

Among the issues critical to the union were increases in pension and medical benefits as well as the union's jurisdiction—the number of port-related jobs that fall under its control.

Labor officials said that if modernization continues, steps must be taken to preserve union positions and expand the organization's jurisdiction beyond port boundaries.

Both sides came to the bargaining table in May after several years of court fights and political rancor.

Within the union itself long-shore locals in Southern California had repeatedly tried to remove President Brian McWilliams and neutralize his power.

The locals issued a vote of no confidence in the president and demanded that he take a leave of absence for the remainder of his term. Williams, however, has remained in office.

The union's internal conflicts coincided with series of sharp attacks by the Pacific Maritime Assn., which targeted the productivity and reliability of longshore workers.

Miniace a labor relations specialist who worked for Ford Motor Co. and Ryder, led the assault in public and in court, repeatedly suing the union over work stoppages and slowdown to no avail.

Miniace contends that productivity, measured by tons of cargo handled per hour paid has either stagnated or declined in each of the last four years. His greatest fear, he said, was that customers would send their goods through other ports in the United States or Mexico if things didn't improve on the West Coast.

Union officials criticized Miniace's aggressive approach, saying he was a newcomer who did not understand the shipping industry.

[Los Angeles Times, Fri. July 16, 1999]

LONGSHORE WORKERS, SHIPPERS REACH PACT
(By Dan Weikel)

Longshore workers and shipping companies agreed to a new labor contract late Thursday, clearing the way for the resumption of normal cargo operations at West Coast ports that have been plagued by work stoppages and slowdowns for the last 10 days.

After almost two months of bargaining in San Francisco, the powerful International Longshore and Warehouse Union and the Pacific Maritime Assn. concluded a new three-year contract that will affect more than 10,000 dock workers in California, Oregon and Washington.

With tensions running high, there had been considerable fear that the West Coast was headed toward its first dock strike since 1971. West Coast ports, which handle cargo worth an estimated \$280 billion every year, are critical to the nation's economy.

Details of the agreement were unavailable Thursday, but negotiators said it offered increases in pay, health insurance and pension benefits for future as well as current longshore retirees, some of whom now have pensions as low as \$240 a month.

"I think this is a very good agreement for the ILWU and the Pacific Maritime Assn.," said Joseph N. Miniace, president of the West Coast's largest shipping association. "We had almost two weeks of work slowdowns, and we've been working until 3 a.m. the last few nights to get a contract. I am relieved; our team is relieved, and their team is relieved."

The Pacific Maritime Assn., which is the union's counterpart, negotiates and administers labor contracts for about 100 shipping lines, stevedore companies and terminal operators.

Association officials said Thursday evening that normal cargo operations will resume at all West Coast harbors, which

have been hampered by work slowdowns since early July.

During their peak, longshore workers shut the Port of Oakland for two days and reduced the flow of cargo by at least half at many terminals along the coast.

The pace of work raised fears that the delays eventually would cost business and industry millions of dollars in lost revenue, not to mention losses in fees to port authorities.

Harbor officials in Long Beach and Los Angeles, the nation's largest combined port, said Thursday that any backlog of cargo should be cleared from the docks in the days ahead.

INTRODUCTION OF THE AIDS MARSHALL PLAN FUND FOR AFRICA

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. LEE. Mr. Speaker, today I rise to introduce legislation designed to focus both attention and resources on the global emergency of HIV/AIDS, which is wreaking havoc in developing countries, most tragically in Sub-Saharan Africa.

Throughout much of the First Session of the 106th Congress, much information has been disseminated and discussed about the HIV/AIDS crisis in Africa. While AIDS has afflicted Africa since the late 1980's, the latest increases in the HIV/AIDS infected population are staggering. The disease is quite literally obliterating entire communities and devastating the continent.

The United Nations Children's Fund (UNICEF) 1999 Annual Report notes that of the 14 million people world wide who have died from AIDS, 11 million are from the nations in Sub-Saharan Africa.

UNAIDS, the United Nations coordinating entity which tracks and combats HIV/AIDS, estimates that 22.5 million Sub-Saharan African adults and children are currently living with AIDS.

Additionally, the HIV/AIDS virus is devastating southern Africa. In Zimbabwe, 1 out of every 5 adults is infected with HIV/AIDS, and an estimated 1,400 people die every week from AIDS. In South Africa, an estimated 3.6 million people are infected with the HIV/AIDS.

A 1999 Census Bureau report states that the average life expectancy in Botswana, Malawi, Swaziland, Zambia and Zimbabwe fell from approximately 65 years of age to 40 years of age. This represents the lowest life expectancy rates in the world and is largely due to the mortality rates from HIV/AIDS.

In April, I had the opportunity to participate in a Presidential Delegation to Southern Africa to examine the growing crisis of African children orphaned by AIDS. These children now total 7.8 million and are estimated to reach 40 million by 2010. The 1999 annual report by the United Nations Children's Fund tells us, and I couldn't agree more, that "the number of orphans, particularly in Africa, constitutes nothing less than an emergency, requiring an emergency response" and that "finding the resources needed to help stabilize the crisis and protect children is a priority that requires urgent action from the international community."

Not only do we have a moral imperative to address this epidemic, but it is in our own best

interest to do so. HIV/AIDS in Africa is more than a humanitarian crisis, it is an economic crisis, crippling Africa's workforce in many areas and creating even greater economic instability where poverty is ever-present. For example, companies such as Barclays Bank and British Petroleum are now hiring two employees for each skilled job, assuming that one will die from AIDS. The Southern African AIDS Information Dissemination Service estimates that over the next 20 years, AIDS will reduce by one-fourth the value of the economies of sub-Saharan African countries. We cannot create successful and sustainable economic partnerships with African nations unless we address, in a substantial manner, the HIV/AIDS epidemic.

Additionally, HIV/AIDS poses serious national security concerns among the continent and globally. Perhaps the most stunning example is the 80 percent HIV infection rate of the military forces of Zimbabwe. Fledgling democratic nations, such as Nigeria, have yet to begin testing and educating their populations. Nigeria also has soldiers returning from peacekeeping operations in Liberia and Sierra Leone. If these soldiers are not tested and advised about the serious nature of their infections and educated about the risk they pose to others, we will be facing a whole new level of devastation from the epidemic.

Mr. Speaker, I am convinced that the United States must take the lead in developing an immediate and sustained response to this crisis in Africa and globally. It is in our own national interest to aggressively attack the HIV/AIDS crisis in Africa, just we have with other diseases such as small pox and polio. Communicable diseases know no boundaries. As the world gets smaller, we have an obligation to eradicate HIV/AIDS from the face of the earth to protect the world family from its devastating effects. To date our response as a nation to this global epidemic has been sorely inadequate. For this reason, today I am introducing the AIDS Marshall Plan Fund for Africa Act (AMFPA). The AIDS Marshall Plan will assist African governments and non-governmental organizations to combat and control AIDS by providing grant funding for HIV/AIDS research, education, prevention and treatment.

Specifically, this legislation creates the AMFPA Corporation that shall be a new United States government agency. The Corporation shall work in conjunction with the heads of appropriate federal agencies currently engaged in combating the spread of HIV/AIDS in Africa. The AMFPA Corporation shall be governed by a Board of Directors with the advice and guidance from an International Advisory Board made up of distinguished leaders with impeccable integrity and commitment to the health and well being of people throughout the world. The Corporation shall also consult with representatives from community-based African health, education and related organizations regarding the efficacy of providing grant funding in African countries.

The Corporation shall also create a public-private partnership by soliciting funds from private companies and donor nations—especially the G8 countries—to contribute significant resources to its grant making activities.

Mr. Speaker, I realize that accountability is a key issue in today's foreign assistance environment. Therefore, the Corporation shall create self-sufficiency requirements for grant recipients to ensure their programs become increasingly independent of AMFPA funding.

Additionally, the Corporation shall create criteria for African governments to establish matching funds based upon ability to pay and to demonstrate a national commitment to combating HIV/AIDS by establishing, for example, a national HIV/AIDS council or agency.

Additionally, Mr. Speaker, the administrative costs, or overhead associated with the AMPFA Corporation, are mandated to be no more than 8 percent of the Corporation's overall budget. The AMPFA Act authorizes the appropriation of \$200 million for each of the fiscal years 2001 through 2005. Also, for each of the fiscal years 2002 through 2005, the Act authorizes an appropriation to fund an additional amount equal to 25 percent of the total funds contributed to the Corporation.

Mr. Speaker, in a June 1999 lecture entitled "The Global Challenges of AIDS", United States Secretary General Kofi Annan stated that "no company and no government can take on the challenge of AIDS alone. What is needed is a new approach to public health—combining all available resources, public and private, local and global". It is my intent that the AIDS Marshall Plan for Africa serve as a replicable model for addressing this crisis globally. Already, this proposed legislation has received the support of over 40 Members of Congress and has caught the interest of the African diplomatic corps, African and African-American organizations, AIDS activists, and global health organizations that are interested in providing assistance to pass the legislation.

In closing, Mr. Speaker, I am committed to seeing this legislation through to final passage and encourage my colleagues to review the legislation and to contact me or my staff with questions. This bill will support Africa in a substantive and meaningful manner.

ABUSES BY STATE TAXING AUTHORITIES

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. WELLER. Mr. Speaker, I submit for the RECORD the following letter:

Hon. DAVID WALKER,
Comptroller General of the United States,
Washington, DC.

DEAR MR. WALKER: I am writing to request an investigation by the United States General Accounting Office ("GAO") of alleged abuses by State taxing authorities against former residents.

As a Member of the Oversight Subcommittee of the House Ways and Means Committee, I spent significant time last year addressing the issue of taxpayer abuses by the Internal Revenue Service. As a result of our work, and Congressional and GAO investigations, many serious tax violations and wrongdoings were uncovered within the IRS. Last year, Congress held a series of hearings on the issue and addressed these serious problems by passing significant reforms and taxpayer protections as part of the "Internal Revenue Service Restructuring and Reform Act of 1998."

I am, therefore, disturbed to learn that while we addressed taxpayer abuses at the federal level, there may be just as many oppressive actions occurring throughout the country at the State level. A recent *Forbes* Magazine article entitled "Tax torture, local style" (July 6, 1998), highlights the fact that

"[T]here are at least half as many revenue agents working for the states as the federal government" and "[C]ollectively, they are just as oppressive as the feds." See, Attached Article. In another recent article, the *Los Angeles Times* reported that the state taxing authority, the California Franchise Tax Board, "is second in size and scope only to the Internal Revenue Service—and by all accounts the state agency is the more efficient, more aggressive and more relentless of the two" and "there is little to stop the agency from becoming more aggressive." See, attached article, "State Agency Rivals IRS in Toughness," *Los Angeles Times* (August 2, 1999, page 1).

The *Forbes* article lists a number of state tax department problems including: (1) privacy violations by California, Connecticut, and Kentucky; (2) criminal or dubious activities by Connecticut, Indiana, Kentucky, New Mexico, North Carolina, Oklahoma, and Wisconsin; and (3) mass erroneous tax-due bills by Arizona, California, Indiana, Michigan, and Ohio. In addition, my office has recently received materials from taxpayers alleging abuse by State taxing agencies (e.g., materials from Mr. Gil Hyatt alleging a number of abuses by the California Franchise Tax Board ("FTB") against former residents of the State of California). See, Attachment.

I believe this issue is important and deserves study and a full investigation by the GAO. Should taxpayer abuses exist at the State level against former residents, I would consider recommending any and all appropriate legislation to address these deplorable activities and encourage State's Attorney Generals to begin separate investigations into such actions. We should do whatever we can to protect the rights of our citizens against overzealous Federal or State tax agencies.

I look forward to working with you and your staff on this important investigation.

Sincerely,

JERRY WELLER,
Member of Congress.

THE WIDESPREAD ABUSE

When Congress passed the Internal Revenue Service Restructuring and Reform Act of 1998, an era of tyranny at the IRS came to an end. Congressional hearings revealed story after story of taxpayer abuse by the IRS. The stories of abuse so inflamed the public and Congress that sweeping reform soon followed. But taxpayers abuse is still as prevalent as ever—only the perpetrators of this abuse are the state taxing agencies. In its rush to reform the IRS, Congress overlooked a whole other level of taxpayer abuse at the state level. This type of abuse by state taxing agencies has received attention from the press. In the article "Tax torture, local style," William Barrett discusses the "extortion," "sweepingly false declarations of taxes," "false notices," "[p]rivacy violations," and "criminal or dubious activities" by state taxing agencies. (William Barrett, *Forbes*, July 6, 1998). Many states have resorted to the same type of abusive tactics for which their federal counterpart—the IRS—was reprimanded by Congress.

In many cases, a state taxing agency has even exceeded the IRS in its recklessness and abusiveness. In a front-page *LA Times* article entitled "State Agency Rivals IRS in Toughness", Liz Pulliam compares the FTB unfavorably with the IRS—"the Franchise Tax Board is second in size and scope only to the Internal Revenue Service—and by all accounts the state agency is the more efficient, more aggressive and more relentless of the

two". (Liz Pulliam, "State Agency Rivals IRS in Toughness", *L.A. Times*, August 2, 1999, at A1). She also quotes Mr. Dean Andal, a former FTB Board member, who criticizes the FTB as "brutal" and "hard and sometimes arbitrary" and states that "there is little to stop the agency from becoming more aggressive" (Pulliam, *supra*).

States are particularly abusive towards former residents who have moved to another state. Moving to another state is a common occurrence in the U.S., where citizens have the constitutional right to travel to and establish residency in any state in the United States. In 1996, Congress passed legislation which prevents states from taxing the pensions of retirees living in other states. This congressional legislation illustrates the need for federal intervention in order to prevent states from overreaching in their pursuit of tax revenue. Unfortunately, this action by Congress only focused on one small avenue in which states illegally pursue nonresidents for additional taxes. Another tactic is to assess a tax on citizens leaving the state by contesting when the former resident moved out of the state. Years after a citizen has relocated to another state, the state taxing agency will open a "residency audit" to extort a former resident.***HD***The Abuse Exemplified: The California Franchise Tax Board

The abusive taxing tactics used by states is best illustrated by the California Franchise Tax Board (FTB), as indicated in the *LA Times* article *supra*:

"[The FTB] is tainted by arrogance and a stubborn unwillingness to compromise."

"For two years in a row, corporate tax executives have ranked California's [FTB] among the toughest, least fair and least predictable state tax agencies in the country."

STATE IS RANKED MOST AGGRESSIVE

Many corporate taxpayers agree. In both 1997 and 1998, company tax executives ranked California at the top of a 'worst offenders' list compiled by *CFO* magazine to rate the tax agencies of the 50 states. . . . The state [California] was described as among the least predictable in administering tax policy and among the most likely to take a black-and-white stance on unclear areas of tax law. (Pulliam, *supra*).

The FTB particularly targets for abuse Nevada residents who formerly resided in California. The FTB agents are well trained in targeting such nonresidents. For example, the FTB targets wealthy and famous people living in gated affluent communities of Las Vegas. Agents develop a list of potential victims compiled from property rolls, tax records, and newspaper accounts. This list is supplemented by trips into the wealthy neighborhoods of Las Vegas in order to survey former California residents. Wealthy and famous individuals are the preferred targets because they are particularly vulnerable to threats of violating their privacy and causing them bad publicity. The FTB then audits the victim's financial and personal affairs. This includes agents making periodic trips across state lines in order to secretly survey victims. The agents trespass onto the victim's property, record the victim's movements, and even probe the victim's garbage and mail all while making sure to avoid contact with the victim. All of this is done stealthily, without the