

are unable to receive a tax deduction equal to the amount deferred until the compensation is received by the employee. This is a major financial drawback to these arrangements and constitutes a significant safeguard against their abuse. By contrast, foreign companies can locate in no-tax jurisdictions, provide deferred compensation to their U.S. employees, and suffer no economic loss, since the tax deduction is not relevant when the employer does not have any tax liability. Accordingly, there is a preference in the Code for U.S. taxpayers to defer compensation in certain offshore jurisdictions since it provides a significant tax benefit to the employee without any tax disincentive to their offshore employer.

There is a fundamental inequity between middle-class Americans who can defer up to \$15,500 of income into qualified plans, like a 401(k), and \$4,000 into their IRAs, and higher-income taxpayers who can defer unlimited amounts offshore. The Offshore Deferred Compensation Reform Act of 2007 seeks to rectify the inequity by eliminating the ability of U.S. taxpayers to defer non-qualified deferred compensation in offshore tax havens. Under this legislation, individuals who currently take advantage of such tax planning and who wish to make offshore deferrals would be limited to making deferrals under qualified arrangements which are subject to annual limitations. In this way, the legislation creates a level playing field for all U.S. taxpayers.

The legislation specifies that offshore non-qualified deferred compensation paid by a foreign corporation will be taxable income when there is no substantial risk of forfeiture to the compensation by the employee. A substantial risk of forfeiture exists where the receipt of compensation is conditioned upon the future performance of substantial services in order to receive that compensation. The Offshore Deferred Compensation Reform Act of 2007 is not intended to prohibit a foreign deferred compensation arrangement if the foreign corporation entering into the arrangement is subject to tax on substantially all of its income and denied an immediate deduction for compensation that is deferred. For purposes of the legislation, a foreign corporation would be any foreign corporation unless substantially all of its income is effectively connected to a trade or business in the United States or is subject to an income tax imposed by a foreign country that has a comprehensive tax treaty with the United States, and a deduction is allowed for compensation under rules that are substantially similar to the way in which the United States provides deductions for compensation. In addition, the Secretary of the Treasury is given authority to determine whether a foreign corporation that operates in a country without a formal tax treaty with the United States can qualify for the exemption.

There are many different ways to structure an offshore deferral arrangement. A prototypical structure would be an executive who elects to defer his or her year-end bonus in an offshore investment fund for a period of time—typically, five to ten years. Assuming it complies with the Code Section 409A requirements, the bonus and any associated earnings would not be taxable until the end of the term of the arrangement. These types of deferral arrangements comply with current law. But while they may be legal, they are not fair, and for this reason my legislation would change current law to make the offshore deferred

compensation taxable immediately when the deferral arrangement is granted. However, because taxpayers should not be penalized for complying with current law, my legislation includes an effective date that only affects compensation earned, vested, and deferred after 2007.

Finally, the New York Times published a story on April 17, 2007, entitled “Managers Use Hedge Funds as Big I.R.A.’s.” The story described the ability of hedge fund managers to defer unlimited amounts offshore, and contrasted this with the ability of middle-class taxpayers to defer up to \$20,000 in a qualified plan, like a 401(k), and an IRA. While the New York Times article focused on the ability of hedge fund managers to use offshore deferral arrangements, other types of industries could use foreign corporations based in no or low-tax countries as vehicles for offshore deferred compensation. For this reason, my legislation does not single out investment firms, and applies broadly to any industry that might use this type of arrangement.

I look forward to working with my colleagues, and specifically Senator KERRY who introduced the Senate version of this legislation, to address this issue.

A TRIBUTE TO GLENDALE PUBLIC LIBRARY

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 2007

Mr. SCHIFF. Madam Speaker, I rise today to pay special recognition to the Glendale Public Library upon the celebration of its One Hundredth Anniversary.

Services at the Glendale Public Library were first provided in 1906 when the members of the Tuesday Afternoon Club, a social and philanthropic organization, raised money through a series of lectures to fund a library collection. The library opened in a renovated poolroom with seventy books, and became a municipal library the next year. The Central Library building opened in 1914 with the help of a grant from the Andrew Carnegie Corporation. By 1923, the City’s 35,000 residents were borrowing about 150,000 books a year. The Casa Verdugo Branch was established in 1926 as the library system’s second neighborhood library and in that same year the Central Library building was enlarged to twice its original size.

Throughout its one hundred year tenure, the growing Glendale Public Library has been committed to serving the community from the Library’s collections of almost 700,000 books, over 25,000 music CDs and almost 14,000 movies. The library offers a large collection of non-English materials, particularly in Armenian, in order to better serve Glendale’s diverse community. Among its wide array of services, the library comprises a Genocide Memorial Collection, which it hopes will encourage research in this field. The Glendale community has also greatly benefited from the technological advances at the Glendale Public Library. The addition of wireless Internet and the ability to download literally thousands of magazine and newspaper articles make the Library and its Web site—open 24 hours, seven days a week—valuable community resources

I ask all Members to join me today in honoring the Glendale Public Library upon the celebration of its One Hundredth Anniversary. The entire community joins me in thanking the Glendale Public Library for the outstanding services that it has provided for California’s 29th Congressional District.

HONORING BOB BALDRIDGE’S 40-YEAR CAREER AT TSSAA

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 2007

Mr. GORDON of Tennessee. Madam Speaker, I rise today to congratulate Bob Baldridge on his retirement from the Tennessee Secondary School Athletic Association.

Bob joined TSSAA 40 years ago and was given the task of developing the classification system used in high school sports in Tennessee. During his four decades with TSSAA, he has watched the landscape of high school sports change through developments such as the introduction of the football playoff system and the implementation of Title IX.

Bob’s job has led him across the State countless times, but the journeys have changed over the years. There are probably few people in the State who share Bob’s perspective of how the landscape of Tennessee has changed as interstates were built, towns blossomed, and school systems grew.

After 40 years on the road, Bob has been to a lot of games but hasn’t had much time to actually watch them. Now, he can enjoy life as a spectator and see games that are played with an honesty and heart unique to high school sports.

Bob, I have enjoyed your friendship over the years, and I wish you all the best in your retirement.

IN HONOR OF MEL MASON

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 2007

Mr. FARR. Madam Speaker, I rise today to honor a great American, Mr. Mel Mason, on the occasion of his recognition by the Monterey Peninsula Branch of the National Association for the Advancement of Colored People with its Stephen E. Ross award for community service. I have known Mr. Mason for many years. He has distinguished himself in so many fields: as a mentor, an athlete, a public servant, and most of all as an advocate for justice.

Mel was born on January 7, 1943 in the Appalachian coal mining town of Providence, KY. As an African American, Mel suffered the full force of that community’s Jim Crow era segregation. In 1956, Mel moved with his mother to Seaside, CA. As a young man, Mel made a mark on the basketball court at both Monterey High School and Monterey Peninsula College where he was the stand out basketball star of his day. He still holds the MPC scoring record. While serving in the Air Force, he became the youngest basketball player to

be named All-Air Force team and in 1964 led all branches of the military in scoring in Europe. After returning from the Air Force, Mel then attended Oregon State University for a short time under a basketball scholarship.

In the Air Force and then at OSU, Mel encountered head on deep seated racism in his superior officers and coaches. Mel fought back, for which he paid a price. In 1965, his complaints about his treatment in the Air Force earned him a bad conduct discharge. In 1966, his complaints and actions at OSU over its treatment of him and other black players led to the loss of his scholarship and a ban on Mel from playing basketball at any U.S. college. U.S. Senator Thomas Kuchel later helped Mel change his discharge to honorable but the college ban stayed and Mel returned to California.

These experiences truly fired Mel up and he became a burr under many saddles. He helped organize a Black Workers Unity Organization to fight racism at a San Jose company where he worked. Back in Monterey County he organized a Black United Farm-workers Union support committee during UFW's organizing efforts in the Salinas Valley in the early 1970s. He helped organize the first anti-police brutality campaigns on the Monterey Peninsula and has remained an advocate for fair treatment for people of color and the mentally ill by law enforcement agencies in his community. In the 1990s, Mel co-founded both the Regional Alliance for Progressive Policy and the Pro-Democracy Education Fund. In 2002, Mel began the first of two consecutive terms as President of the Monterey Peninsula Branch of the NAACP.

Throughout the early 1970s Mel was an active member of the Black Panther Party, and later the Socialist Workers Party. He ran successfully for a seat on the Seaside City Council where he championed programs for youth, tenants, organized labor, and minorities. Mel later ran unsuccessfully as the SWP candidate for California Governor and President of the United States.

Much of Mel's work has been called subversive by many. Some of the organizations that he has been associated with over the years are not popular. While Mel may not have always made right argument, he has always argued in the right way. He has taken unpopular ideas into the democratic process and so made our Nation a better democracy. Madam Speaker, I wish to extend the congratulations of this House to Mr. Mel Mason for his achievements so far and our wishes for his success in the future.

PERSONAL EXPLANATION

HON. JOHN SULLIVAN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 2007

Mr. SULLIVAN. Madam Speaker, I missed rollcall vote 968 to H.R. 3678 taken on October 16, 2007. Had I been present for this vote, I would have voted "aye."

While I support this extension of the Internet tax moratorium, simply extending the ban another four years is not enough. We need to

make this ban permanent so that Oklahoma's families can continue to stay connected to each other and use the Internet for educational, business, and recreational purposes.

RECOGNIZING OCTOBER AS
BREAST CANCER AWARENESS
MONTH

HON. DAVID SCOTT

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 2007

Mr. SCOTT of Georgia. Madam Speaker, I rise today to acknowledge, celebrate and honor the thousands of women throughout the country who have been diagnosed, currently fighting or have survived breast cancer. As the husband of a courageous wife who survived this disease, I, as many others, have been affected personally. I understand the struggle, pain and sometimes heartache it can inflict on the person diagnosed, in addition to family and friends. I believe we all have been affected by breast cancer in some way, whether it is a spouse, daughter, mother or grandmother. Breast cancer really affects us all.

I whole-heartedly support additional funding for breast cancer research, screening and treatment programs. Too many women go undiagnosed until it is too late. We must further provide additional education and prevention programs to those women who slip through the cracks, especially those in low-income communities, as a lot of these women lack the health insurance coverage necessary for annual mammograms. We could also save millions of tax dollars if we could detect this disease sooner. The best way of surviving this devastating disease is early detection and programs which ensure the mammogram is fairly inexpensive and which will encourage more women to be tested.

I have recently joined with my fellow colleagues in signing a letter to the House Defense Appropriations Conference urging them to recede to the Senate language that funds the Department of Defense Peer-Reviewed Breast Cancer Research Program at \$150 million for the Fiscal Year 2008. This important program was created 15 years ago and has proven to be highly successful and has become one of the most far-reaching and influential research initiatives in the country. I believe any research program that serves as a model internationally and has actually made critical breakthroughs resulting from its research is a wise taxpayer investment; a small investment which yields big results.

I have long been a passionate advocate for breast cancer awareness and research. As a Georgia State Senator, I authored the Breast Cancer Patient Protection law which gives breast cancer patients and their physicians the right to determine their length of stay in the hospital and their level of medical treatment. Currently, the Breast Cancer Patient Protection Act has vast bipartisan support and would require health plans to provide coverage for a minimum hospital stay for mastectomies, lumpectomies and lymph node dissection for the treatment of breast cancer. With my support, I am hopeful this legislation will move forward during the 110th Congress. In cospon-

soring numerous pieces of legislation in my years in Congress, I will continue to fight for additional provisions in the law and funding for programs which will help the thousands of women diagnosed each year.

The statistics can be telling. Every three minutes, a woman is diagnosed with breast cancer and is the leading cause of death among women between the ages of 40 and 55. In fact, 1 out of every 98 women who live to the age of 85 will develop breast cancer in her lifetime. Unfortunately, all women are at risk for breast cancer. About 90 percent of women who develop breast cancer have no family history of breast cancer. Breast cancer is further the most common cancer among African American women. It is true older women are more likely to develop breast cancer than younger women. However, younger women are still at risk for the disease and currently, 250,000 women under the age of 40 have breast cancer. Simply put, the disease can strike from an early to older age and additional research and awareness to this fact is of utmost importance. Mammograms may be necessary earlier than was once thought and only additional research monies will help us determine if this is the case. As a father of two young women, raising awareness and developing more effective screening and diagnostic tools for this age group is vital to affording them the same chances of survival.

We must also pay close attention to research being conducted with regards to the environment and how it may affect the incidence of this disease. As a cosponsor of the Breast Cancer and Environmental Research Act, I believe authorizing grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer could yield miraculous results. There may very well be parallels between the environment and this devastating disease and any findings could help derive new treatments and help thousands survive.

Madam Speaker, I urge all Georgians to take measures to protect and keep their health. I encourage my constituents and their friends and family to be aware of measures that can be taken to improve their health and further prevent the incidence of this disease. My goal in representing the 13th District of Georgia has always been to be responsive to my constituents' concerns and to ensure the thoughts and views of all Georgians are heard in Congress. As a member of Congress, it is my duty to help bring attention to issues my constituents deem significant, and breast cancer is one such issue. I join with countless others this month to honor the inspiring strength of breast cancer patients and the dedication of health professionals who care for them. Our inspiration is great: breast cancer survivors who have won their fight, and the friends and families of those women who unfortunately did not. Almost everyone in America has been touched by this disease, and I believe we can work together to ensure in years to come, the incidence is lowered and we indeed find a cure. Again, I applaud the brave individuals fighting this disease and the medical professionals and organizations who so intently dedicate their time to the cause. God bless.