

would recognize no gain or loss if the partnership immediately sold all of its assets for their fair market value.

#### *Distribution of partnership property*

The bill provides that the basis adjustments under section 734 are required in the case of a distribution with respect to which there is a substantial basis reduction. A substantial basis reduction means a downward adjustment to the partnership assets (had a section 754 election been in effect) greater than 10 percent of the adjusted basis of the assets.

Thus, for example, assume that A and B each contributed \$25 to a newly formed partnership and C contributed \$50 and that the partnership purchased LMN stock for \$30 and XYZ stock for \$70. Assume that the value of each stock declined to \$10. Assume LMN stock is distributed to C in liquidation of its partnership interest. As under present law, the basis of LMN stock in C's hands if \$50. C would recognize a loss of \$40 if the LMN stock were sold for \$10.

Under the bill, there is a substantial basis adjustment because the \$20 increase in the adjusted basis of asset 1 (sec. 734(b)(2)(B)) is greater than 10 percent of the adjusted basis of partnership assets of \$70. Thus, the partnership would be required to decrease the basis of XYZ stock (under section 734(b)(2)) by \$20 (the amount by which the basis LMN stock was increased), leaving a basis of \$50. If the XYZ stock were then sold by the partnership for \$10, A and B would each recognize a loss of \$20.

#### EFFECTIVE DATE

The provision applies to contributions, transfers, and distributions (as the case may be) after date of enactment.

#### RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates, pursuant to clause 12, rule I, the House will stand in recess until 10 a.m.

Accordingly (at 9 o'clock and 22 minutes a.m.) the House stood in recess until 10 a.m.

□ 1000

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. ISAKSON) at 10 a.m.

#### PRAYER

Rabbi Mitchell Wohlberg, Beth Tfiloh Congregation, Baltimore, Maryland, offered the following prayer:

I come from a tradition where Tuesdays are considered most propitious: weddings, moving to a new home, good things are to take place on Tuesday.

It goes all the way back to the first week of creation, where we note that, unlike other days of that first week, on the second day, on Monday, the Bible does not tell us "and God saw that it was good," while on the next day, the first Tuesday, two times it says, "and God saw that it was good."

According to the Talmud, this is because on the second day of the week the waters were parted. That symbolizes the division. That is no good. On

the first Tuesday, the third day of the week, the waters were brought together again, and that symbolizes unity, and that is doubly good.

In this spirit, we pray: Almighty God, may a unity of purpose bring together all the esteemed Members of the United States House of Representatives. Let all its Members realize that we can disagree without being disagreeable, that we can walk shoulder to shoulder without seeing eye to eye on every subject.

Together let us pray for the day which will witness the prophetic dream of a world in which none shall hurt, none shall destroy, for the Earth will be filled with the knowledge of Thee as the waters cover the sea.

And let us say Amen.

#### THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

#### PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

#### WELCOME TO RABBI MITCHELL WOHLBERG

(Mr. CARDIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, I feel privileged to know Rabbi Mitchell Wohlberg. Since 1978, he has been the spiritual leader of Beth Tfiloh congregation, the largest Orthodox Jewish congregation in Baltimore, the congregation of which I am a member.

Let me tell the Members a little bit about Rabbi Wohlberg. I have known Rabbi Wohlberg for many years and have often sought his guidance and counsel. He is a spellbinding speaker, and is famous for his thoughtful sermons that are able to clarify complicated issues.

Rabbi Wohlberg is also known for his involvement in the Jewish communal life. He has been a board member at The Associated Jewish Community Federation of Baltimore; a member of the executive committee of the Rabbinical Council of America, and is a recipient of the humanitarian award for the Louis Z. Brandeis District of the ZOA.

He comes from a committed and unique family where his father (of blessed memory) was and his two

brothers were and also are Rabbis, all ordained by the Yeshiva University. Rabbi Wohlberg is a driving force behind the Beth Tfiloh School, an outstanding Jewish day school in Baltimore.

I know all my colleagues will join me in thanking Rabbi Wohlberg for offering this morning's opening prayer.

#### PRIVATE CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Private Calendar. The Clerk will call the first bill on the Private Calendar.

#### NANCY B. WILSON

The Clerk called the bill (H.R. 392) for the relief of Nancy B. Wilson.

Mr. COBLE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### RITA MIREMBE REVELL

The Clerk called the Senate bill (S. 560) for the relief of Rita Mirembé Revell (a.k.a. Margaret Rita Mirembé).

There being no objection, the Clerk read the Senate bill, as follows:

S. 560

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. PERMANENT RESIDENT STATUS FOR RITA MIREMBE REVELL (A.K.A. MARGARET RITA MIREMBE).

(a) IN GENERAL.—Notwithstanding any other provision of law, for the purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Rita Mirembé Revell (a.k.a. Margaret Rita Mirembé) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act, upon payment of the required visa fees not later than 2 years after the date of enactment of this Act.

(b) REDUCTION OF IMMIGRANT VISA NUMBERS.—Upon the granting of permanent residence to Rita Mirembé Revell (a.k.a. Margaret Rita Mirembé), the Secretary of State shall instruct the proper officer to reduce by the appropriate number, during the current or next following fiscal year, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)) or, if applicable, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 202(e) of such Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### RABON LOWRY

The Clerk called the bill (H.R. 807) for the relief of Rabon Lowry of Pembroke, North Carolina.

There being no objection, the Clerk read the bill as follows:

H.R. 807

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SATISFACTION OF CLAIM.**

(a) IN GENERAL.—The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Rabon Lowry of Pembroke, North Carolina, individually and as president of Pembroke Machine Company, Inc., the sum of \$1,000,000 for damages he incurred as a result of a breach of Government Contract number DAAA09-85-C-0630 by the Department of the Army.

(b) CONDITIONS OF PAYMENT.—The payment shall be in full satisfaction of any claims Rabon Lowry or Pembroke Machine Company may have against the United States arising from Government Contract number DAAA09-85-C-0630.

**SEC. 2. LIMITATION ON AGENTS AND ATTORNEYS FEES.**

It shall be unlawful for an amount that exceeds 10 percent of the sum described in section 1 to be paid to or received by any agent or attorney for any service rendered in connection with the benefits provided by this Act. Any person who violates this section shall be guilty of an infraction and shall be subject to a fine in the amount provided in title 18, United States Code.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

**APPLAUDING SNOWFLAKES ADOPTION PROGRAM FOR GIVING EMBRYOS A CHANCE AT LIFE**

(Mr. RYUN of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYUN of Kansas. Mr. Speaker, many of my colleagues have recently called for Federal funding to destroy human embryos for research. They cite the fact that stem cells obtained from these embryos could give life.

They are forgetting two vital facts: One, stem cells can be acquired from adults; and two, these human embryos are life and deserve our care and protection.

There are thousands of embryos in existence, each one waiting in what some called frozen orphanages for a chance at life. For them, I support alternatives that do not destroy them, alternatives like Snowflake Adoption Program.

Embryo adoption affirms life while providing a family the opportunity to welcome a child into their family. Some say these human embryos can give life, if only we could use Federal funds to destroy them.

We must remember that these embryos are already life, and I applaud the Snowflakes Adoption Program for giving many of them a chance.

**PRESIDENT SHOULD ADDRESS ENERGY CRISIS IN CALIFORNIA**

(Mr. FILNER asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. FILNER. Mr. Speaker, I have say to the President, hello. We in California and the rest of the Nation are still facing an energy crisis.

Fifty-five percent of the small businesses in my community of San Diego face bankruptcy this year because of the high prices, and yet, not one of the 105 recommendations in the President's energy plan deal with this situation in California and the West.

None of the President's speakers sent out over the weekend came out West. Why not, Mr. President? We are facing a crisis of price. Please address this crisis. Please institute cost-based rates for electricity in California and refund the criminal overcharges that we have been paying since last June.

Mr. President, hello. We in California are still suffering.

**ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE**

The SPEAKER pro tempore. The Chair would advise the Members that when addressing the House, remarks should be addressed to the Speaker, not to a member of the Executive Branch or a Member of the Senate.

**ENERGY SECURITY ACT WILL DIVERSIFY OUR SUPPLY**

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, no one can argue and no one can deny that the skyrocketing oil and gas prices and the rolling blackouts throughout the West do demonstrate the critical need to increase and diversify our energy production.

Alternative fuels, such as wind and solar and geothermal, can produce the energy of that future. Abundant on our public lands, these resources are clean alternatives that can be produced with minimal environmental impact and no emissions.

In fact, every time we use these fuels, we actually reduce emissions by minimizing the need to burn oil and coal to produce the same amount of energy otherwise.

Alternative energies are highly abundant on our public lands, especially in my home State, Nevada, which boasts the highest amount of geothermal resources in the Nation. The development of geothermal and other alternative energies will provide Americans with an additional clean energy supply that will help in lowering the prices and reducing our dependence on foreign sources.

The Energy Security Act recognizes the potential of alternative fuels, and provides the opportunity to finally develop these clean energy resources on our public lands.

**ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE**

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken later today.

**HONORING PAUL D. COVERDELL**

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 360) to honor Paul D. Coverdell.

The Clerk read as follows:

S. 360

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. PEACE CORPS HEADQUARTERS.**

(a) IN GENERAL.—Effective on the date of enactment of this Act, the headquarters offices of the Peace Corps, wherever situated, shall be referred to as the "Paul D. Coverdell Peace Corps Headquarters".

(b) REFERENCES.—Any reference before the date of enactment of this Act in any law, regulation, order, document, record, or other paper of the United States to the headquarters or headquarters offices of the Peace Corps shall, on and after such date, be considered to refer to the Paul D. Coverdell Peace Corps Headquarters.

**SEC. 2. WORLD WISE SCHOOLS PROGRAM.**

Section 603 of the Paul D. Coverdell World Wise Schools Act of 2000 (title VI of Public Law 106-570) is amended by adding at the end the following new subsection:

“(c) NEW REFERENCES IN PEACE CORPS DOCUMENTS.—The Director of the Peace Corps shall ensure that any reference in any public document, record, or other paper of the Peace Corps, including any promotional material, produced on or after the date of enactment of this subsection, to the program described in subsection (a) be a reference to the ‘Paul D. Coverdell World Wise Schools Program’.”.

**SEC. 3. PAUL D. COVERDELL BUILDING.**

(a) AWARD.—From the amount appropriated under subsection (b) the Secretary of Education shall make an award to the University of Georgia to support the construction of the Paul D. Coverdell Building at the Institute of the Biomedical and Health Sciences at the University of Georgia.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for fiscal year 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

GENERAL LEAVE.

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 360.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.