

The Internal Revenue Service Restricting and Reform Act of 1997 will help ensure that the IRS administers the tax laws as Congress intended. Enactment of the new safeguards included in H.R. 2292 will help the IRS will become the customer-friendly agency it was meant to be, and will help the IRS to apply the tax laws of our country in a just manner.

Mr. Speaker, I thank my colleagues for their exceptional work on H.R. 2292 and look forward to continuing to work with them to enact that legislation into law when Congress reconvenes.

#### HONORING ESSEX CATHOLIC HIGH SCHOOL

#### HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, November 13, 1997*

Mr. PAYNE. Mr. Speaker, I rise today to honor the 40th anniversary of Essex Catholic High School. In 1957 this school was founded by Archbishop Thomas A. Boland with an enrollment of 225 students and a faculty of 7. The school was the first regional high school in the Archdiocese of Newark and has served the young men of the Newark area since that time.

The ability of Essex Catholic to grow and change with the times is perhaps the most important aspect of this school. They moved from the original location at the former Mutual Benefit Life Building on Broadway in North Newark to a larger campus on Glenwood Avenue in East Orange in 1980. At this new facility, the school continues to meet the challenges of serving an area that is consistently changing and progressing. Their ability to meet these challenges stems from the strong moral and religious foundation the school is built upon. This foundation also consists of teaching students to set high standards and goals for themselves. The school continues to emphasize the spiritual and emotional growth of students that is needed to ensure a well rounded education.

The commitment of the Congregation of Christian Brothers and especially the commitment of the Most Reverend Theodore M. McCarrick to Essex Catholic and to our entire community is also to be commended. Their contributions to the school and our area are positive examples to the young men they teach and the community as a whole. This love and dedication to teaching and Essex Catholic is surely one of the school's most valued assets.

Mr. Speaker, without schools such as Essex Catholic many of our young men would not have important educational opportunities available to them. In this year of their 40th anniversary, I would like to congratulate and praise the long-term devotion the Christian Brothers, religious sisters, priests, lay teachers, students, alumni, and parents have for Essex Catholic and the education of our area's young men.

#### PROTECTING THE RATEPAYERS AND THE ENVIRONMENT

#### HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, November 13, 1997*

Mr. SHERMAN. Mr. Speaker, I rise today in support of the recent efforts by the Congress to address an important matter of equity that will ensure that local communities throughout the nation will be able to protect the environment without jeopardizing limited, local government taxpayer dollars committed to water quality improvements. This year marks the 25th anniversary of the Clean Water Act. We can see the evidence of the Federal, State and local commitment to improving our Nation's lakes rivers and coastal waters. Public awareness of the importance and benefited of sound environmental stewardship exists today that clearly was not evident 20 years ago. Billions of dollars made available to communities under the Clean Water Act to build clean water facilities using the construction grants program has helped to make our waters healthier.

Over the years, local governments that have received these grants have undergone rigorous audits to ensure that the facilities were constructed as planned and designed, in an effort to ensure that taxpayers' dollars are used as intended. At the same time, we have heard from local officials that these audits have often gone beyond the stated purpose of ensuring that grant funds have been used as intended. Instead, they the focussed on whether the funded project should have been constructed as approved by EPA. These re-evaluations occur even though there is no evidence of fraud or abuse in the project's expenditures and after the project has received both Federal and State approvals to proceed to construction. In my congressional district, the Las Virgenes Municipal Water District has been seeking to resolve an adverse audit report dating back to 1977. Despite documentation demonstrating that the facility was planned, designed, and constructed in accordance with Federal and State approvals, EPA auditors have sought the return of \$4 million by the local taxpayers.

Simply stated, after 20 years, the auditors now have decided that my constituent could have constructed the project in a better way. This second-guessing of previously approved, eligible project costs should not be permitted. It penalizes the local community for project approvals it did not make and, more importantly, it diverts resources away from water quality improvement projects that the community wants. Instead, the district's resources would have to be spent to contest audit findings that seek to disallow eligible project costs.

Congress attempted to correct this situation most recently in 1987 when it passed the Water Quality Act of 1987. Because the problem of second-guessing and reevaluation persists, the Committee on Appropriations included language in the Veterans, Housing and Independent Agencies Fiscal Year 1998 Appropriations Bill. It directs the EPA Administrator to uphold local government construction grants project eligibilities where the local government grantee has provided decision documents of the EPA, or the designated State agency, permitting use of the funds. I expect

that with the clarification provided in this year's spending bill, EPA will adhere to Congress' directive and uphold eligible project costs such as those of my constituent, the Las Virgenes Municipal Water District.

#### THANKING ACTING VA SECRETARY HERSEL GOBER

#### HON. RUBÉN HINOJOSA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, November 13, 1997*

Mr. HINOJOSA. Mr. Speaker, I rise today to say thank you to Acting VA Secretary Hershel Gober, who has worked closely with me these past 10 months to make the dream of easier access to health care for veterans in south Texas become a reality. When I took office back in January, one anxiety I heard voiced time and time again was that veterans in the south Texas/Rio Grande Valley area felt the services they received were less than adequate, and also the distances they had to travel to receive quality care were far too great. At that time I pledged to ensure that the level of care afforded veterans in our communities is second to none. To see what could be done I met with the Acting Secretary. He heard my concerns. He looked at our needs. He took action.

The result: In 1998 the veterans of the 15th District of Texas can expect to begin receiving significantly improved and expanded health care services. The counties of Bee (Beeville), Jim Wells (Alice), and Kleberg (Kingsville), have all been approved as future sites for primary care community-based outpatient clinics. Equally as important, a plan has also been developed, which will lead to expanded inpatient services. This pilot program will establish a process for the contracting of routine, non-urgent, nonspecialty inpatient care for stays for 3 days or less.

This is, indeed, a satisfying resolution. To say the least, I am elated.

It is because of the assistance and guidance of Secretary Gober that we will be able to implement innovative programs that provide much needed assistance to countless men and women who have protected our freedoms and who have made our Nation the great country it is. What the Secretary's efforts mean is that there will be real, effective changes for the veterans of south Texas. This is an example of what can be accomplished when everyone joins together and channels their energy toward a common goal.

Mr. Secretary, I could certainly never have done this alone. I want to sincerely thank you for sharing my vision.

#### RECOGNITION OF DR. CHARLES ROARK, NORTHEAST EL PASOAN OF THE YEAR FOR 1997

#### HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, November 13, 1997*

Mr. REYES. Mr. Speaker, I am pleased to recognize Dr. Charles Roark as the Northeast El Pasoan of the Year for 1997. In addition to his outstanding work for Hospice, he also

serves as district 5 school board trustee. Dr. Roark attends home education activities and is actively interested in the accomplishments of homeschool students.

Dr. Roark is a past president of the Northeast Civitan Club and past district governor for the Great Southwest District of Civitan International. He is also a past president of the Northeast Civic Leaders Council. Dr. Roark continues with his active involvement in boys' baseball and other youth activities in Northeast El Paso. He received the highest certification that can be obtained in the health care administration as a Fellow American College of Health Executives. Dr. Roark is also active in his local church community.

Dr. Roark is a man of integrity, honesty, and dedication. His love of El Paso and his willingness to give himself should be a model for all El Pasoans to follow. I am proud to recognize Dr. Roark as the Northeast El Pasoan of the Year 1997. He shines as bright as the star on our mountain.

CONGRATULATIONS, REVEREND  
EDWARD ALLEN

**HON. DONALD M. PAYNE**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, November 13, 1997*

Mr. PAYNE Mr. Speaker, I would like my colleagues here in the House of Representatives to join me in honoring a man of remarkable dedication and commitment to the community he serves in my home city of Newark. Rev. Edward Allen, Sr., pastor of the Philemon Missionary Baptist Church.

On November 21, Reverend Allen will be honored by his many friends at a special event to celebrate 20 years in the ministry. It is fitting that we offer our congratulations and appreciation for his many contributions.

During the 10 years that I served as a councilman representing the South Ward in Newark, I often held town meetings to give local residents the opportunity to speak out about issues of concern. Because Reverend Allen always encouraged community involvement and participation, a town meeting that I hosted at his church was highly successful and well-attended. Philemon Missionary Baptist Church also hosted one of the most famous African-American women in modern history, the former Member of Congress and candidate for the President who was on the ballot in 12 primaries in 1972, the Honorable Shirley Chisholm.

Reverend Allen shared with Mrs. Chisholm a passion for justice and equality in our society. In fact, at a breakfast sponsored by a member of the Newark Municipal Council and candidate for the New Jersey General Assembly, the Honorable Donald Tucker on November 2 of this year, Reverend Allen spoke out with characteristic eloquence and inspiration about ensuring that residents of Newark share in the economic development efforts underway in our State, so that the urban center could become a catalyst for positive change.

Reverend Allen cares deeply about improving the quality of life in our community and ensuring that all people are treated with fairness and dignity.

Among his many accomplishments and contributions to the community are: founding

board member, Rainbow/Push Coalition chapter, Operation Push; lecturer and teacher of urban education and equal education opportunity; active involvement in the Jersey City community; cochair of the Clergy for Jesse Jackson for President in 1984 and 1988; counselor to youth and families in distress.

A graduate of my Alma Mater, Seton Hall University, Reverend Allen also pursued studies at Jersey City State College, New York Theological Seminary, Union Professional School of Business, and Saint Peter's College.

His professional career includes service as the director of the office of affirmative action compliance at the Jersey City Board of Education; college administrator, assistant to the educational opportunity fund director, and adjunct professor of the Afro-American Studies Program at Saint Peter's College.

Mr. Speaker, Reverend Allen is a man who has truly made a difference in many lives in our community. Let us join in honoring him for his two decades of dedicated service and in wishing him many more productive and successful years ahead.

DISTORTING SUBSIDIES  
LIMITATION ACT OF 1997

**HON. DAVID MINGE**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, November 13, 1997*

Mr. MINGE. Mr. Speaker, I rise today to introduce the Distorting Subsidies Limitation Act of 1977 [DSLA]. The DSLA is a comprehensive legislative initiative which will attempt to curb the use of economic subsidies by state and local governments to lure or retain new or existing businesses. These governmental entities have engaged in the use of targeted subsidies which include grants, below market loans or rent, and tax deferrals, aimed at a particular private business entity in an attempt to entice a business to a particular municipality. State and local governments are being forced to compete against one another using scarce tax dollars that would otherwise be used for essential public goods and services such as schools, police and fire protection and road improvements. When this state and local competition takes the form of preferential treatment for a specific business, it interferes with interstate commerce, distorts the allocation of resources, and leaves states to provide too few public goods and services. This bill will encourage economic competition among states based on factors such as quality of services, reasonable and efficient regulatory policies and fair tax structures.

Specifically, the legislation will do the following:

#### TAXABILITY OF SUBSIDIES

The bill creates a federal excise tax on businesses benefitting from these special targeted economic subsidies. If a business accepts the economic subsidy offered by the state or local government, the subsidy will be subject to the excise tax which will be computed on the aggregate value of the subsidy for calendar year in which it was received. The rate of the tax will be the same that applies in determining the regular income tax of a corporation. The excise tax will not apply if the subsidy is part of the long-term taxing and spending policies of the governmental unit or if the subsidy is available to all business entities.

The economic subsidies which will be subject to the excise tax will include: any grants; any contribution of property or services; any right to use property or services; any loan made available to a business at rates below those commercially available to others; any tax deferrals or payment of any tax or fee; any guarantee of any payment of any loan or lease; or any reduction for fees or other charges for the use of governmental facilities such as roads, sewage treatment facilities and the like.

There will be no excise tax rendered on the value of an economic subsidy which is provided for employee training or other educational programs. The legislation shall apply to any economic subsidy provided to a business 30 days after the date that this bill is enacted.

#### TAX EXEMPT BOND FINANCING

The DSLA will also deny the exemption from tax for interest on bonds providing targeted state or local government development subsidies for a specific business entity. The legislation shall apply to bond obligations issued after the enactment of this bill.

#### FEDERAL FUNDING

The legislation will prohibit the use of federal funds by a state or local governmental unit for any targeted subsidies. The DSLA is not intended to deny the use of federal program dollars for economic development if the federal program dollars are available to all businesses or are used for an established federal economic development program such as an enterprise zone. If it is determined that federal funds have been used for targeted subsidies, the bill provides for recovery of those funds from the governmental unit or the business entity. The legislation shall apply to funds provided after the enactment of this bill.

#### CLOSING

The Distorting Subsidies Limitation Act of 1997, would reduce the ever-increasing financial burdens placed on the citizenry of various taxing jurisdictions who are exploited by the race for business development. When enacted, it will allow state and local officials, who face exploitation by companies' threats to relocate, the ability to negotiate with businesses on a level playing field. The ever-increasing practice of giving targeted subsidies to demanding businesses is having a very detrimental effect on both the employment stability and fiscal stability of cities and states. We cannot allow the this short-term, targeted favoritism for a particular business to continue to skew the long term economic health of our communities.

A TRIBUTE TO HENRY B. GONZALEZ, AN EXEMPLARY LEADER  
FOR ENSUING GENERATIONS

**HON. XAVIER BECERRA**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, November 13, 1997*

Mr. BECERRA. Mr. Speaker, the Honorable HENRY B. GONZALEZ, Dean of the Texas Delegation and the Congressional Hispanic Caucus, will be honored by his community on November 23 at the Henry B. Gonzalez Archival Library Dinner in San Antonio, TX. Although I will not be able to join his family and friends