

THE FAIRNESS, SIMPLIFICATION  
AND COMPETITIVENESS FOR  
AMERICAN BUSINESS ACT OF  
2000

**HON. AMO HOUGHTON**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 2002

Mr. HOUGHTON. Mr. Speaker, today I am introducing the "Fairness, Simplification and Competitiveness for American Business Act of 2002". It would address a number of tax issues facing U.S. multi-national corporations and provide a way to comply with a ruling of the World Trade Organization that our present tax law provides a prohibited export subsidy to these companies.

Much has been made about multinational corporations avoiding U.S. corporate income taxes by all sorts of arrangements, including use of offshore entities, re-incorporations/inversions, agreements to avoid loss of foreign tax credits, earnings stripping, sales/lease-backs of assets, etc. There is nothing inherently illegal in what is being done. Does it go to the edge? Probably. I believe much of this activity is motivated by our outmoded international tax laws. We have known for some time that the laws are far behind and out of sync with our trade policy. In fact, our international tax policy seems to promote consequences that may be contrary to the national interest. Ours is a terribly complex system of worldwide taxation, with exceptions for deferral of taxes on certain income earned abroad, and a foreign tax credit system that attempts to minimize double taxation.

At the same time, we have tried to alleviate the disadvantage to our multinationals by such provisions as the Domestic International Sales Corporation, replaced by the Foreign Sales Corporation, then replaced by the Extraterritorial Income Exclusion Act of 2000. All of these provisions were aimed at leveling the field for U.S. multinationals, as contrasted to foreign multinationals. The latter typically operate under territorial and value added tax systems that provide tax relief for exporters. The FSC and ETI provisions have been estimated to reduce U.S. tax revenues by over \$4 billion annually.

The ETI system was enacted after the U.S. lost its appeal of the WTO ruling that the FSC was a prohibited export trade subsidy. A case was brought on the new ETI, and it too was held to be an export trade subsidy. Again, the U.S. lost on appeal. So what do we do now?

The bill introduced would do two things. It would provide a number of international tax fairness and simplification changes to the Internal Revenue Code. The bill would include all of the provisions of a bill introduced on March 20, 2002, H.R. 4047, as well as provisions to improve the interest allocation rules and provide a permanent subpart F exception for "active financing" income (the current exception expires for tax years beginning after December 31, 2006). In addition, the bill would repeal the ETI. These changes would be effective January 1, 2003).

The goal is to promote fairness, simplification and competitiveness in the U.S. international tax provisions to benefit U.S. multinational corporations, and to pay for those changes with the revenue generated from repeal of the ETI provisions.

I believe this approach would result in a number of benefits. It would settle the WTO dispute, provide benefits in our present system to the U.S. multinationals, and would not preclude future changes to our entire corporate system, if that is the desire of Congress. I would welcome my colleagues' support of this legislation.

ON THE 100TH ANNIVERSARY OF  
STEWART AND STEVENSON

**HON. KEVIN BRADY**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 2002

Mr. BRADY of Texas. Mr. Speaker, today it gives me great pleasure to call attention to one of my constituent companies that celebrated its 100th anniversary on April 5th, and would like for the rest of the House to join me in offering congratulations to Stewart & Stevenson Services, Inc., of Houston, Texas.

Stewart & Stevenson Services, Inc., provides power systems, parts and services to the following industries: Military, Marine; Oil & Gas; Agriculture; Industrial; Highway & Transit; and Airline Ground Support as well as being the designer and manufacturer of the Family of Medium Tactical Vehicles (FMTV) with more than 16,000 built to date for the U.S. Army.

The company traces its roots in wheeled vehicle manufacturing and support to its beginning when blacksmith C. Jim Stewart and carriage-maker Joe R. Stevenson formed the company in 1902 in Houston. The company's wheeled vehicle products have evolved from this modest beginning as the technology has progressed through the 20th Century leading to the world's premiere medium tactical military truck—the FMTV.

During a series of celebrations at their Houston headquarters as well as at their truck assembly facility in Sealy, Texas, and other locations in the United States, S&S employees and their guests will join in honoring one hundred years' of contributions to their military and commercial customers. It is great having them as constituents, and I wish them another one hundred years of success.

Mr. Speaker, I won't go into all the details now, but I ask unanimous consent to include a history of Stewart & Stevenson in my remarks.

HISTORY OF STEWART & STEVENSON SERVICES,  
INC.

Stewart & Stevenson Services, Inc., a technology-driven, billion-dollar, century old corporation headquartered in Houston, Texas, has long been a leader in the design and manufacture of specialty equipment for the oilfield, airline, defense, and power generation industries. A major distributor of industrial engines and equipment to a broad spectrum of businesses worldwide, the company provides complete 24-hour parts and service support of all of its product lines.

The company was founded in 1902 when two enthusiastic, young craftsmen committed their talents and resources—\$300 each—to form a partnership. C. Jim Stewart, a blacksmith, and Joe R. Stevenson, a carriage maker, signed a contract and began business as C. Jim Stewart & Stevenson, Houston's first "carriage repair and horseshoeing parlor".

The venture thrived with hard work, integrity and a dogged determination to get the

job done right, even when others said it couldn't be done. The original partnership agreement clearly defined these principles, as well as the duties of each "partner." Stewart was to do the blacksmith work and Stevenson the woodworking, with the provision that "both shall do such things in and about said business which shall be necessary."

The business expanded steadily and more craftsmen were added to perform the ever-increasing workload. The two partners made sure that the people they hired were not only experts in their fields but willing to pitch in and help out wherever needed, establishing a hiring policy that still serves the company today.

Handcrafted carriages, buggies and wagons were the pride of the new organization. In 1905, the company was presented the first opportunity to work on an automobile, a 24-horsepower Dixie Flyer roadster built by Southern Motor Car Co. which had been badly burned. The damage was so extensive that a new, wooden four-door body was handcrafted and installed. This job marked the transition from horseshoes to horse power, and reminds today's employees of how essential innovation and versatility are to Stewart & Stevenson's past and to its future.

By 1938, Stewart & Stevenson had built many vehicle bodies and become a distributor for General Motors' trucks and Detroit Diesel engines. The company became proficient at coupling diesel engines to various pieces of equipment to supply the agricultural, industrial, petroleum and marine markets.

One of Stewart & Stevenson's first government contracts was to supply mobile diesel generators, capable of running on Russian M-4 heavy fuel and operating in severe weather conditions. The company was the second-largest supplier of diesel generators under the "Lend-Lease" Program during World War II. Other wartime projects included the overhaul of thousands of U.S. Army trucks and jeeps and the remanufacture of 4,000 diesel engines from Sherman Tanks.

Throughout its history, Stewart & Stevenson has been involved in mobile equipment and wheeled vehicles. From overhauling Jeeps and tanks during World War II to building sophisticated truck-mounted petroleum exploration systems and the Family of Medium Tactical Vehicles and rugged airport ground support equipment, the company has established a solid foundation based on a true, wheeled vehicle heritage.

Today, Stewart & Stevenson is a billion dollar corporation that consists of four major business segments: Specialty Wheeled Vehicles, which consists of Stewart & Stevenson Tactical Vehicle Systems, LP (TVS) and Stewart & Stevenson TUG; Power Products, Petroleum Equipment, and Strategic Operations. TVS manufactures the U.S. Army's most reliable and capable off-road multipurpose trucks—the Family of Medium Tactical Vehicles (FMTV). These include 2.5- and 5-ton troop carriers, wreckers, cargo trucks, vans, dump trucks, and a variety of specialty vehicles. Stewart & Stevenson TUG manufactures aircraft ground support equipment that includes aircraft tow tractors, pushback tractors, baggage tow tractors, belt loaders, air start units, air conditioning units and container loaders, as well as mobile railcar movers, which are sold under the "Rail King" trademark.

The Power Products segment designs, manufactures and sells specialty equipment that utilizes power components for numerous industries: petroleum, marine, on-highway, transit (bus), power generation, and agriculture. The company serves as distributor

of many of these power components, representing the products of Detroit Diesel®, Electro Motive Diesel (EMD®), Waukesha®, Deutz®, Allison®, Thermo King®, John Deer® Hyster® and Mercury MerCruiser. Its distribution territory includes much of the southwestern and western U.S., Mexico, and Central and South America.

The Petroleum Equipment segment manufactures equipment for the oil and gas exploration, production and well stimulation industries. Products include marine riser systems, blow-out preventers and controls, high pressure valves, coiled tubing systems, acidizing and fracturing systems, and compression molded rubber products. Strategic Operations designs, markets and packages diesel and gas generator sets from the ground up to fit specific customer applications. These generator power systems use some of the most respected names in the engine industry: EMD®, Deutz®, Waukesha® and Detroit Diesel®.

The more than 4,000 people employed by the corporation today carry with them a tradition of service, innovation, fair dealing and integrity, which began back in 1902.

Stewart & Stevenson's growth through the past 100 years has been achieved by virtue of its dedicated people, innovative design and engineering, quality manufacturing and a relentless "can do" attitude.

IN RECOGNITION OF THE EXEMPLARY WORK OF DR. KATHY HUDSON

**HON. CONSTANCE A. MORELLA**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 10, 2002*

Mrs. MORELLA. Mr. Speaker, I would like to take a moment to recognize the exemplary work of Dr. Kathy Hudson, who is leaving after 10 years of service at the National Human Genome Research Institute at the National Institutes of Health which is located in my district.

For the past seven years Dr. Hudson has served with distinction as the Director of the Office of Policy, Planning and Communications and the Assistant Director of the National Human Genome Research Institute (NHGRI). While at the NHGRI, Dr. Hudson has provided focus and leadership in numerous areas, she has played a particularly important leadership role in public policy and public affairs issues relating to NHGRI programs including the Human Genome Project, the international effort to decipher the human genetic code and apply the results to improving human health.

Dr. Hudson has directed efforts to identify barriers such as genetic discrimination that could impede the fair and equitable application of genetic information to public health and has led development of policies to protect privacy and prevent genetic discrimination. In this regard, she was instrumental in the development of an Executive Order signed in February 2000 that banned discrimination in Federal employment based on genetic information. She has also provided exceptional technical advice to my staff and many others in drafting legislation on genetic nondiscrimination. I understand that one of Kathy's major regrets in leaving the NHGRI is not having seen the passage and signing of genetic nondiscrimination legislation. I look forward to seeing that milestone reached soon and hope to invite her back to the celebration.

Before joining the NHGRI, Dr. Hudson was senior policy analyst in the office of the Assistant Secretary for Health at the Department of Health and Human Services. She advised the assistant secretary on national health and science policy issues involving the National Institutes of Health (NIH). Prior to that, Dr. Hudson worked in the Congressional Office of Technology Assessment as a congressional science fellow. Through her contributions to social policy and to the nation's health, Dr. Hudson's work has exemplified the best of government service, and the difference in our nation's well being that a dedicated scientist can make.

I wish Dr. Hudson all the best in her new venture as the Director of the Genetics and Public Policy Center at the Johns Hopkins University, and on behalf of the Congress and the country, I thank her for her outstanding government service.

A SPECIAL THANKS TO MOVIE GALLERY FOR THEIR ACTIONS IN SUPPORT OF AMERICA'S TROOPS

**HON. TERRY EVERETT**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 10, 2002*

Mr. EVERETT. Mr. Speaker, I rise today to pay special tribute to a company headquartered in my Congressional District which has answered the call to assist America's war on terrorism in an exemplary manner.

The Movie Gallery, based in Dothan, Alabama, was recently asked by the Civil Air Patrol to participate in Films for Troops. This endeavor is designed to bring a piece of home to our men and women in uniform stationed on the front lines thousands of miles from our shores.

When approached to help, The Movie Gallery rose to the challenge by collecting over 800 videos and DVDs of current top movies from America's major motion picture studios. These movies, in turn, will be packed and shipped to our troops in Afghanistan.

I am proud to endorse the Movie Gallery's efforts to bring the sights and voices of home to our sons and daughters and mothers and fathers on the battle lines of freedom.

We are one nation in this fight to preserve our liberty. The Movie Gallery deserves our gratitude for bringing all of us—near and far—a little closer together during these difficult days.

A TRIBUTE TO MOTHER DAVIS

**HON. WM. LACY CLAY**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 10, 2002*

Mr. CLAY. Mr. Speaker, I am delighted to take this opportunity to share with my colleagues in Congress the news that Mrs. Hester Rachel Wallis Davis celebrated her 106th birthday on this past Easter Sunday, March 31, 2002.

Mrs. Davis, a resident of Missouri's First Congressional District, was born in Tennessee

in the year 1896. She moved to St. Louis at the age of 16. Six years ago, on her 100th birthday, Willard Scott recognized her on the NBC Today Show and she was honored by the Mayor of St. Louis, Freeman Bosley, Jr. Later that same year, Mrs. Davis suffered an illness that required two brain surgeries. She recovered and continues to be alert and keeping up with current events.

Mrs. Davis is the oldest and most cherished living member of the Temple Church of Christ in St. Louis. And although her eyesight is failing and she can no longer read the Bible, she has a prodigious memory which supports her interpretations and pronouncements. "Mother Davis" as she is known by those who share her life, enjoys company and always has words of encouragement and prayers for her visitors. I am told that Hester Davis remembers the joys and challenges of youth and is always empathetic and supportive of the younger generations. The staff of the B-J-C Medical Center have expressed astonishment at Mrs. Davis' youthful appearance, her lack of some of the ailments attributed to aging, her pleasant attitude and her communication skills.

Mrs. Davis has had to curtail some activities in recent years, she is no longer able to visit the jail where she brought encouragement to the incarcerated. Today, she counts her doctors, lawyers, pastor and friends among her family. She is a genuine inspiration to all who have come to know her and she will be forever remembered as one of the most adored and beloved members of the St. Louis community.

I salute Mrs. Hester Rachel Wallis Davis for her outstanding commitment to life. She is certainly a remarkable woman of strength, determination and spirit who is an inspiration to many generations.

THE DISTRICT OF COLUMBIA LEGISLATIVE AUTONOMY ACT OF 2002

**HON. ELEANOR HOLMES NORTON**

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 10, 2002*

Ms. NORTON. Mr. Speaker, today, I introduce the District of Columbia Legislative Autonomy Act of 2002, to eliminate the congressional review period of 30 days and 60 days respectively, for civil and criminal acts passed by the D.C. City Council. This bill is the fraternal twin of H.R. 2995, the District of Columbia Fiscal Integrity Act of 2001, which would allow the District's budget to become law upon enactment by the District government. Under the current system, all acts of the Council are subjected to this Congressional layover period, and the District's budget cannot become law without congressional approval. Experience demonstrates that these are unnecessary and undemocratic requirements that add nothing except an unnecessary layer of bureaucracy to an already overburdened city government and to Congress and its processes.

Since the adoption of the Home Rule Act in 1973, over 2000 acts have been passed by the council and signed into law by the Mayor. Only 43 acts have been challenged by a congressional disapproval resolution. Only three of those resolutions ever passed the Congress and two involved a distinct federal interest.