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#### IN RECOGNITION OF FIRST CLEVELAND MOSQUE

**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 28, 2007*

Mr. KUCINICH. Madam Speaker, I rise today to recognize First Cleveland Mosque on the occasion of its 70th Anniversary, and to celebrate all their contributions toward creating a more diverse and inclusive Northeast Ohio.

Founded in 1937 by Imam Al Hajj Wali Akram, First Cleveland Mosque is one of the oldest Muslim institutions in America. The Mosque has faithfully guided Cleveland Muslims, holding fast to the ideals of peace, equality and social harmony central to their faith.

As our world struggles to understand its beautiful religious diversity, the First Cleveland Mosque, since its inception, has been a force for ecumenism, encouraging dialogue between faiths and reaching out to their non-Muslim neighbors. The result has been a Cleveland faith community rooted in understanding and mutual respect.

Madam Speaker and colleagues, please join me in recognizing the First Cleveland Mosque on the occasion of its 70th Anniversary. May all their efforts toward ecumenism continue to create a more peaceful Northeast Ohio and world.

#### THE GREAT LAKES WATER PROTECTION ACT H.R. 2907

**HON. MARK STEVEN KIRK**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 28, 2007*

Mr. KIRK. Madam Speaker, today I am pleased to join with Congressman LIPINSKI to introduce the Great Lakes Water Protection Act. This bipartisan legislation, supported by the Alliance for the Great Lakes, National Resources Defense Council, National Wildlife Foundation, National Parks Conservation Association, Great Lakes Aquatic Network, Audubon Society and more, would set a date certain to end sewage dumping in America's largest supply of fresh water, the Great Lakes. More than forty million Americans depend on the Great Lakes for their drinking water, food, jobs, and recreation. We need to put a stop to the poisoning of our water supply. Cities along the Great Lakes must become environmental stewards of our country's most precious freshwater ecosystem.

The Great Lakes Water Protection Act gives cities until 2027 to build the full infrastructure needed to prevent sewage dumping into the Great Lakes. Those who violate EPA sewage dumping regulations after that federal deadline will be subject to fines up to \$100,000 for every day they are in violation. These fines will be directed to a newly established Great Lakes Clean-Up Fund within the Clean Water State Revolving Fund. Penalties collected would go into this fund and be reallocated to the states surrounding the Great Lakes. From there, the funds will be spent on wastewater

treatment options, with a special focus on greener solutions such as habitat protection and wetland restoration.

This legislation is sorely needed. Many major cities along the Great Lakes do not have the infrastructure needed to divert sewage overflows during times of heavy rainfall. More than twenty-four billion gallons of sewage are dumped into the Lakes each year; Detroit alone dumped over thirteen billion gallons of sewage into Lake Huron in 2005.

These disastrous practices result in thousands of annual beach closings for the region's 815 freshwater beaches. Cook County beach closings nearly tripled from 213 in 2003 to 613 in 2004. According to the National Resources Defense Council, in a 92-day period from June 1 to August 31 in 2005, there were 87 days of beach closings in my District alone. This trend is echoed throughout the Great Lakes region and is one we need to reverse.

Protecting our Great Lakes is one of my top priorities in the Congress. As an original cosponsor of the Great Lakes Restoration Act, I favor a broad approach to addressing needs in the region. However, we must also move forward with tailored approaches to fix specific problems as we continue to push for more comprehensive reform. I am proud to introduce this important legislation that addresses a key problem facing our Great Lakes, and hope my colleagues will support me in ensuring that these important resources become free from the threat of sewage pollution.

#### HONORING HERB CROUTHAMEL

**HON. PATRICK J. MURPHY**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 28, 2007*

Mr. PATRICK J. MURPHY of Pennsylvania. Madam Speaker, I rise today to honor Herb Crouthamel for nearly half-a-century of service to the families of Bucks County. On Friday, June 15—after 46 years of driving a school bus for Central Bucks West and Our Lady of Mount Carmel schools—Mr. Crouthamel drove his final route. During those 46 years driving the bus and the 81 years he has been a member of our community Mr. Crouthamel has developed lasting, personal relationships but most importantly, he has protected our children.

Madam speaker, Mr. Crouthamel served our country as a member of the U.S. Navy in World War II and went to school on the GI Bill after his return. He started his route by chance, supplementing his work as a car salesman, but soon it became one of his life works.

Students, parents and school administrators all hail Mr. Crouthamel's devoted commitment to students. He impresses the students he drives by knowing all of their names and his record shows his dedication to student safety, both on and off the bus.

Mr. Crouthamel may be giving up the bus route but he isn't giving up his service to our community. He plans to continue work for his local country store and he will also volunteer at the Doylestown Hospital after his retirement.

Madam Speaker, Mr. Crouthamel's commitment to children and the community is an inspiration. His years of service come with pub-

lic acclaim for his attention to both safety and the lives of local families. On behalf of the community and all the lives he has touched and protected, I would like to thank Mr. Crouthamel for his life-long commitment to excellence and service.

#### INTRODUCTION OF CORPORATE ANTI-INVERSION BILL

**HON. RICHARD E. NEAL**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 28, 2007*

Mr. NEAL of Massachusetts. Madam Speaker, I rise to introduce legislation today to shut down a potential loophole in the anti-inversion provisions of the tax code. As many of my colleagues will remember, I lead the charge back in early 2002 to shut down the so-called "corporate expatriate" loophole. Corporate expatriates trade in their U.S. citizenship for citizenship in certain no-tax or low-tax havens through reincorporation or a corporate "inversion." These corporate expatriates often have little or no presence in these haven jurisdictions; some merely rent a mailbox to establish their new headquarters.

Following the attacks of September 11, 2001, some aggressive tax advisors were telling their clients that the climate was ripe for inversions as most stock prices were depressed. The only tax paid when a corporation departed was a tax on the gain of the stock or assets transferred to the new foreign parent company. As one tax advisor put it, "Maybe patriotism needs to take a back seat to improved corporate profits."

Despite the outcry from shareholders, taxpayers, and many of us in Congress, the leadership of the prior Congress fought enactment of a loophole closer. It was not until late in 2004, in the American Jobs Creation Act, that corporate expatriation was finally put to a halt. That bill used the same formula of my original bill—simply stating that if almost all of the shareholders of the new foreign company were the same as under the old American company and if the company had little real business in the host foreign country, then the corporate expatriate would be taxed as if it were still a U.S. company.

That new law put a chill on the market for corporate expatriation. However, earlier this year, one American company stated it was moving the headquarters of the operation to a foreign country with no corporate income tax. The company is not really changing its residency. Many have speculated that this is really a two-step process: move some administrative functions abroad to establish a minimal presence, and then give up U.S. corporate citizenship.

I think this would circumvent the intent of the original law and that is why I am filing legislation today to close that loophole. My bill would exclude any management or administrative functions, including the corporate headquarters, from the calculation of what constitutes substantial business activities in the foreign country. I am sure that many CEOs would not think it too much a sacrifice to relocate their office to the sunnier climes of some of these havens and thereby shave millions off of the company's tax bill. I urge my colleagues to support my legislation to prevent this type of tax avoidance.

I would also add that I do not view these events in a vacuum. Clearly, this Congress needs to look at more incentives to keep American companies and jobs here. I have discussed with Chairman Rangel holding hearings on how our tax code treats both domestic and foreign sources of income to make sure American companies can successfully compete in a global market. However, until such changes are made, I will continue my efforts to prevent "self-help" maneuvers, such as the fiction of corporate expatriation.

A summary of my bill follows:

**BILL SUMMARY  
PRESENT LAW**

Section 801 of the American Jobs Creation Act of 2004 (AJCA) added section 7874 to the Internal Revenue Code. Section 7874 provides certain rules designed to remove incentives for corporations to engage in inversion transactions. However, the anti-inversion rules do not apply if the expanded affiliated group (EAG) of the corporation has business activities in the foreign country in which, or under the laws of which, the acquiring foreign entity was created or organized and such business activities are substantial when compared to the total business activities of the EAG. (For purposes of section 7874, the EAG is similar to the affiliated group permitted to file a consolidated federal income tax return, except that companies are considered to be in the expanded affiliated group if they are more than 50 percent owned by the common parent or other members (the consolidation rules required 80 percent) and foreign corporations may be included in the expanded affiliated group.) In explaining the reason for this legislative change, the "Blue Book" compiled by Joint Tax states, "The Congress believed that inversion transactions resulting in minimal presence in a foreign country of incorporation were a means of avoiding U.S. tax and should be curtailed." Staff of Joint Comm. on Taxation, General Explanation of Tax Legislation Enacted in the 108th Congress, at 343 (Comm. Print JCS-5-05).

On June 5, 2006, the Department of the Treasury and the Internal Revenue Service issued Temporary and Proposed Regulations that, among other things, provide certain rules regarding the substantial activities test (T.D. 9265). The regulations provide both an all-facts-and-circumstances test and a bright-line safe harbor test to determine whether an EAG has substantial business activities in the acquiring foreign entity's country of incorporation when compared to the total business activities of the EAG. Under the general rule of the all-facts-and-circumstances test, the determination of whether the EAG has substantial business activities in the relevant foreign country, when compared to the total business activities of the EAG, is based on an analysis of all the facts and circumstances of each case. The regulations set forth a non-exclusive list of factors to be considered in the analysis. The weight given to any factor depends on the particular circumstances. The listed factors include, among other factors, the EAG's local employee headcount and payroll, property, and sales; the EAG's historical presence in the foreign country; its management activities in the country; and the strategic importance to the EAG as a whole of the business activities in that country.

The regulations state that the presence or absence of any factor, or any particular number of factors, in the list is not determinative, and that there is no minimum percentage of the group's total employee headcount, payroll, assets, or sales that must be shown to be in the foreign country.

The safe harbor test is satisfied if the EAG satisfies three conditions, relating to employees, assets, and sales. The first condition is that the group employees based in the foreign country account for at least 10 percent (by headcount and compensation) of total group employees. The second condition is that the total value of the group assets located in the foreign country represents at least 10 percent of the total value of all group assets. The third condition is that the group sales made in the foreign country accounts for at least 10 percent of total group sales.

**THE BILL**

The bill provides that for purposes of the substantial activities test of section 7874, any management or administrative activities, including the location of any corporate headquarters, taking place in the foreign country in which, or under the law of which, the inverted entity is created or organized shall not be taken into account as business activities. Under the bill, for example, if a U.S. company inverts to country X, and its management is located in country X or performs much of its management activities there, the activities of its management in country X are not taken into account for purposes of determining whether the activities of the EAG in country X are substantial when compared to the total worldwide business activities of the EAG. On the other hand, under that example if any management activities of the EAG take place outside of country X, such management activities are taken into account in applying the substantial activities test.

The bill modifies the statutory substantial business activities test, and accordingly limits the application of both the all-facts-and-circumstances test and the safe harbor of the regulations.

Under the bill, the term "management activities" includes any management activities, and therefore extends beyond top corporate management. For example, it would include management activities relating to operational units. Similarly, the term "administrative activities" includes departments whose function is essentially administrative in nature, such as accounting, as well as administrative activities relating to or performed by operational units.

**IN CELEBRATION OF CLARA  
BELLE LACEY**

**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 28, 2007*

Mr. KUCINICH. Madam Speaker, I rise today to honor Clara Belle Lacey, on the occasion of her 80th birthday, and to celebrate her lifetime of contributions to Northeast Ohio.

Clara is fiercely dedicated to her family and her community. She helped her parents raise her siblings, and as a young working woman, she always ensured that they had extra presents and candy on the holidays. Clara's affection for and loyalty to her family and friends never wavers. She has boundless energy. Indeed, just being around her, one cannot help but be uplifted and touched by her radiance.

Clara has never been one to restrain her affection and concern for others. For decades she has been an outspoken community activist, committed to making Northeast Ohio a more peaceful, more equal, and more just community. She has been an invaluable asset to literally hundreds of organizations, grass-

roots movements, and city ward clubs. Her contributions to our community have been immeasurable.

Madam Speaker and colleagues, I have known Clara for decades, and I have been consistently blessed by her presence in my life. Please join me in honoring Clara Belle Lacey on the occasion of her 80th birthday. May we all aspire to be as caring and as loyal as she.

**10TH CONGRESSIONAL DISTRICT  
OF ILLINOIS SCHOOL CONSERVATION  
CORPS ACT OF 2007**

**HON. MARK STEVEN KIRK**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 28, 2007*

Mr. KIRK. Madam Speaker, I am pleased to introduce the 10th Congressional District of Illinois School Conservation Corps Act of 2007, a bill crafted by America's future leaders. I believe it is critical to engage younger generations in our civic process in order to help them begin to build a better tomorrow.

Earlier this year, I invited students from all across my district to participate in a Model Congress. The best and brightest high school students from around northeast Illinois turned out to spend a weekend listening to expert testimony, debating policy, and passing legislation on climate change and environmental conservation.

One of the bills the students considered establishes a pilot program in the 10th District of Illinois for the Secretary of Education to launch and support a School Conservation Corps. Any group of 10 students and an advisor may form a chapter of the Corps to receive grants to participate in various environmental protection and restoration activities. Assuming the roles of actual Members of Congress, the students debated many provisions of the bill, including the types of activities that shall be performed, the amount of initial and matching grants that may be made available, and the parameters of the program's evaluation and expansion.

I am proud to announce that with minor drafting changes, the bill I rise to introduce today is the same bill passed by the talented students of the 10th District on April 22, 2007. I want to recognize Lauren Blake and Will McGauran who played the majority and minority leaders of this Model Congress. These students, who will both be seniors at New Trier High School next fall, worked hard to build partnerships and find compromises to pass the legislation before them.

The complete Model Congress comprised of the following students, who each played a critical role in the proceedings: Edward Alvarez, Charles Arnowitz, Frank Austin, Carolyn Barnett, Andrew Barr, Steven Blumental, Josh Brown, Emily Buehler, Melissa Burns, Arvin Canda, Lauren Cannizzaro, Douglas Carr, Amy Cleveland, Angelica Cleveland, Simone Coburn, Bruce Codell, Jordan Cohen, Elyse Conklin, Dan Cowin, Semeka Cunningham, Joseph Delvin, Peter Drogos Phyll, Ellen Eichner, Gustavo Esquivel, Maria Estrada, Teresa Fabila, Brad Fink, Kevin Finkle, Sherrie Fortson, Stephanie Fortson, Rebecca Fowler, Rachel Fybel, Roberto Garcia, Ana Gaytan, Aaron Goldstein, Alex Gordon, A. William