

described, in terms as true today as they were then, how these laws favor foreign shipping operations:

"U.S.-based liner companies are subject to significantly higher taxes than their foreign-based counterparts . . . [A]s a result of shipping tax exemptions, deferral devices, and accelerated depreciation, many of our foreign competitors pay virtually no income taxes [and] neither do their crews under many foreign tax regimes. Yet here at home, even in our unprofitable years, we are subject to the Alternative Minimum Tax. Consequently, U.S.-flag operators must earn more in the marketplace than their competitors in order to earn the same amount for reinvestment or distribution to shareholders."

Strengthening the economic viability and competitiveness of United States-flag vessel operations requires us to adapt the tax regime governing our merchant marine to the realities of today's international shipping environment.

Earlier this year, I introduced H.R. 2159, which is intended to assist American vessel owners to accumulate the private capital necessary to build modern, efficient and economical commercial vessels in United States shipyards. It would do so by amending the existing merchant marine Capital Construction Fund (CCF) program. The existing program allows an American citizen to deposit the earnings from various United States-built, United States-flag vessels into a tax deferred CCF to be used solely to build vessels in American shipyards. The deferred tax is recouped by the Treasury through reduced depreciation because the tax basis of vessels built with CCF monies is reduced on a dollar-for-dollar basis.

The provisions of H.R. 2159 are incorporated into the legislation we are introducing today. It will, among other things, allow earnings from the operation of United States-flag foreign built commercial vessels, and the amount of the duty arising from foreign ship repairs, to be deposited into a Capital Construction Fund in order to increase the amount of capital available to build vessels in our country. Equally important, my legislation will allow CCF monies to be withdrawn to build, in the United States, a vessel to be operated in the oceangoing domestic trades in order to further enhance the modernization and growth of this important segment of our maritime industry. It will further allow these funds to be used to acquire containers or trailers for use on a United States-flag vessel, and allows these monies to be used in conjunction with the lease of a United States-built vessel, or trailer or container, in order to better reflect the realities of current ship financing arrangements. Finally, in order to ensure that the full intended benefits of these changes and the Capital Construction Fund are realized, our legislation removes the Capital Construction Fund as an alternative minimum tax adjustment item.

In addition, this bill will increase international competitiveness by allowing the owner of any United States-flag vessel engaged in the foreign trades to elect to fully expense United States-flag vessels in the year in which they acquired and documented under the United States-flag. Today, the United States has a ten-year depreciation schedule while foreign nations generally allow much more aggressive depreciation schedules. In addition, countries such as the Bahamas, Cyprus, Liberia and Panama which register a significant percent-

age of the world's shipping against which United States-flag vessels must compete are totally exempt from all income taxes.

To increase the employment opportunities for American merchant mariners aboard American owned vessels engaged in the foreign trades, this bill would extend the existing foreign source income exclusion to merchant seamen. At present, this exclusion, contained in section 911 of the Internal Revenue Code, is available to Americans working outside the United States. As a result, it costs vessel operators considerably more to hire Americans than it costs foreign vessel operators to hire nationals from the many countries that limit or exempt income taxation imposed on their mariners. Clearly, one of the goals of the existing section 911 is to promote America's national interests through the employment of American citizens. Ensuring that the United States has a sufficient number of loyal, trained American merchant mariners to crew the government-owned and private vessels needed during war or other emergency is a key component of America's sealift capability. Extending section 911 to American mariners will, by increasing their opportunity for employment, augment America's available manpower and seapower force.

Finally, the bill recognizes that the tax benefits otherwise available through the legislation can be rendered meaningless through the operation of the Alternative Minimum Tax (AMT). To further enhance the competitiveness of American flag vessel operations, our legislation repeals the AMT with respect to shipping income earned from the operation of U.S.-flag vessels in the foreign trades. Without this provision, the maritime industry might find that the other changes contemplated in this legislation are but hollow promises.

Today, American vessels and American merchant mariners are forced to compete in an environment largely dominated by heavily subsidized and foreign state-owned fleets as well as fleets registered in flag-of-convenience countries that are effectively tax havens for these ships. As a result, U.S.-flag ships ply the oceans at a significant economic disadvantage. Further erosion of our seapower threatens America's defense capabilities and the economy of states like Louisiana. In response, we can and should take aggressive action in this area and the legislation being introduced today is a positive step in that direction.

I intend to request Chairman ARCHER to schedule a hearing before the Ways and Means Committee next year to explore the ways in which the tax code hinders our competitiveness on the open seas. I look forward to working with Congressman JEFFERSON and all of my colleagues to see that meaningful tax relief is enacted for the maritime industry.

IN HONOR OF MARLENE COVIELLO

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. ROTHMAN. Mr. Speaker, I rise today to join the East Rutherford Educational Community in recognizing December as "Marlene Coviello Month" and in paying tribute to Marlene Coviello on the occasion of her retirement

from the East Rutherford school system after twenty-three years.

Throughout her career, Marlene's teaching was characterized by a true commitment to her students' learning and her unending enthusiasm for imparting knowledge to them. Her integrity, sense of responsibility, and professionalism made her a role model, not only for her students but for her colleagues as well.

Marlene Coviello's resourcefulness and creativity as an educator enabled her to meet the changing needs of her students in the constantly evolving field of education. By teaching her students to love learning, she demonstrated why these qualities are a teacher's greatest assets.

Her smile, sense of humor, and vivacity define her as an individual and illustrate why her fellow teachers enjoyed working with Marlene and why her students learned so much from her. Marlene's determination and strength of character enabled her to prepare the children of East Rutherford for the challenges of adulthood.

I would like to join Marlene Coviello's students, family and fellow teachers in wishing her the very best as she prepares to embark on the next chapter in her life and in thanking her for twenty-three years of service on behalf of her community.

CONGRATULATING JUSTIN "JO MO" ROBINSON, OF SIKESTON, MISSOURI ON HIS RECOGNITION BY THE "DAUGHTERS OF SUNSET"

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. EMERSON. Mr. Speaker, on Saturday, November 13, 1999, Justin "Jo Mo" Robinson is being honored by the Sikeston, MO "Daughters of Sunset" at their 15th Annual Recognition Program. I would like to extend my congratulations to Justin who is being recognized on this day as the Outstanding Athlete of The Year.

Justin is the son of Frank and Jeanette McCaster. He is the youngest of six children, four boys and two girls. Justin is a senior at Sikeston Senior High School.

Justin has played sports for several years, starting with Little League football, baseball and basketball. In his spare time, Justin enjoys fishing and playing pool. His greatest love, though, is football.

According to Justin's football coach, Charlie Vickery, Justin's football achievement include senior running back and 1999 football captain. Justin leads the Southeast Missouri area in rushing yards at 1,464, which is currently third in Sikeston history for single season yards. Justine also has 20 touchdowns, which ranks him second in Southeast Missouri, and he is tied for second in single season touchdowns in Sikeston Senior High School Bulldog records. With three games remaining in this year's season, Justin has an excellent chance to break the single season rushing record of 1,771 yards held by Tiger Boyd and the single season touchdown record of 21 also held by Boyd. Justin has chosen as a second team All-Conference Running Back as a junior in 1998.

Justin's role model is one of Sikeston, MO's greatest players, James Wilder. After graduating, Justin plans to attend the University of Arkansas to play football and run track. He would like to earn a degree in physical education. One of Justin's greatest ambitions is to play professional football, but he plans to return to Sikeston, MO to share his accomplishments with all those who have supported and loved him.

Justin often says that without his mother's love and faith in him, it's hard to say where he might be. Justin offers this advice to his peers, "Stay in school and be the best you can be, and make sure to always listen to your parents."

Congratulations, Justin, on your recognition by the "Daughters of Sunset." Your achievements as an athlete and as a faithful son make you a true role model for your friends and peers in Sikeston. Your dedication to being the best that you can be will take you a long way in realizing all of your hopes and dreams for the future.

CONGRATULATING JERI EIGNER

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mrs. CAPPS. Mr. Speaker, today I rise to bring to the attention of my colleagues the outstanding work of Jeri Eigner. On Sunday, November 7, Jeri will receive the Distinguished Community Service Award from the Anti-Defamation League and the Santa Barbara B'nai Brith Lodge.

As someone who has worked closely with the ADL in its efforts to promote tolerance and combat hatred and prejudice, I am pleased that this prominent organization has chosen to honor Jeri. They could not have made a wiser selection.

For nearly twenty years, Jeri has distinguished herself as a tireless community activist in a wide range of critical issues. Among other positions, Jeri has served on the board

of Planned Parenthood and as a volunteer at the clinic. She has also worked as a docent at the Santa Barbara Museum of Art and as a member of the Hope Ranch Board.

Perhaps Jeri's most glowing accomplishment is her leadership efforts to open the beautiful new Jewish Community Center, which has become a treasured resource for the entire Santa Barbara community. As Campaign Chair and past president of the Santa Barbara Jewish Federation, Jeri was a driving force behind the Center and is responsible for developing many of its dynamic programs and services.

Jeri and her husband Stan are shining examples of individuals who believe passionately in serving the common good. I am proud of their accomplishments and I am pleased to announce Jeri's award on the floor of the House.