

conservation, since once wells are plugged and abandoned access to the remaining resource is often lost forever. Eliminating the net income limitation on percentage depletion will encourage producers to keep marginally economic wells in production and enhance optimum oil and natural gas resource recovery. Relief would be focused to independent producers and royalty owners.

Eliminating the net income limitation on percentage depletion would simplify record keeping and reduce the administrative and compliance burden for taxpayers and the IRS.

SECTION 4. ELECTION TO EXPENSE DELAY RENTAL PAYMENTS

Delay rental payments are made by producers to an oil and gas lessor prior to drilling or production. Unlike bonus payments (made by the producer in consideration for the grant of the lease) which generally is treated as an advance royalty and thus capitalized, producers have historically been allowed to elect to deduct delay rental payments under Treasury Regulations 1.612-3(c). However, in September, 1995, the IRS issued a technical advice (LTR 9602002) stating that such payments are preproduction costs subject to capitalization under Section 263A of the Internal Revenue Code. The legislative history of Section 263A is unclear and subject to varying interpretation.

PROPOSAL: CLARIFY THAT DELAY RENTAL PAYMENTS ARE DEDUCTIBLE, AT THE ELECTION OF THE TAXPAYER, AS ORDINARY AND NECESSARY BUSINESS EXPENSES

Reasons for change

In passing the Section 263A uniform capitalization rules, Congress broadly intended to only affect the "unwarranted deferral of taxes." Congress did not intend to grant the IRS the authority to repeal the well-settled industry practice of deducting "delay rentals" as ordinary and necessary business expenses.

Treasury Reg. 1.612-3, states that, "a delay rental is an amount paid for the privilege of deferring development of the property and which could have been avoided by abandonment of the lease, or by commencement of development operations, or by obtaining production." Such payments represent ordinary and necessary business expenses, not an "unwarranted deferral of taxes." Given the clear disagreement over the legislative history and the likelihood of costly and unnecessary litigation to resolve the issue, clarification would eliminate administrative and compliance burdens on taxpayers and the IRS.

SECTION 5. EXTENSION OF SPUDDING RULE

The Internal Revenue Code provides a "spudding" exception to the "economic performance rule" in determining the year in which deductions may be taken on certain oil and gas investments. The economic performance rule will be satisfied, in certain circumstances, when amounts are paid during the preceding tax year so long as the well is spudded (the initial boring of the hole) within 90 days of the beginning of the following year.

PROPOSAL: EXTEND THE 90 DAY PREPAYMENT PERIOD TO 180 DAYS

Reasons for change

Harsh winter weather conditions in many states and locations make the 90 day limitation for the commencement of drilling impractical. Moreover, the current shortage of skilled drilling rig personnel and the high utilization rate of land-based drilling equipment, make it difficult, and in some parts of the country impossible, to meet the 90-day requirement. This personnel shortage has resulted from skilled workers moving into other industries due to vastly reduced do-

mestic exploration and production activity over the past few years.

Expanding the 90 day prepayment period to 180 days would ease the industry's ability to attract capital.

SECTION 6. INCLUDE HYDRO INJECTION AS A TERTIARY RECOVERY METHOD UNDER THE ENHANCED OIL RECOVERY TAX CREDIT

Marginal wells are our most endangered domestic energy resource. By providing incentives for new methods for enhanced recovery, we ensure domestic production of the marginal wells remains on the cutting edge of available technology.

ADDITIONAL COSPONSORS

S. 127

At the request of Mr. MOYNIHAN, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 127, a bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes.

S. 178

At the request of Mr. DEWINE, the names of the Senator from Louisiana [Ms. LANDRIEU] and the Senator from Arkansas [Mr. HUTCHINSON] were added as cosponsors of S. 178, a bill to amend the Social Security Act to clarify that the reasonable efforts requirement includes consideration of the health and safety of the child.

S. 351

At the request of Mrs. MURRAY, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 351, a bill to provide for teacher technology training.

S. 356

At the request of Mr. GRAHAM, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 356, a bill to amend the Internal Revenue Code of 1986, the Public Health Service Act, the Employee Retirement Income Security Act of 1974, the title XVIII and XIX of the Social Security Act to assure access to emergency medical services under group health plans, health insurance coverage, and the medicare and medicaid programs.

S. 394

At the request of Mr. LEAHY, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 394, a bill to partially restore compensation levels to their past equivalent in terms of real income and establish the procedure for adjusting future compensation of justices and judges of the United States.

S. 397

At the request of Ms. MIKULSKI, the name of the Senator from Hawaii [Mr. INOUE] was added as a cosponsor of S. 397, a bill to amend chapters 83 and 84 of title 5, United States Code, to extend the civil service retirement provisions of such chapter which are applicable to law enforcement officers, to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the United States Customs Service, and revenue officers of the Internal Revenue Service.

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S. 460

At the request of Mr. BOND, the names of the Senator from Ohio [Mr. DEWINE] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 460, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for health insurance costs of self-employed individuals, to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home, to clarify the standards used for determining that certain individuals are not employees, and for other purposes.

S. 503

At the request of Mr. NICKLES, the names of the Senator from Oklahoma [Mr. INHOFE] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 503, a bill to prevent the transmission of the human immunodeficiency virus (commonly known as HIV), and for other purposes.

S. 511

At the request of Mr. CHAFEE, the names of the Senator from Louisiana [Mr. BREAUX] and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 511, a bill to require that the health and safety of a child be considered in any foster care or adoption placement, to eliminate barriers to the termination of parental rights in appropriate cases, to promote the adoption of children with special needs, and for other purposes.

S. 525

At the request of Mr. HATCH, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Georgia [Mr. CLELAND], and the Senator from Louisiana [Ms. LANDRIEU] were added as cosponsors of S. 525, a bill to amend the Public Health Service Act to provide access to health care insurance coverage for children.

S. 526

At the request of Mr. HATCH, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Georgia [Mr. CLELAND], and the Senator from Louisiana [Ms. LANDRIEU] were added as cosponsors of S. 526, a bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on tobacco products for the purpose of offsetting the Federal budgetary costs associated with the Child Health Insurance and Lower Deficit Act.

S. 572

At the request of Mr. ALLARD, the name of the Senator from Arkansas [Mr. HUTCHINSON] was added as a cosponsor of S. 572, a bill to amend the Internal Revenue Code of 1986 to repeal restrictions on taxpayers having medical savings accounts.

S. 607

At the request of Mr. COATS, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 607, a bill to amend the

Communications Act of 1934 to provide for the implementation of systems for rating the specific content of specific television programs.

S. 621

At the request of Mr. D'AMATO, the name of the Senator from Wyoming [Mr. ENZI] was added as a cosponsor of S. 621, a bill to repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1997, and for other purposes.

S. 627

At the request of Mr. JEFFORDS, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 627, a bill to reauthorize the African Elephant Conservation Act.

S. 649

At the request of Ms. SNOWE, the names of the Senator from Maryland [Ms. MIKULSKI], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 649, a bill to amend title XVIII of the Social Security Act to provide for coverage of bone mass measurements for certain individuals under part B of the medicare program.

S. 689

At the request of Mr. BROWNBAC, the names of the Senator from Maryland [Mr. SARBANES], the Senator from California [Mrs. BOXER], the Senator from Louisiana [Ms. LANDRIEU], the Senator from Illinois [Mr. DURBIN], the Senator from New Hampshire [Mr. SMITH], and the Senator from South Dakota [Mr. JOHNSON] were added as cosponsors of S. 689, a bill to authorize the President to award a gold medal on behalf of the Congress to Mother Teresa of Calcutta in recognition of her outstanding and enduring contributions through humanitarian and charitable activities, and for other purposes.

S. 727

At the request of Mrs. FEINSTEIN, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 727, A bill to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for annual screening mammography for women 40 years of age or older if the coverage or plans include coverage for diagnostic mammography.

S. 742

At the request of Mr. DEWINE, the name of the Senator from Arkansas [Mr. HUTCHINSON] was added as a cosponsor of S. 742, a bill to promote the adoption of children in foster care.

S. 747

At the request of Mr. ROTH, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 747, a bill to amend trade laws and related provisions to clarify the designation of normal trade relations.

SENATE CONCURRENT RESOLUTION 21

At the request of Mrs. HUTCHISON, her name was added as a cosponsor of Sen-

ate Concurrent Resolution 21, A concurrent resolution congratulating the residents of Jerusalem and the people of Israel on the thirtieth anniversary of the reunification of that historic city, and for other purposes.

SENATE RESOLUTION 87—RELATIVE TO THE VIETNAM VETERANS MEMORIAL

Mr. HAGEL (for himself, Mr. KERREY, Mr. CLELAND, Mr. KERRY, Mr. MCCAIN, Mr. ROBB, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mr. BROWNBAC, Mr. BURNS, Mr. BYRD, Mr. CAMPBELL, Mr. COATS, Mr. COCHRAN, Ms. COLLINS, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DASCHLE, Mr. DEWINE, Mr. DODD, Mr. DURBIN, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. FRIST, Mr. GLENN, Mr. GORTON, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HARKIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUTCHINSON, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KEMPTHORNE, Mr. KENNEDY, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MCCONNELL, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. REED, Mr. REID, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. ROTH, Mr. SANTORUM, Mr. SESSIONS, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. TORRICELLI, and Mr. WARNER) submitted the following resolution; which was considered and agreed to:

S. RES. 87

Whereas 1997 marks the 15th anniversary of the construction and dedication of the Vietnam Veterans Memorial in Washington, D.C.;

Whereas this memorial contains the names of more than 58,000 men and women who lost their lives from 1957 to 1975 in the Vietnam combat area or are still missing in action;

Whereas every year millions of Americans come to this monument to pay their respects for those who served in the Armed Forces;

Whereas the Vietnam Veterans Memorial has been a source of comfort and healing for Vietnam veterans and the families of the men and women who died while serving their country; and

Whereas this memorial has come to represent the legacy of healing that has occurred and demonstrates the appreciation all Americans have for those who made the ultimate sacrifice: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its support and gratitude for all of the men and women who honorably served in the United States Armed Forces in defense of freedom and democracy during the Vietnam War;

(2) extends its sympathies to all Americans who suffered the loss of friends and family in Vietnam;

(3) encourages all Americans to remember the sacrifices of our veterans; and

(4) commemorates the 15th anniversary of the construction and dedication of the Vietnam Veterans Memorial.

AMENDMENTS SUBMITTED

THE PARTIAL-BIRTH ABORTION BAN ACT OF 1997

SANTORUM AMENDMENT NO. 290

Mr. SANTORUM proposed an amendment to the bill (H.R. 1122) to amend title 18, United States Code, to ban partial-birth abortions; as follows:

On page 2, line 16, strike the semicolon and all that follows through "purpose" on line 17.
On page 3, between lines 8 and 9, insert the following:

"(3) used in this section, the term 'vaginally delivers a living fetus before killing the fetus' means deliberately and intentionally delivers into the vagina a living fetus, or a substantial portion thereof, for the purpose of performing a procedure the physician knows will kill the fetus, and kills the fetus.

On page 3, between lines 21 and 22, insert the following:

"(d)(1) A defendant accused of an offense under this section may seek a hearing before the State Medical Board on whether the physician's conduct was necessary to save the life of the mother whose life was endangered by a physical disorder, illness or injury.

"(2) The findings on that issue are admissible on that issue at the trial of the defendant. Upon a motion of the defendant, the court shall delay the beginning of the trial for not more than 30 days to permit such a hearing to take place.

On page 3, line 22, strike "(d)" and insert "(e)".

BUDGET CONCURRENT RESOLUTION

MURRAY (AND WELLSTONE) AMENDMENT NO. 291

(Order to lie on the table.)

Mrs. MURRAY (for herself and Mr. WELLSTONE) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 27) setting forth the congressional budget for the U.S. Government for fiscal years 1998, 1999, 2000, 2001, and 2002; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF CONGRESS ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—Congress finds the following:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committed by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that ¼ of battered women surveyed had lost a job partly because of being abused and that over ½ of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.