

How they fit. All the OEM bumpers fit nicely. But none of the imitations did, even after we redrilled or widened their holes as needed. All left large gaps or uneven surfaces.

How they protect. Our hydraulic bumper-basher simulated the thumps that might occur, say, in a parking lot—at 5 mph head-on, 5 mph offset, and 3 mph on the right corner. That's our standard test for new cars.

The OEM bumpers suffered only minor damage. Even so, repairing the scuffs and indentation on the Ford bumper would cost \$235, and replacing the Honda's scuffed bumper cover and underlying brackets would cost \$576. Those are pricey scuffs, but at least the OEM bumpers protected the cars themselves from damage.

In our 25 years of bashing hundreds of new-car bumpers, we've seen few perform as miserably as the imitations. Twelve of the 17 sustained so much damage in the first bash that we couldn't test them any further.

One imitation bumper shattered and allowed our basher to damage the Ford's headlight mounting panel, radiator support, and air-conditioner condenser. Repairs, using OEM parts, were estimated at \$1,350. Another imitation bumper allowed our basher to damage the Honda's radiator, air-conditioner condenser, radiator-support tie bar, and center lock support. Repairs, using OEM parts, were estimated at \$1,797.

LIMITED CHOICES

Most insurance adjusters don't clearly disclose that you're getting imitation parts of potentially lesser quality. ("Like kind and quality" or "LKQ" on the paperwork is a cryptic giveaway.) Some repair shops complain that they must follow the insurer's "recommendation" or risk losing customers from "direct repair programs"—the automotive equivalent of managed health care that most auto insurers use to cut costs.

The Automotive Service Association says that 33 states require repair shops to disclose the use of imitation parts to consumers. Six others—Arkansas, Indiana, Oregon, Rhode Island, West Virginia, and Wyoming—also require the consumer's written consent.

But disclosure and consent are meaningless if insurers promise higher quality than they deliver. The lawsuit against State Farm argues that the insurer did not restore damaged vehicles to pre-loss condition as promised.

Don Barrett, an attorney for the plaintiffs, says that cars repaired with "2/55 fenders"—an appraisers' disparaging term for fenders identifiable as imitations "from two miles away at 55 mph"—reduce appraised value by at least 10 percent.

John Donley, president of the Independent Automotive Damage Appraisers Association and a CAPA proponent, says that it's poor fit and poor corrosion resistance, not the mere fact that a part is an imitation, that hurts appraised value. Either way, that could be a problem not only at resale time but possibly at the end of a lease.

Industrial Marketing Research found that insurers call for imitation parts 59 percent of the time. We surveyed 19 of the nation's largest private auto insurers, who wrote 68 percent of the \$115 billion in policies in 1997, and asked if they require or recommend imitation body parts for covered repairs. Nine didn't respond (American Family, California State Auto Assn., CNA, GEICO, GMAC, Metropolitan, Progressive, Prudential, and Safeco). Of the ten that did, Allstate, Erie, Farmers, State Farm, and USAA said they recommend but didn't require imitation parts.

Allstate says that if a customer insists on OEM parts, it will pick up the bill. Erie, State Farm, and Travelers make the customer pay the difference.

The Hartford said it doesn't recommend imitations for safety-related parts but does allow them for noncritical applications. And Travelers Insurance doesn't recommend imitations for cars less than two years old or with less than 20,000 miles.

The Interinsurance Exchange of the Automobile Club of Southern California, which writes policies only in Arizona, California, New Mexico, and Texas, calls for imitation parts only for nonmetal trim items like bumper covers and moldings.

INSURERS AND CONSUMERS

Many of the insurers maintain that imitation parts keep premiums down, but none provided hard data to prove it.

CAPA and auto insurers have spent the last decade promoting imitation parts as purely pro-consumer. By breaking the automakers' "strangle-hold monopoly" over crash parts, says one recent release from the Alliance of American Insurers, auto insurers protect consumers from high parts prices and high insurance premiums.

"There is absolutely no question the insurance industry is on the side of the angels on this issue," says Gillis.

But there is a question.

Buying imitation parts simply diverts money from the pockets of one big industry—automobile manufacturing—to the pockets of another big industry—auto insurance. The insurers won't earn their wings until they demonstrate that a fair share of the money they save ends up in the pockets of consumers.

And CAPA, whose executive director often accuses automakers and repair shops of having a financial interest in promoting OEM parts, has its own financial interests. Half of its \$3.9 million budget comes from insurance companies (the other half comes from the sale of CAPA seals to parts manufacturers). And six of the nine CAPA board members are insurance-industry executives.

The Center for Auto Safety—whose executive director, Clarence Ditlow, is a CAPA board member and a staunch advocate of CAPA parts—also receives funding from the insurance industry, though to a much lesser extent. In 1998, State Farm and Allstate contributed some \$50,000 to CAS, according to Ditlow. (He says that amounts to only five percent of annual revenues. He also says that CAS' insurance funding has steadily decreased since the mid-1970s.)

Where's the consumer in all this? For now, stuck in a bind between automakers that charge high prices for factory body parts and auto insurers that push less-expensive parts of questionable quality. Until things change, car owners—including used-car buyers who may inherit the inferior crash parts—are being ill served.

CELEBRATING THE 10TH ANNIVERSARY OF VA'S CABINET DESIGNATION

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 1999

Mr. FILNER. Mr. Speaker, I rise today to recognize Monday, March 15th as the 10th anniversary of the Department of Veterans Affairs (VA) as a Cabinet-level position.

Because by 1988, VA had become the largest independent agency in government, thought was given to its recognition as a member of the President's Cabinet.

Serving a population of 27.5 million veterans with a budget of \$28.3 billion, with 245,000

employees, it was second only to the Department of Defense in the number of staff providing service to our citizens.

At the urging of both Congress and many veterans' service organizations, the current President endorsed the idea that the time had come for the VA to become a part of the Cabinet. It was time to give our nation's veterans their seat at this highest table of government.

Elevating the Department of Veterans Affairs to Cabinet level status provided the Department the opportunity to have greater national impact for veterans in the fields of health care, education, housing, and insurance. It was a move that cost virtually nothing in that era of tight budgets, yet gave veterans a prominent voice in the issues that dominate the national agenda.

I congratulate the Department of Veterans Affairs on a decade of growth in service to our nation's veterans, the dedicated men and women who accepted the challenge to protect their country, many of which gave the ultimate sacrifice for our freedom and liberty. I further encourage the Secretary of the Department of Veterans Affairs and his staff to continue to take full advantage of the opportunity that Cabinet-level status provides to advocate on behalf of these brave men and women.

REFORESTATION TAX ACT OF 1999

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 1999

Ms. DUNN. Mr. Speaker, I am introducing today the Reforestation Tax Act of 1999 along with 16 of my colleagues who are deeply concerned about the future of our forest products companies. With the global marketplace becoming more competitive, we must take positive steps to remove barriers to our companies' ability to compete abroad. In the case of forest products, one of the largest impediments to success is our nation's tax code.

Beginning with changes brought about by the Tax Reform Act of 1986, America has been struggling to competitively produce timber in a global market. Despite a tax system that gives U.S. forest products companies one of the highest effective tax rates in the world, they have been one of the most visionary sectors in helping to expand trade into new markets. During the recent negotiations over sectoral liberalization in the Asia Pacific Economic Cooperative forum, forest products companies worked closely with Congress and the Administration to try to develop a long-term agreement to benefit American workers. Unfortunately, this process has not come to fruition due to disagreements among competing nations, something common when we solely rely on multilateral trade agreements to increase our competitiveness. It is time to focus on what we can do unilaterally: adjust our tax code so that our companies are not disadvantaged in the global marketplace.

The Reforestation Tax Act recognizes the unique nature of timber and the overwhelming risks that accompany investment in the industry. It will reduce the capital gains paid on timber for individuals and corporations by 3 percent each year up to 50 percent. Because this reduction would apply to all companies, we minimize the current inequity whereby neighboring tracks of the same timber are taxed at

different rates simply because of the business form of their investment. For timber companies, the capital gain on these forest products can be enormous. In some regions, tree farmers must wait more than 50 years from the planting of a relatively worthless seedling to the harvest of a mature tree. No other industry faces the extreme risks from wind, fire, and disease in protecting their asset over such an expansive period of time so they can realize a profit.

In addition, the Reforestation Tax Act rewards those environmentally-conscious companies that choose to use their dollars for reforestation of their lands. By extending tax credits for all reforestation expenses, and shortening the amortization period for reforestation costs, Congress encourages and assists those companies that are making a conscious effort to operate in an ecologically-sound manner.

The Reforestation Tax Act represents the best of tax, global competitiveness, and environmental policy. I urge my colleagues to support this important initiative.

IN MEMORY OF JOSEPH PAUL
DIMAGGIO

HON. KAREN MCCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 1999

Ms. MCCARTHY of Missouri. Ms. Speaker, I rise today to honor the memory of the greatest baseball player who ever lived. Joe DiMaggio was my hero and a hero to our Nation. I am saddened by his passing, and I extend my heartfelt sympathy to his friends and family. The Yankee Clipper personified dignity and greatness. He understood the importance of having both guts and grace, and he took his responsibility as a national figure seriously.

DiMaggio and dignity are synonyms. Mr. DiMaggio viewed his position as an example to the young people of America and was always careful about the impression he made. He never lost control in public and was always conscious of his reputation and responsibility. He played every game as if it were the last game of the World Series, so someone seeing him for the first time would not be disappointed.

The people of my district in Kansas City, MO, were fortunate enough to see Mr. DiMaggio play in an exhibition game against the Kansas City Blues. A Yankee teammate and Kansas City resident Hank Bauer said of DiMaggio, "He was the most outstanding center fielder I have seen." He taught America what it means to embrace excellence and strive for greatness without seeking acclaim. I and others of my generation are in public service today because of role models like Joe DiMaggio.

Joe DiMaggio served as an inspiration to my generation. Simon and Garfunkel memorialized his leadership in their song *Mrs. Robinson*. The lyrics, "Where have you gone Joe DiMaggio? Our Nation turns its lonely eyes to you," express dismay at the absence of heroes like the Yankee Clipper to lead our Nation to peace and prosperity.

The number five will always hold a special place in the hearts of Yankee fans everywhere. His record of safe hits in 56 consecu-

tive games might never be broken. His lifetime batting average of .325 and his 361 career home runs remain impressive numbers even when we have new heroes such as Mark McGwire and Sammy Sosa. He led his Yankee to nine World Series titles and was the American League's Most Valuable Player three times. As our Nation turns its lonely eyes once more toward this hero, let us learn from his life and his example of heroism. In the words of the Negro League Legend Buck O'Neil, "I don't cry for Joe. I cry for the people who never got to see him play."

MILLS-PENINSULA HOSPITAL HONORED FOR OUTSTANDING CARE AND PERFORMANCE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 1999

Mr. LANTOS. Mr. Speaker, it is my distinct privilege today to recognize the Mills-Peninsula Hospital, which is located in my congressional district. In an annual study, "100 Top Hospitals: Benchmarks for Success," Mills-Peninsula was named one of the top hospitals for 1998 in the United States. The study was conducted by HCIA, a health care information company based in Baltimore, and William M. Mercer, a New York-based human resources management consulting firm. Nine measures of clinical, operational, and financial performance were used in the study to determine accurately the best hospitals.

Mills-Peninsula is a not-for-profit health service organization, and it has managed to improve and maintain existing services, despite battling extreme difficulties associated with the costs of managed care. By combining the highest quality care with the most cost-efficient operation, Mills-Peninsula has increased the standard of medical care and quality of life in the Bay Area. We are truly honored to have such an outstanding hospital located in our area.

Managed health care has sought to improve cost reductions and to streamline operations. The standards of excellence in health care management are becoming ever higher. Mills-Peninsula has thrived in this challenging atmosphere and continued to deliver a high level of care, and at the same time shown an ability to respond to change.

Mr. Speaker, the recognition of Mills-Peninsula Hospital has only confirmed the high value which residents of my district already place on the hospital's services. I offer my deepest and warmest congratulation to those individuals that have contributed to the success of Mills-Peninsula Hospital.

Mr. Speaker, I ask that the editorial praising Mills-Peninsula Hospital from *The Independent* be placed in the RECORD.

PENINSULA HOSPITAL AMONG TOP 100

Bravo to Peninsula Hospital for being named among the top 100 performing hospitals in the nation by the consulting firm of William M. Mercer Inc., of New York, NY, the honor is one that should reassure residents in the area that they have one of the top hospitals in the country taking care of their health needs.

The study, naming Peninsula Hospital, was published in the December issue of *Modern Health care* magazine. This assessment of

the nations benchmark acute care hospitals is published annually by Mercer and HCIA Inc., a data processing company based in Baltimore.

The study considers three separate categories including financial management, operations and clinical practice. Each category is then broken down into smaller components and evaluated.

The elements considered under clinical practices include mortality rates of complications during treatment. The information is published to show legitimate health care data about patients and health care facilities to measure performance.

This is a study that is in its sixth year of identifying the top management teams and best run facilities in the country. The longer the publication studies industry trends, the more established and prestigious its list becomes. People throughout the country are concerned and interested in the performance of their community hospitals and this rating hospital care.

In an interview with this newspaper, Mills-Peninsula CEO Robert Merwin explained the price pressures Peninsula is under, to maintain services at the hospital. Merwin explained that the business community, Medicare and the costs of managed care, put pressure on all hospitals throughout the country, so maintaining standards of excellence was a major challenge.

We are happy to see that Peninsula has met that challenge and among the thousands of hospitals throughout the nation, been rated one of the best. That makes us proud of Peninsula and of the management and staff at the hospital who have carried the ball of excellence in recent years while the health care industry has been in radical change.

We know what happens when change comes to an industry, when economic pressures for change bring so many disruptions to the way a hospital does business. We commend the folks at Peninsula for not letting these changes disrupt the quality of health care they provide to the community. This rating is welcome news, especially in light of the fact that a decision must be made soon to spend millions of dollars either retrofitting peninsula or rearing it down to build a new facility.

We don't know which decision the powers to be will make but we do know that Peninsula is a very special hospital facility that is valued by everyone in the community. The rating only bears out the fact that its management and staff have been outstanding in face of unbelievable stress in the industry. We congratulate the people, all of them, that made this rating possible and look forward to the continuation of an evaluation that places Peninsula among the top 100 hospitals in the nation.

INTRODUCTION OF THE WATER POLLUTION CONTROL AND ESTUARINE RESTORATION ACT

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 1999

Mr. CROWLEY. Mr. Speaker, I rise in strong support of the Water Pollution Control and Estuarine Restoration Act being re-introduced today by the gentlelady from New York, Mrs. LOWEY, and gentlelady from Connecticut, Ms. DELAURO. I compliment and applaud my colleagues for their untiring efforts on behalf of our Nation's valuable fresh and estuarine water bodies.