

The purpose of IRAs is to encourage long-term savings and investment, to provide a financial cushion in retirement. Yet, even though buying a home is one of the best investments an individual can make, it is not an eligible IRA investment. Allowing an individual to borrow from their IRA to buy a home effectively makes this an eligible investment.

Allowing IRA borrowing for home purchase would also eliminate a disincentive against IRA contributions. Many young families and individuals are hesitant to tie up funds in an IRA account that they may need later to buy a home. And, IRA borrowing for home purchase does not deplete the IRA account, since the funds are replenished when the loan is paid back.

Finally, this legislation is responsibly drafted, to prevent self-dealing and generally track provisions of 401(k) loans. Nonpayment or forgiveness of the loan is treated as a premature withdrawal. In such event, the unpaid amount would be subject to Federal taxes and a 10-percent premature withdrawal penalty.

Other protections include a prohibition against taking an interest deduction on the borrowed funds, and a limitation that loan rates cannot vary by more than 200 basis points (2 percent) from comparable Treasury maturities.

As Congress considers proposals to create new individualized retirement accounts, it is important to structure such accounts in a way that provides access for home purchase. But, it is equally important to remove the significant tax barriers to home purchase for the \$2 trillion in existing IRA retirement assets. The "First-time Homebuyer Affordability Act" accomplishes that important goal.

#### FEDERAL PRISONER HEALTH CARE COPAYMENT ACT

**HON. MATT SALMON**

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 25, 1999*

Mr. SALMON. Mr. Speaker, I rise to introduce the Federal Prisoner Health Care Copayment Act, which would require Federal prisoners to pay a nominal fee when they initiate certain visits for medical attention. Seventy-five percent of the fee would be deposited in the Federal Crime Victims' Fund and the remainder would go to the Federal Bureau of Prisons (BOP) and the Marshals Service for administrative expenses incurred in carrying out this Act. Each time a prisoner pays to heal himself, he will be paying to heal a victim. The U.S. Department of Justice supports the Federal inmate user fee concept, and has worked on crafting the language contained in this bill.

Most law-abiding Americans pay a copayment when they seek medical attention. Why should Federal prisoners be exempted from this responsibility?

This reform on the Federal level is overdue. Health care costs for Federal prisoners has risen considerably over the past several years. Only a handful of states exceed the Federal system in the cost of care per inmate. Establishing a copayment requirement would exert an immediate downward pressure on prison health care costs.

States have recognized the value of copayment programs, and they have proliferated in

recent times. Now, well over half of the states (at last count 34) have copayment programs on a statewide basis, including Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Nevada, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin. Additional states are considering implementing copayment programs. Moreover, at least half of the states—some of which have not enacted this health care reform on a statewide basis—have jail systems that impose a copayment on inmates seeking certain types of health care.

Copayment programs have an outstanding record of success on the State level. In June 1996, the National Commission on Correctional Health Care held a conference that examined statewide fee-for-service programs. Dr. Ron Waldron of the Bureau of Prisons concluded that "inmate user fees programs appear to reduce utilization, and do generate modest revenues."

Evidence of the effectiveness of copayment programs continues to surface. Tennessee, which began requiring \$3 copayments in January 1996, reported in late 1997 that the number of infirmary visits per inmate had been cut almost in half. In August, prison officials in Ohio evaluated the nascent State copayment law, finding that the number of prisoners seeing a doctor had dropped 55 percent and that between March and August the copayment fee generated \$89,500. And in my home state of Arizona, there has been a reduction of about 30 percent in the number of requests for health care services.

Copayment programs reduce the overutilization of health care services without denying the indigent of necessary care. In discouraging the overuse of health care, prisoners in true need of attention should receive better care. Taxpayers benefit through the reduction in the expense of operating a prison health care system. And the burden of corrections officers to escort prisoners feigning illness to health care facilities is reduced.

The Federal Prisoner Health Care Copayment Act provides that the Director of the Bureau of Prisons shall assess a nominal fee for each health care visit that he or she—consistent with the Act—determines should be covered. The legislation also allows state and local facilities to collect health care copayment fees when housing federal prisoners.

The Federal Prisoner Health Care Copayment Act prohibits the refusal of treatment for financial reasons or appropriate preventative care.

Finally, the Act requires that the Director report to Congress the amount collected under the legislation and an analysis of the effects of the implementation of this legislation on the nature and extent of health care visits by prisoners.

Congress should speedily enact this important prisoner health care reform bill. I look forward to working with my colleagues and the Department of Justice to pass this proposal.

PROVIDING FOR CONSIDERATION OF H.R. 975, REDUCING VOLUME OF STEEL IMPORTS AND ESTABLISHING STEEL IMPORT NOTIFICATION AND MONITORING PROGRAM

SPEECH OF

**HON. BRIAN BAIRD**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 17, 1999*

Mr. BAIRD. Mr. Speaker, I rise today to express my support for this legislation, that seeks to address the serious steel dumping problem which has resulted in the loss of over 10,000 steelworker jobs nationwide; but also to inform my colleagues about a concern that I have about some potential impacts of such legislation.

Mr. Speaker, I do believe that the rapid escalation of steel imports into the United States over the past eighteen months has reached crisis levels. Reports indicate that steel imports increased by 72 percent from November of 1997 to November of 1998, and that increase has led to staggering layoffs and reductions in work hours for those working in our nation's steel industries. Those layoffs and work stoppages have seriously concerned me and should alarm all of us.

During that period, imports from Japan were up 260 percent, imports from Russia advanced 262 percent, and those from Korea increased by over 220 percent. Imports from Brazil, Ukraine, China, Indonesia, and South Africa have steadily grown. In some cases, foreign manufacturers have been shown to have sold steel for well under the cost of production.

It is clear that the United States must take strong action to ensure the enforcement of our trade policies. Mr. Speaker, I support policies that enhance U.S. trade partnerships, but I also believe that we must demand fair and responsible trade behavior from those partners. Our nation must not stand idle while our laws are flagrantly violated. Therefore, I strongly support the intent of H.R. 975 and the measures that the legislation would implement to control steel import levels at pre-crisis levels.

However, my concern lies in the potential impact that this legislation may have on a manufacturer in my district—a manufacturer that would face legitimate hardship under the current version of the bill.

The district which I represent, Washington's third district, includes several steel and aluminum production facilities. One of these facilities is The Broken Hill Proprietary Coated Steel Corporation (BHP CSC), located in the city of Kalama. In December of 1997, BHP began production of cold rolled full hard steel and galvanized sheet steel that is frequently used in the metal building and construction industries. The facility annually utilizes approximately 350,000 tons of hot band steel in the manufacture of over 300,000 tons of bare and painted sheet steel products.

Unfortunately, I have been informed that availability of the hot band steel needed for this plant is limited from domestic producers. The technologies utilized in the manufacturing process at the Kalama facility apparently require that very specific requirements be met for the quality, physical properties and size of the hot band steel used as a raw material, and