APPOINTMENT OF A SPECIAL COUNSEL

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 1, 2003

Mr. SCHIFF. Mr. Speaker, I rise today to discuss a matter of great importance to this country—impacting the national security of our Nation, the integrity of our branches of government, and the public trust.

Earlier this week, the Central Intelligence Agency urged the Justice Department to open a criminal inquiry into whether Administration officials leaked the identity of a CIA agent, in order to discredit a critic of the Administration's intelligence claims with respect to an alleged uranium program in Iraq.

Mr. Speaker, prior to the war, the Members of this House were provided with specific intelligence information with regard to weapons programs in Iraq—and this country went to war based on that intelligence. However, we are now learning that some of this intelligence information was seriously flawed, including information that was explicitly featured in a State of the Union address. The syndicated newspaper column that quoted ''senior administration officials'' identifying the undercover CIA operative by name was printed in order to discredit a critic of these very claims.

Disclosure of the identity of a CIA operative is a serious setback to our national security. Such actions also undermine any efforts to candidly assess the intelligence flaws we are now discovering. Because the sharing of classified information by an administration official for political or malicious purposes is such a serious abuse of power, an independent investigation of this matter should be commenced immediately.

As a former Assistant United States Attorney, I had the opportunity to handle both corruption and espionage cases. In my view, we have a clear conflict of interest if the Attorney General and other Justice Department officials are given primary responsibility for the investigation of this potential illegality, because of the alleged involvement of high-level Administration officials.

Such an investigation will not only be difficult to pursue, but the conflict will undermine the results of the investigation, and cause the public to question its result. Rather, this investigation should be pursued by an independent and impartial special counsel appointed by the Attorney General with the full confidence of the public.

INTRODUCTION OF THE BUSINESS ACTIVITY TAX SIMPLIFICATION ACT OF 2003

HON. BOB GOODLATTE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 1, 2003

Mr. GOODLATTE. Mr. Speaker, I am pleased to introduce today, along with my good friend Mr. BOUCHER, the Business Activity Tax Simplification Act of 2003. This important legislation provides a ''bright line'' that clarifies state and local authority to collect business activity taxes from out-of-state entities.

Many states and some local governments levy corporate income, franchise and other taxes on out-of-state companies that conduct business activities within their jurisdictions. While providing revenue for states, these taxes also serve to pay for the privilege of doing business in a state.

However, with the growth of the Internet, companies are increasingly able to conduct transactions without the constraint of geopolitical boundaries. The growth of interstate business-to-business and business-to-consumer transactions raises questions over where multi-state companies should be required to pay corporate income and other business activity taxes.

Over the past several years, a growing number of jurisdictions have sought to collect business activity taxes from businesses located in other states, even though those businesses receive no appreciable benefits from the taxing jurisdiction and even though the Supreme Court has ruled that the Constitution prohibits a state from imposing taxes on businesses that lack substantial connections to the state. This has led to unfairness and uncertainty, generated contentious, widespread litigation, and hindered business expansion, as businesses shy away from expanding their presence in other states for fear of exposure to unfair tax burdens.

In order for businesses to continue to become more efficient and expand the scope of their goods and services, it is imperative that clear and easily navigable rules be set forth regarding when an out-of-state business is obliged to pay business activity taxes to a state. Otherwise, the confusion surrounding these taxes will have a chilling effect on e-commerce, interstate commerce generally, and the entire economy as tax burdens, compliance costs, litigation, and uncertainty escalate.

Previous actions by the Supreme Court and Congress have laid the groundwork for a clear, concise and modern ''bright line'' rule in this area. In the landmark case of Quill Corp. v. North Dakota, the Supreme Court declared that a state cannot impose a tax on an out-of-state business unless that business has a ''substantial nexus'' with the taxing state. However, the Court did not define what constituted a ''substantial nexus'' for purposes of imposing business activity taxes.

In addition, over forty years ago, Congress passed legislation to prohibit jurisdictions from taxing the income of out-of-state corporations whose in-state presence was nominal. Public Law 86–272 set clear, uniform standards for when states could and could not impose such taxes on out-of-state businesses when the businesses' activities involved the solicitation of orders for sales. However, like the economy of its time, the scope of Public Law 86–272 was limited to tangible personal property. Our nation's economy has changed dramatically over the past forty years, and this outdated statute needs to be modernized.

That is why we are introducing this important legislation today. The Business Activity Tax Simplification Act both modernizes and provides clarity in an outdated and ambiguous tax environment. First, the legislation updates the protections in PL 86–272. Our legislation reflects the changing nature of our economy by expanding the scope of the protections in PL 86–272 from just tangible personal property to include intangible property and services.

In addition, our legislation sets forth clear, specific standards to govern when businesses should be obliged to pay business activity taxes to a state. Specifically, the legislation establishes a ''physical presence'' test such that an out-of-state company must have a physical presence in a state before the state can impose franchise taxes, business license taxes, and other business activity taxes.

The clarity that the Business Activity Tax Simplification Act will bring will ensure fairness, minimize litigation, and create the kind of legally certain and stable business climate that encourages businesses to make investments, expand interstate commerce, grow the economy and create new jobs. At the same time, this legislation will ensure that states and localities are fairly compensated when they provide services to businesses with a physical presence in the state.

I urge each of my colleagues to support this very important bipartisan legislation.

CELEBRATING LAS MISIONES DE SAN ANTONIO WEEK

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 1, 2003

Mr. RODRIGUEZ. Mr. Speaker, we are fortunate in San Antonio and the 28th District of Texas to be home to one of the few national parks located within an urban center, the San Antonio Missions National Historic Park. Today the missions represent a virtually unbroken connection with our past. Bearing the distinctive stamp of generations of Indian and Spanish craftsmen, the historic missions are still part of our daily lives as active parishes and cultural centers. In addition, some 1.5 million tourists visit the missions each year.

The four mission churches—San Jose, Concepcion, Espada and San Juan—are colonial era churches which the Spanish established to bring European religion and culture to the native and immigrant populations of the region. Today, the San Antonio Missions are among the relatively few intact examples of the colonial missions in the Southwest. Unfortunately, the four missions were largely neglected after secularization in 1824 as the functioning farms and ranches ceased operation. Today, the mission church structures are in dire need of restoration and preservation to protect the unique record of the architecture, art, and culture of the Spanish colonial period in Texas.

With the goal of preserving and restoring the church structures of Mission San Jose, Mission Concepcion, Mission Espada, and Mission San Juan, community leaders have formed the Las Misiones capital campaign. By educating all Americans about the historic, economic, architectural, cultural and spiritual significance of the churches and surrounding buildings, the three-year initiative will culminate with the restoration of the four mission church structures.

I would like to take this opportunity to commend the San Antonio community as they launch Las Misiones de San Antonio week, October 5th—October 11th. The missions are part of every Texan's history. The missions contributed to the agricultural and commercial development of central and south Texas, and they were critical to the growth of San Antonio

region and the state as a whole. It is my wish that we as a community unite to preserve San Antonio's first skyline and the largest cluster of Spanish missions in the United States. By preserving our past, we help build our future.

H.R. 1829

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 1, 2003

Mr. FROST. Mr. Speaker, while H.R. 1829 has been placed on the Union Calendar and I can no longer remove my name as a cosponsor of the legislation, I would like to indicate that I am no longer supportive of the bill.

While I do support providing small businesses greater access to government contracts, removing the Federal Prison Industries (FPI) mandatory source preference would result in countless inmate jobs being lost. Idle prisoners increase the likelihood of prison unrest and eliminating the program would remove the opportunity for inmates to learn vital job skills. These jobs teach the prisoners a trade that they can use after they reenter the workforce. The program is so popular that there currently are not enough jobs to fill all the requests for prison employment. Money earned by the prisoners is often used to make child support payments and pay restitution.

Mr. Speaker, under current law, federal agencies can purchase products from the private sector if their prices are lower than FPI. Doing away with FPI will cost local prison jobs and only present the possibility of creating additional domestic manufacturing jobs elsewhere.

RECOGNIZING THE 43RD ANNIVERSARY OF THE INDEPENDENCE OF THE REPUBLIC OF CYPRUS

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 1, 2003

Mr. LANGEVIN. Mr. Speaker, as a proud member of the Hellenic Caucus, I rise today to recognize the 43d anniversary of the independence of the Republic of Cyprus. On this important day, I join the Greek Cypriots in celebrating their freedom from Great Britain in 1960.

Over 43 years, the Republic of Cyprus has overcome hardships to become a steadfast and committed democracy on the threshold of joining the European Union in 2004. Unfortunately, since a Turkish invasion in 1974, the island remains divided between the Turkish Cypriots and the Greek Cypriots despite attempts by the United Nations for a reunification settlement. Shortly after Cyprus agreed to join the European Union, the Turkish Cypriot authorities opened the borders and allowed Cypriots to cross over the line for the first time in 30 years. This past April was the first time that Cypriots from either side were able to travel through the 120-mile barrier, which continues to be guarded by U.N. peacekeeping forces.

A divided Cyprus also has the potential of blocking Turkey's bid to join the European Union, since its occupation of the northern part of Cyprus is illegal under international law. I urge the Turkish government to take steps toward uniting Cyprus and also put pressure on Rauf Denktash, the Turkish Cypriot leader, who has fallen out of line with the wishes of his people. The majority of Turkish Cypriots want to have the equality and prosperity of their neighbors.

As the Republic of Cyprus has stood by the United States during its war on terrorism, we must continue to support negotiations so that all sides benefit from reunification. There is still potential for all of Cyprus to join the EU with continued support from the European Union and the United Nations. It may be a long road to mend the strains between Turkey and Greece, but reuniting Cyprus is an important step in the right direction.

Again, I celebrate this important day for the Republic of Cyprus.

CONGRESSIONAL BLACK CAUCUS SPECIAL ORDERS ON IRAQ

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 1, 2003

Ms. LEE. Mr. Speaker, I also want to thank the distinguished chairman of the Congressional Black Caucus for holding these special orders.

Over 300 Americans have died in Iraq. Over 1200 have been wounded. And we're spending a billion a week to finance this quagmire.

Now, Congress is being asked to approve another $87 billion to fund the Administration's war. That brings up the total to $166 billion, and there's no end in sight—no end to the deaths, no end to the bills, and no end to the war.

That $87 billion is the latest installment on the President's foreign policy doctrine of preemption.

We went to war under this doctrine: the President told the American people, Congress, and the world that we had to go to war because Iraq's weapons of mass destruction, including a nuclear weapons program, posed an imminent danger to us.

Well, we haven't found the weapons yet, so now the Administration is changing the mission: now Iraq isn't about weapons of mass destruction or regime change, now it's terrorism.

The American people want to know how this $166 billion is being spent, what our exit strategy is, and just how much we are going to have to pay to build Iraqi houses, connect Iraqi electrical grids, and construct Iraqi schools.

It's not that we begrudge the needs of the Iraqi people—it's just that we also see dire needs here at home.

We're not isolationists—it's in our national interest to help create stability in Iraq and it's a moral imperative to repair the damage our bombs did, but there has to be a vision of how to get us out.

We must leave an Iraq that is stable and secure, but we must leave.

And we all need to understand that this war against Iraq is not an isolated act but part of the Doctrine of Preemption that could also lead us to war against North Korea, Iran, Syria, or almost anyone else.

Dr. Martin Luther King, Jr. would recognize this war. As he warned us, ''In the wasteland of war,'' he said, ''The expenditure of resources knows no restraints.''

Dr. King knew that war could be a bottomless pit, into which this great nation could pour all of its resources, all of its young people, and never come out safer or stronger.

We have to stop this. That is our call to arms.

Because if we don't stop them, this $87 billion bill will be followed by more and more installment payments, and those 304 Americans who have died in Iraq will be followed by far too many more young men and women.

Let's find our way out of this wasteland.

HONORING CYPRUS INDEPENDENCE DAY

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 1, 2003

Mr. HOLT. Mr. Speaker, on behalf of the many Cypriot Americans in New Jersey I rise today to honor the 43d anniversary of the Independence of the Republic of Cyprus. Cyprus became an independent Republic in 1960 after 80 years of British colonial rule and hundreds of years under the yoke of the Ottoman Empire. Despite a series of tragic events during the past four decades, the Government of the Republic of Cyprus remains committed to the core principles enshrined in the Constitution of Cyprus guaranteeing the basic rights and freedoms of the people of Cyprus—Greek Cypriots, Turkish Cypriots and Cypriots from all ethnic and religious communities.

This year, Cyprus's Independence Day arrives at a time of great hope for all the people of Cyprus. Since the last celebration of Cyprus Independence Day, Cyprus has experienced events of major historic import—most notably the signing of the Treaty of Accession to the European Union in April of this year. Cyprus is now on target to join the EU in May 2004 and that is no small achievement for a nation that has endured such a long list of tragedies.

As in past years, however, the continued de facto division of the island nation clouds the commemoration of its Independence Day. Thirty-seven percent of the Republic's territory continues to be occupied by Turkish military forces in violation of U.N. Security Council resolutions and international law.

While the Cyprus problem continues to elude a final, just, and peaceful solution, never before in the 29 years since Turkish forces split the island in two, have Cypriots been so close to a settlement. And yet they are so far away. The last year has been fraught with opportunities lost—many of us here in Congress thought that the Copenhagen Summit last winter offered a unique opportunity for Greek and Turkish Cypriots to finally resolve their differences. A new Turkish leadership in Ankara looked poised to make history and then didn't.

We had hope. The plan put forth by U.N. Secretary General Kofi Annan continued to gain momentum. Thousands of Turkish Cypriots were protesting in the streets against their leader Rauf Denktash calling on him to accept the Annan plan. There was anticipation that referenda would occur this past spring and finally liberate Cypriots from the oppressive division of their island.