media. In addition, in Norm Mineta's last year in Congress, Eric also served as his congressional liaison to the Smithsonian Institution's Board of Regents. Starting tomorrow, however, after more than 4½ years of service to our committee, Eric will move to the other body and take up the post of press secretary to Senator JOSEPH I. LIEBERMAN of Connecticut.

Eric has provided great service to our members and staff. Daily he provided a news summary of more than two dozen newspapers, trade periodicals, and major wire services—all arriving on our members' desks before the start of every hearing or markup. He also organized news events in concert with the personal staffs of our members and with the Democratic leadership, and responded professionally and quickly to numerous press inquiries. In the last Congress, he led our way along the information superhighway by instituting our site on the World Wide Web. In addition to his communications expertise, his political counsel and information strategy have been very much appreciated.

On his own time, Eric also worked for the best interests of our Democratic Party and for our national interests abroad. He distinguished himself with senior positions at the last two Democratic National Conventions—serving as manager of press information center operations in Chicago last year.

Overseas, Eric embarked in a unique association with the United States Information Service whereby he undertook four month-long trips to Australia in as many years to lecture on American Government, the Congress, our elections, our news media, and civil rights. As a voluntary visitor working with USIS, he has visited just about every university on that continent and spoken with numerous journalists, business leaders, government officials, and students.

Amidst all this, Eric has also found time to dabble in the arts. Last year, he signed a contract with the Farber Literary Agency of New York, which is representing him on a novel he has written about Hollywood and politics. Through much of the 1980's, Eric founded and led an independent effort to restore the 1963 motion picture ''It's a Mad, Mad, Mad, Mad World.'' That effort gained Eric a touch of national fame and a greater appreciation for America's cinema heritage. He has been active in the effort to preserve some of our Nation's remaining motion picture palaces of the 1920's and 1930's.

Mr. Speaker, many people come to work in this institution for as many reasons as there are staff positions. As a teenager, Eric was greatly influenced by watching the Watergate hearings. While at George Washington University, where he graduated Phi Beta Kappa while working half-time at the State Department, Eric knew then that he wanted to work in Congress to help communicate the Nation's business to the world. As I said, he began to do that 10 years ago, and has done so with consummate skill and impeccable integrity.

For all his hard work, dedication, and counsel, I ask that all of our colleagues join with me in thanking Eric for his great service to this House, particularly to the Committee on Transportation and Infrastructure, and to our Nation. We wish him well now and in the future.

CONFERENCE REPORT ON H.R. 2014, TAXPAYER RELIEF ACT OF 1997

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1997

Mr. SKAGGS. Mr. Speaker, I am voting for this conference report. Its provisions for education and tax relief for families with children, in particular, will make a difference in the lives of millions of hard-working Americans.

Many of the worst aspects of the House-passed bill, which I opposed, have been removed or improved, and the bill includes many other provisions that will benefit our country. So, on balance, I have decided that it deserves to be supported. That said, it is not without faults. It includes some things that I don't like, and there are other things that I would have liked to have seen included.

To begin with, the bill deserves support because it will help make education more affordable for millions of our people. It includes tax credits for the tuition costs of college students as well as graduate students and workers who are continuing to pursue lifelong learning. It will allow people who have gone into debt to finance their educations to deduct some of the interest charges on their student loans.

In addition, the bill extends until June 20, 2000, the tax exclusion for employer-provided educational assistance. I would have preferred making this permanent, but this is a great improvement over the House bill, which extended the exclusion only for the rest of this year.

Further, this bill dropped the pernicious section of the House-passed bill that would have taxed tuition discounts earned by graduate students who serve as teaching assistants and the tuition discounts provided to families of school employees. That very shortsighted and unwise provision was one of the worst features of the House bill, and I am very glad that the conferees did not include it in the conference report.

The conference report also will help our schools and colleges in several important ways. It will encourage corporations to donate up-to-date computer technology and equipment; will give a tax credit for purchases of bonds issued by local governments where the business community is also assisting the schools; and it will repeal the limit on qualified 501(c)(3) bonds used by colleges, universities, and other charitable institutions.

The environment also will benefit from the conference report. Unlike the House-passed bill, the conference report includes tax incentives to help accelerate the cleanup of contaminated areas in economically distressed areas. This so-called brownfields provision has great promise for improving both the environment and the economy in these areas.

Science and health will benefit as well, because the conference report extends expiring research tax credits and makes permanent the tax credit for research and development of so-called orphan drugs that are desperately needed, but for which the potential market is relatively small.

And the conference report's provisions related to Amtrak provide a foundation upon which it may be possible to build an improved and financially sound national rail passenger system.

Also, of course, there are some provisions that will benefit families in more general, less-targeted ways. For me, the most positive is the $500 child credit, which will provide a significant financial boost to the country's most hard-pressed working families. Its benefits will be distributed reasonably fairly—especially as compared with the original House-passed bill, which would have excluded many of the low-income working families to whom this credit will be most helpful.

The conference report's changes in estate taxes are also better than those in the House-passed bill, because they focus more directly on family-owned farms and businesses, as well as phasing in what's essentially an inflation adjustment to the basic tax-exemption amount.

The capital gains provisions are improved but still troublesome. They of course are inherently much more beneficial to those with the resources to make large-scale investments than to those of more limited means.

Also, in combination with other provisions like those involving IRA's, they have the potential for making this balanced budget tax bill the cause of renewed and greatly increased deficits in a few years. For me, this is a serious prospect. I recall Senator Howard Baker's description of Reaganomics as a ''riverboat gamble'', and I recall that the payoff of that tax-cutting spree was trillions of new national debt.

I am not eager for another spin of that roulette wheel, and if I was convinced that the risk this time was as great as it was then, I would not support this bill. But this is a more modest bet, and a more carefully-drawn bill. I do think that we have learned from that experience, and I think President Clinton and his administration were able, in the negotiations that produced this conference report, to notably reduce the odds on repeating it. In short, while there's still a serious risk of renewed deficits, they've been lessened—and can be avoided if we will recognize them and are ready to take corrective actions in the future in the way Democrats did in 1993.

Mr. Speaker, I did not come early or quickly to a conclusion about this bill. But I have decided that its strengths outweigh its weaknesses, and its promises outweigh its risks—and my vote is for its passage.

WELFARE TO WORK

HON. STEVE LARGENT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1997

Mr. LARGENT. Mr. Speaker, last year Congress passed historic welfare reform legislation, establishing a program which combines social responsibility with economic opportunity. By setting work requirements and offering incentives to employers hiring workers from the welfare rolls, the Personal Responsibility and Work Opportunity Act of 1996, provides the help needed to lift individuals out of poverty and off the welfare rolls.

While the average stay on welfare is only 2 years, the typical recipient at any one time has been receiving benefits for 8 years. The Welfare Reform Act, by setting a 5-year maximum time limit for receiving welfare payments, will end long-term abuse of the welfare system, transforming aid to families with dependent children [AFDC] into a truly transitional welfare to work program. The act enables welfare recipients to gain the job skills and experience necessary to compete in the work force.

By passing the welfare program as a block grant, Congress has given Oklahoma the flexibility to tailor our programs to the needs of Oklahomans. States must meet strict work requirements, ensuring that an increasing percentage of beneficiaries leave the welfare rolls each year, or face a reduction in Federal funding. At the same time, a safety net is provided for States during periods of economic hardship, allowing exemptions for bulging caseloads and a 20-percent hardship exemption for extreme cases.

I am sad to see that the current budget bill reverses many of the reforms made in the Personal Responsibility and Work Opportunity Act. I hope to work with my colleagues in the future to restore the original intent of the welfare reforms passed last year.

INTRODUCTION OF H.R. 2292—THE INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1997

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1997

Mr. PORTMAN. Mr. Speaker, yesterday I was pleased to introduce with my colleague, the gentleman from Maryland [Mr. CARDIN], H.R. 2292—the Internal Revenue Service Restructuring and Reform Act of 1997. This bipartisan legislation is an outgrowth of the work of the National Commission on Restructuring the Internal Revenue Service, which was charged with taking the first comprehensive look at the IRS since 1952. The commission created a blueprint for transforming the IRS into a world-class service organization that serves all Americans. Now, we are taking the first step toward fulfilling the promise of providing better service to the American taxpayer.

Congress created the National Commission on Restructuring the Internal Revenue Service in response to mounting public concerns about the performance of the IRS. The commission was a bipartisan, bicameral effort—I co-chaired the commission with Senator BOB KERREY, a Democrat from Nebraska. Senator CHARLES GRASSLEY, a Republican from Iowa, and Congressman BILL COYNE, a Democrat from Pennsylvania, also served on the commission. The commission also had considerable expertise—members included a former IRS commissioner and Treasury Department official; a former head of the Congressional Joint Committee on Taxation; the former head of the New York state tax system; the chairman of the California State Board of Equalization; and a representative of: small businesses; technology firms; taxpayer advocacy groups (Americans for Tax Reform and the National Taxpayers Union); the IRS employees union; and the Clinton administration, including the Treasury Department.

During its year-long existence, the commission conducted 12 days of public hearings, held three town hall meetings around the country, and spent over 100 hours in private sessions with public and private sector experts, academics and citizens groups. The commission staff met privately with over 500 individuals, including the majority of senior-level IRS managers, and interviewed almost 300 front-line IRS employees. We received continuous input from various stakeholder groups and the general public. And, the commission had unprecedented access to IRS reports and documents.

Early in the course of the commission's work, we developed a simple goal: Taxpayer satisfaction must become paramount at all levels of the IRS. More than twice as many people pay taxes as vote, and the IRS is the only Federal agency that many citizens interact with directly. We must ensure that the IRS meets the public's expectations for professionalism, accountability, and efficiency. And, we must ensure that the IRS works for the taxpayer—not the other way around. In a very real sense, the commission's work was a yearlong audit of the IRS.

This legislation is based on the commission's report. It is designed to change the IRS as we know it—to transform the IRS into a responsive service organization for the 21st century. It focuses on solving the problems in our tax system, which fall into three major, cross-cutting areas: First, the complexity of the Tax Code; second, IRS customer service; and third, IRS management, governance, and oversight.

COMPLEXITY OF THE TAX CODE

The commission identified a clear and undeniable link between the complexity of the Tax Code and the difficulty of tax administration.

The commission found that the laws written by Congress and the President can lead to inadvertent noncompliance, increase the compliance costs of individuals and businesses, and add to the difficulty of revenue collection. The commission also found that the law is overly complex and that this complexity is a large source of taxpayer frustration with the IRS.

The commission found that the real culprit is not the IRS—but the Tax Code itself: Since 1956, the number of sections in the tax code has risen from 103 to 698. And, just since the 1986 simplification of the Tax Code, there have been 4,000 amendments to the Tax Code—a rate of more than one change per day. Despite claims of the Treasury Department to the contrary, front-line IRS employees consider the complexity of the Internal Revenue Code to be a major obstacle. The commission conducted a survey of almost 300 front-line IRS employees, and they overwhelmingly felt that the complexity of the Tax Code impedes their work. Money magazine annually asks 50 tax preparers and the IRS to prepare a 1040 for a sample family. Because of the complexity of the Code, no two preparers ever arrive at the same result, and results vary by thousands of dollars.

The commission report and this legislation make specific recommendations for solving this problem. First, we recommend that Congress and the administration simplify the code. The commission was not charged with reforming the tax code. But the commission's final report strongly recommends that Congress and the President work toward simplifying the Tax Code wherever possible.

Until Congress and the administration reach a consensus on a fundamental tax reform proposal, we propose a number of steps to encourage simplification:

No. 1, Procedural changes in Congress to provide disincentives for adding complexity to the Code through a scoring mechanism for Tax Code complexity. Every tax proposal would have to be measured by a uniform set of criteria to determine its complexity and possible compliance costs on taxpayers and the IRS. And, Members would be able to raise a point of order on the House floor on any piece of tax legislation that causes additional complexity or compliance burdens—similar to the unfunded mandates legislation we enacted in 1995.

No. 2, Recommendation for providing the IRS with a more independent voice to comment on proposed tax legislation. Right now, the IRS is not present at the table when tax legislation is being considered and is forced to defer to the Treasury Department's tax policy goals. The commission proposes to give the IRS a voice in the legislative process. In a very real sense, the IRS will serve as an advocate for Tax Code simplicity.

No. 3, Although not included in this legislation, the commission report provides Congress with a list of 60 specific provisions of the Tax Code that the tax writing committees could simplify or eliminate to reduce compliance nightmares for taxpayers and administrative headaches for the IRS.

CUSTOMER SERVICE

Traditionally, the IRS has seen itself primarily as an enforcement bureaucracy. Yet 83 percent of the revenue owed to the Federal Government is paid voluntarily each year without proactive IRS involvement. Only an additional 3.5 percent is paid after the IRS becomes involved. But, over the years, the enforcement function within the IRS has come to dominate the agency.

Meanwhile, taxpayers have become accustomed to increasingly high performance standards from their banks, credit card companies, airlines and other service organizations. While the private sector has rewritten customer service standards over the last 25 years, IRS taxpayer service has remained essentially static. For example, many taxpayer problems that could be resolved in a single phone call don't get through to a properly trained IRS service representative.

The result is a considerable service gap between the IRS and the private sector: In a survey of 200 leading private and public sector organizations by the American Society for Quality Control, the IRS ranked dead last in customer service—and its rating actually dropped in 1996. Last year, only one in five calls to the IRS customer service hotline got through. The IRS reports considerable improvement in the number of taxpayers getting through this year, estimating that half the calls were answered. This is still unacceptable. An IRS employee may have to access as many as 6 different computer systems to resolve a taxpayer's problem, and answers to simple questions often take weeks. It takes the IRS, on average, about 18 months to match an individual's tax return with a 1099 form. Can you imagine a private sector firm taking 18 months to send someone a bill—with interest attached?

We recommend, through this legislation, a fundamental change in direction. We propose to transform the IRS by making taxpayer service the agency's top priority. It's time to put the word service into the Internal Revenue Service.

How do we do that? First, we level the playing field with significant enhancements to taxpayer rights—including a significant expansion