

President's Council on Year 2000 Conversion, has emphasized, we should all be concerned about the ability of some state and local systems to interface with Year 2000 compliant federal systems. These systems include Medicaid and welfare assistance programs.

Recently, I held another hearing in the Subcommittee on the District of Columbia at which the General Accounting Office (GAO) provided an update on the status of the District of Columbia's Year 2000 conversion efforts. The GAO reported this time that the city of Washington, DC was at significant risk of not being able to effectively ensure public safety, collect revenue, educate students and provide health care services. Despite Herculean efforts on the part of the District's Chief Technology Officer, strong private sector support, and substantial federal resources, it appears that the one thing that cannot be controlled during DC's Year 2000 compliance efforts is time. Many states and localities are simply running out of time. I am confident that a substantial number of states, cities, towns, and villages across the country are in similar situations as our Capital City.

This is why I am today introducing the Year 2000 Compliance Assistance Act. This legislation is a voluntary program where the federal government will allow state and local governments to purchase Year 2000 conversion related information technology (IT) products and services off the GSA's IT multiple award schedules. Under this emergency authority, state and local governments will have one more option in the fight against time to procure Year 2000 compliance assistance in a cost-effective and timely manner. I believe that during this period of moving governmental responsibilities back to the states and localities, the federal government has a unique opportunity to provide procurement assistance to the state and local governments to help ensure nationwide Year 2000 compliance or contingency preparation.

The authority under this legislation is limited to the unique nature of the Year 2000 computer bug. The authority would expire on December 31, 2002, and could only be used by state and local governments for procurements necessitated by the Year 2000 budget bug.

I look forward to working with my colleagues towards the rapid enactment of this unique Year 2000 legislation.

TRIBUTE TO NEPTUNE, NJ,
LIBRARY'S 75TH ANNIVERSARY

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1999

Mr. PALLONE. Mr. Speaker, on Saturday, April 17, 1999, the Neptune, NJ, Library celebrated its 75th anniversary. I was proud to join with Township officials, other dignitaries and residents to celebrate this important milestone.

Neptune, named for the Roman God of the Sea and incorporated as a municipality in 1879, is a diverse community located in Monmouth County. The Township, whose slogan is "Neptune, Crossroads of the Jersey Shore," is a full-service community with great historic significance and an even brighter future. One of the great features of the community is the Neptune Library.

The library was started by the Ocean Grove Women's Club at its Clubhouse on Mt. Carmel Way, aided by books from the Monmouth County Bookmobile. In 1932, the Township rented a vacant store at 204 Ridge Avenue for a township library, with some books and supplemented by the bookmobile. The library shared a building on Corlies Avenue with the Township Public Health and Welfare Department in 1937 until that building was sold, moving to the Sunday School Room in the basement of the West Grove Methodist Church. In 1955, the Township Library opened at the Township Municipal Building at 137 Main St., open Tuesday afternoons, expanding its hours to Wednesday mornings in 1960. The year 1961 proved to be an eventful one for the library, with the Friends of Neptune Library organized in February. Recommendations for a new facility contained in a report released in March. On July 20, the Township Library opened its doors at 1908 Corlies Avenue, the site of a former machine shop, open to the public Monday through Thursday afternoons and Wednesday evenings.

On November 30, 1961, the Neptune Library Association, Inc., was incorporated, while the Board of Trustees organized in 1964. In 1966, the first Books, Arts and Crafts Festival was held on the future site of the library, and ground was broken at the site on Springdale Ave. (now Neptune Blvd.) on May 10, 1969. Opening day for the Library was on March 22, 1971. It became a municipal library in 1972 following a township referendum.

Mr. Speaker, obviously the history of the library is a long and illustrious one. Through the years, the library has been an important cultural and informational resource for the people of Neptune Township, and it continues to fulfill that mission to this day. The growth and success of the library is a strong reflection on the dedication and commitment of the people of this community to enhance the quality of life for the benefit of all. I am pleased to pay tribute on the occasion of the 75th anniversary of the Neptune Library.

TRIBUTE TO 12 OUTSTANDING
STUDENTS

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1999

Mr. KLECZKA. Mr. Speaker, I rise today to proudly recognize 12 outstanding students from Heritage Christian High School in West Allis, Wisconsin and their teacher, Mr. Tim Moore, who are representing the State of Wisconsin in the national finals of the 1999 "We the People . . . The Citizen and the Constitution" competition in Washington, DC.

This is the third time that a class from Heritage has been named State of Wisconsin champions in this exceptional program sponsored by the Center for Civic Education and developed to educate young people about the U.S. Constitution and the Bill of Rights. Mr. Moore and his students have worked diligently to reach the national finals and have gained an impressive understanding of the fundamental principles and values of our constitutional democracy.

This year's representatives from Heritage are: John Averkamp, Brent Barnett, Maureen

Buchanan, Tim Cady, Tara Flood, Mike Frede, Mike Gruennert, Josh Lutter, Jessica Mobley, Justin Roeder, Luke Sinclair, and Anthony Slamar.

I ask the House to please join me in congratulating Mr. Moore and his students in winning the State of Wisconsin "We the People . . ." championship, and wish them continued success in the national finals. I look forward to greeting them personally when they visit the U.S. Capitol.

HONORING NATIONAL ADVANCED
PLACEMENT SCHOLARS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1999

Mr. SCHAFFER. Mr. Speaker, I rise today to recognize one of Colorado's top high school students, Mr. Aaron Kohl upon receiving a National Advanced Placement Scholar from the College Board. The academic achievement of Aaron places this student among the best young scholars in the nation.

Aaron was one of only 1,451 students to earn the distinction of being named a National AP Scholar out of 635,000 students who took Advanced Placement (AP) exams in 1998. To qualify for this high honor, each scholar had to achieve grades of 4 or above (the top grade is 5) on at least eight AP exams and have accumulated the equivalent of the first two years of college prior to high school graduation. By choosing this most challenging curriculum, Aaron can expect to attend any one of this nation's most demanding universities.

The College Board established the AP program in 1955 to challenge high school students with rigorous college-level academic courses. The program is recognized nationally for its high academic standards and assessments. In 1998, more than one million AP exams were administered in 32 different subject areas. Of the nation's 21,000 high schools, almost 12,000 currently offer at least one AP course.

Mr. Speaker, I invite my colleagues to join me in congratulating Aaron Kohl. I hold this student up to the House, and to all Americans, as an example of the best of America's students.

HONORING MAJOR GENERAL
JAMES MCINTOSH

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1999

Mr. SAXTON. Mr. Speaker, I rise to pay tribute to Major General James McIntosh, a highly distinguished leader of the New Jersey Air National Guard who is retiring after many years of dedicated service to our great Nation. Major General McIntosh was assigned to the 108th Air Refueling Wing and the 204th Weather Flight, both stationed at McGuire Air Force Base, and the 177th Fighter Wing, which is based at Atlantic City International Airport. He has served our Nation's military with great pride and is exemplary as a leader.

Major General McIntosh entered the Air Force in 1959 through the Aviation Cadet Program at Harlingen Air Force Base, TX, and

was commissioned as an aircraft navigator in 1960. He is a Master Navigator with over 6,400 flying hours including 100 combat missions during the Vietnam War. General McIntosh entered the New Jersey Air National Guard in 1978, commanded the 170th Air Refueling Group from 1989 to 1992, and has commanded the New Jersey Air National Guard since 1992.

As our Nation proceeds with its involvements around the globe, the National Guard will continue to be an integral part of the total military force structure. Highly qualified citizens participating in the National Guard are the backbone of our national strength. Leaders such as Major General McIntosh command and guide many through the necessary training efforts that sustain a world-class organization.

It has been my privilege to know Major General James McIntosh and witness his dedication to the National Guard. He is a true leader and asset to the armed forces. Major General McIntosh serves as a model upon which future leaders should be based.

INTRODUCTION OF REAL ESTATE INVESTMENT TRUST MODERNIZATION ACT OF 1999

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1999

Mr. THOMAS of California. Mr. Speaker, today I am pleased to introduce on behalf of myself, Mr. CARDIN of Maryland, and other Representatives the "Real Estate Investment Trust Modernization Act of 1999". This legislation modernizes outdated real estate investment trust (REIT) rules that prevent REITs from offering the same types of services as their competitors. I am proud to note that there are more REITs based in California than any other State, and REITs have invested more than \$24 billion in California communities.

In 1960, Congress created REITs to enable small investors to invest in real estate. Prior to the creation of REITs, real estate ownership was largely restricted to wealthy individuals who invested through partnerships and other means generally unavailable to the broader public.

Although a variety of factors limited the growth of REITs through the mid-1980's, they played a leading role in reviving weak real estate markets in the wake of the economic turmoil of the late 1980's and early 1990's because of their access to public capital markets and because REITs offer liquidity, security, and performance which alternative forms of real estate ownership often do not. Yet, in more recent years, REITs increasingly have been unable to compete with private held partnerships and other more exclusive forms of ownership. Antiquated REIT rules prevent REITs from offering the same types of customer services as their competitors, even though such services are becoming more central to marketing efforts.

Current law restrictions require REITs to adhere to unworkable distinctions that defy logic and impede competitiveness. Under current law, REITs only may provide "customary services" to their tenants, that is, services that are common in the industry and have been tradi-

tionally provided by real estate companies, such as furnishing water, heat, light and air conditioning.

The "customary services" standard ensures that REITs may provide services only after industry leaders have already done so, thus locking in a competitive disadvantage. In addition, the vagueness of the standard produces seemingly irrational distinctions. For example, REITs can have parking lots for shopping centers or offices they own, but cannot offer valet parking. REITs can own apartments, but cannot provide lifeguards or amenity services. REIT competitors can—and do—provide all these services without any restrictions.

The Administration's fiscal year 2000 budget acknowledges this problem, and proposes modernizing REIT rules to permit them to compete. As the Department of Treasury stated in its explanation of the Administration's revenue proposals, "The determination of what are permissible services for a REIT consumes substantial time and resources for both REITs and the Internal Revenue Service. In addition, the prohibition of a REIT performing, either directly or indirectly, non-customary services can put REITs at a competitive disadvantage in relation to others in the same market."

The Administration addresses this problem by creating a new category of companies which it refers to as "taxable REIT subsidiaries". Those entities would be exempt from current law restrictions that prohibit REITs from owning either (a) securities of a single non-REIT entity that are worth more than 5 percent of the REIT's assets or (b) more than 10 percent of the voting securities of a non-REIT corporation.

The Administration's proposal would create two types of taxable REIT subsidiaries: a "qualified business subsidiary" that could engage in the same activities now performed by "third party subsidiaries"; and a "qualified independent contractor" subsidiary that would be allowed to perform non-customary activities for REIT tenants, as well as those services which also could be performed by qualified business subsidiaries. The Administration's proposal would limit the value of all taxable REIT subsidiaries to 15 percent of the total value of the REIT's assets, but would restrict subsidiaries providing leading edge type services to REIT tenants to 5 percent of the REIT asset base. The Administration proposal also would amend the current 10 percent test so that it would apply to 10 percent of holdings as measured by the vote or value of a company's securities.

Although the Administration's proposal is a welcome first step, its narrow focus still would leave substantial impediments to competition in place. Today, we are introducing legislation that builds upon the Administration proposal to make REITs more competitive.

Our legislation would allow REITs to create taxable subsidiaries that would be allowed to perform non-customary services to REIT tenants without disqualifying the rents a REIT collects from tenants, that is, performance of those services would no longer trigger a technical violation of the REIT rules.

Toward that end, the 5 percent and 10 percent asset tests would be amended to exclude the securities that a REIT owns in a taxable REIT subsidiary. Also, like the Administration proposal, the 10 percent test would be tightened to apply to both the vote and value of a

company's securities. In addition, a REIT owning stock of taxable REIT subsidiaries would have to continue to meet the current law requirement that at least 75 percent of a REIT's assets must consist of real property, mortgages, government securities, and cash items; the subsidiaries' stock would not count toward that total. However, dividends or interest from a taxable REIT subsidiary would count toward the requirement that a REIT must realize at least 95 percent of its gross income from those sources plus all types of dividends and interest.

Under our proposal, the income a REIT subsidiary would receive from REIT tenants and others would be fully subject to corporate tax. In addition, the proposal includes strict safeguards to ensure that neither a REIT nor a taxable REIT subsidiary could improperly manipulate pricing or the allocation of expenses to reduce the subsidiary's tax burden. Our bill is supported by the American Resort Development Association, the International Council of Shopping Centers, the National Apartment Association, the National Association of Real Estate Investment Trusts, the American Seniors Housing Association, the Mortgage Bankers Association of America, the National Association of Industrial and Office Properties, the National Association of Realtors, the national Multi Housing Council, and the National Realty committee.

In sum, Mr. Speaker, our legislation will provide REITs the flexibility they need to be competitive. We must not allow the Tax Code to inhibit the ability of REITs to compete and to offer the full range of services demanded by residential and commercial tenants. Mr. CARDIN and I and our cosponsors urge our colleagues to review this legislation and we hope that they give this legislation every possible consideration.

WORKERS MEMORIAL DAY IN YORK, PA: "MOURN FOR THE DEAD, FIGHT FOR THE LIVING"

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1999

Mr. GOODLING. Mr. Speaker, today, ceremonies of memory and reflection marking Workers Memorial Day are taking place in cities and towns across the country, including York, PA, which is in my congressional district. The ceremony in York will particularly remember eight individuals from the 19th Congressional District of Pennsylvania who have been killed in tragic accidents while at their respective work sites this past year Joyce E. Born, Michael L. Brashears, Sr., C. William Brinkmann, Bradley M. Dietrick, William E. Keeney, Jr., Bernard L. Rishel, and Dennis J. Stough.

Ceremonies such as the one taking place in York are an important reminder to us all of the importance of workplace safety. Accidents are never planned. Avoiding accidents requires the consistent efforts and vigilance of employers and employees. Government too plays a role in encouraging safe work practices.

For far too long, federal efforts to limit workplace safety have been focused on enforcement for "enforcement's sake." This has led the Occupational Safety and Health Administration (OSHA) to concentrate their limited resources on issues peripheral to worker safety