

the labor movement and of the African-American community.

LEGISLATION TO IMPROVE AND  
SIMPLIFY HOSPITAL OUT-  
PATIENT DEPARTMENT BIL-  
LINGS UNDER MEDICARE

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. STARK. Mr. Speaker, I am introducing a bill which would provide for the revenue neutral payment of self-administered drugs furnished as part of a hospital outpatient department [HOPD] service under the prospective payment system currently being developed for HOPD's.

The Balanced Budget Act passed this summer starts the slow reform of HOPD payments by establishing a prospective payment system [PPS]. This PPS is designed to bring some control to the rising costs of these services and to ensure that the patient only pays 20 percent of the total cost of the HOPD service. Currently, Medicare beneficiaries are paying about 47 percent of the total cost of these services—far above the normal 20 percent Part B copayment. Unfortunately, the HOPD fix will take over 20 years to achieve. The long phase-in was due to the cost of the fix to the Medicare trust fund plus its impact on hospital revenues.

PPS system will include most of the costs of seeking treatment in an HOPD. But it will not cover the cost of self-administered pharmaceuticals—such as Tylenol 3—administered in the HOPD, since Medicare generally does not provide insurance against drugs which can be taken without the aid of a doctor or medical staff. Thus in addition to sending the patient a bill for the 20 percent HOPD copayment, the hospital will need to send the patient a separate bill, often for a rather small amount, to collect the charge for the drug.

The American Hospital Association has suggested that this is just an extra wave of paperwork and that the cost of such drugs should be included in the total cost of the procedure as determined under the new PPS system. Just as pharmaceutical drugs are covered under a hospital inpatient admission under the DRG PPS payment system, so should HOPD self-administered drugs be covered under the new HOPD PPS system. The legislation provides that this consolidation of bills will not increase the total cost of the procedure. In other words, the hospitals would rather absorb the cost of the drug in the current cost of the procedure than endure the paperwork hassle of separately billing for small amounts.

This proposal was sent to the BBA conferees very late in the process, and it was not included because more time was needed to consider it. I think it is a simple, straightforward proposal to simplify the life of patients and hospital accountants, and I hope we can include it in the next Medicare bill that is considered by the Congress.

WORLD POPULATION AWARENESS  
WEEK

**HON. SAM FARR**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. FARR of California. Mr. Speaker, I ask my colleagues to recognize October 26 through November 1, 1997, as "World Population Awareness Week". The purpose of this week is to educate the public about the impact of overpopulation on our resources and environment. Many communities have issued proclamations and I want to commend the Santa Cruz County Board of Supervisors and the mayor of the city of Santa Cruz for their recognition of this important week.

Family planning programs are critical in our efforts to reduce population growth, protect the environment, assist in the sustainable development of poorer countries, and improve the health of women and children. Without such programs, the population of the Earth will double within our children's lifetimes—and many scientists believe our present world population of 5.8 billion may already be reaching the limit that our planet can sustain.

World Population Awareness Week will teach and inform the global community of the need to bring the world's population into balance with the Earth's resources and environment. The world's population continues to grow by almost 90 million a year, mostly in underdeveloped nations, but population growth concerns developed nations as well. A citizen of the United States uses far more resources and energy than a citizen from an undeveloped nation. In order to ease the pressures human development puts on our fragile environment, we need to adopt sustainable development practices. The World Commission on Environment and Development, The Brundtland Commission, in 1987 defined sustainable development as the ability " \* \* \* to meet the needs of the present without compromising the ability of future generations to meet their own needs."

I think sustainable development can be expanded to include preserving the integrity and beauty of the natural environment for enjoyment of current and future generations, economic vitality, human health and well-being, and community prosperity and social justice. As we recognize World Population Awareness Week, we must be mindful of the need to adopt sustainable development initiatives to balance our planet's dwindling natural resources with our population growth so that future generations can prosper.

A TRIBUTE TO EULA KAY BURRY  
BRIGGS

**HON. CHARLES H. TAYLOR**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. TAYLOR of North Carolina. Mr. Speaker, I would like to take a moment to recognize the life of an outstanding individual who spent most of her 83 years in my district. Mrs. Eula Briggs was born in Greenville County, SC, but moved to Madison County, NC, when she was 14 years old. At the age of 18 she married

Clarence W. Briggs and reared three sons, all of whom she was very proud. Lee Roy, the oldest, taught school for a while before going to work for the Agricultural Stabilization and Conservation Service. Bruce earned his law degree, served as a State senator and also as a superior court judge. Her youngest son, Bill, worked several years, for the State of North Carolina and is currently the Madison County clerk of court.

As a member of the Madison County Republican Women's Club, Mrs. Briggs was presented the Woman of the Year Award by the North Carolina Federation of Republican Women in 1987. She was the last charter member of Calvary Baptist Church in Mars Hill where she was active in the Women's Missionary Union and taught the nursery Sunday school class for many years. She was affectionately called Granny Briggs by all in the church.

Mrs. Briggs passed from this life on September 23, 1997. During her life she was a homemaker and devoted to her family, church, and community. She worked diligently to see that all of her sons received a college education, and she was adored by her five grandchildren, Ashley, Grayson, Kelli, William, and Lydia. She was indeed a virtuous woman as described by King Solomon in Proverbs 31, " \* \* \* Her children arise up, and call her blessed \* \* \* a woman that feareth the Lord, she shall be praised \* \* \*."

CONGRATULATING THE CLAY  
COUNTY HIGH PANTHERS

**HON. BOB RILEY**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. RILEY. Mr. Speaker, I rise today with enormous pride to congratulate and commend my hometown football team, the Clay County High School Panthers, on breaking the Alabama record for the most consecutive wins in high school history. This 2A classified team, with 42 players, claimed their 51st straight victory on Friday night, October 17, over Reeltown High School with a score of 43 to 16.

This victory is an enormous credit to the CCHS football team, as well as to their parents, the cheerleaders, the band and the student body, who have taken part in making this success possible. As a former player for the Panthers myself, I can appreciate the amount of work and sacrifice these young men have had to make in order to achieve this goal and applaud all their efforts in reaching this point.

Regardless of what happens in each of their lives, this is an honor and a memory that no one will ever be able to take away from them. I would also like to commend the Clay County High School coaching staff: Coaches Danny Horn, Jerry Weems, Garey Reynolds, Chris Herron, Chuck Freeman, Steve Burkhalter, and Bradley Cline. These men have molded each of these players into exceptional athletes and taught them the importance of teamwork, loyalty, dedication, and drive. And once the crowds stop cheering and the band no longer plays, it will be these lessons that will shape these teenagers into the men they will become. The Panthers have made their school, their coaches, and their entire town swell with

pride, and I, as an alumnus and fan, would like to say congratulations on a job well done.

#### TRIBUTE TO DAVID J. AUGER

##### HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. SHERMAN. Mr. Speaker, I rise today to recognize David J. Auger as the 1997 Golden Horn Award recipient. This honor is presented to those who are deeply involved in our community and supportive of the Valley Cultural Center and its efforts to bring music to Woodland Hills.

The Valley Cultural Center seeks to enlighten, educate and enrich present and future generations by providing diverse programs through the performing and visual arts. Their programs include music therapy, community concerts, music in the schools, music for seniors, and performances for children.

David's contributions to the Valley Cultural Center are endless. As the vice president and general manager of Time Warner's Northern Region of the Los Angeles Division, David has solidified a partnership between Time Warner and the Valley Cultural Center and has made Time Warner a benefactor for the center. This partnership has resulted in \$10,000 worth of financial support for the center and the development of a successful outreach program.

Today, David's main project in conjunction with the Valley Cultural Center is a video outreach program. With the use of video, David hopes to spread the benefits of music therapy to those outside of our community and around the world. His ingenuity in community involvement combined with his extensive record of service earns him this special recognition.

David's community service extends beyond the Valley Cultural Center to include the Valley Industry Commerce Association, Pacific Lodge Youth Services, Cal State University foundation, and the Los Angeles Cable Operators Association. His previous awards include the Tree of Life Award from the Jewish National fund, the Human Relations Award from the San Fernando Valley Interfaith Council and countless others which merely scratch the surface of his broad range of dedication and strength of his role in the community.

Mr. Speaker, distinguished colleagues, please join me in honoring David for his service and recognizing him as the 1997 Golden Horn Award recipient. His service dedication to our community distinguish David in our community.

#### RESTORING THE EXCLUSION FOR NON-OIL RELATED SHIPPING INCOME

##### HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. SHAW. Mr. Speaker, I am introducing legislation today to restore the exclusion of shipping income from subpart F of the Internal Revenue Code. When first enacted, subpart F did not tax the shipping income of foreign corporations owned by U.S. citizens. Shipping

companies owned by U.S. citizens were allowed to compete on terms comparable with companies owned by foreign nationals. As a result, the U.S.-owned fleet represented over 25 percent of the total world fleet. The U.S.-controlled fleet made significant contributions to the Nation's security and it promoted the development of major shipping centers in the United States. The U.S.-controlled fleet alone generated hundreds of millions of dollars in tax revenues as a result of the voluntary repatriation of earnings from the fleet and the associated infrastructure generated billions of additional dollars of taxable economic activity.

In 1975, subpart F was amended to include shipping income that was not reinvested. As a result of the tax change, the U.S.-owned fleet began to decline and the centers of international shipping in the United States began their decline in prominence. As the once significant U.S.-owned fleet was forced to expatriate to remain competitive, related industries, including insurance brokers, ship management companies, surveyors, chartering brokers, technical consultants, and many others who provide services to the maritime industry followed. Tax revenues also declined. In 1986, this mistake was compounded with the imposition of taxes on reinvested shipping income. The U.S.-owned fleet now represents less than 5 percent of the world fleet.

Our major trading partners, on the other hand, have taken a different approach. They have adopted tax policies to ensure that their international shipping is competitive in world markets. As a result, the economic leadership of the United States in this vastly important sector of the economy has been lost. We simply do not have the fleet or the infrastructure to support even a modest percentage of our own international trade. Subpart F has even contributed to the transfer foreign of the once significant U.S. flag fleet, which depends on foreign flag feeder vessels to be competitive. Recent transactions, including the agreement of Neptune Orient Lines to acquire APL, raise the troubling possibility of foreign control of the majority of the government supported U.S.-flag fleet. It makes little sense to spend scarce taxpayer dollars to support U.S.-flag shipping only to have our misguided tax policies undermine their competitive opportunities in international trade.

Restoring this exclusion also reflects sound tax policy. The United States generally does not tax U.S. shareholders on income until that income is realized, that is, the shareholders have dominion and control over the income. Subpart F of the Internal Revenue Code creates an exception to this general rule by taxing a U.S. parent corporation, or significant individual U.S. investor, on the income earned by a foreign subsidiary whether or not that income is paid to the U.S. parent, for example, in the form of dividends. Shipping income of such a U.S.-controlled foreign corporation [CFC] is subject to current taxation under subpart F, regardless of whether those earnings are distributed to its U.S. shareholders. But deferral properly remains the general rule, not the exception, under U.S. law.

There is no evidence whatsoever that the tax policy justifications for the application of subpart F—that seek to prevent the tax motivated expatriation of economic activity—apply to international shipping.

The U.S.-controlled fleet has declined from over 25 percent of the world fleet in 1975 to

less than 5 percent today. This decline has in no way benefited U.S.-flag operations or U.S. employment. There has been no offsetting increase in the investment of U.S. persons in U.S.-flag shipping operations. Thus, however viewed, the current law has been a losing proposition for all U.S. interests.

Therefore, I am introducing legislation that will restore the exclusion of shipping income from subpart F of the Internal Revenue Code. While there has been disagreement on how to restore the American-owned fleet in international shipping, this legislation represents the most up to date thinking on how to accomplish that objective. It is the result of many hours of thought and consideration, and has received broad support from important elements of the maritime industry.

Specifically, the proposed amendment to the Code would restore the exclusion for non-oil related shipping income from subpart F. This deferral is available to U.S.-controlled groups, that is, groups under common control of the same ultimate owners, that maintain a U.S.-flag fleet of 4 or more ships of 10,000 deadweight tons or 2 or more cruise ships with at least 275 berths for passengers. The U.S.-flag fleet requirement will assure that groups benefiting from deferral will maintain at least a minimum U.S. investment, thereby bolstering the U.S. economy and providing U.S. jobs. It will also apply to shipping companies that operate in the Caribbean. This will serve the policy of fostering development in the Caribbean Basin as enunciated in the Caribbean Basin Economic Recovery Act. Finally, deferral is reinstated for companies that are not engaged in the carriage of the commerce of the United States. There is no conceivable justification for imposing U.S. taxes on the income of these foreign shipping companies controlled by U.S. citizens.

To further make available funds for expansion of a U.S.-flag fleet, the proposed amendment permits a controlled foreign corporation to loan funds for acquisition, construction, or reconstruction of a U.S.-flag vessel without triggering U.S. taxation of the funds. Further, the proposed amendment exempts in certain cases interest paid or accrued on the loan from U.S. withholding taxes to further foster investment in, and promote the competitiveness of, the subsidized U.S.-flag fleet. Ultimately, the success of that fleet will depend on policies that will help make U.S. flag operators more competitive. This proposal would do just that.

It was unfortunate that this legislation could not have been included in this year's tax reconciliation bill. Nevertheless, I urge my fellow members to support this proposal, which represents the current state of development of restoring America's presence in international shipping. I intend to include it in appropriate legislation at the earliest possible time.

#### TRIBUTE IN MEMORY OF VERALYNE HAMILTON

##### HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 21, 1997*

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to the memory of Veralyne Hamilton, a remarkable woman whose lifelong commitment to her family, friends and the Bronx