A TRIBUTE TO ENTREPRENEUR OF THE YEAR YOLANDA COLLAZOS KIZER

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 2000

Mr. PASTOR. Mr. Speaker, I rise before you today to pay tribute to an outstanding fellow Arizonan, Yolanda Collazos Kizer. Yolanda is a well-respected business and community leader in Arizona and Phoenix, and someone I'm proud to call my friend.

Yolanda was recently awarded the prestigious Entrepreneur of the Year award by the Arizona Hispanic Chamber of Commerce for the year 2000. This award was established to honor extraordinary individuals that have not only been successful in the business world, but who have contributed to the community on a broader scale. The award recognizes Ms. Kizer for her influence as a role model among small business owners and in the Hispanic community.

Yolanda is the owner and president of three Phoenix-based businesses: CASA Fenix Merchandising owns and operates retail concessions at Phoenix Sky Harbor International Airport; Builder's Book Depot is a retail, mail order and electronic commerce bookstore that specializes in construction, architecture, interior design and engineering books; and Builders' Book Publishing Company produces speciality business management texts for the construction industry.

Yolanda is an active community leader and has served on a multitude of boards and commissions. Currently she sits on the Executive Committee of the City of Phoenix Sister Cities Commission and on the Governor's Diversity Council. She has professional affiliations that include memberships in the National Association of Women Business Owners, the Arizona Hispanic Chamber of Commerce, the Arizona Chamber of Commerce, the Association of Minority Owned Airport Concessions, and the American Booksellers Association. She has previously served on the City of Phoenix Commission on the Economy, First Interstate Bank Community Advisory Board, Arizona Veterans Memorial Coliseum and Exposition Center Board of Directors, and the Governor's Strategic Plan for Economic Development. She is also the former President and Board member of the Arizona Hispanic Chamber of Commerce.

Not only is Yolanda a tireless worker in the business community, she also spends many hours giving back and facilitating the success of others. Yolanda has served as a mentor to many young women, and she is a founding member of MUJER, a Hispanic women's organization in Arizona. Yolanda has given freely of her experience and expertise by giving seminars and lectures throughout the Valley of the Sun. As a policy maker, through her various civic roles, she has made important contributions to and helped to shape today's business environment.

Mr. Speaker, as you can surmise, Yolanda Kizer is an exemplary community leader and a true role model for young entrepreneurs across the nation. Therefore, I am pleased to pay tribute to my friend Yolanda, congratulate her on this most recent accomplishment, and wish her continued success.

CONCERNING ORGAN PROCUREMENT AREA IN KENTUCKY

HON. ED WHITFIELD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 2000

Mr. WHITFIELD. Mr. Speaker, April 4, Mr. DINGELL referenced the different waiting times for liver transplants between the two Kentucky transplant centers. As you might know, both centers are in the same organ procurement area (OPA). The different waiting times are the result of the different status levels of the individuals on the waiting list. It is not a reflection of geographic unfairness. Seriousness of condition, not time on the waiting list, is the determining factor for who gets a liver transplant. As the Institute of Medicine report stated, aggregated waiting time is a poor measure of equity in the transplant field.

At the request of both Kentucky organ transplant centers, I was pleased to cosponsor H.R. 2418, the Organ Procurement and Transplantation Network Amendments Act. Let's keep important transplant decisions with the physicians and transplant centers who actually save lives. Let's keep the Washington, bureaucrats out of this issue.

END THE BERMUDA TAX DODGE

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 2000

Mr. NEAL of Massachusetts. Mr. Speaker, the Hartford Courant recent ran an editorial endorsing an effort to ''end the Bermuda tax dodge.'' I agree with this editorial, which is why I am joining my colleague Representative NANCY JOHNSON in introducing legislation to put an end to this loophole.

During the past year, several Bermuda-based companies have either acquired a U.S. property-casualty insurer, or U.S. reinsurers have relocated to Bermuda. A major reason for these actions was to allow insurers to avoid U.S. income tax on investment income by reinsuring their U.S. owned subsidiaries' reserves to a parent located in a tax haven such as Bermuda, which has no income tax. It works like this: the company pays a one-time 1 percent federal excise tax to reinsure offshore, and in return, the foreign reinsurer earns tax-free investment income on the transferred reserves for as long as they are held offshore. By escaping all U.S. income tax, these companies can have up to ten percent pricing advantage over U.S. taxpaying companies in the U.S. marketplace.

Mr. Speaker, such an advantage to foreign companies over U.S. owned companies is patently unfair and should be eliminated immediately. Our legislation solves the problem by imputing investment income to the U.S. subsidiary of the foreign reinsurer or business sent offshore to a tax haven. This language is intended to affect only reinsurance transactions with foreign reinsurers domiciled in tax haven countries such as Bermuda, and it only impacts business ceded between related parties.

This is not a trade issue, as some would like to make it. The purpose of insurance is to enable property-casualty companies to spread risk among several companies. The practice of reinsurance allows greater access to insurance for consumers, promotes solvency in the marketplace, and helps ensure claims are paid to customers. But this is not the true purpose of the transactions affected by this bill. In these cases, reinsurance is written between related parties—a U.S. subsidiary cedes U.S. business to its foreign based parent—simply to obtain a tax benefit. No risk has been spread in this transaction, the company is simply moving money from one pocket to another pocket within the same corporate entity. The primary purpose is to escape U.S. income tax.

Mr. Speaker, we welcome any comments or suggestions on this legislation from the Treasury Department, the Joint Committee on Taxation, any party affected by this bill, or anyone concerned that they might be. This is clearly a very technical issue, but that should not stop Congress from moving quickly to shut down this loophole. If we do not stop this practice, then other U.S. companies will be forced to relocate to Bermuda, or be bought by a Bermuda based parent, in order to stay competitive. This, in turn, will result in a significant reduction in U.S. corporate tax payments, and has implications not only for the property casualty business but also for affiliated corporations, especially life insurance companies, who could in theory benefit from this loophole.

Now is the time to take action, and hopefully Congress will act now.

STATEMENT BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 2000

Mr. KUCINICH. Mr. Speaker, I recently testified before the Appropriations Subcommittee on Foreign Operations on FY 2001 Budget Request on March 30, 2000. I submit my statement for the RECORD.

CONGRESSMAN DENNIS J. KUCINICH'S STATEMENT BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS ON FY 2001 BUDGET REQUEST

Thank you Chairman Callahan and Ranking Member Pelosi for offering me an opportunity to relate my thoughts on the President's budget request for foreign operations to you and other Committee members.

I would like to begin by reminding my colleagues that it has been a full year since the start of the NATO air campaign on Yugoslavia. My comments will focus on United States and NATO efforts since this bombing campaign and the costs associated with these efforts, specifically with regard to peacekeeping operations and funding democracy activities in the region.

To start, the peacekeeping mission in Kosovo has only compounded our failures in the Balkans. A year later we are witnessing reversed ethnic cleansing of Serbs and Gypsies by Albanians. Since June of last year, more than 240,000 Serbs, Roma and Muslim Slav Gurani have fled the province of Kosovo. The composition of Kosovo is now almost completely Albanian as Serbs and other non-Albanians continue to flee for fear of their lives. Moreover, an Amnesty International report issued last month concluded that six months of peacekeeping efforts in

the region that ''human rights abuses and crimes continue to be committed at an alarming rate, particularly against members of minority communities.'' It goes on to say that U.N. police and KFOR troops have been ''unable to prevent violent attacks, including human rights abuses, often motivated by a desire of retribution, against non-Albanians.'' Many refugees are forced to live in nearby enclaves under heavy NATO protection. The U.N.'s goals of maintaining a multi-ethnic Kosovo has failed. For example, an attempt to reintegrate Serb and Kosovar children in school in the village of Plementina recently failed. In response, the U.N. Kosovo Mission (UNMIK) decided to build a separate school several kilometers away for security reasons. These failures have forced the head of the U.N. Kosovo Mission, Bernard Kouchner, to concede that ''the most one can hope for is that they [Serbs and Albanians] can live side-by-side.'' So, it would seem that UNMIK's mission to Kosovo has drastically changed from maintaining a multi-ethnic society to one that must learn to co-exist side-by-side, but not together. Indeed, that is not even a representative picture. In fact, Kosovo's Serbian and other minority enclaves are being emptied of population. Kosovo will soon be ethnically cleansed during our peacekeeping operation, and NATO, KFOR and the U.S. will have to accept some responsibility for it.

One of the goals of the peackeeping mission was to disarm and disband the armed militia groups. However, many members of these groups remain as active as ever under KFOR occupation. For example in the villages of Presovo, Medvedja and Bujanovac (UCPMB), which line the south Western border of Serbia where both ethnic Albanians and Serbs still live, an extremist group called the Liberation Army for Presovo is now active, though it did not exist before the peacekeeping mission began. Many members of this group are said to have been former militia members. The group has been blamed for a killing of a Serb police officer and attacks on UN staff.

Indeed, armed conflict could well get worse in the future under UN peacekeeping forces. Recently, American soldiers raided a radical group's command post seizing hundreds of stashed weapons. This region seems to be indicative of what seems to be a broader expansionist goal of creating a greater Albania. There are reports that violent clashes may spill into Macedonia and Montenegro. According to a Reuters news report last week, ''The Yugoslav army and Montenegro policy agreed on Saturday to set up a joint checkpoint between the coastal republic and Kosovo in a bid to stop smuggling and terrorism spilling over from the province.''

Moreover, I am concerned that continued peacekeeping operations may actually facilitate an escalation in violence in the region. It is my understanding that part of the mission of KFOR is not only to ''keep the peace'' in the region, but to also train local residents into a civilian police force. My concern is that UN troops are legitimizing and institutionalizing extremist or radical elements of society there by training them to be a police force. If that's true, then our forces and our funds are propping up extremist elements in Kosovo and consolidating their power.

If, indeed, UN troops are training rogue elements to become part of the civilian police force, Kosovo, then thus funding will not merely have been wasted, but will have contributed to instability in the region. I would like to put an American perspective on the proposed spending of $29 million for continued peace keeping operations in the region. You might be interested in knowing that we have a program in the United States called the Troops to COPS program, which provides law enforcement incentives to hire veterans who have served in our armed forces to serve as police officers. Funds are used to reimburse law enforcement agencies for training costs of qualified veterans. Since 1996, funding for this program has reached only $2.3 million-in 4 years. Why should we spend $29 million dollars in one year on peacekeeping operations that could put extremist elements in charge of Kosovo and that so far has provided inadequate? Maybe we should be using these funds to train law abiding US veterans to become community police officers here in America.

Now, I would like to touch upon the funding request for the Support Eastern European Democracy (SEED) program—a program which, among other things, supports democratic movements in the region. The funding request has increased from $77 million in 1999 to $175 million in Kosovo and from $6 million to over $41 million in Serbia, Yugoslavia. It indicates increased and intensified US involvement in the internal politics of the area. Here, too, our efforts have backfired. Democratic opposition groups in Serbia are weaker today than they were a year ago. Milosevic is stronger. It should concern Congress that funds for promoting democracy can result in weakening the popular appeal of democracy advocates. Congress needs to place limitations on this funding to restore its integrity. Specifically, Congress should place the following limitations:

No funds should be appropriated for use by any armed group or advocates of violence.

No funds should be appropriated for use by any group that advocates the violent overthrow of the Serbian government.

I conclude by saying that you should be skeptical of the budget request for peacekeeping operations and the SEED program in Kosovo and Serbia based on the past year's failure. I support the reduction of funding for peacekeeping forces in the Balkans.I support the advancement of peace and democracy in the Balkans. To achieve these goals, Congress will have to place limitations on spending in the Balkans. Otherwise, we will be adding to the problem of instability and a lack of democracy in the Balkans region.

Thank you.

POLITICAL INSTITUTIONS IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 2000

Ms. KAPTUR. Mr. Speaker, functioning democracy in the newly emerging independent states of the former Soviet Union requires setting up new political institutions and developing the means of conducting the people's business. As we have seen in many of these countries, this is proving to be a challenge beyond the patience and political will of their leaders, particularly given the harsh economic conditions throughout the region. More often than not, responsible economic policies represent, in the short term, even greater hardships for the people whose support is essential if democracy and market economy are to be sustained in these countries.

In Ukraine this challenge was put to test earlier this year when the Verkhovna Rada, Ukraine's parliament, was confronted with a serious political crisis over the selection of the Speaker and other leadership positions. The Leftist forces, though in the minority, have managed to control the parliament for the past 18 months, thwarting the majority's efforts to implement President Kuchma's legislative agenda.

A vivid description of how the leftist speaker, Oleksandr Tkachenko, thwarted the majority and the subsequent developments that lead to his ouster are provided in a report by the U.S.-Ukraine Foundation. In Update on Ukraine, February 24, 2000, Markian Bilynskj writes. ''Until January 21, the final day of the fourth parliamentary session, the Rada was presided over by a chairman whose political ambitions and sense of indispensability were matched only by his limitations. Oleksandr Tkachenko had been elected essentially by default 18 months earlier as elements within the Rada and beyond fought to prevent the chairmanship from falling into the hands of anyone harboring presidential ambitions. His eventual, somewhat surprise decision to run brought about a further politicization of the legislative process and was the principal reason behind the Rada's growing ineffectiveness. Tkanchenko's final unabashed identification with the communist candidate—a fitting conclusion to what can only be described as a parody of an election campaign—represented an abandonment of any pretense as impartiality and irreversibly undermined his credibility as Rada chairman. At the same time, President Leonid Kuchma's re-election altered the broader political context within which the Rada had to operate to such an extent that Tkachenko was transformed from a largely compromise figure into an anachronism''.

After the December election, President Kuchma's administration joined with the pro-reform majority to challenge Speaker Oleksandr Tkachenko and his Communist-Left forces and succeeded in electing a new Speaker and many of the leadership positions in the Rada. The result is a newly constituted parliament with a majority now occupying key positions that is capable of responding to President Kuchma and Prime Minister Yuschenko's reform agendas.

I would like to submit for the record and bring to the attention of my colleagues an interview with Grigority Surkis, a prominent, businessman and member of the Rada.

IT'S TIME FOR TRANSPARENCY

(By Grigoriy Surkis)

It would be desirable if our Parliament did not have deep divisions between the majority and minority factions; however this is not possible due to deep-rooted ideological divisions in the country.

Former Speaker Tkachenko, leader of the Communists in the Rada, demonstrated his inability to work out a compromise even when the majority announced a willingness to work cooperatively with Communist leaders on a legislative program.

By the way, leaders of the Ukraine Communists should learn a lesson from their Russian counterparts, who recently made a deal with the pro-government factions in organizing the Duma and distributing assignments among party leaders. They have a difficult time understanding that Communist authoritarianism does not exist in post-Soviet societies, nor is it as strong after eight years of democracy.

However, it remains to be seen how the pro-government bloc in Russia will get the Communist Speaker of the Duma to act on