

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 Delvino, Peter Drogos Phyllis, 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

Greene, Jake Grubman, Ray Gu, Robbie Gustafson, Patrick Hamann, Ryan Hamilton, Jacob Hanson, Brad Heinz, Adam Herbert, Jordan Heyman, David Isaacson, Joshua Jackson, Rachel Jackson, Lauren Jensen, Ari Kasper, Ruth Kee, Courtney Kennedy, Jacob Klein, Julia Kohn, Noah Kraff, Noam Kupfer, Geno Kurolapnak, Jake Lapping, Alex Lazakis, Austin Lin, Tyler Litke, Thomas Lovinger, John Maigler, Lauren McCall, Michael McCall, Monte Monaco, Neal Muller, Brooke-Lynn Navarro, Ariel Olswanger, Lauren Olswanger, Aaron Parker, Ami Pekaj, Stacey Podovik, Kiran Pookote, Jonathan Prohov, John Reid Sidebotham, David Reiss, Nils Robbins, Ben Rose, Ari Ruffer, Maya Samuel, Matt Schuelke, Ayal Sharvit, Samara Silverman, Matt Skalski, Matthew Sloan, Sarah Smith, Karolina Strack, Ilana Strauss, Kathryn Swanson, Gideon Sylvan, Steve Tapas, Lindsey Taylor, Anne Tomsky, Sam Travers, Roxanne Tully, Maddi Vering, Robert Wald, Rachel Weiss, Lauren Whalley, John Yang, Gale Young, Dominique Young, Jonathan Youshaei, John Zender, and Michael Zucker.

Members of the United States Congress should take cues from all these students on how to work in a more bipartisan manner to accomplish the most pressing issues that face Americans. I urge my colleagues to support this legislation and invest in tomorrow's leaders.

RAYMOND G. MURPHY DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

SPEECH OF

**HON. STEVE BUYER**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 25, 2007*

Mr. BUYER. Mr. Speaker, I rise today to express my support for four bills that are before the House. H.R. 366, H.R. 2546, H.R. 2602, and S. 229 honor four Medal of Honor recipients who through their diligence and self-sacrifice protected the freedoms we hold dear today. As we move toward the Fourth of July recess, it is fitting that we pay tribute to these four men, two of whom were Native Americans.

H.R. 366 would pay honor to Ernest Childers by naming the VA Outpatient Clinic in Tulsa, OK, the "Ernest Childers Department of Veterans Affairs Outpatient Clinic." A Creek Indian from Oklahoma, Ernest Childers enlisted in the Oklahoma National Guard in 1937 to earn extra money while attending the Chilocco Indian School in north-central Oklahoma. He was deployed to Africa to fight in World War II, and retired from the Army in 1965 as a Lieutenant Colonel. During action in 1943 in Oliveto, Italy, Childers ordered covering fire and advanced up a hill, single-handedly killing two snipers, silencing two machine gun nests and capturing an enemy mortar observer. His courageous action helped American troops win the battle and save the lives of American soldiers. Ernest Childers was also awarded the Purple Heart and the Bronze Star for his actions.

H.R. 2546 would honor the sacrifice of a Cherokee Indian from North Carolina, Private First Class Charles George, who made the ultimate sacrifice while serving his country in

Korea. This legislation would name the VA Medical Center in Asheville, NC, as the "Charles George Department of Veterans Affairs Medical Center." Private First Class George displayed gallantry and outstanding courage above and beyond the call of duty in action against the enemy, when enemy forces launched a grenade into his company and after calling out a warning to his comrades, he pushed one soldier out of danger, and with full knowledge of the consequences, unhesitatingly threw himself upon the grenade, absorbing the full blast of the explosion. It is more than fitting that we name this VA facility in his honor.

H.R. 2602 would pay tribute to Oscar G. Johnson by naming the VA Medical Facility in Iron Mountain, MI, the "Oscar G. Johnson Department of Veterans Affairs Medical Facility." Another of our World War II heroes, U.S. Army Sergeant Oscar Johnson led his company to protect the left flank of an offensive to break the German's Gothic Line. Under heavy fire, most of his company were either killed or wounded. Yet Sergeant Johnson held the line, and continued to single-handedly hold the line from September 16–18, 1944. On September 17, 1944, 25 German soldiers surrendered to him. He was sent two additional men to reinforce his position, but they were both injured and were removed to their rear. He remained on watch through the night, and when finally relieved of his post on September 18, 1944, 20 dead Germans were found in front of his position. By his heroic stand and utter disregard for personal safety, Sergeant Johnson was in a large measure responsible for defeating the enemy's attempts to turn the exposed left flank.

The final bill under consideration is S. 229, which would honor Raymond G. "Jerry" Murphy by naming the VA Medical Center in Albuquerque, NM, the "Raymond G. Murphy Department of Veterans Affairs Medical Center." Serving in the U.S. Marine Corps Reserve in Korea, Second Lieutenant Murphy had positioned his unit above the Imjin River facing the Chinese Communist troops. On February 3, 1953, American forces attacked the Chinese Communists who were dug into high ground. As the battle went on, sensing the operation was not being executed as planned, Lieutenant Murphy led his reserve platoon up the hill to find all the officers and noncoms of the two assault platoons dead or wounded and confusion among the troops. In the midst of machine gunfire, he ordered his men to find their comrades and evacuate the area. Jerry Murphy made several trips in the midst of heavy gunfire to rescue casualties. At one point, Jerry Murphy was helping lift a stretcher when he was hit in the back by fragments of an enemy grenade. He refused medical attention and continued to lead his men to rescue their wounded comrades, holding off the Chinese Communist troops with an automatic rifle until all the Marines were safe. Wounded a second time, Second Lieutenant Murphy continued to refuse treatment and provided cover for his troops, until all Marines were safe and accounted for. The House companion bill for S. 229 is H.R. 474, introduced by Congresswoman HEATHER WILSON.

The four men we pay tribute today served their country with honor, valor, and courage. The three Medal of Honor recipients who survived to return to the United States continued to serve their country in the military and in

public service. After his retirement from the military in 1965, Ernest Childers continued his public service as a leader among the Creek Nation, and spoke out against racism. Oscar Johnson continued to serve his country as the foreman of a National Guard vehicle maintenance shop in Lansing, MI, and served for 30 years with the National Guard. Raymond Murphy dedicated 20 years of his life helping veterans in New Mexico, serving as the Director of the Veterans Services Division of the Albuquerque, NM, VA Regional Office from 1974–1997. After his retirement from the VA, he continued to volunteer at the VA hospital in Albuquerque. As a final tribute to the veterans he cared for, upon his death this past April, Raymond Murphy requested to be buried in his VA Volunteer smock.

It is right and fitting that we pay tribute to these Medal of Honor recipients, who through their service to a grateful Nation, continue to provide inspiration, pride and encouragement for generations to come.

DECEPTIVE PRACTICES AND VOTER INTIMIDATION PREVENTION ACT OF 2007

SPEECH OF

**HON. ROBERT A. BRADY**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 25, 2007*

Mr. BRADY of Pennsylvania. Madam Speaker, I rise in support of H.R. 1281, the Deceptive Practices and Voter Intimidation Prevention Act of 2007. As Chairman of the Committee on House Administration, the committee that has original jurisdiction on matters that relate to Federal elections, I encourage this measure to prevent voter suppression.

Over the past 100 years, this body has passed legislation regarding the very sacred franchise, the right to vote, that has significantly increased participation of all Americans across the Nation. No longer is the right to vote only made available for white, male land owners. Women, African-Americans, young people and others have been guaranteed their right to vote through the Constitution and various landmark legislation.

Therefore, any attempt to prevent an eligible American from exercising this fundamental right should be met with swift protective action. During the last election cycle, just north of this House in Maryland, fliers were distributed in African-American communities which falsely stated that candidates had been endorsed by their opponent's party and by prominent African-American leaders. Distributing this type of misleading information and intimidating voters through nefarious tactics are direct threats to our democracy that must not be tolerated.

Attempts to knowingly communicate false election-related information, with the intent to prevent Americans from exercising their right to vote, will be met with fines and/or imprisonment. The House and the nation should remain committed to ensuring that all eligible Americans have a guarantee that they will be able to exercise their right to vote free from intimidation and false pretenses.

I stand in full support of H.R. 1281, the Deceptive Practices and Voter Intimidation Prevention Act of 2007