



U.S. Congressman

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RAHALL SIGNALS SUPPORT FOR ENTERPRISE ZONES BILL

WASHINGTON, D.C. -- U.S. Rep. Nick Rahall (D-WV) today announced he has lent his support to a bill calling for the implementation of enterprise zones. A concept that would provide tax incentives to businesses willing to locate in economically struggling areas.

"This legislation would give struggling economies a leg up," said Rahall. "As it stands now, it is not enough that West Virginia has the lowest crime rate in the nation and one of the most affordable economies. We have to bait the hook with incentives and one way to do that in today's tight economy is through the enterprise zone concept."

Rahall joins Ways and Means Committee Chairman Dan Rostenkowski (D-IL) who introduced the bill that would call for 25 zones to be set up nationwide. These zones would be chosen by the Housing and Urban Development Secretary. The legislation would also call for businesses to receive tax credits for hiring residents of a designated zone, and for providing them with health insurance.

"By providing businesses with the incentives to relocate, we offer them a chance to find out just how many options they will have in West Virginia," said Rahall. "We have learned how to open West Virginia's door to the world, the next step is pulling them over the threshold."

Rahall noted that both Bluefield and Huntington had applied to the Department of Housing and Urban Development for consideration in setting up free enterprise zones. He added that in 1986, the West Virginia state legislature passed a law setting up an Enterprise Authority charged with the implementation of free enterprise zones.

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and reports by properly qualified private persons.

Section 2(d) provides that the rule should establish the procedures to be followed in conducting the required inspections.

Section 2(e) requires air carriers to make aircraft and records available for the required inspections.

Section 3 directs the Administrator to establish three aircraft maintenance safety programs:

(1) A program to verify that air carriers are maintaining their aircraft in accordance with programs approved by FAA.

(2) A program to provide training and enhanced participation of FAA inspectors and engineers in conducting corrosion and metal fatigue inspections.

(3) A program to ensure that air carriers demonstrate either commitment and technical competence to assure the airworthiness of their aircraft.

If you wish to become a cosponsor of this bill, have your staff contact the Aviation Subcommittee staff at extension 59161.

ENTERPRISE ZONE LEGISLATION

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 3, 1991

Mr. ROSTENKOWSKI. Mr. Speaker, I am introducing today important legislation to provide Federal incentives for investment in our most distressed and impoverished areas. The Enterprise Zone Tax Incentive Act of 1991, very similar to legislation which I sponsored last year (H.R. 5190), is designed to aid those areas of the country which were bypassed by the economic recovery that occurred generally in our country over the last decade. These locales have suffered the most, even before the recent downturn in our economy. As I stated during the Committee on Ways and Means hearings on enterprise zone proposals in 1989, the lack of job opportunities, poor educational facilities, and job skills keyed to a changing economy form a vicious cycle of poverty in many of these areas.

The legislation introduced today represents a comprehensive effort to improve the economic and personal quality of life in these areas of the country. It would provide direct Federal incentives for employment, child care, housing, health insurance, and capital investment. The bill also recognizes that direct Federal tax incentives alone will not overcome the poverty and stagnation in many of these areas. Businesses want to operate in safe communities, with access to markets and quality schools and housing to attract good and long-term workers. In addition, startup businesses and others may not have the profits necessary to use Federal tax incentives. This legislation would award extra Federal tax incentives to those communities demonstrating a financial commitment to their own development in the form of crime prevention, infrastructure, property and sales tax abatements, and loans or grants to small business.

It remains essential that we find a way to inject new capital investment into these impoverished areas. We must create a climate in which new businesses can develop and existing businesses can remain and thrive in an enterprise zone. This legislation would allow the deferral of an individual's capital gain on the sale of any asset wherever located if it is

reinvested in an enterprise zone. It would lessen part of the risk of investing in an unproven enterprise zone business by making losses realized on stock or debt or those businesses fully deductible against ordinary income.

Because I believe strongly that communities benefit when people live where they work, this legislation also would give small businesses tax credits for employing workers who live in the zone. It also would give businesses credits for providing these same residents with health insurance. It would encourage child care facilities, either in the parents' apartment building or place of work. It would assist the rehabilitation of existing buildings which may now sit idle or underused. The more resources a State or local government is willing to dedicate to an area, the more likely the area could be designated an enterprise zone and the more tax incentives the zone could receive.

The bill also helps the local community get the most bang for the buck by allowing them to determine which benefits are the most helpful for their particular area. Those communities can negotiate for the most efficient investments when they can control the mix of incentives.

Let me emphasize my desire to provide a meaningful incentive to improve the plight of our poorest neighborhoods. I live in the inner-city. I know first hand of the decay, the poverty, the hopelessness that many who live in these communities feel. While I am a realist about our ability to solve many of the problems of those least able to help themselves, I believe that we can provide some hope for a brighter future through these benefits and incentives.

Because I understand the fiscal restraints on our ability to finance solutions to these problems in times of tight budget considerations, this legislation places an annual cap on the total amount of tax incentives which can be used for each enterprise zone. The cap is designed to limit the cost of this legislation roughly to the revenue cost the administration attached to its own enterprise zone proposal in 1990. The cap has been set based upon preliminary revenue estimates of the revenue impact of this legislation, and some further adjustment of the cap amount may be required at the time such revenue estimates are refined. These limits are the only way that the Government can be certain that the costs of this legislation will not skyrocket beyond both our willingness and our ability to fund the program. Like all other legislation, if enterprise zone incentives are enacted, they must be fully financed under the pay-as-you-go budgetary discipline.

I know that it will not be easy to enact this legislation. It will be controversial. Some wish to provide no special incentives to help the most needy pull themselves out of the spiral of poverty. Others, who may wish to help, would go about it in a very different way. I sincerely hope that we can work out our differences, and enact this legislation as expeditiously as possible in the 102d Congress. By introducing this legislation today, I hope to move the debate forward toward that successful conclusion.

CLAY AND HORTON SPONSOR LEGISLATION TO PROMOTE FULL CITIZENSHIP OF FEDERAL AND POSTAL WORKERS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 3, 1991

Mr. CLAY. Mr. Speaker, today my good friend and colleague on the Committee on Post Office and Civil Service, FRANK HORTON, and I are introducing the Federal Employees' Political Activities Act of 1991. In doing so, we are continuing a bipartisan effort to restore to 3 million Federal and postal employees the right to freely and fully exercise the most basic right of American citizenship, the right to choose their government.

The Hatch Act is among the most ignoble laws ever enacted in this country. It precludes Federal and postal employees from speaking at political gatherings, from serving as delegates to political conventions, from circulating nominating petitions, or from running for partisan office. In short, the law provides that while they may vote, Federal and postal employees, even when acting as private citizens, are precluded from engaging in virtually any other organized activity to make their political views and desires known. Today, there are over 3,000 separate regulatory rulings interpreting and enforcing the Hatch Act.

In the face of this regulatory morass, Federal and postal workers have little idea as to just what constitutes unlawful political activity under the Hatch Act. To the extent that the law serves any end at all today, it serves to intimidate and discourage Federal and postal employees from engaging in any political activity; and, regrettably, both Democratic and Republican administrations have sought to use the law to muzzle perceived opponents. The incoherent and irrational restrictions of the law, coupled with its inconsistent, biased enforcement, are justification enough for its reform. There is, however, a greater imperative for revisiting this statute.

The severity of the restrictions on the freedom of speech and freedom of assembly of Federal and postal employees imposed by the Hatch Act should be more readily apparent to us, assembled in this House, than perhaps any other group of Americans. We, even more than others, understand that voting is merely the bottom line of a complex political process. The events that proceed it, the months of expressing views; persuading friends, neighbors and relatives; the telephone and house to house canvassing; the organizing at the county, ward, and precinct levels; the neighborhoods teas, precinct caucuses, and county conventions; these are the nuts and bolts of a successful campaign. These are the means by which one truly makes one's voice heard in this country, and it is these very means of expression that are denied to Federal and postal employees.

Our bill ensures that Federal and postal employees, as well as the public, shall be able to freely choose, without fear of intimidation, whether they wish to participate in the politics of their country, be it local, State, or national. It better protects Federal and postal employees from the coercion and intimidation intended to force political involvement, the kind of