

105 years, and I am pleased to call the attention of this body of Congress to the many contributions the bakery has made to the Pueblo community.

Otto Zoelsmann and his wife immigrated to the United States from Germany in the late 1800's. In 1898, the couple moved to Pueblo, where they opened a bakery. The Zoelsmann's were expert bakers and their delicacies were immediately popular throughout the Pueblo community. Horse drawn wagons, and later Ford Model T trucks, initially delivered the baked goods to Zoelsmann's loyal customers.

Aside from technological advancements, little about Zoelsmann's Bakery has changed over the years. The bakery is still dedicated to creating and selling the best baked goods possible. The current co-owners, the Petkoseks and the Paradisos, along with their staff, always serve their customers with a kind word and a friendly smile.

The Petkoseks and Paradisos took over the store after its longtime owner Chuck Martinelli retired. Chuck was a beloved figure in Pueblo and a master chef. Chuck handpicked his successors and, before retiring, he taught them his trade and entrusted them with his famous recipes. Chuck's memory lives on with Zoelsmann's Bakery as it goes about its business each day.

Mr. Speaker, it is my honor to rise and pay tribute to Zoelsmann's Bakery. The bakery is entering its second century of dedicated service to the people of Colorado and I am pleased to call attention to Zoelsmann's contributions to the community of Pueblo.

H.R. 1813, THE TORTURE VICTIMS RELIEF REAUTHORIZATION ACT OF 2003

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 21, 2003

Mr. CROWLEY. Mr. Speaker, I rise in strong support of H.R. 1813, the Torture Victims Relief Reauthorization Act of 2003.

Torture is a horrible tool used in more than 150 countries to silence, intimidate and oppress people around the world. Many survivors of torture arrive in the United States every year. This legislation provides vital funding of support for victims of torture.

Mr. Speaker, more than 500,000 survivors of torture live in the United States today. A significant number of these survivors live in New York City. These survivors need vital support in terms of rehabilitation, medical care and psychological care. Fleeing from their persecutors, most often leaving their families behind, they arrive with no documentary evidence to prove their persecution. All they have are their scarred bodies and their stories of horror.

Once they arrive, the survivors are forced to face a culture and a system different from what they have known. They face numerous challenges in their effort to integrate into our society and become fully participating members. They have difficulty telling their stories to the immigration officers and even to their own attorneys because of the abuse they have endured by those in power in the past and thus are wary of authorities. Among the few they

can turn to are the torture treatment programs. These programs, armed with experience and dedication, are instrumental in helping survivors document their stories of torture, providing them with clinical care and psychosocial support, and enabling them to embark on a new life.

The life-saving work done by these torture treatment programs should be commended and appreciated by all Americans, for they open their doors, extend their hands, and offer shoulders to the most severely wounded new Americans. It is my pleasure today to commend the indispensable work of the Safe Horizon/Solace Program for Survivors of Torture and Refugee Trauma in my district. Solace is a program of Safe Horizon, which is the nation's leading victim assistance and advocacy organization. Solace is a decentralized, city-wide program, with its main offices in Jackson Heights, Queens. Since 1997, Solace has provided an array of services on behalf of torture survivors from over 70 different countries, including intensive case management, clinical, referral for medical and legal, social adjustment counseling, accompaniment, interpretation, information and referral, medical and psychological evaluations, expressive therapies such as visual and dramatic arts, dance, and somatic therapies such as massage, for survivors of torture seeking safe haven in the United States.

Furthermore, Solace has pioneered a community development approach that involves creating social healing interventions at the familial and communal levels, particularly important since torture seeks to destroy the fabric of communities, as much as it seeks to destroy individuals.

The Safe Horizon/Solace approach is also extremely cost effective, since Solace is the managing partner of the Metro Area Support for Survivors of Torture (MASST) Consortium, which includes Doctors of the World/USA, Refuge, Inc., and the International Institute of New Jersey as partners. This New York City and Northern New Jersey effort is all done on one grant from the Department of Health and Human Services, Office of Refugee Resettlement, and is the only such configuration in the United States. This past year, the MASST Consortium has reached thousands of people with a dizzying array of services.

The funds provided by the Torture Victims Relief Reauthorization Act of 2003 will enable torture treatment programs like Safe Horizon/Solace and its MASST partners to continue to provide the crucial services needed by those who have been subjected to cruel and inhuman treatment in their own countries.

Mr. Speaker, we may not have the opportunity to know when we meet the survivors of torture, to listen to first hand and understand their stories, or to appreciate the courage they exhibit in overcoming the consequences of the traumatic events they have experienced. But we do have the opportunity to assist them today. By supporting this important legislation, we can play an important part in providing care for this resilient group of people. We can give them hope for a better future. We will be instrumental in helping them break down the barriers that keep them from fully integrating into our society.

I strongly encourage all my colleagues to join me in supporting this important legislation.

PERSONAL EXPLANATION

HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 21, 2003

Mr. LARSON of Connecticut. Mr. Speaker, I would like to submit this statement for the record and regret that I was unavoidably detained on my way to the floor on November 21, 2003 to vote on rollcall vote Number 636, on H.R. 3491, the National Museum of African American History and Culture Act. Had I been present, I would have voted "aye."

A BILL TO IMPROVE THE LIQUIDITY OF THE MARKET FOR INVESTMENTS IN LOW-INCOME HOUSING TAX CREDIT PROPERTIES

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 21, 2003

Mr. HOUGHTON. Mr. Speaker, today Representatives NANCY JOHNSON (R-CT), CHARLES RANGEL (D-NY) and RICHARD NEAL (D-MA) are joining me in introducing legislation to correct a problem that is impairing the liquidity of the market for investments in Low-Income Housing Tax Credit (housing credit) properties. The housing credit has been a remarkably successful incentive for encouraging investment in residential rental housing for low-income families. Under Section 42 of the Internal Revenue Code, a tax credit is available for investment in affordable housing. The credit is claimed annually over a period of ten years. Qualified residential rental projects must be rented to lower-income households at controlled rents and satisfy a number of other requirements throughout a prescribed compliance period (generally, 15 years from the first taxable year the credit is claimed).

Today, virtually all of the equity for housing credit investments comes from widely held corporations investing through housing credit funds. A significant number of corporate investors have transferred these fund interests in recent years, typically due to a change in their income tax status. An investor wishing to dispose of an interest in a Low-Income Housing Tax Credit ("housing credit") property during its 15-year compliance period is subject to a recapture of housing credits previously claimed unless a bond or U.S. Treasury securities are posted to the Internal Revenue Service (IRS). The amount of the bond to be posted is based on the amount of housing credits claimed and the duration remaining in the compliance period. The purpose of the bond is to guarantee to the IRS that it can collect the appropriate recapture amount in the event that the property is no longer in compliance with the requirements of the housing credit program.

At the time the housing credit program was enacted in 1986, the drafters of the statute were concerned that owners would claim the benefits of the tax credits and then avoid the continuing compliance requirements by transferring the credits to a straw party with minimal assets that the IRS could go after to collect recapture liability. This was a potential

concern because housing credits are provided on an accelerated basis in the sense that they are claimed over a ten-year period, while the property must remain in compliance with the targeting rules over a minimum 15-year period.

However, the experience with the housing credit over the past 15 years demonstrates that this concern is no longer valid. When the housing credit program was enacted, policymakers thought in terms of previous affordable housing tax incentives that supported an aggressive tax shelter market dominated by individual investors. As it turns out, virtually all (99% today) investment capital in the housing credit program is from publicly traded corporations that pose none of the risks of noncompliance that motivated enactment of the recapture bond rules. Ironically, sales of individual partnership interests in public partnerships with more than 35 investors are exempt from the recapture rules.

There are also other provisions in Code section 42 that adequately address potential noncompliance. In 1989, Congress added the requirement that all state allocating agencies adopt "extended use agreements" to be recorded as restrictive covenants on housing credit properties, which require the property to remain in compliance. In addition, the state allocating agencies were given oversight responsibilities to ensure continued compliance through site inspections and property audits.

The requirement to purchase recapture bonds forces investors to incur unnecessary costs and has produced a complex administrative burden on the IRS. Since bond filings are done building by building, and since single sales transactions frequently involve hundreds of properties, each with dozens of buildings, bond filings may involve thousands of separate filings. Worse yet, the few remaining surety companies writing this type of business operate in an inefficient market. Recapture surety bonds are priced in a fashion that does not measure the true risk of non-compliance, but rather relies solely on the credit rating of the company requesting the bond. This is a function of the fact that surety underwriters do not understand the housing credit program in general or the risk of noncompliance in particular.

At the same time, the incidence of non-compliance with housing credit program rules is exceedingly rare. Meanwhile in the aftermath of the September 11th terrorist acts and the spate of corporate accounting scandals, the surety market is in turmoil. Recapture bond premiums, even for highly rated public companies, have more than tripled over the past two years. This has imposed dead weight costs on the housing credit program. By making it more difficult to transfer credit investments, the recapture bond rule impairs the liquidity of housing credit investments, reducing credit prices generally, and undermining the overall efficiency of the program.

The IRS recently responded to a series of questions we posed about the recapture bond requirement. According to the IRS, since just 1997, recapture bonds covering approximately \$1.8 billion of tax credits have been posted—but in the 17 years since the requirement was enacted, the Service has never made a claim on a recapture bond. That works out to bond premium payments of about \$150 million, to ensure against an event that has never occurred. These costs are unnecessary and are

imposing a real drag on the market for investments in housing credit properties.

Our bill will solve this problem by repealing the recapture bond requirement effective for disposition of interests in LIHTC properties after the date of enactment. An owner of a building (or interest therein) (generally, a limited partnership) that has been the subject of a disposition and is still within the remaining 15-year compliance period with respect to such building would be required to submit a report to its former investors when a recapture event with respect to such building occurs. A copy of recapture event forms sent to investors would be required to be filed with the IRS in order to provide the Service with the information necessary to ensure that all recapture liabilities are timely paid. The general statute of limitations applicable to taxpayers would be modified so that investors who dispose of a building after the effective date of the legislation would remain liable for any potential recapture liability for a period extending through the compliance period for such building to provide the IRS with additional time to audit the partnership's return to ensure the building's continuing compliance with the credit's requirements. Taxpayers who disposed of a building (or interest therein) prior to the date of enactment would not be required to maintain existing recapture bonds (or other alternative security), but cancellation of existing bonds would trigger an extension of the statute of limitations provided for in the legislation.

We encourage you to join us in cosponsoring this important legislation.

A FINE SENSE OF IRONY

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 21, 2003

Mr. SMITH of New Jersey. Mr. Speaker, Russian Foreign Minister Igor Ivanov demonstrated a fine sense of irony recently when he criticized the United States for an "excessive tendency to use force" in resolving international issues.

Let me state clearly that I do not believe my country should reach for its huge arsenal of weapons and troops every time we are faced with a difficult situation abroad. To everything there is a season.

Nevertheless, it is ironic that the Russian Government should accuse the United States of taking military action when back home in Chechnya the Russian Government has demonstrated not only an excessive tendency to use force, but also a tendency to use excessive force.

This is not meant to ignore or justify the human rights abuses of the Chechen separatist movement. The Russian Government is entitled to defend its territorial integrity and defend its citizens against civil disorder. But the fact remains that with its "anti-terrorist operation," Moscow has unleashed a massive and brutal military campaign that frequently makes no distinction between combatants and non-combatants. As Newsweek's distinguished commentator Fareed Zakaria wrote in August of this year, "Over the past ten years, Russia's military has had a scorched-earth policy toward Chechnya. The targets are not simply Chechen rebels but, through indiscriminate

warfare, ordinary Chechens . . . Over time, the Chechen rebellion has become more desperate, more extreme and more Islamist."

Not only are such tactics inhumane and cynical, they lead not to peace in Chechnya, but to a more protracted conflict. In this week's National Interest online, Seva Gunitzky reports on how the tactics of the Russian military has radicalized a population that might otherwise have rejected the armed militants: "For by refusing to distinguish between fighters and civilians, the Russian army fused together the interests of previously disparate groups . . . [and] created a far more dangerous foe."

Besides the widespread civilian casualties and property destruction caused by the indiscriminate use of force by Russian military and security forces, the Chechen conflict has resulted in the displacement of hundreds of thousands of persons. Moreover, the recent presidential elections in Chechnya were so obviously flawed that they could hardly be said to reflect the will of the people.

I welcome an exchange of opinions with other government leaders and parliamentarians regarding U.S. foreign policy. Nevertheless, I hope that Moscow will reexamine its own excessive tendency to use force in Chechnya and make every effort to reach a legitimate political settlement there.

HONORING PORTUGUESE EDUCATION FOUNDATION OF CENTRAL CALIFORNIA

HON. DENNIS A. CARDOZA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 21, 2003

Mr. CARDOZA. Mr. Speaker, I rise today to honor the continued efforts of the Portuguese Education Foundation of Central California and their numerous contributions to our community. The Foundation works tirelessly to educate the community and to recognize individuals for such efforts.

Tonight, the Foundation is honoring members of the community for their valued contributions and achievements. In addition, the Foundation is recognizing over 30 Foundation Scholarship recipients, lending these individuals strong support in their continuing pursuit of educational goals.

It is my distinct pleasure to pay tribute to the Foundation's 2003 community honorees.

Former Congressman Tony Coelho is being honored as the 2003 Citizen of the Year. Tony, my mentor and good friend, has been an exemplary member of the Portuguese community for many years. He served with distinction as Majority Whip in the United States House of Representatives and continues to think of our San Joaquin Valley as his home.

I am delighted to also recognize the achievements of Maria de Lourdes Silva. Maria has been selected as the 2003 Student of the Year by the Foundation. She is being honored for her outstanding academic achievement and research for the Portuguese Heritage Community of California. I commend her on her dedication to the community.

Finally, it is my honor to recognize Jose Luis da Silva, who has been selected as the 2003 Professor of the Year by the Foundation for his contributions and dedication to sharing