to provide America's seniors with relief from this burdensome tax.

## INTRODUCTION OF BILL TO CLARIFY THAT NATURAL GAS GATHERING LINES ARE 7-YEAR PROPERTY FOR PURPOSES OF DEPRECIATION

### HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SAM JOHNSON of Texas. Mr. Speaker, today I have introduced legislation, H.R. — to provide much needed certainty with respect to the proper depreciation classification of natural gas gathering lines. Natural gas gathering lines play an integral role in the production and processing of natural gas as they are used to carry gas from the wellhead to a gas processing unit or interconnection with a transmission pipeline. In many instances, the gathering network for a single gas field can consist of hundreds of miles and represents a substantial investment for natural gas processors.

The proper depreciation classification for specific assets is determined by reference to the asset guideline class that describes the property. Asset class 13.2 subject to a 7-year cost recovery period, clearly includes ''assets used by petroleum and natural gas producers for drilling wells and production of petroleum and natural gas, including gathering pipelines and related production facilities.'' Not only are gathering lines specifically referenced in asset class 13.2, but gathering lines are integral to the extraction and production process. Nonetheless, it has come to my attention that some Internal Revenue Service auditors now seek to categorize natural gas gathering lines as assets subject to a 15-year cost recovery period under asset class 46.0, titled ''Pipeline Transportation.''

Over the past several years, I have corresponded and met with officials of the Department of Treasury seeking clarification on Internal Revenue Service policy and the issuance of guidance to taxpayers as to the proper treatment of these assets for depreciation purposes. These efforts have been to no avail. In the meantime, the continued controversy over this issue has imposed significant costs on the gas processing industry on audit and in litigation, and has resulted in a division of authority among the lower courts as to the proper depreciation of these assets. While it is not my intent to interfere with ongoing litigation, I do believe that legislation is needed to clarify the treatment of these assets under the Internal Revenue Code in order to provide certainty to the industry for tax planning purposes, and to avoid costly and protracted audits or litigation.

Accordingly, I have introduced legislation that would amend the Internal Revenue Code to specifically provide that natural gas gathering lines are subject to a 7-year cost recovery period. While I believe that this result should be obvious under existing law, this bill would eliminate any uncertainty surrounding the proper treatment of these assets. The bill also includes a proper definition of ''natural gas gathering lines'' to distinguish these assets from pipeline transportation for purposes of depreciation.

I urge my colleagues to support this important legislation.

## DRUG USE AMONG OUR CHILDREN

### HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. PACKARD. Mr. Speaker, I rise today to express my concern over the continuing increase in teenage drug abuse. Our nation's children are our future and they must be protected from the evils of illegal drugs.

Despite the Clinton Administration's promises, drug use among our children has increased in the last few years. The statistics speak for themselves, Between 1996 and 1997 illicit drug use by children grew from 9.6 percent to 11.4 percent. The Administration's response to this crisis has been appalling. The international interdiction programs have been reduced by nearly $1 billion, while the present level of staff at the White House Office of Drug Control Policy is now 25, down from 146 employees.

As a father of seven and a grandfather of thirty four, I am very concerned with the ever lowering age of drug use in this country. I am proud to be working with other Member of Congress who are committed to the war on drugs. We have already passed legislation increasing the punishment for dealing in methamphetamines and we have increased spending to stop drugs from entering our borders. It should not stop there. For our children's sake we have to do more. We must increase the punishment for people who continue to deal in drugs, especially when children are concerned.

There is much more to do to stop the rise of drug use. Congress and the Administration must work together and reduce the influence of illegal drugs. I urge my colleagues to address this issue during the 106th Congress and to implore this administration to get tough on drug use among our children.

## 50TH WEDDING ANNIVERSARY OF MR. AND MRS. JAMES McCLOSKEY

### HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. BORSKI. Mr. Speaker, I rise today to congratulate a truly remarkable couple, Mr. and Mrs. James McCloskey. On January 9, 1999, they celebrated fifty years of marriage—their Golden Anniversary. Together, this exceptional couple has served as a role model for their family and community. I am greatly honored to pay tribute to them.

James J. McCloskey grew up in Philadelphia, PA and graduated from LaSalle University in 1951. For many years to follow, he worked diligently for the Delaware River Port Authority, managing contracts and insurance. He found time to actively participate in numerous organizations dedicated to serving his country and community. He belonged to the American Legion Post #88, Knights of Columbus, the Malvern Retreat League, the Irish Society, and the Association of Government Accountants. He was a past commander and life member of AMVET Post 57. Mr. McCloskey also involved himself in local politics by serving as a Democratic Committeeperson for nearly 30 years.

Anne McCloskey is a native Philadelphian who graduated from Mastbaum High School. She shares her husband's interest in the government and has participated in Philadelphia politics for years. Mrs. McCloskey was a Constituent Service Representative for Pennsylvania State Representative Cliff Gray from 1978–1982. She is currently employed as an Administrative Aide for State Senator Vincent J. Fumo and serves with her husband on the Democratic Committee.

Mr. Speaker, it is with great pleasure that I recognize these two outstanding American citizens, James and Anne McCloskey. They have devoted their lives to their four children and six grandchildren while maintaining the vital role as neighborhood leaders. The McCloskeys are an extraordinary couple who possess a love and dedication to each other that is commendable. I wish them many more years of marital bliss.

## SEVEN CHEERS FOR MONTGOMERY BLAIR HIGH SCHOOL

### HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mrs. MORELLA. Mr. Speaker, I rise to pay tribute to Montgomery Blair High School in Silver Spring, Maryland. This year, Montgomery Blair had six finalists named in the Intel Science Talent Search, formerly known as the Westinghouse Science Talent Search. This group of six students is the largest number from one high school since 1991.

Montgomery Blair is a math, science, and computer science magnet high school drawing students from every corner of Montgomery County, Maryland. When Blair first became a magnet school in 1986, its reputation was declining. The development of an outstanding science and math magnet program has brought the school into the national spotlight.

As a former teacher, I applaud principal Phil Gainous and the teachers at Montgomery Blair High School for inspiring six of the top finalists in the Intel Science Talent Search. The fact that six science all-stars attend the same high school is a testament to the commitment and dedication of the teachers at Montgomery Blair in providing a quality education to a diversity of students.

My heartiest congratulations to: Wei-Li Deng, James Hansen, Grace Lin, Michael Maire, David C. Moore, and Scott Safranek. These students of the math and science magnet program are multi-talented and participate in a wide range of activities at Montgomery Blair and in the Montgomery County community: Wei-Li plays first violin with the Montgomery County Youth Orchestra; James is a drummer in a jazz band, Grace is an accomplished pianist and singer; Michael reads French fluently; David scored a perfect combined score of 1600 on his SATs; and Scott enjoys martial arts, bowling, poker, poetry, philosophy, and listening to music.

I also want to congratulate another Montgomery Blair High School magnet student. Sarah Iams, from Bethesda, Maryland, is a national winner of the Siemens Award for Advanced Placement (AP). This award is given to the most outstanding young science and mathematics students from around the country. In addition to her pursuit of accelerated programs in math and science, Sarah is a member of the debate team, and a serious athlete who practices Tae Kwon Do, plays team soccer and runs cross country and track.

I wish the winning combination of students and teachers at Montgomery Blair High School continued success in achieving excellence in math and science education.

## HONORING FIRE CHIEF ALBERT V. WINGO

### HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. WELLER. Mr. Speaker, I rise today to honor the work and dedication of Chief Albert V. Wingo who, after serving the Village of Bradley for 44 years, retired as Bradley Fire Chief on December 29, 1998.

Chief Wingo has a long and distinguished record with the Village of Bradley Fire Department as well as the Village of Bradley itself. During his 44 year career with the Bradley Fire Department, Chief Wingo served as Bradley Fire Chief for 28 years. Chief Wingo's dedication to the Fire Department is also shown through his membership in various fireman associations. Chief Wingo has played an active role in the following associations—member and Past President of the Kankakee Valley Firemen's Association, member of the Kankakee Valley Arson Task Force, member of the Kankakee County 911 Board, member of the Hundred Club, member of the Illinois Association of Fire Chiefs, and a member of the National Fire Protection Association. Chief Wingo also served 21 years as Building Inspector and 21 years as Health Inspector for the Village of Bradley.

Chief Wingo was born on April 28, 1926 in Kenney, Illinois. He proudly served his country during World War II while in the service of the United States Navy from 1944 to 1946. On July 3, 1949, Chief Wingo married Jean Vaughn who passed away in 1993. Chief Wingo is the proud father of three children and the grandfather of six grandchildren.

I know the Village of Bradley will greatly miss Chief Wingo's dedication, knowledge and experience. It is always a great honor for me to be able to proudly acknowledge outstanding citizens, like Chief Wingo, who resides in my 11th Congressional District.

Mr. Speaker, today I recognize this gentleman for his honorable career and uncommon loyalty. I urge this body to identify and recognize others in their own districts whose actions have so greatly benefited and strengthened America's communities.

## HONORING SYLVAN DALE RANCH

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SCHAFFER. Mr. Speaker, I rise today to recognize and praise the Sylvan Dale Ranch for obtaining a conservation easement from the Larimer County Commissioners, which will preserve a very scenic stretch of open space at the mouth of the Big Thompson Canyon west of Loveland, CO.

The easement will prevent development on the land, protecting it for the benefit of current and future users. This pro-active, public-private agreement strikes a balance between preserving open space and respecting property rights. I strongly support the ideas underlying this partnership, namely, that ranchers and farmers are the best stewards of the land, and they are crucial to preserving valuable open space amidst Colorado's booming growth. It is my hope other ranches and farms will follow Sylvan Dale's lead and take effective steps to preserve their land heritage through such common-sense, forward-looking arrangements.

Sylvan Dale is a well-known, family owned and operated guest ranch, a viable cattle and horse ranch, and a working farm. Susan Jessup manages Sylvan Dale Ranch, founded in 1946 by her parents Maurice and Mayme Jessup. Building on their commitment to provide one of the best outdoor experiences in Colorado, the Jessup's vision has always been to sustain the natural character of the landscape and provide an authentic Western environment. Accordingly, the Jessup's sought to shield the land from urbanization pressures which lead to the easement protecting 431 acres—about 15 percent of the ranch's land. The family will continue to actively use the land, including grazing horses and cattle, and raising hay.

Clearly, Sylvan Dale Ranch embodies the unrefined characteristics of the Colorado Rocky Mountain foothills and the West, as well as the straightforward, no-nonsense thinking of the earliest pioneers. Highly visible, extremely popular, and easily accessed, the lands owned by Sylvan Dale Ranch are a testament to the wisdom of landowners who know how to best protect and preserve the land.

## HONORING JAMES VICTOR STANCIL III

### HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. ETHERIDGE. Mr. Speaker, I rise today to congratulate Mr. James Victor Stancil III on his achievement of the rank of Eagle Scout. This outstanding young man from Lillington, North Carolina is an active member of the community and Antioch Baptist Church, as well as an exemplary student at Western Harnett High School.

As a member of Troop 2, Victor displays his leadership ability as Patrol Leader, Troop Guide, and Junior Assistant Scout Leader. He has also organized many community service projects, including building a picnic shelter for a local church. In 1995, Victor earned his Order of the Arrow Award and served as the troop chaplain.

Academically, Victor excels in many areas of study. He is President of the Beta Honor Club and of the Future Teachers of America Club, as well as a member of the Future Business Leaders and Future Farmers of America Clubs. He has been awarded best actor for his Drama Club performance of ''Mircle on 34th Street'' and the ''Advanced Biology Project

Award'' from his Science Club. Victor has also participated in two of North Carolina's prestigious summer programs for academically gifted youth, the North Carolina Governor's School and Summer Ventures in Math and Science. He plans to attend North Carolina State University in my Congressional District in the fall.

As a former Scout leader myself and a recipient of the Boy Scouts' Silver Beaver Award, I know the difference that Scouting can make in young lives. Scouting instills important values in young men that leave a lasting imprint and the experience gained through Scouting will continue to serve Victor well.

I was honored to present Victor with his Eagle Scout Award on January 17, 1999. I congratulate him on this momentous achievement and wish him all the best in his future endeavors.

## STRUCTURED SETTLEMENT PROTECTION ACT

### HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SHAW. Mr. Speaker, on opening day of the 106th Congress, I, along with my colleague Mr. STARK and a broad bipartisan group of our colleagues introduced the Structured Settlement Protection Act, H.R. 263.

This bill would address the serious public policy concerns that are raised by transactions in which so-called factoring companies purchase recoveries under structured settlements from injured victims.

Recently there has been dramatic growth in these transactions in which injured victims are induced by factoring companies to sell off future structured settlement payments intended to cover ongoing living and medical needs in exchange for a sharply-discounted lump sum that then may be dissipated, placing the injured victim in the very predicament the structured settlement was intended to avoid.

As long-time supporters of structured settlements and the congressional policy underlying such settlements, we have grave concerns that these factoring transactions directly undermine the policy of the structured settlement tax rules. The Treasury Department shares these concerns.

Because the purchase of structured settlement payments by factoring companies directly thwarts the congressional policy underlying the structured settlement tax rules and raises such serious concerns for structured settlements and injured victims, it is appropriate to deal with these concerns in the tax context.

Accordingly, H.R. 263 would impose a substantial excise tax on the factoring company that purchases the structured settlement payments from the injured victim. The excise tax would be subject to an exception for genuine court-approved hardship cases to protect the limited instances of true hardship.

Mr. Speaker, too many Americans have been taken advantage of through the purchase of structured settlements by factoring companies. I urge my colleagues to join me to end this abusive practice.

## TRANSITION TO ADULTHOOD PROGRAM (TAP) ACT

### HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. CARDIN. Mr. Speaker, when children leave their families to make it in the world, they often do so in stages. The first step for many is to go away to college while still depending on their parents for tuition and living expenses. Others attempt to work immediately, but they also might rely on their family for financial assistance, not to mention emotional support. However, there is one group of young Americans that are required to become completely self-sufficient on their 18th birthday—kids aging out of foster care. The cruel irony of course is that this population is perhaps the least capable of becoming fully independent at such a young age. These kids have to deal with all the traumas and difficulties associated with being removed from their family because of abuse, neglect or abandonment and then being placed in one, two, three or more foster homes. This is hardly the most solid foundation from which to build the rest of their lives.

Repeated studies have illustrated that a sink-or-swim policy for children aging out of foster care has resulted in many falling beneath the waves of poverty and despair. A national study by Westat, Inc. in 1992 found less than half of former foster children had graduated high school between 2.5 and 4 years after being discharged. The study also found only half of former foster kids were working; one-quarter had spent at least one night homeless; and 40% needed some kind of public aid. More recent studies by the University of Wisconsin-Madison and the University of Illinois also have illustrated the extreme difficulties faced by this population. The authors of these reports and many of the state officials responsible for overseeing our Nation's child welfare system have called for bold changes to help foster children make the transition to independence. For example, Peter Digre, Director of the Department of Children and Families in Los Angeles, and Nicholas Scoppetta, Commissioner of the Administration for Children's Services in New York City, released a joint statement in 1998 on youth aging out of foster care which declared, ''It becomes our responsibility as a society to provide these young people, who are proven to be at a heightened risk of homelessness or involvement in the criminal justice system, with the opportunity to succeed, (including) a safe and comfortable place to live—an opportunity to continue education—(and) access to health care.''

I am introducing legislation today, along with my Democratic colleagues on the Ways and Means Subcommittee on Human Resources, to ensure that the end of foster care does not mean the beginning of poverty and hopelessness for thousands of young Americans every year. The Transition to Adulthood Program (TAP) Act would provide States with the option of extending assistance to former foster youth up to the age of 21 as long as they are working or enrolled in educational activities and have a plan to become completely self-sufficient. This extension of foster care assistance would provide needed resources for housing, education, health care and employment. In addition, the legislation would: provide tax credits to employers who hire former foster children; allow children in foster care to save more resources for their eventual emancipation; require a collaboration among existing housing, educational and employment programs to help foster kids; and update the formula for the current Independent Living Program. In general, the legislation seeks to send foster children down a ramp to independent and productive lives, rather than off a cliff to destitution and welfare dependency.

Some of my colleagues have said in the past that government programs too often take the role and responsibility of families. However, I would remind them that government is the defacto parent for foster children and therefore has an obligation to do a better job of helping them become self-sufficient. How many other parents tell their children at the age of 18 that they are completely and utterly on their own? Of course, it is true that some foster children make a seamless transition to self-reliance at such a young age, but the statistics show that many ultimately do not.

Mr. Speaker, less than two years ago, Congress passed bipartisan legislation to help promote the adoption of children in foster care. However, adoption is not always possible for many older foster children, and we therefore see our TAP legislation as the next logical step in reforming our foster care system. We offer the bill not so much as the final work on helping foster children, but more as the first step towards building a consensus that Congress must act on this important issue. We stand ready to work with anyone who wants to help former foster youth achieve real independence.

## HONORING COLORADO STATE SENATOR TILLMAN BISHOP UPON HIS RETIREMENT

### HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. McINNIS. Mr. Speaker, I'd like to take a moment to honor an individual who for so many years has exemplified the notion of public service and civic duty and an individual we on the western slope of Colorado will be hard pressed to replace.

Senator Tillman Bishop has represented Colorado's 7th District in the Colorado Senate for 28 years and before that, in the Colorado General Assembly for 4 years. His years of service rank him 5th in the state's history for continuous years of service and he is the longest serving senator from Colorado's western slope.

Senator Bishop, or Tillie, as he is affectionately known, has for decades selflessly given of himself and has always placed the needs of his constituents before his own. I myself served with Tillie when I was a member of the Colorado General Assembly and I consider myself fortunate to have worked with a representative of his caliber.

The number of honors and distinctions that Tillie has earned during his years of outstanding service are too numerous to list, and too few to do justice to his contribution to the state of Colorado.

Senator Bishop will be sorely missed in the halls of the Colorado Capitol, both for his wisdom and knowledge of Colorado, but also for his kind and gentle demeanor which endeared him to all those with whom he came in contact.

1998 marked the end of Senator Bishop's tenure in elected office and the state of Colorado is worse-off because of his absence. There are too few people in elected office today who are prepared to serve in the selfless and diligent manner of Tillman Bishop. He is the embodiment of the citizen-legislator and a model for every official in elected office.

His constituents, of whom I was one, owe him a debt of gratitude and I wish him well in his well-deserved retirement.

## INTRODUCTION OF LEGISLATION

### HON. JIM McCRERY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. McCRERY. Mr. Speaker, today I am pleased to introduce on behalf of myself, Mr. NEAL of Massachusetts and several of my other colleagues from the Ways and Means Committee, legislation to permanently extend the exception from Subpart F for active financing income earned on overseas business. U.S.-based finance companies, insurance companies and brokers, banks, securities dealers, and other financial services firms should be permitted to act like other U.S. industries doing business abroad and defer U.S. tax on the earnings from the active operations of their foreign subsidiaries until such earnings are returned to the U.S. parent company. Without this legislation, the current law provision that keeps U.S. financial services industry on an equal footing with foreign-based competitors will expire at the end of this year. Moreover, this legislation will afford America's financial services industry parity with other segments of the U.S. economy.

Due to the international growth of American finance and credit companies, banks and securities firms, and insurance companies and brokers, this legislation is essential in securing the position of the U.S. financial services industry by making this provision a permanent part of the law and ending the potential impairment of these industries because of the ''on-again, off-again'' system of annual extensions that does not allow for fiscal certainty.

Furthermore, Mr. Speaker, we believe the permanent extension of this provision is particularly important today as the U.S. financial services industry is the global leader and plays a pivotal role in maintaining confidence in the international marketplace. Also, recently concluded trade negotiations have opened new foreign markets for this industry, and it is essential that our tax laws complement this trade effort.

Additionally, Mr. Speaker, while this legislation merely provides for a permanent extension of current law, the highly competitive and global nature of many of the businesses that will benefit from this legislation must continually be reassessed to ensure that U.S. tax policy does not hamper their ability to compete in the international marketplace. One such area to which I hope the Congress and Treasury department will give further attention is the business of reinsurance. This industry is placing more business outside of their home countries, a trend which continues and is accelerating. Many of these decisions are motivated by a variety of business reasons and the highly competitive global nature of the business itself. While some of the changes made last year were included to close down perceived tax avoidance schemes, we, in turn, should not create or perpetuate a restrictive tax regime that penalizes those who are doing legitimate business transactions and have significant business operations in those countries.

In closing, we must not allow the tax code to revert to penalizing U.S.-based companies by allowing to occur the expiration of the temporary provision after this year and hope that this legislation can be given every possible consideration.

## MINNESOTA CELEBRATES PEARSON CANDY'S SWEET TREATS FOR 85 YEARS

### HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. VENTO. Mr. Speaker, I submit for the RECORD the following article from the Monday, January 18, 1999, edition of the St. Paul Star Tribune which recognizes the continued success of the Pearson Candy Co. I want to extend my congratulations to the owners and employees for continuing to produce quality candies for more than 85 years.

This recognition is well-deserved; not only for their production of delicious treats such as Nut Goodies and Salted Nut Rolls, but also for their commitment to the community of St. Paul, Minnesota. In such a competitive industry with the mega companies such as Hershey's, Nestle, and Mars, and a host of foreign imports, it is a superb accomplishment for the Pearson Candy Company of St. Paul, Minnesota to continue in the tradition of a great quality product.

Congratulations and best wishes to the Pearson Candy Co. and their good work force, that have provided the candy treats of my youth yesterday, for our grandchildren today, and hopefully will be doing so long into the new century tomorrow.

[From the St. Paul Star Tribune, Jan. 18, 1999]

AROUND ST. PAUL: PEARSON CANDY CO. CELEBRATES 90 YEARS

(By Joe Kimball)

Automation handles much of the candymaking these days at the Pearson Candy Co., but workers at the W. 7th Street plant watch every stage to pluck out broken or misshapen Nut Goodies, mints and Salted Nut Roll.

''If we learned anything from George Pearson, it's that our recipes are great, but the tradition of quality is what sets us apart,'' said company co-owner Larry Hassler.

The late George Pearson, who died in 1995, ran the company for 20 years, and is remembered as a great boss and great candymaker. The company founded by his father, P. Edward Pearson, turns 90 this year.

Pearson Candy competes in a field largely dominated by three giants—Hershey, Mars and Nestle—Hassler said.

After some rocky years in the 1980s, Pearson Candy now thrives under new management. The company recently added the Bun bar, which comes in maple, caramel and vanilla.

The company has been selling mints and Salted Nut Rolls through Wal-Mart and Target stores, and Hassler says he hopes to build on that national recognition of the Pearson brands.

But not all of the company's candy bar brands have survived over the years: Remember the Denver Sandwich?

It was something like a Twix bar, but a little ahead of its time.

Hassler takes the credit (or blame) for killing the famous Seven Up bar about 20 years ago. He said it took 10 workers to make the bar, which had seven creme and flavored fillings, and the company lost a dime on each bar it sold.

But the Seven Up bar had a special role in building the W. 7th Street plant.

''Pearson owned the name, 'Seven Up,' but so did the 7-Up soda company, so they'd come once a year to George Pearson and ask to buy the name so they could legally protect it, and then they'd lease the name back to us.

''Well, every year George would say no. I think he got a thrill out of telling this big company to just go away. But finally, in the 1950s, they came again and offered him a blank check. This time, he wrote in an amount, some very, very high figure, and they said: 'We've got a deal.'

''Those proceeds built this plant.''

COMPANY HISTORY

P. Edward Pearson and four brothers started the company in Minneapolis. With the Nut Goodie, invented in 1913, and the Salted Nut Roll, 1921, it grew to be one of the nation's top 20 candy manufacturers.

When P. Edward died in 1933, his son George quit college and became a partner with his uncles. In 1951, George bought the Trudeau Candy Co. in St. Paul, which made mints and the Seven Up bar.

George became president of the company in 1959 but sold it in 1969 to International Telephone and Telegraph's Continental Baking Co. Ten years later, a Chicago entrepreneur bought the company, and in 1981 Hassler was brought in as a financial officer. Hassler and Judy Johnston bought the company in 1985.

KEEPING THE NUT GOODIE

In the production area, which makes up most of the plant's 130,000 square feet, plant manager Roger Bruce supervises two shifts of workers who mix and blend sugar, corn syrup, chocolate and peanuts. About 175 people work for the company.

The peanuts come from North Carolina in 2,000-pound bags. The plant uses four to eight bags a day.

Hassler said his longtime employees saved him from making a big mistake in the 1980s—dropping the Nut Goodie.

''We were losing a nickel a bar and every time I saw an order for 100 cases, it killed me,'' he said. They had changed the bar's recipe and wrapper and weren't selling enough to make a profit.

''People in the plant said we've got to make the Nut Goodie the way they used to make it and go back to the old ugly, red-and-green wrapper. We did it and they were 100 percent right.'' Now, the company sells enough Nut Goodies to make a tidy profit.

Hassler said he has had sweet overtures from neighboring states asking him to move. But he's not chewing on those offers.

''St. Paul has been good for us. If you take St. Paul out of the equation, I'm afraid we'd lose it all,'' he said.

He's not entertaining buyout offers, either. ''If I sold out and made a fortune, I know I'd spend the rest of my life looking for another company just like Pearson Candy,'' he said.

## TRIBUTE TO MYLES TIERNEY

### HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. NADLER. Mr. Speaker, I rise today to express my condolences to the family of Myles Tierney. Myles Tierney was a journalist with the Associated Press who was tragically killed in a rebel attack while on assignment in Sierra Leone. Known as a vibrant young man who had a passion for traveling and journalism, he was a true journalist in the sense that he reported on news that would educate and inform the public. He was willing to put himself in harm's way to report on a story of significant value.

Mr. Tierney grew up in the SoHo area of New York City. His father, a mathematics professor, and his mother, a performance artist, allowed their son to nurture his creative abilities at an early age. He channeled these interests into journalism, and while attending Rutgers University for a period of time he realized he would rather pursue a career in the field he loved.

Mr, Tierney's career with the Associated Press began when he was hired in 1994 to produce news videos. In 1997, he was assigned to Nairobi. In Africa, he would travel throughout the continent covering stories in war-ravaged countries, often putting his own life in peril. His passion for journalism and love for his job allowed him to look beyond the dangers before him and bring news to the people throughout the world. For Myles Tierney, that was worth the risk.

Along with journalism, Mr. Tierney's other passion was traveling. This made working abroad in the remotest regions of Africa that much more appealing to him. Some journalists might have avoided such a challenge, but Myles Tierney jumped at the opportunity. His friends and colleagues say that he actually liked to travel to the most inhospitable of areas to cover a story. He cared deeply about his role as a journalist, and the real issues that affect the world around us.

Myles Tierney will be remembered by his family and friends as an individual of charm who had a passion for journalism . He did his best to inform others about world events—events that other journalists were reluctant to cover because they were less glamorous or too dangerous. He lived his life-long dream: traveling the globe, informing the world. Myles. Tierney was an exceptional young man who will be truly missed.

## A TRIBUTE TO THE HONORABLE DR. FREDERICA WILSON, ROLE MODEL OF EXCELLENCE

### HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mrs. MEEK of Florida. Mr. Speaker, I am pleased to have this opportunity to pay tribute to one of south Florida's distinguished daughters, the Honorable Dr. Frederica Wilson, a champion of poor and minority students. After an extended period of distinguished community service in Miami, Dr. Wilson was elected recently to the Florida House of Representatives in Tallahassee.

Prior to her election to the state legislature, Dr. Wilson was a member of the Miami-Dade County School Board and was principal of Skyway Elementary School for twelve years. Dr. Wilson earned her Bachelor's degree in Elementary Education from Fisk University, and her M.A. degree in Supervision and Administration from the University of Miami. Dr. Wilson received an Honorary Doctorate of Humane Letters from Miami's Florida Memorial College.

Dr. Wilson is the founder of the 500 Role Models of Excellence Project, providing role models, training, and workshops for minority boys in the county's public school system. Dr. Wilson has introduced many initiatives to the Miami-Dade County School Board, including the annual ''Keep Me Safe'' march and vigil, when time is allocated for students and the community to honor children lost due to unsafe environments.

Dr. Wilson's inventiveness knows no bounds when fostering safety for Florida's students. One of the initiatives which she introduced has been ''Drug and Alcohol Awareness Fridays.'' And every Friday is ''Say No to Drugs'' Day in the public schools of Miami-Dade County.

In 1997, the 500 Role Models Project was cited by President Clinton and General Colin Powell as a leading volunteer teaching model for the nation at the President's Summit for America's Future in Philadelphia, Pennsylvania.

With other Florida leaders, such as Governor Jeb Bush, Dr. Wilson also recently participated in the sixty annual 500 Role Models of Excellence Project's Dr. Martin Luther King, Jr. Unity Scholarship Breakfast on Miami Beach in January, 1999.

While in our nation's capital to attend a White House function with First Lady Hillary Rodham Clinton, Dr. Wilson had the opportunity also to visit the Congress on February 3. I look forward to working with Dr. Wilson towards resolving the challenges facing our home state. Miami indeed is fortunate to have such a capable and devoted public servant among the ranks of its community leaders.

## WASHINGTON POST EDITORIAL ON HONG KONG COURT DECISION

### HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. BEREUTER. Mr. Speaker, this Member would ask to submit for the RECORD an important editorial that appeared in the February 10, 1999 Washington Post concerning China's negative reaction to a recent high court decision in Hong Kong. The Members of the Task Force on Hong Kong, created at your request of former Speaker Gingrich to observe and report on conditions in Hong Kong following its reversion to China, are closely monitoring these developments. Indeed, the Task Force submitted its most recent report to be printed in the February 9, 1999 CONGRESSIONAL RECORD.

It is important to note that the decision by the Hong Kong Court of Final Appeals rightly asserts that body's right to interpret Hong Kong law for the people of Hong Kong. However, very sensitive issues must still be resolved, including how to limit the number of individuals seeking permanent entry into Hong Kong and whether it is Hong Kong or Beijing that makes the final determination on that number. Most importantly, however, this Member hopes that the Beijing authorities and the Government of the People's Republic of China will be cognizant of the importance of preserving the principles of autonomy and the rule of law that underlie the prosperity and liberty of Hong Kong and its people.

Mr. Speaker, this Member asks to insert this excellent editorial in the RECORD.

''MAKE OR BREAK'' IN HONG KONG

In the 19 months since Hong Kong reverted to China, the worst fears have not come true. Beijing has for the most part kept its hands off the former British colony as promised, allowing Hong Kong to manage its own affairs. Now the two entities may be approaching a crisis that determines whether Hong Kong can maintain substantive independence. It is ''make-or-break time,'' the chairman of Hong Kong's bar association, Ronny Teng, said yesterday.

A decision by Hong Kong's highest court triggered the confrontation. The decision ostensibly concerned the rights of children born in China to at least one Hong Kong parent to settle in Hong Kong. The court said they could, even if born out of wedlock. But the significance of the decision lay elsewhere, in its legal reasoning. For the first time, the court claimed for itself the authority to interpret Hong Kong law for Hong Kong. On most matters, in other words, the final word should not rest with Beijing. And more than that: Hong Kong laws should be interpreted above all with a deference to Hong Kong autonomy and an understanding that rights and freedoms are ''the essence of Hong Kong's civil society.'' The contrast to China's arbitrary one-party dictatorship could not have been sharper.

The decision has not sat well in Beijing. Four ''legal experts'' were the first to express dismay. Then Zhao Qizheng, a senior cabinet official, called the decision a mistake. Yesterday a Foreign Ministry spokeswoman in Beijing chimed in, saying the government was ''closely following'' the ruling.

The idea of ''one country, two systems'' was an experiment from the start. Trying to maintain an island of free enterprise and relative democracy within a Communist state was never going to be easy. But its success is crucial, not only to residents of Hong Kong but to China's credibility in the world and to those nations—such as the United States—that pledged to stand up for Hong Kong's freedom.

Now Beijing officials are threatening that success. Not only Hong Kong's liberty but its prosperity as well is at stake, since local and foreign companies alike will be reluctant to invest in Hong Kong if its rule of law can be compromised and superseded by party apparatchiks in Beijing. The Clinton administration should make clear that it, too, is ''closely following'' developments.

## HONORING JOHN M. ALEXANDER, JR. FOR PUBLIC SERVICE IN THE AREA OF LEADERSHIP

### HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. ETHERIDGE. Mr. Speaker, I rise to call the attention of the Congress to the work of

John M. Alexander, Jr. of Cardinal International Trucks, Inc. in Raleigh, North Carolina, recipient of the ATD/Heavy Duty Trucking Dealer of the Year Award honoring his outstanding leadership within the truck industry and the community. Mr. Alexander's accomplishment is particularly exceptional because his father, John Alexander, Sr., won the NADA/Time Magazine Dealer of the Year Award in 1968.

John Alexander started working sorting parts in his father's dealership when he was twelve years old. During ensuing years, he worked in various departments of the family business, climbing up the company climber. In 1981, he became the new President and General Manager of Cardinal International Trucks. In addition to running his dealership, he also holds the position of secretary/treasurer of the UD National Dealer Council and serves as a ''grassroots lobbyist'' for the North Carolina Automobile Dealers Association.

John Alexander, Jr. is not only active in the truck industry, but he is also very active in his community. When Mr. Alexander is not at work he can be found raising funds for schools and local charities. His efforts helped supply Lacy Elementary School with their first computer lab. He has also shown his dedication to maintaining a strong relationship between fathers and schools by co-founding a program called the ''Dad's Lunch Bunch,'' which also allows him time to spend with his daughters, Mary Carroll who is sixteen and Catherine McKnitt who is fourteen.

I commend Mr. Alexander for his hard work in both the Raleigh community and the truck industry. I encourage my colleagues to read the following article announcing his important work and achievement:

1998 DEALER OF THE YEAR JOHN ALEXANDER, JR.

Alexander's first job in his father's dealership was counting parts at age 12. From there he worked his way through virtually every department—service, parts, administration and sales—until becoming president and general manager in 1981.

He has been an active participant in numerous industry activities. He is secretary/treasurer of the UD National Dealer Council, a ''grass roots lobbyist'' for the North Carolina Automobile Dealers Assn. and serves on the technical training committee of North Carolina Industries for Technical Education.

In his community he's a tireless fund-raiser for charitable organizations and the local schools. Largely due to his efforts, one local elementary school was the first in the county to get a computer lab and computers in each classroom. He co-founded the ''Dad's Lunch Bunch,'' a program aimed at getting fathers more involved in the schools, and is spearheading a drive to update computer technology in a local school.

## HONORING THE RETIREMENT OF ROBERT JONES

### HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. CONDIT. Mr. Speaker, I rise today to honor the hard work and exemplary career of local industrial giant from my district in California's great Central Valley.

Robert Jones recently announced his retirement after an extraordinary career of 47 years with N.I. Industries, Inc. With the exception of only 7 months, Bob's entire career, which began in 1952, has been in manufacturing ammunition metal products. The last 25 years of his career have been in a managerial capacity. Without question, Bob's career significantly contributed to our ability to win the cold war.

Mr. Speaker, I am very proud to take a moment to reflect on Bob's career. He has proven that a young man with a willingness to work who takes responsibility for his actions can succeed and achieve the American dream. His is a story of hard work and success.

Bob ends his career at the highest level of management in his company. During his most recent position as general manager of the Riverbank Army Ammunition Plant, since 1988 he has implemented an ambitious, yet highly successful, environmental program which was recognized last year by the Department of Defense as the Nation's leader in industrial environmental remediation.

He also implemented a highly successful Armament Retooling and Manufacturing program to transform an idle manufacturing facility into inspired reuse— providing for more than a 300-percent increase in the local work force. His efforts have resulted in annual reductions in the operating budget by more than 50 percent.

Finally, Bob was instrumental in the development of the West Coast Deep Drawn Cartridge Case Facility at Riverbank to help continue to meet our Nation's munitions needs. His management skills have proven that we are indeed losing a true industrial giant.

Mr. Speaker, Bob reflects great credit on the dedication to the many men and women at the Riverbank Army Ammunition Plant and the entire 18th Congressional District.

I would like to extend my heartiest congratulations to Bob and his wife, Pat. I wish him health and happiness in his retirement years and hope he gets to enjoy the company of his three children and grandchildren. I ask that my colleagues rise with me in honoring Robert Jones in his retirement.

## INTRODUCTION OF THE NATIONAL MATERIALS CORRIDOR PARTNERSHIP ACT OF 1999

### HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. BROWN of California. Mr. Speaker, today I want to introduce the National Materials Corridor Partnership Act of 1999. I am joined by Mr. BINGAMAN who will be introducing the same legislation in the Senate today as well.

Members of the House are aware of my long-standing interest in improving scientific and technological cooperation between the United States and Mexico. The purpose of this bill is to promote joint research in materials science between research institutions in the border region.

The shared border region between the United States and Mexico has become increasingly important to the economies of both countries. The border region is a center of manufacturing, mining, metal, ceramics, plastics, cement, and petrochemical industries. Materials and materials-related industries are a significant element of the industrial base(s) on both sides of the border, accounting for more than $7 billion in revenue on the Mexican side alone. In addition, there are more than 800 multinational ''maquiladora'' industries valued at more than $1 billion in the San Diego/Tijuana and El Paso/Juarez regions. These materials-related industries, providing tens of thousands of jobs in both countries, are critical to the economic health of the border region. However, these same industries, in conjunction with continued population growth, have placed severe stress on the environment, natural resources and the public health of the region.

More needs to be done to harness the scientific and technical resources on both sides of the border to address these problems. Scientific and technological advances in the development and application of materials and materials processing provide major opportunities for significant improvements in minimizing industrial wastes and pollutants. Similar opportunities exist to eliminate or minimize emissions of global climate change gases and contaminants, to utilize recycled materials for production, and to allow for the more efficient use of energy. Recognizing these opportunities, academic and research institutions in the border region of both countries, together with private sector partners, recently proposed a Materials Corridor Partnership Initiative. This Initiative proposes joint collaborative efforts by more than 40 institutions to develop and promote the usage of clean eco-friendly and energy efficient sustainable materials technology in the border region. Organizations involved in the Material Corridor Partnerships Initiative include pre-eminent universities and national laboratories located on both sides of the border.

While the Initiative envisions conducting a strong cooperative program between universities and national labs, private sector participation also will be an integral part of its activities. One model for such participation is the Business Council for Sustainable Development (BCSD). In addition to the BCSD model, special industrial outreach programs would be developed to aid industry in problem solving, especially related to materials limitations, environmental protection and energy efficiency. Another important element of the Materials Corridor proposal is the education and training of the next generation of researchers.

Mexican institutions strongly support this initiative and have committed seed money to implement the program among Mexican institutions. I hope that the U.S. Government will also support this proposal. To this end, I am introducing the ''National Materials Corridor Partnership Act of 1999. The bill provides, among other things, authorization of $5 million for each of fiscal year 2000 through 2004 to fund appropriate research and development in support of the Materials Corridor Partnership Initiative. The monies would be used to support joint programs and would leverage support from the private sector in both countries, as well as the Government of Mexico.

I want to commend Senator BINGAMAN for his long-standing interest in improving scientific and technological cooperation between the United States and Mexico. And I look forward to working with him to realize the goals of this legislation.

I urge my colleagues to support this legislation.

## INTRODUCTION OF THE FARM SUSTAINABILITY AND ANIMAL FEEDLOT ENFORCEMENT ACT

### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. GEORGE MILLER of California. Mr. Speaker, today I introduced legislation to address the most important source of water pollution facing our country—polluted runoff. A major component of polluted runoff in many watersheds is surface and ground water pollution from concentrated animal feeding operations (CAFOs), such as large dairies, cattle feedlots, and hog and poultry farms. Under current Clean Water Act regulations, CAFOs are supposed to have no discharge of pollutants, but as a result of regulatory loopholes and lax enforcement at the state and federal levels, CAFOs are in reality major polluters in many watersheds. My bill, the Farm Sustainability and Animal Feedlot Enforcement (Farm SAFE) Act addresses these deficiencies.

Farm SAFE will require large livestock operations to do their part to reduce water pollution. The bill will lower the size threshold for CAFOs, substantially increasing the number of facilities that will have to contain animal wastes. It will require all CAFOs to obtain and abide by a National Pollution Discharge Elimination System (NPDES) permit. The bill improves water quality monitoring, recordkeeping and reporting so that the public knows which CAFOs are polluting. Farm SAFE addresses loopholes in the current regulatory program by requiring CAFOs to adopt procedures to eliminate both surface and ground water pollution resulting from the storage and disposal of animal waste. The bill directs EPA, working with USDA, to develop binding limits on the amount of animal waste that can be applied to land as fertilizer based on crop nutrient requirements. In addition, the bill makes the owners of animals raised at large facilities liable on a pro rated basis for pollution caused by those facilities.

Water quality in California's San Joaquin Valley has been degraded by unregulated discharges of waste from dairy farms. Contaminants associated with animal waste have also been linked to the outbreak of Pfiesteria in Maryland and the death of more than 100 people from infection by cryptosporidium in Milwaukee. Although considered point sources of pollution under the Clean Water Act, until recently little has been done at the federal or state levels to control water pollution from CAFOs.

In recent years, many family farms have been squeezed out by large, well capitalized factory farms. Even though there are far fewer livestock and poultry farms today than there were twenty years ago, animal production and the wastes that accompany it have increased dramatically during this period. And although farm animals annually produce 130 times more waste than human beings, its disposal goes virtually unregulated.

I am encouraged by recent efforts by the Department of Agriculture and the Environmental Protection Agency to address pollution from animal feedlots. Many of the solutions proposed by these agencies, such as comprehensive nutrient management plans for livestock operations and limiting the amount of animal wastes applied to land as fertilizer are nearly identical to some provisions of Farm SAFE. But the Administration's proposal does not go far enough. It lets too many corporate livestock polluters continue to escape compliance with the Clean Water Act by setting the regulatory threshold too high and by not making the owners of animals raised by contract farmers shoulder an appropriate share of the responsibility for water pollution from these operations.

Farm SAFE is very similar to legislation that I introduced last Congress. Although hearings were held in the Agriculture Committee on the issue of animal feedlots, the House took no action on my legislation, nor did the House take any other action to address pollution from animal feedlots. I hope that this Congress does not continue to ignore this growing national problem. The states are beginning to wake up, smell the waste lagoons, and take action. But they need our help in the form of uniform national standards. Much like when Congress stepped in the early 1970s to set uniform national standards for industrial pollution, similar standards are now needed for large point sources of agricultural pollution. Otherwise, the country will become a mosaic of differing levels of environmental protection, with farmers in some states, like North Carolina, disadvantaged by their states commendable aggressive actions to curb pollution from factory farms.

This legislation will restore confidence that we can swim and fish in our streams and rivers without getting sick. It will do much to address our number one remaining water pollution problem—polluted runoff. I hope the House will join me in the effort to clean up factory farm pollution.

## SUBCHAPTER S REVISION ACT OF 1999

### HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SHAW. Mr. Speaker, today over 2 million businesses pay taxes as S Corporations and the vast majority of these are small businesses. The S Corporation Revision Act of 1999 is targeted to these small businesses by improving their access to capital, preserving family-owned business, and lifting obsolete and burdensome restrictions that unnecessarily impede their growth. It will permit them to grow and compete in the next century.

Even after the relief provided in 1996, S corporations face substantial obstacles and limitations not imposed on other forms of entities. The rules governing S corporations need to be modernized to bring them more on par with partnerships and C corporations. For instance, S corporations are unable to attract the senior equity capital needed for their survival and growth. This bill would remove this obsolete prohibition and also provide that S corporations can attract needed financing through convertible debt.

Additionally, the bill helps preserve family-owned businesses by counting all family members as one shareholder for purposes of S corporation eligibility. Under current law, multigenerational family businesses are threatened by the 75 shareholder limit which counts each family member as one shareholder. Also, nonresident aliens would be permitted to be shareholders under rules like those now applicable to partnerships. The bill would eradicate other outmoded provisions, many of which were enacted in 1958.

The following is a detailed discussion of the bill's provisions.

TITLE I—SUBCHAPTER S EXPANSION

**Subtitle A—Eligible Shareholders of an S Corporation**

SEC. 101. Members of family treated as one shareholder—All family members within seven generations who own stock could elect to be treated as one shareholder. The election would be made available to only one family per corporation, must be made with the consent of all shareholders of the corporation and would remain in effect until terminated. This provision is intended to keep S corporations within families that might span several generations.

SEC. 102. Nonresident aliens—This section would provide the opportunity for aliens to invest in domestic S corporations and S corporations to operate abroad with a foreign shareholder by allowing nonresident aliens (individuals only) to own S corporation stock. Any effectively-connected U.S. income allocable to the nonresident alien would be subject to the withholding rules that currently apply to foreign partners in a partnership.

**Subtitle B—Qualification and Eligibility Requirements of S Corporations**

SEC. 111. Issuance of preferred stock permitted—An S corporation would be allowed to issue either convertible or plain vanilla preferred stock. Holders of preferred stock would not be treated as shareholders; thus, ineligible shareholders like corporations or partnerships could own preferred stock interests in S corporations. A payment to owners of the preferred stock would be deemed an expense rather than a dividend by the S corporation and would be taxed as ordinary income to the shareholder. Subchapter S corporations would receive the same recapitalization treatment as family-owned C corporations. This provision would afford S corporations and their shareholders badly needed access to senior equity.

SEC. 112. Safe harbor expanded to include convertible debt—An S corporation is not considered to have more than one class of stock if outstanding debt obligations to shareholders meet the 'straight debt' safe harbor. Currently, the safe harbor provides that straight debt cannot be convertible into stock. The legislation would permit a convertibility provision so long as that provision is substantially the same as one that could have been obtained by a person not related to the S corporation or S corporation shareholders.

SEC. 113. Repeal of excessive passive investment income as a termination event: This provision would repeal the current rule that terminates S corporation status for certain corporations that have both subchapter C earnings and profits and that derive more than 25 percent of their gross receipts from passive sources for three consecutive years.

SEC. 114. Repeal passive income capital gain category—The legislation would retain the rule that imposes a tax on those corporations possessing excess net passive investment income, but, to conform to the general treatment of capital gains, it would exclude

capital gains from classification as passive income. Thus, such capital gains would be subject to a maximum 20 percent rate at the shareholder level in keeping with the 1997 tax law change. Excluding capital gains also parallels their treatment under the PHC rules.

SEC. 115. Allowance of charitable contributions of inventory and scientific property—This provision would allow the same deduction for charitable contributions of inventory and scientific property used to care for the ill, needy or infants for subchapter S as for subchapter C corporations. In addition, S corporations would no longer be disqualified from making 'qualified research contributions' (charitable contributions of inventory property to educational institutions or scientific research organizations) for use in research or experimentation. The S corporation's shareholders would also be permitted to increase the basis of their stock by the excess of deductions for charitable contributions over the basis of the property contributed by the S corporation.

SEC. 116. C corporation rules to apply for fringe benefit purposes—The current rule that limits the ability of ''more-than-two-percent'' S corporation shareholder-employees to exclude certain fringe benefits from wages would be repealed for benefits other than health insurance. Under this bill, fringe benefits such as group-term life insurance would become excludable from wages for these shareholders. However, health care benefits would remain taxable to the extent provided for partners.

**Subtitle C—Taxation of S Corporation Shareholders**

SEC. 120. Treatment of losses to shareholders—A loss recognized by a shareholder in complete liquidation of an S corporation would be treated as a ordinary loss to the extent the shareholder's adjusted basis in the S corporation stock is attributable to ordinary income that was recognized as a result of the liquidation. Suspended passive activity losses from C corporation years would be allowed as deductions when and to the extent they would be allowed to C corporations.

**Subtitle D—Effective Date**

SEC. 130. Effective date—Except as otherwise provided, the amendments made by this Act shall apply to taxable years beginning after December 31, 1999.

Mr. Speaker, I urge my fellow members to review and support the S Corporation Revision Act, which will help families pass their businesses from one generation to the next and create a level playing field for small business. I look forward to working with my colleagues on the Ways and Means Committee to enact this bill.

## IN MEMORY OF REVEREND DAVID LEE BRENT

### HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. SKELTON. Mr. Speaker, it is with deep sadness that I inform the House of the death of Reverend David Lee Brent of Jefferson City, Missouri.

Reverend Brent was born on June 27, 1929, in Forest City, Arkansas, the son of Will B. and Annie Mae Foreman Brent. A 1946 graduate of Benton Harbor High School, he graduated form Moody Bible Institute of Chicago, in 1957. He received his master's degree and a doctor of theology degree from Southern Baptist Theological Seminary in Georgia.

Reverend Brent served on the St. Louis Council on Human Rights, served several churches in Missouri, was co-paster of Second Christian Church, Jefferson City, MO, and was a licensed insurance agent. He was the chief human relations officer for the Missouri Department of Mental Health of 28 years.

Reverend Brent was a leader in the community, in his church, and in the local National Association for the Advancement of Colored People (NAACP). Two years ago, he became the president of the NAACP in Jefferson City. Shortly after taking the helm, he was instrumental in the formation of a city task force to study racial tensions in the public schools. Reverend Brent was the co-founder of Christians United for Racial Equality and the Black Ministerial Alliance. Reverend Brent was also a member of Tony Jenkins American Legion Post 231.

I know the House will join me in extending heartfelt condolences to his family: his wife, Estella; his two sons, five daughters, one brother, three sisters, six grandchildren, and three great-grandchildren.

## LAND TRANSFER FOR SAN JUAN COLLEGE

### HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. UDALL of New Mexico. Mr. Speaker, today I introduce legislation, which is being co-sponsored by my colleague from New Mexico, HEATHER WILSON, that will transfer a parcel of federal property to San Juan College. This transfer will benefit the people of San Juan County, New Mexico—specifically the students and faculty of San Juan College. This legislation creates a situation in which all benefit by allowing the transfer of an unwanted federal land to an educational institution which can use it. Mr. Speaker, this is a companion bill to a bill that has already been introduced in the other chamber on January 21, 1999. The other bill was introduced by Senator DOMENICI and is also co-sponsored by Senator BINGAMAN, both of New Mexico.

This legislation provides for the transfer by the Secretary of Agriculture and the Secretary of Interior of real property and improvements at an abandoned and surplus ranger station for the Carson National Forest to San Juan College. This site is located in the Carson National Forest near the town of Gobernador, New Mexico. The site will continue to be used for public purposes, including educational and recreation purposes by San Juan College.

Mr. Speaker, the Forest Service has determined that this site is of no further use because the Forest Service has moved its operations to a new administrative facility in Bloomfield, New Mexico several years ago. Transferring this site to San Juan College would protect it from further deterioration.

In summary, this bill creates a situation in which all benefit: the federal government, the State of New Mexico, the people of San Juan County, and most importantly, the students and faculty of San Juan College. Since this legislation enjoys bipartisan support from the New Mexico delegation, I look forward to prompt consideration and passage of this legislation.

## CLEVELAND HOMELESS PROJECT LOSES FUNDS FROM HUD

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. KUCINICH. Mr. Speaker, I rise today to expose a great injustice that has been committed by a federal agency against a needy population in the Cleveland metropolitan area. The victims of this injustice are homeless men who are struggling to get back on their feet and put their lives together. And the perpetrator of this injustice is the U.S. Department of Housing and Urban Development (HUD).

I have an increasing interest in the activities of HUD, given my experience with the agency over the past two years. I find dealing with HUD as a Member of Congress to be a most frustrating experience, and I must imagine the frustration felt by our constituents, who do not occupy a seat in Congress, with the agency. Indeed, HUD is a disappointment. It represents why many Americans have lost confidence in their federal government.

Today I enter into the Congressional Record a collection of letters and newspaper articles that document the following situation in Cuyahoga County.

The Department of Housing and Urban Development recently refused to provide continued funding to a very worthy program for homeless men in Cleveland because of a ''technical'' mistake. This decision has been appealed, and HUD has summarily rejected the appeal.

Since 1995, the Salvation Army in Cleveland has operated an innovative program—the PASS Program—that helps homeless men by providing a place for them to live (for up to 12 months) while they put their lives back together. The program provides counseling, job training and transition skills. The program is one component of an entire ''continuum of care'' services that are coordinated by the Cuyahoga County Office of Homeless Services. The city and the county have developed an excellent system in which government officials and community organizations work together to develop a comprehensive response to the homeless problem in the metropolitan area. The County considers the Salvation Army program as their highest priority for funding.

As an innovative effort, the PASS Program received demonstration project funds from HUD for several years. By the time they applied for another year of funding—a request of $1.5 million to support their program—this particular HUD demonstration program had been terminated. The County and the Salvation Army realized that this had happened, and contacted the appropriate HUD office in Columbus, Ohio to seek guidance.

County staff asked HUD staff whether their program would be considered a ''New'' program or a ''Renewal.'' According to the County, HUD staff did not respond one way or another. So the applicant assumed that this would be considered a Renewal, and completed the paperwork accordingly. The application was submitted to HUD in Washington, and became one of 2,600 projects that sought funding.

On December 23, 1998, when the President announced homeless grants across the country, Northeast Ohio received $9.4 million for a

variety of HUD programs by various community-based organizations. Cleveland officials were shocked to learn that the PASS Program—their top priority—would not be funded. When contacted for an explanation, HUD officials explained that they could not consider the program because the applicant had committed a ''technical error'' and submitted the wrong form.

When I met personally with top HUD officials, I was told that the reason this program was not funded was because the applicants had submitted the wrong budget form. The wrong budget form! Therefore, HUD could not consider the proposal and could not tell the applicant that this error had been made until after all of the grants had been announced. This is a great injustice, Mr. Speaker, and I urge the Congress to investigate this and other examples of abuses at HUD.

The following documentation includes letters from the Northeast Ohio Coalition for the Homeless and Cuyahoga County Commissioners Tim McCormick, Jane L. Campbell and Jimmy Dimora.

NORTHEAST OHIO COALITION
FOR THE HOMELESS,
*Cleveland, OH, December 24, 1998.*

Secretary ANDREW CUOMO,
*Department of Housing and Urban Development, Washington, DC.*

Dear Secretary CUOMO: As a member of the Cleveland/Cuyahoga Continuum of Care process, we once again want to register our strongest dissatisfaction with the federal funding process conducted by the Department of Housing and Urban Development. The Coalition is a collaboration of homeless people, members, and advocates. We spent a great deal of staff time and energy in getting the opinions and ''expert'' testimony of homeless people to be a part of the process. We staged regular meetings with those on the streets to develop a priority list of gaps in the community, and then compiled that information for the HUD application. The two projects that were skipped by officials in HUD Washington were two important projects for the community.

This is the third year in a row that Cleveland/Cuyahoga County has seen the priorities of the community disregarded by officials in Washington and valuable resources that were intended to get homeless people into stable housing were denied our community. Again, we ask if your agency is being faithful to the Congressional mandate to return control of these funds to the local community? It is disingenuous to champion local control and yet every year discard the priorities of the local Continuum of Care coordinating body. We would have hoped that HUD would have gone to great lengths to fund a project like the Salvation Army's PASS program, which was deemed by the Continuum of Care committee as Cuyahoga County's highest priority for funding of Recovery Resource's project which was our second highest rated new project.

We were unhappy with the process last year, and did not see any relief from the appeal process. This year the situation demands your prompt attention. This year we were denied funding for a program that currently exists in the community which was developed as the foundation for the services to single men. You will see Cleveland/Cuyahoga County back significantly in addressing the needs of homeless men by withdrawing funding from the PASS program. The other program, submitted by Recovery Resources, was an attempt to provide assistance to people coming out of treatment to maintain sobriety by funding a stable living environment. This is critical especially in light of the recent report by the National Coalition for the Homeless which found homeless people, in many cases, leave treatment and are forced to return to the streets and the drug and alcohol culture.

We once again renew our call for some changes in the HUD Continuum of Care process in Washington so that the local coordinating body actually makes the decisions on where Federal funds are disbursed in Cuyahoga County. We ask that the priorities of the local community including homeless people be respected. There needs to be communication between HUD and the applicant before there is a public announcement if one of the projects that the community has deemed to be a high priority is to be skipped. We also believe that there should be a separate application process and deadline for renewal projects that does not overlap with the new or expanding project's applications so that locally, one committee can evaluate the impact of existing projects, and another entity can work on priorities for new or expanded projects.

You said in your press conference that the Continuum of Care has been successful because it brings together non-profit groups, the private sector and local and state government in a partnership to design local programs to help homeless people to become self sufficient. In Cleveland, we have worked tirelessly to put in place this collaboration and expanded it to include homeless people in the process and yet we have repeatedly seen HUD discard our recommendations. We cannot build an effective continuum of care if our priorities are ignored by HUD Washington.

Sincerly,

BRIAN P. DAVIS,
*Executive Director.*

---

[From the Plain Dealer, Dec. 24, 1998]

FEDERAL FUNDING CUT FOR HOMELESS PROGRAM IN CUYAHOGA COUNTY

(By Stephen Koff)

WASHINGTON.—President Clinton yesterday announced $850 million for groups across the country that help homeless people, including $9.4 million for Northeast Ohio, but the program ranked as most important by Cuyahoga County was cut from federal funding.

Salvation Army's PASS program in Cleveland, which helps homeless men with shelter, counseling, job training and transition skills, will have to close if the Clinton administration does not change its mind, said Bill Bowen, director of professional and community services for Salvation Army of Greater Cleveland.

Neither the Salvation Army nor advocates who sent the application for funding could understand why PASS (which stands for Pickup, Assessment, Shelter and Services) did not get the $1.5 million it requested.

But Sandi Abadinsky, a spokeswoman for the U.S. Department of Housing and Urban Development, said PASS was rejected because it previously was funded as a demonstration, or tryout, program, getting seed money in 1995. Such programs cannot assume their funding will continue when their tryout is over.

''They knew when they were receiving the funding that they were receiving seed money,'' Abadinsky said.

Brian Davis, executive director of the Northeast Ohio Coalition for the Homeless, who helped coordinate the applications sent by Cuyahoga County, said PASS should have qualified under HUD's Continuum of Care grants.

They reward efforts to stabilize the lives of homeless people through assessment, counseling, training and transition into housing.

Despite HUD's insistence otherwise, Davis said homeless advocates understood from HUD that continuing projects like PASS could still get money by applying under Continuum of Care.

The $1.5 million in the application represented PASS' entire budget, Bowen said. ''We'll probably have to close the program'' without the grant, he said. ''But I'd rather not be gloom and doom about that.''

Cuyahoga County homeless advocates plan to appeal the rejection, and Bowen said he would talk to officials this weekend to see about getting the funding.

Groups that got HUD funding in Cuyahoga County are: Transitional Housing, Inc., $360,583; Care Alliance, $1.6 million; Volunteers of America, $629,103; Continue Life, $235,302; Family Transitional Housing, $111,542; YMCA of Greater Cleveland's Y-Haven 1, $244,307; Cuyahoga Metropolitan Housing Authority, $529,714; Mental Health Services Inc., $835,026; EDEN Inc., $244,954; Joseph's Home, $1.029 million; Hitchcock Center for Women, $764,073; Cornerstone Connection, $150,472; Inter-Church Council of Greater Cleveland, $524,194; YWCA of Cleveland, 111,522; and East Side Catholic Shelter, $522,162.

The funding will help Transition Housing with planning for treatment and shelter programs for the 64 women who participate at any given time, said director Kathleen Fant. ''It's to help these women get on their feet again, and stay there,'' she said.

''This is definitely the kind of news I like to hear,'' said Don See, executive director of East Side Catholic Shelter, who like most of the others had not been notified by HUD of its awards yesterday.

HUD Secretary Andrew Cuomo yesterday said 460 communities submitted applications representing 2,600 programs or projects. Of those, HUD awarded 307 applications with 1,400 projects.

Besides the program grants, HUD announced grants for emergency shelter: $300,000 for Akron, $1.08 million for Cleveland, $91,000 for Lakewood and $115,000 for Cuyahoga County.

---

[From the Plain Dealer, Jan. 11, 1999]

LOSS OF FUNDS JEOPARDIZES SHELTER

(By James F. Sweeney)

A technical mistake in an application for federal funding could lead to the closing of a Cleveland homeless shelter.

''It's heartbreaking,'' said Sandi Abadinsky, spokeswoman for the U.S. Department of Housing and Urban Development in Washington.

HUD last month rejected a Salvation Army of Greater Cleveland application for $1.5 million to keep its PASS homeless shelter open for three years. The Cleveland/Cuyahoga County Office on Homeless Services, which prepared the application, asked for funding under the wrong program, Abadinsky said.

The shelter, which houses 47 men in a building behind Salvation Army headquarters on E. 22nd St., has been praised in its two years of operation for its innovative approach in breaking the cycle of homelessness.

''This program has seen me through a lot of disturbances in my life,'' said Clyde Owens, a resident of the PASS program for 16 months. ''If they want to shut this down, I feel sorry for the next man.''

PASS stands for Pickup, Assessment, Shelter and Services.

Local officials expressed surprise and anger that a technicality could endanger the shelter.

The Office on Homeless Services should have been given the chance to correct the mistake, said Brian P. Davis, executive director of the Northeast Ohio Coalition for the Homeless.

''We'll keep working on it,'' said William V. Bowen Jr., director of professional and community services for the Salvation Army. ''We'll appeal.''

Ruth Gillett, director of the homeless services office, could not be reached for comment late Friday.

While city and county officials appeal the decision, Salvation Army directors will meet over the next weeks to decide what to do. Federal funding ran out at the beginning of the month, and the shelter is counting on a promised $133,000 from the city to stay open through March.

The failure to get the grant shocked Salvation Army officials last month. They have suspended a two-year search for a larger building in which to expand the program and are scrambling to save what they have.

PASS is not like other shelters, where the goal is to keep the homeless alive by providing a warm place to sleep and something to eat.

It is home for residents for three months to a year or more, as long as it takes them to get their lives under control, to find jobs and save enough money to rent places of their own.

The residents, many of whom are chronically homeless, are given a range of services.

Those with drug and alcohol problems are sent to detox centers. Counselors and tutors are brought in. The staff helps residents open savings accounts and find jobs and permanent housing.

All the Salvation Army asks is that the men be willing to change.

From its start in October 1997 to Sept. 31, 1998, 117 men were discharged from the program, 60 of whom were placed in permanent housing, according to Salvation Army figures. Thirty-nine of the 60 were still in housing as of last October.

''Those are pretty good numbers, given the population they're working with,'' said Bill Faith, executive director of the Coalition on Homelessness and Housing in Ohio, a Columbus-based advocacy group.

Some residents volunteer to help on the food and clothing van the Salvation Army sends out nightly to homeless gathering sites. Others staff donation kettles, sometimes to help drive aggressive panhandlers out of a neighborhood.

Faith's high opinion of the program was shared by a local committee that advises HUD on which projects should be funded. Continuing the Salvation Army program was its top recommendation.

HUD awarded a total of $9.4 million for homeless programs in Northeast Ohio.

HUD spokeswoman Abadinsky said the Office on Homeless Services applied for renewal funding under a program that no longer exists. It should have applied as a new program for another source of funding, she said.

''They just didn't do it 100 percent correctly, and that's why they weren't eligible,'' Abadinsky said.

HUD rules do not allow the agency to notify applicants of mistakes in their applications, she said.

Though the Salvation Army must wait a year before applying for more funding, it could look for money from $1.2 million in emergency shelter funding awarded by HUD to the city and county, Abadinsky said.

Davis, of the Northeast Ohio Coalition for the Homeless, said shifting those funds would hurt other homeless programs.

''If we were to take funding from another source from HUD, that would close another shelter,'' he said. ''Do you want to take money from the domestic violence shelters and keep open PASS?''

County commissioners said they are determined to save the program.

''It appears to me we have heard a bureaucratic reaction rather than a compassionate reaction,'' said Commissioner Jane Campbell. ''This is a time when we need a creative response from HUD.''

She and Commissioner Timothy McCormack said they would look for other funding if HUD does not change its mind.

''It is of the utmost importance to me,'' McCormack said.

Commissioners have sent a letter to HUD Secretary Andrew Cuomo asking him to reconsider and fund PASS.

City officials, who have lobbied for HUD funding for the program, did not return phone calls.

Palmer Mack, 55, joined PASS in mid-October after losing his apartment and his job. Heart disease keeps him attached to an oxygen tank, the tubes running under his nose and over his ears.

Mack said the program had saved his life. Shutting the shelter would be a tragedy, he said.

''This is really like the Rolls-Royce of this kind of program,'' he said.

CUYAHOGA COUNTY OF OHIO,
*January 21, 1999.*

Re Appeal of 1998 Supportive Housing Program Decision.

FRED KARNAS,
*Assistant Secretary, Department of Housing & Urban Development, Washington, DC.*

DEAR MR. KARNAS: Thank you for your communication with us as well as that of others who have contacted you on behalf of Cleveland's homeless population. We write this to respectfully and in a formal manner on appeal HUD's rejection of the Number One ranked project in Cuyahoga County, Ohio 1998 Supportive Housing Program (SHP) application.

Cuyahoga County, Ohio is the Applicant for this project, the Salvation Army of Greater Cleveland is the Project Sponsor and the name of the Project is the PASS Program (Pick-up, Assessment, Services, and Transitional Shelter). Our staff consulted with your Columbus, Ohio office in preparing the 1999 application. We forwarded the application based on this guidance and on communication between Secretary Andrew Cuomo and Mayor Michael White. We were surprised to learn of this vital project's rejection based on a technicality. We now want to work with you to resolve this problem.

We have been advised by staff of your office, that the Project was rejected for the following reason: ''The Project was submitted under the wrong component of the application. Specifically, it was submitted as a RENEWAL Project, as opposed to a NEW Project.''

The basis of this appeal rests on the argument that our staff preparing the application sought technical assistance from HUD Columbus staff, and were not advised that they were applying under the wrong component.

Cuyahoga County staff, through the Cleveland/Cuyahoga County Office of Homeless Services (OHS), work closely with City of Cleveland, Community Development staff to develop and coordinate a coherent Continuum of Care strategy for homeless services in the community. The OHS is administratively housed within the County governmental structure, however, the City of Cleveland shares the operating costs of the Office.

In the Spring of 1998, Mayor Michael White wrote to Secretary Cuomo stating that the community understood that Innovative Homeless Demonstration Program (IHDP) projects were not eligible for renewal from that source. Mayor White's letter explained the importance of the PASS project to the Continuum of Care strategy for addressing the needs of the chronically homeless male population. Mayor White went on to ask if the upcoming Super NOFA (Notice of Fund Availability) would offer an opportunity for continued HUD support for the PASS Program.

Secretary Cuomo's response, quoted herein, was ''. . . unfortunately there are no IHDP funds available to renew your project. However, two other sources are possibilities for funds. First, the Supportive Housing program (SHP) could be a source of funds. . . .'' Later in the same paragraph, Secretary Cuomo states, ''While SHP grants are commonly for new activities, funds can also replace the loss of nonrenewable funding from private, federal, or other sources not under the control of State or local government.''

The letter does not direct the community to apply as a New project. Local interpretation of the information was that while the PASS Program could not be renewed through IHDP funds, eligible program activities could be renewed through the Supportive Housing Program. Given staff awareness of the prohibition against submitting existing projects for New funding through the SHP, that a Renewal was being suggested is the only interpretation staff would have made. Unless the letter had stated clearly that the project should be submitted as NEW, staff would not have pursued that approach. At no time was the community ever informed by the Columbus HUD Office that our approach was incorrect.

The Office of Homeless Services has prepared the application from Cleveland/Cuyahoga County every year since 1994. In 1998, the final application included 18 projects. The process to develop and complete the application included: establishing a representative, Ad Hoc committee to oversee the application process, holding community meetings to identify and rank gaps in services, a community review and ranking, of the existing projects which were seeking renewal, providing technical assistance to agencies submitting renewal or new projects, review and ranking of all new projects, final assembly and submission of the application.

Because the County is the Applicant for the PASS Project, there was further, direct communication with the Columbus HUD Office concerning filling out Sections of Exhibit 2. Again, let us be clear that the County was proceeding with the Exhibit as a RENEWAL. Section D. of Exhibit 2 asks that the applicant indicate the Program Component. Cuyahoga County checked the Renewal box. Section E follows with the parenthetical note ''. . . To be completed for new projects only''. As a Renewal applicant, the County followed this directive and went on to the next applicable Section.

While filling out Section J. the Renewal Budget, staff called the Columbus HUD Office for assistance. The original IHDP awards were not broken out according to the SHP budget categories of Supportive Services/Operating/etc. Staff specifically asked for direction in formatting the IHDP budget onto the Renewal Budget Form. HUD staff indicated that they didn't know how to do this. They never indicated that the wrong Budget Form was being used.

Without an immediate response from HUD as to the ''right'' way to do something, and with the application deadline approaching, staff formatted the information according to the understanding staff has as to HUD's definitions of what constitutes Supportive Services and Operating costs. This information was faxed to the HUD Columbus Office with a request for a response. When a response was not received, staff assumed that either the proposed format was acceptable, or that if it was not exactly correct, it could be corrected during the Technical Submission process.

In the course of developing this appeal, it has been suggested that HUD staff are prohibited from providing technical assistance to applicants once the Notice of Fund Availability (NOFA) has been published. Clearly, HUD cannot write applications for agencies. However, advising that an incorrect form is being utilized would seem to fall into a category of ''general information''. Moreover, there has been a practice by the HUD Columbus staff to assist applicants in clarifying application related questions.

It has been the experience of this community that HUD staff are dedicated professionals, who see their role as facilitating community planning efforts. Regardless of the outcome of this appeal, we will continue to build a partnership with HUD to promote this objective.

We look forward to hearing from you at your earliest convenience.

Sincerely,

TIM MCCORMACK, *President,*
JANE L. CAMPBELL,
JIMMY DIMORA,
*Cuyahoga County Board of Commissioners.*

## WHAT AETNA ISN'T TELLING YOU ABOUT THE GOODRICH CASE

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 10, 1999*

Mr. STARK. Mr. Speaker, in recent weeks, Aetna has sent Members' offices criticisms of a recent California court case in which a jury has awarded $120 million to a widow for the economic loss and pain and suffering caused by the Aetna HMO's treatment of her husband, David Goodrich. Aetna is saying the facts do not support—and argue against—allowing HMO members to sue their HMO.

*Ex parte* communications about a lawsuit—and Aetna says it is appealing—are always questionable.

Aetna, of course, has a ton of money to lobby Congress. The Goodrich family has no Washington lobbyist. Therefore, I asked the Goodrich attorney to comment on Aetna's mailing to us.

Guess what? There is another side to the story.

Following is a side-by-side prepared by the plaintiffs. Also, I am including in the RECORD a press release from California's Consumers for Quality Care, which makes the excellent point that the CEO of Aetna, who loves to write long editorials about quality, has thrown a temper tantrum, blaming the ''not intelligent enough'' jurors. It would be far better for him to look within to the quality of his operations. Is this really the kind of CEO we would want as head of the nation's largest health insurance company?

AETNA MISLED CONGRESS ABOUT FACTS OF GOODRICH CASE: INVESTIGATIONS, WITHDRAWAL OF FEDERAL CONTRACTS CALLED FOR

BOARD OF AETNA ALSO ASKED TO FIRE C.E.O. HUBER OVER REMARKS

Consumers For Quality Care, the national health care watchdog group, today called upon Congress to convene hearings and suspend Aetna's government contracts over the HMO's attempts to mislead Congress about the facts of the landmark *Goodrich vs. Aetna* case in order to prevent HMO reform.

Aetna recently sent a statement to Congress distorting the facts of the case, in which a San Bernardino jury issued a $120 million rebuke of the HMO's conduct toward District Attorney David Goodrich. Goodrich died of stomach cancer after a two and one half year ordeal trying to get Aetna to approve cancer treatment recommended by his Aetna doctors.

In a letter to members of the United States House of Representatives and Senate today, Consumers For Quality Care urged action against Aetna because ''Aetna's conduct . . . shows a contempt both for the Court, the American justice system and for Congress.'' A point-by-point refutation of Aetna's statement to Congress about the case, based on the court record, was also released. (Available upon request)

''We intend to make a federal case out of Aetna's misrepresentations and remorseless defiance of the civil jury and their authority,'' said Jamie Court, director of Consumers For Quality Care, a health care project of the Foundation for Taxpayer and Consumer Rights. ''It should be federal case when the nation's largest HMO misleads Congress and thumbs its nose at the civil justice system. Aetna's defiance of civil society's dictates should bolster the case for giving to all patients the right to sue that Mrs. Goodrich has.''

The Goodrich case exposed the disparity in federal law between government workers, like the Goodrich family, who can sue their HMO and private sector workers, who are prevented from suing for damages unless Congress changes the Employee Retirement Income Security Act of 1974 or ERISA.

HUBER SHOULD BE FIRED

Consumers For Quality Care also wrote Aetna's Board of Directors asking it to fire Chief Executive Officer Richard Huber over his remarks attacking Goodrich's widow.

Huber responded in the Hartford Court to the verdict. ''This is a travesty of justice. You had a skillful ambulance-chasing lawyer, a politically motivated judge and a weeping widow.'' Later, a Los Angeles Times columnist reported, ''he [Huber] expanded his complaints, telling me that juries are customarily not intelligent enough to consider complicated contractual issues and that this one in particular was too ill-informed, as a result of the judge's evidentiary rulings, to render a sound verdict.''

''We have been astounded at your Chief Executive Officer's lack of remorse over the handling of David Goodrich's care and ask you to act immediately to remove him,'' wrote Court. ''If Aetna is dedicated to making things better for patients, Mr. Huber does not belong as your C.E.O. The true travesty of justice would be if Mr. Huber remains at the helm of Aetna and company policy continues to be indifference to its dying patients and to juries that condemn such policies.''

The Foundation for Taxpayer and Consumer Rights is a tax-exempt, nonprofit, nonpartisan organization dedicated to advancing and protecting the interests of consumers and taxpayers.

---

THE FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS,
*Santa Monica, CA, February 9, 1999.*

The True Travesty of Justice.

AETNA INC.,
*Hartford, CT.*

DEAR MEMBERS OF THE BOARD OF DIRECTORS: The origin of change is regret. We have been astounded at your Chief Executive Officer's lack of remorse over the handling of David Goodrich's care and ask you to act immediately to remove him.

As you may know, Goodrich, a district attorney who risked his life by prosecuting gang violence, died of stomach cancer after a two and one-half year ordeal trying to get Aetna to approve cancer treatment recommended by his Aetna doctors. A San Bernardino County jury issued a $120 million rebuke of your company's handling of Goodrich's treatment.

Unfortunately, your C.E.O., Richard Huber, responded to the verdict without remorse: ''This is a travesty of justice. You had a skillful ambulance-chasing lawyer, a politically motivated judge and a weeping widow.'' (The Hartford Courant, January 22, 1999)

Does Mr. Huber really deny the right of a widow to weep for her husband?

Later, a Los Angeles Times columnist reported, ''he [Huber] expanded his complaints, telling me that juries are customarily not intelligent enough to consider complicated contractual issues and that this one in particular was too ill-informed, as a result of the judge's evidentiary rulings, to render a sound verdict.'' (Kenneth Reich, ''Verdict Against Aetna Is An Omen Of Clash Over HMOs,'' Los Angeles Times, Thursday, January 28, 1999, p. B5.)

Is Aetna really this contempful of the civil justice system and its ethic of responsibility, or are these Mr. Huber's own views?

We had hoped that $116 million in punitive damages might be enough to cause Aetna to reconsider how it deals with patients like David Goodrich. The message from the jury was that Aetna must do better. But Mr. Huber's remarks suggests that in the future Aetna's patients will get no better treatment at Aetna than David did.

The Goodrich jury felt that Aetna did not respond quickly when a patient's life hung in the balance and that Aetna ignored its own doctors' recommendations for Mr. Goodrich's care. In one instance, it took Aetna four months to approve high-dose chemotherapy and Goodrich could no longer benefit. Company and industry standards claim a 24 to 48 hour turn-around time.

Is this the appropriate standard of care at Aetna?

When it was clear Mr. Goodrich could wait no longer, Goodrich's doctors ultimately acted without approval. The public servant died believing he had left his wife with $750,000 in medical bills. While Aetna claimed, in a letter to Congress, that the treatment was paid for by ''another insurance company,'' in fact the taxpayers picked up the bill. Mrs. Goodrich was a Yucaipa school teacher and the school district paid $500,000 of David's bills, only under the threat of litigation and with the understanding the cost would be repaid out of any Aetna verdict.

If Aetna is dedicated to making things better for its patients, Mr. Huber does not belong as your C.E.O. The true travesty of justice would be if Mr. Huber remains at the helm of Aetna and company policy continues to be indifference to its dying patients and to juries that condemn such policies.

We urge you to remove Mr. Huber as a signal that pro-patient reforms at Aetna will be forthcoming and that no other family will have to endure what the Goodrich family has.

Sincerely,

JAMIE COURT.

---

THE FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS,
*Santa Monica, CA, February 9, 1999.*

AETNA HAS MISLEAD CONGRESS & THE PUBLIC

DEAR MEMBER OF CONGRESS: Attempting to stymie HMO reform, Aetna, the nation's largest HMO, has misled you in a recent communique defending its treatment of cancer patient David Goodrich. The San Bernardino County district attorney died after a two and one half year ordeal trying to

get Aetna to approve cancer treatment recommended by his Aetna doctors. Goodrich died believing he had left his wife with $750,000 in medical bills. A San Bernardino County jury awarded $120 million in the case—including $116 million in punitive damages for malice and oppression—to the widow.

Attached is a detailed refutation, based on court records, of Aetna's false and misleading statements to you. We urge you to immediately convene hearings regarding Aetna's conduct in this matter, which shows a clear contempt both for the Court, the American justice system and for Congress.

As you know, 125 million Americans with private sector, employer-paid health care cannot sue their HMOs for damages due to the Employee Retirement Income Security Act of 1974 or ERISA. Aetna's remorseless conduct bolsters the case for reforming ERISA and allowing all patients the same right to sue that government workers, like the Goodrich family, now have. Aetna has yet to accept the message that the Goodrich jury sent—that it must respond more quickly to its patients and defer to its doctors' recommendations. Civil remedies for all patients are clearly needed to force Aetna to behave more responsibly.

In his remarks in the Hartford Courant, Aetna's C.E.O. Richard Huber responded to the verdict: ''This is a travesty of justice. You had a skillful ambulance-chasing lawyer, a politically motivated judge and a weeping widow.'' In fact, the judge was a former insurance defense attorney. Aetna's own lawyers' questioning caused Mrs. Goodrich to cry on the stand. The family's attorney was also a long-time friend of Mr. Goodrich who only took the case at the behest of the head San Bernardino District Attorney, who himself could not compel Aetna to pay for Goodrich's treatment.

Later, a Los Angeles Times columnist reported, ''he [Huber] expanded his complaints, telling me that juries are customarily not intelligent enough to consider complicated contractual issues and that this one in particular was too ill-formed, as a result of the judge's evidentiary rulings, to render a sound verdict.''

Aetna's lack of remorse and the unwillingness to accept responsibility in this case is a symptom of the company's larger defiance of civil society's mandates. Such a company should not be entitled to federal contracts. We urge you to investigate Aetna's handling of this matter and are ready to assist.

Sincerely,

JAMIE COURT.

THE GOODRICH CASE: THE TRUE FACTS THAT AETNA DIDN'T TELL YOU[1]

| Aetna's false and misleading statement: | The truth (court records show): |
|---|---|
| The statements attributed to the plaintiff's attorney in press coverage give an incorrect impression of the facts in the Goodrich case. The pertinent facts are. | The facts given by the plaintiff's attorney in the press coverage were the same facts that the jury heard, the same facts that the judge—who was formerly a partner in an insurance defense firm—allowed the jury to hear after repeated consideration of Aetna's motions regarding the evidence, and the same facts that led the jury to believe that Aetna would not listen unless the punitive damages imposed on it were sufficiently high. |
| In June 1992, Mr. Goodrich sought emergency medical treatment after collapsing at work. He was admitted to the hospital and treated. Although the hospital was not in his Aetna HMO network, Aetna paid the bills due to the emergency nature of the treatment. | Aetna's statement that it ''paid the bills'' for David's emergency treatment despite the fact that ''the hospital was not in his Aetna HMO network'' is a clumsy attempt to make it sound as though Aetna was doing David a favor by paying for his emergency care and, to that extent, is patently misleading: Under both federal and California law, Aetna was required to pay for all emergency treatment received by a member, including David, whether the treatment was provided at a network facility or not.<br>And, notably, Aetna did not approve that payment until September 4, 1992—three months after the charges were incurred. |
| Mr. Goodrich's primary care physician, Dr. Richard Brown, referred him to a specialist, Dr. Joseph Dotan, who performed surgery on June 25, 1992 to remove a mass from Mr. Goodrich's stomach. This procedure was covered by Aetna. A biopsy revealed Mr. Goodrich had a rare form of stomach cancer. | Again, Aetna's statement implies that it did David a favor by paying for Dr. Dotan's surgery bills. In fact, Dr. Dotan was an in-plan, network provider under contract to Aetna. Aetna was required under Aetna's contract with Primecare Medical Group of Redlands, the medical group David was assigned to to pay for that treatment. |
| On July 28, Dr. Dotan referred Mr. Goodrich to an out-of-network hospital, City of Hope, for a consultation regarding his cancer. Aetna approved the out-of-network referral, and Mr. Goodrich scheduled an appointment at City of Hope for Sept. 3, 1992. | There are many problems with Aetna's statement on this issue:<br>Dr. Dotan, David's in-plan surgical oncologist told David and his wife, Teresa, that David's form of cancer was very rare and he did not have ''vast experience'' with it.<br>Dr. Dotan submitted David's case to the Redlands Community Hospital Tumor Board, the Chairman of which was also an Aetna in-plan oncologist. The Chairman of the Tumor Board also concurred that David's cancer was very rare and expressed the opinion that there was not a single doctor in the Redlands medical community who was qualified to treat it.<br>Dr. Dotan and the Tumor Board recommended that David be sent to City of Hope for consultation about how to treat the tumor. But Dr. Dotan could not simply authorize David's referral to City of Hope. Instead he was required to obtain authorization for the referral from Aetna, through the medical group, Primecare. To that end, on July 28, 1992, Dr. Dotan requested a referral for David to see a doctor at the City of Hope. The referral for a consultation was approved on August 5, 1992. David was not told that the consultation had been approved until August 11. At this point, David was more than two months post-collapse and nearly one month post-diagnosis. |
| On Sept. 3 at City of Hope, Dr. James Raschko met with Mr. Goodrich and told him he might be a candidate for a treatment program combining highdose chemotherapy with a bone marrow transplant that, for his condition, was considered experimental. City of Hope scheduled him to be evaluated on Oct. 2, with the first stages of the bone marrow transplant procedure to begin on Oct. 28. | Dr. Raschko did not tell David that he ''might be a candidate'' for a bone marrow transplant. As reflected in Dr. Raschko's medical records, Dr. Raschko considered David a ''perfect candidate'' for the proposed treatment.<br>Whether the bone marrow transplant was considered ''experimental'' or not is irrelevant. Under California law, every HMO is required to issue an ''Evidence of Coverage and Disclosure Form'' to each of its members. The ''EOC,'' as it is commonly called, is required to set forth all the benefits provided and must disclose all of the exclusions from coverage and limitations on coverage. Aetna's EOC did not contain an exclusion for experimental procedures. Thus, even if the treatment were considered ''experimental,'' Aetna was required to cover it.<br>If Aetna, Primecare and the plan doctors had sent David to City of Hope earlier, he obviously would have been able to begin the treatment process before the cancer metasticized. |
| On Oct. 6, 1992, Dr. Raschko informed Mr. Goodrich that a CT scan performed on October 2 showed he was not a candidate for the proposed treatment as his cancer had metastasized to his liver. By the time Aetna received the request for experimental treatment two days later, on Oct. 8, the request for coverage was moot because plans for the treatment had been canceled. Dr. Raschko testified that no time delay had any negative effect on Mr. Goodrich's ability to qualify for the high-dose chemotherapy. Unfortunately, at no time did Mr. Goodrich ever become a candidate for this treatment. | Aetna did not ''first'' receive the request for the bone marrow transplant on October 8. Under its contract with Aetna, Primecare was obligated to process treatment requests and was therefore Aetna's agent for that purpose. Primecare—and thus Aetna—first received the request for authorization of the treatment no later than September 29. At that point, David's request for treatment was forced through a nightmarish consideration process that would be subsequently repeated later with regard to other treatment requests:<br>David's primary care physician (''PCP'') had to refer David to an in-plan oncologist for assessment of whether the treatment was appropriate.<br>The in-plan oncologist supported the use of the bone marrow transplant for David's condition, believed that it made ''good therapeutic sense,'' noted that there was no ''standard'' therapy available and that bone marrow transplants had been utilized for years and were not experimental.<br>The in-plan oncologist had to refer David back to the PCP.<br>The PCP then had to submit an authorization request to Primecare.<br>Primecare's utilization review nurse was not authorized to approve treatment at an out-of-plan facility and so had to refer the treatment request to Primecare's medical director.<br>Primecare's medical director also was not authorized to approve this treatment at an out-of-plan facility and so was required to refer the request to Aetna's local medical director.<br>Aetna's local medical director was uncertain about approving the treatment request and referred the request to Aetna's home-office medical director in Hartford, Connecticut.<br>Aetna's home-office medical director considered the procedure ''experimental''—even though there was no experimental exclusion in David's plan and even though the in-plan oncologist did not consider it experimental. Under Aetna's own internal policies, the home-office medical director was required to send any treatment requests to Aetna's home-office Technology Assessment Department before denying a treatment request on the basis that it was experimental. The treatment request was, therefore, sent to the Technology Assessment Department.<br>The head of Aetna's home-office Technology Assessment Department reviewed the request and, because of his uncertainty as to whether the treatment would provide a medical benefit to David, referred it to the Technology Department's consultant.<br>The consultant opined that the treatment was experimental and not covered—even though there was no experimental exclusion in the EOC.<br>The head of the Technology Assessment Department then sent the treatment request to an outside medical consultant group, Medical Care Ombudsman Program (''MCOP'').<br>The MCOP then sent the treatment request to three oncology consultants for review.<br>The three oncology consultants concluded that the treatment was experimental and sent their recommendation that it not be approved to MCOP.<br>MCOP sent its recommendation that the treatment be denied to Aetna's Technology Assessment Department.<br>The Technology Assessment Department issued a memorandum that it would deny the treatment as being experimental, and then requested that the coverage language of the plan be provided.<br>The Technology Assessment Department sent its denial of the treatment to the Aetna home office medical director.<br>The home office medical director sent the denial to the Aetna local medical director.<br>The local Aetna medical director sent the denial to the Primecare medical director.<br>The Primecare medical director sent the denial to the Primecare utilization review nurse. |

THE GOODRICH CASE: THE TRUE FACTS THAT AETNA DIDN'T TELL YOU [1]—Continued

| Aetna's false and misleading statement: | The truth (court records show): |
|---|---|
| | The Primecare utilization review nurse sent the denial to David Goodrich—on November 18, 1992. This was two and one-half months after David's original consultation at the City of Hope, nearly a month after he was to have started the bone-marrow transplant procedure, and four months after his diagnosis. |
| | The denial was based on the fact that the treatment was deemed ''experimental''—even though there was no exclusion in the plan precluding coverage for experimental treatments. |
| | During this entire period of time, Aetna/Primecare's own standards required a 48-hour turn-around time for these determinations, as did the National Commission for Quality Assurance (NCQA). |
| Nevertheless, Aetna went forward with the original request and had it reviewed by independent medical experts selected by Grace Powers Monaco, a well-known patient advocate. They found that there was no hope of the experimental procedure benefiting Mr. Goodrich. | It is nonsensical for Aetna to say that despite the fact that David's cancer had metastasized and he could no longer qualify for City of Hope's bone marrow transplantation protocol, it decided to ''nevertheless'' go forward with the original request for treatment. As evidenced by the above outline of the process, the process had been started before the metastasis was discovered and the cumbersome and snail-like procedure merely lumbered its way along its pre-determined path. Aetna's communications with its own doctors were simply so lacking that it did not know that the proposed treatment was no longer viable. |
| Between October 1992 and January 1993, Mr. Goodrich chose to pursue conventional chemotherapy treatment with City of Hope—the out-of-network facility—without authorization. City of Hope never charged Mr. Goodrich for this treatment. The same courses of treatment were approved by Aetna for coverage at in-network facilities, but Mr. Goodrich declined to avail himself of that treatment. | It is false to say that David simply ''chose'' to pursue standard chemotherapy to treat his metastatic cancer. In fact, Aetna broke its specific promises to David by failing to discover any other potential treatments for him. |
| | In its marketing materials and in its EOC, Aetna specifically promised David, as well as other plan members, that it was dedicated to keeping David healthy, and helping to cure him when he got sick; Aetna promised ''to do more;'' it promised that it would provide David with ''comprehensive health services'' ''designed with [his] personal health in mind;'' that Aetna and its physicians would ''coordinate all necessary medical services. . . . ''that they would be ''directing and arranging [his] health care services;'' that they would ''coordinate all [his] health care needs.'' Even more significantly, Aetna represented to its members in the EOC that the ''Primary Care Physician listed on each member's card has accepted the responsibility for that member's health care.'' Similarly, in defining ''Primary Physician,'' the disclosure form states that the Primary Physician ''has overall charge of medical rendered to Members . . . and . . . directs the majority of health care services provided to such Members.'' |
| | Although there was another option for treating David's liver metastasis—cryoablation (freezing) of the liver lesions—neither Aetna nor its doctors ever did anything to find out about that, or any other, alternative. Despite its promises, Aetna did not ''direct and arrange'' David's care or ''coordinate'' his health care needs. Aetna abdicated its responsibility for David's care. |
| | David's treating doctor, Leland Foshag, M.D., who is a nationally renowned specialist in treating cancers that have metastasized to the liver and who eventually performed the cryoablation surgery on David, testified that if David had received the cryoablation surgery six to nine months sooner, David would have lived 15 to 20 months longer than he did. But Aetna stripped him of that chance by not even bothering to find out how to treat David's condition. |
| | Aetna's own in-plan oncologist recommended that David receive the standard chemotherapy treatment at City of Hope—in order to assure the continuity of David's care. And under California law, Aetna was required to do just that. But Aetna ignored its own doctor's recommendation and ignored its duty to assure that David had continuity of care and, instead, refused to authorize or pay for that treatment. |
| | Since City of Hope—charitably—provided the treatment to David and did not charge David for the treatment, Aetna insisted that the cost of that treatment not be included as any part of the damages in the lawsuit. Thus, the City of Hope could not be reimbursed for the services it provided to David and its good deed was punished by Aetna—and Aetna escaped payment for treatment it actually owed under its contract. |
| On August 5, 1993, Mr. Goodrich consulted with his primary care physician, Dr. Wang, regarding an experimental procedure called cryosurgery. Dr. Wang referred Mr. Goodrich to an in-plan oncologist, Dr. Jack Schwartz, who recommended approval for the procedure at an out-of-network facility, St. John's Hospital, with Dr. Leland Foshag. A request for approval also was sent to Mr. Goodrich's other insurance company, which indicated it would pay for the procedure. Mr. Goodrich underwent the cryosurgery at St. John's on Sept. 21, 1993. Aetna again had this request for experimental treatment reviewed by independent medical experts selected by Grace Powers Monaco. This time, one specialist thought the cryosurgery might help Mr. Goodrich, so Aetna approved the treatment and paid for it.. | Cryoablation was not an experimental treatment, even in 1993. |
| | The request for the cryoablation had to go through the nightmarish approval process and took months to do so. |
| | ''Mr. Goodrich's other insurance company'' was a self-funded benefit plan operated by his wife's employer—the Yucaipa-Calimesa Unified School District, under which he was covered as his wife's dependent. In other words, the taxpayer's program. But Aetna was the primary insurer and whether the school district would be willing to cover the procedure was totally irrelevant to Aetna's duty to provide coverage to David in the first instance. |
| | Primecare, on behalf of Aetna, actually denied the treatment request for the cryoablation after David had already had the surgery. |
| | Aetna finally paid some, but not all, of the bills from the cryoablation six months after the surgery. |
| | Aetna never paid for the original consultation with Dr. Foshag. |
| In October 1993, Mr. Goodrich again began receiving conventional chemotherapy treatment without authorization at an out-of-network facility, this time at St. John's. Mr. Goodrich was notified by Aetna that self-referred, out-of-network treatment that was available in-plan could not be covered. He was offered a nurse case manager whose job would have been to assist him in coordinating his care with the appropriate providers to get the maximum coverage available under his health plan, but he did not respond.. | Aetna's primary defense at trial—and its argument to the jury centered on—Aetna's claim that it should not be liable for either the bills or David's premature death because they resulted from David's failure to follow Aetna's ''rules.'' Aetna even insisted that the jury be instructed that it could allocate some or all of the fault to David. On the verdict from, the jury allocated 0% of the fault to David and 100% of the fault to Aetna. |
| | Much of the chemotherapy treatment received by David after the cryoablation was not standard chemotherapy. In fact, there were only two places in California that were equipped to provide some of the chemotherapy treatments—USC and UCLA. Since David could not obtain that treatment from ''in-plan'' facilities, Aetna was required under California law to pay for it at out-of-plan facilities. |
| | Requiring David to receive even the standard chemotherapy or to obtain even the lab tests or x-rays through in-plan facilities despite the fact that the treatment was being coordinated by Dr. Foshag and the medical oncologist working with him, Dr. Chawla, breached Aetna's obligation to assure that David had continuity of care as required under California law. |
| | Even when David tried to comply with Aetna's demands, Aetna rejected his treatment requests. Many, many times David asked his PCP to submit an authorization request to Primecare and Aetna for approval of a CT scan, blood test or chemotherapy treatment that Dr. Foshag or Dr. Chawla needed to have done and requested that those services be provided at in-plan facilities. The PCP signed those authorization requests and submitted them to Aetna. Aetna routinely denied those requests because they had been requested at the behest of the ''out-of-plan'' doctors, even though the requests were signed by the plan doctor assigned to David. At one point, Teresa asked David's PCP why Aetna was denying even the requests for treatment to be provided in-plan and the doctor's only response was ''HMOs are fine as long as you don't get sick.'' |
| | David did utilize the services of a nurse case manager. Sharon Hopkins, R.N., Primecare's utilization review nurse assigned to David's case, actually spoke with David ''for hours'' during this time period. She looked forward to David's calls because he was ''such a nice man'' and was ''so interesting'' and ''so easy to talk to.'' Even though she had to keep denying his claims, she liked talking to him because he never made their relationship seem adversarial. He explained to her that he simply had to do whatever was necessary to try to stay alive as long as possible. Ms. Hopkins even visited David when he was in the hospital. |
| This pattern continued throughout 1994, as Mr. Goodrich received out-of-network, unauthorized conventional treatment at St. John's, and he ignored repeated warnings that out-of-network treatment could not be covered. Mr. Goodrich's out-of-network treatment was covered by his wife's health insurance—a fact that was withheld from the jury by a court ruling. Suggestions that he died without knowing these bills would be taken care of are not true. At no time did he take any action to question, protest or appeal any coverage denials by Aetna.. | Since David did, in fact, request that the CT scans, x-rays, blood tests and chemotherapy treatments that could be done in-plan be approved, and since Aetna routinely denied those requests, what else was David supposed to do? |
| | The trial judge ruled that Aetna could not introduce evidence of the existence of coverage, if any, under the school district's plan because, as the judge put it, whether anyone else agreed to pay the bills was irrelevant to Aetna's responsibility to pay the bills. It is revolting and repugnant that Aetna would try to defend its own wrongful conduct by trying to foist its legal obligations onto a small school district. |
| | Aetna delivered its final denial letter to David when he was in intensive care the day after a final surgery in January, 1995. At that point, David did not know whether the school district would pay the bills. He died, still in the hospital, on March 15, 1995—knowing that there were more than a half million dollars in bills still outstanding and that neither, Aetna nor the school district would agree to pay them. |
| | Although the school district eventually paid the bills—over a year after David died—the payment of the bills depleted the school district's benefit fund so much that the school district's teachers were not able to receive their full raises the following year—evidence that the jury would have heard if Aetna had been allowed to tell the jury that the school district had paid the bills. |
| | The school district has a lien on any recovery by Teresa in the case and will be paid back out of the judgment for all the bills it paid. |
| | About the assertion that David never appealed Aetna's denial. |
| | The hospital itself repeatedly initiated appeals in response to Aetna's denials. All the appeals were rejected and the denials reaffirmed. |
| | The school district even appealed Aetna's denials of the bills. Aetna also rejected that appeal and reaffirmed the denials. |
| | After David's death, Teresa, through the PCP, also initiated an appeal. That appeal, too, was rejected and the denials reaffirmed. |
| | Aetna demanded that Teresa mediate her claims against Aetna immediately after she filed her complaint in this action. She did so. Aetna never tendered any payment for the bills at issue in the lawsuit. |
| | Aetna litigated the lawsuit for three years and never once offered to pay any of the bills. |
| | So, what difference would an appeal by David before he died have made? |

THE GOODRICH CASE: THE TRUE FACTS THAT AETNA DIDN'T TELL YOU [1]—Continued

| Aetna's false and misleading statement: | The truth (court records show): |
|---|---|
| In January 1995, Mr. Goodrich entered St. John's for surgery that had been precertified and approved by his other insurance company. This was conventional surgery that could have been conducted in-plan, so coverage by Aetna was denied. Mr. Goodrich remained hospitalized until his death on March 15, 1995. | Requiring the surgery to be conducted in-plan would have violated Aetna's obligation under California law to assure the continuity of David's medical care.<br>The surgery was not precertifed and approved by the school district plan. In fact, the hospital did not call the right administrator and the school district's administrator later refused to cover the bills because of that mistake.<br>Aetna had no right to rely on the school district's coverage since Aetna was the primary carrier.<br>Aetna did not deny coverage for the surgery until after it was completed, in violation of the time standards Aetna was supposed to follow. |
| All of Mr. Goodrich's medical bills were covered by Aetna—when treatment was provided in-plan or authorized in accordance with plan requirements—or by Mr. Goodrich's wife's health insurance, although the jury was not permitted to hear about the secondary coverage. During the course of his treatment, the total out-of-pocket cost to the Goodriches was less than $2,000. | The abject falsity of this statement is evidenced by the facts, set forth above, demonstrating that even when David requested, through his in-plan PCP, that he be provided with in-plan treatment at in-plan facilities, the requests were denied by Aetna.<br>Aetna had no right to foist its contractual obligations off onto the school district, or to force the school district's teachers to forgo their raises in order to provide Aetna with an even greater cost savings and profit margin.<br>Teresa Goodrich—a kindergarten teacher—was faced with over $500,000 in bills for over a year after David died because both Aetna and the school district refused to pay the bills. |
| At no time did Mr. Goodrich fail to receive any treatment recommended by in-plan or out-of-plan doctors, and all treatment was obtained without delay due to the timing of coverage approvals or denials. | As testified to by Dr. Foshag, Aetna should have discovered and provided David with the cryoablation at least six months earlier and, if it had, David would have lived longer. |

[1] Statements are from Aetna's response of January 29, 1999 to Congress. Attorneys for the Goodrich family, Sharon Arkin and Michael Bidart, prepared the factual response (909–621–4935).

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, February 11, 1999 may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

### FEBRUARY 12

9:30 a.m.
Budget
To hold hearings on national defense budget issues.
SD–608

### FEBRUARY 22

1 p.m.
Aging
To hold hearings to examine the impact of certain individual accounts contained in Social Security reform proposals on women's current Social Security benefits.
SD–628

### FEBRUARY 23

9:30 a.m.
Health, Education, Labor, and Pensions
To hold hearings on Department of Education reform issues.
SD–430

10 a.m.
Foreign Relations
To hold hearings on the President's proposed budget request for fiscal year 2000 for foreign assistance programs.
SD–419

### FEBRUARY 24

9 a.m.
Environment and Public Works
To hold hearings to examine the President's proposed budget request for fiscal year 2000 for the Environmental Protection Agency.
SD–406

9:30 a.m.
Armed Services
Readiness Subcommittee
To hold hearings on the National Security ramifications of the Year 2000 computer problem.
SH–216

Health, Education, Labor, and Pensions
Public Health and Safety Subcommittee
To hold hearings on.
SD–430

Health, Education, Labor, and Pensions
Public Health and Safety Subcommittee
To hold hearings on antimicrobial resistance.
SD–430

2 p.m.
Armed Services
Personnel Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 2000 for the Department of Defense and for the future years defense program, focusing on recruiting and retention policies within DOD and the Military Services.
SR–222

Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold oversight hearings on the President's proposed budget request for fiscal year 2000 for National Park Service programs and operations.
SD–366

### FEBRUARY 25

9 a.m.
Energy and Natural Resources
To hold oversight hearings on the President's proposed budget request for fiscal year 2000 for the Department of Energy and the Federal Energy Regulatory Commission.
SD–366

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Military Order of the Purple Heart, the Fleet Reserve, the Retired Enlisted Association, the Gold Star Wives of America, and the Air Force Sergeants Association.
345 Cannon Building

Health, Education, Labor, and Pensions
To hold hearings on protecting medical records privacy issues.
SD–430

10 a.m.
Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings to examine Asian trade barriers to United States soda ash exports.
SD–419

2 p.m.
Judiciary
Antitrust, Business Rights, and Competition Subcommittee
To hold hearings to review competition and antitrust issues relating to the Telecommunications Act.
SD–226

Energy and Natural Resources
To hold oversight hearings on the President's proposed budget request for fiscal year 2000 for the Forest Service, Department of Agriculture.
SD–366

### MARCH 2

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of Foreign Wars.
345 Cannon Building

Energy and Natural Resources
To hold oversight hearings on the President's proposed budget request for fiscal year 2000 for the Department of the Interior.
SD–366

### MARCH 4

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of World War I of the USA, Non-Commissioned Officers Association, Paralyzed Veterans of America, Jewish War Veterans, and the Blinded Veterans Association.
345 Cannon Building

### MARCH 10

9:30 a.m.
Armed Services
Readiness Subcommittee
To hold hearings on the condition of the service's infrastructure and real property maintenance programs for fiscal year 2000.
SR–236

### MARCH 17

10 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Disabled American Veterans.
345 Cannon Building

### MARCH 24

10 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Ex-Prisoners of War, AMVETS, Vietnam Veterans of America, and the Retired Officers Association.
345 Cannon Building

### SEPTEMBER 28

9:30 a.m.
Veteran's Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
345 Cannon Building