

guided the crippled plane to a safe landing and passengers and crew had *naïf* a scratch.

It seems eons ago that Berlin was a city divided and West Berlin was surrounded by communist East Germany. Captain Macdonald flew Pan American 727's that connected Berlin to its free countrymen in a years-long effort that kept hope alive for the united Germany we have today.

Over the years, Capt. Macdonald was selected for leadership positions by both his fellow pilots and his company. He served in top executive positions for the Airline Pilots Association and rose to be Chief Pilot for Pan American in Los Angeles. He held that position when Pan Am sold its Pacific routes to United Airlines and Capt. Macdonald was chosen to pilot the first United non-stop to Tokyo.

Mr. Speaker, on April 26, Capt. Macdonald will fly from our nation's capitol to San Francisco on his last trip as a commercial airline pilot. I ask my colleagues to join me in wishing George Macdonald and his co-pilot—his beautiful wife, Peggy—much love, health, and happiness in retirement.

#### INTERNAL REVENUE CODE'S COST RECOVERY RULES

#### HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 18, 1998*

Mr. SHAW. Mr. Speaker, as a Member of Congress, I am continually seeking sound policy changes that will make and keep our economy productive, create jobs and improve the overall quality of life for Americans. It is my belief that an important element of a productive economy is modern, efficient and environmentally responsible space for Americans to work, shop and recreate. In order to create and maintain such space, a building owner must regularly change, reconfigure or somehow improve office, retail and commercial space to meet the needs of new and existing tenants.

I believe that the Internal Revenue Code's cost recovery rules associated with leasehold improvements are an impediment for building owners needing to make such improvements. Therefore, I am pleased to introduce this legislation to change the cost recovery rules associated with leasehold improvements.

Simply stated, this legislation would allow building owners to depreciate specified building improvements using a 10-year depreciable life, rather than the 39 years required by current law, thereby matching more closely the expenses incurred to construct these improvements with the income the improvements generate under the lease.

To qualify under the legislation, the improvement must be constructed by a lessor or lessee in the tenant-occupied space. In an effort to ensure that the legislation is as cost efficient as possible, improvements constructed in common areas of a building, such as elevators, escalators and lobbies, would not qualify; nor would improvements made to new buildings.

Office, retail, or other commercial rental real estate is typically reconfigured, changed or somehow improved on a regular basis to meet the needs of new and existing tenants. Internal walls, ceilings, partitions, plumbing, lighting

and finish each are elements that might be the type of improvement made within a building to accommodate a tenant's requirements, and thereby ensure that the work or shopping space is as modern, efficient, and environmentally responsible as possible.

Unfortunately, today's depreciation rules do not differentiate between the economic useful life of a building improvement—which typically corresponds with a tenant's lease-term—and the life of the overall building structure. The result is that current tax law dictates a depreciable life for leasehold improvements of 39 years—the depreciable life for the entire building—even though most commercial leases typically run for a period of 7 to 10 years. As a result, after-tax cost of reconfiguring, or building out, office, retail, or other commercial space to accommodate new tenants or modernizing work places is artificially high. This hinders urban reinvestment and construction job opportunities as improvements are delayed or not undertaken at all.

Additionally, a widespread shift to more energy-efficient, environmentally sound building elements is discouraged by the current tax system because of their typically higher expense. For example, the Natural Resources Defense Council notes that commercial lighting alone consumes more than one-third of the electrical energy produced in the United States. If a greater conservation potential of energy-efficient lighting were to be realized, the demand for the equivalent of one hundred 1,000-megawatt power plants could be eliminated, with corresponding reductions in air pollution and global warming.

Reform of the cost recovery rules for leasehold improvements has been long overdue but we are making progress. Two years ago, Congress enacted legislation I sponsored, along with my colleague Mr. RANGEL, that would clarify that building owners are permitted to fully deduct and close out any unrecovered leasehold improvement expenses remaining at the time a lease expires and the improvements is demolished. Resolution of the "close-out" issue was an important reform step. Modifying the recovery period for improvements is the logical and reasonable next step in the reform process.

This legislation should be enacted this year. This would acknowledge the fact that improvements constructed for one tenant are rarely suitable for another, and that when a tenant leaves, the space is typically built-out over again for a new tenant. It is important to note that prior to 1981 our tax laws allowed these improvement costs to be deducted over the life of the lease. Subsequent legislation, however, abandoned this policy as part of a move to simplify and shorten building depreciation rules in general to 15 years. Given that buildings are now required to be depreciated over 39 years, it is time to face economic reality and reinstate a separate depreciation period for building improvements to tenant occupied space.

I urge all Members of the House to review and support this important job producing, urban revitalization legislation, and I look forward to working with the Ways and Means Committee to enact this bill.

#### TRIBUTE TO BROCKWAY TOWNSHIP'S SESQUICENTENNIAL CELEBRATION

#### HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 18, 1998*

Mr. BONIOR. Mr. Speaker, the history of the United States is one of a colorful patchwork, stitched by people of diverse backgrounds and cultures. On March 22, the people of Brockway Township will celebrate their one-hundred and fifty years of history with a new township sign and an old-fashioned hoe-down.

In 1836, Lewis Brockway, John Grennell and James Haines were the first settlers of the area now known as Brockway Township. After 12 years, the Michigan legislature passed an act on March 17, 1848 to legally establish the township.

Brockway Township was blessed with fertile farming land and rich forests. Farming, lumber mills and woolen mills were the townships most successful occupations. In 1881, Brockway shifted to Brockway Center to take advantage of the railroads. It is said that people moved homes and business on skids to take advantage of the new technology.

Small midwestern towns are America's treasure. We are all drawn to the farmers markets, festivals, and parades that remind us of our heritage. Throughout the past one-hundred and fifty years, Brockway Township has witnessed the evolution from carriages to trains to automobiles; from wood planked, hand laid roads to the concrete freeways. But despite all the changes, it is the strong spirit of the citizens of Brockway Township that keeps the history alive and the hope for a successful future in the hearts of all who visit. On behalf of the people of the 10th District—Happy Birthday Brockway Township.

#### A TRIBUTE TO THE LEXINGTON DREAM FACTORY—"10 YEARS OF MAKING DREAMS COME TRUE"

#### HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 18, 1998*

Mr. ROGERS. Mr. Speaker, on Saturday, March 28th, a very special group of people will be gathering in Lexington to celebrate a very special anniversary.

March 28th marks the 10 year anniversary of the Lexington Dream Factory, a non-profit volunteer organization dedicated to making the wishes of critically-ill children in central and eastern Kentucky come true.

To commemorate the Dream Factory's anniversary, over 75 families of children who have been granted special wishes over the years will be gathering for a reunion celebration. This will be a time to come together, to rekindle friendships and start new ones, to find strength from others, and to celebrate the lives of the children.

Many of these families are from my congressional district, and I know how important the work of the Dream Factory has been to them. Families with children experiencing life threatening illnesses face what is perhaps the most tremendous and difficult challenge of

their lives. They are focused on helping their child get better, and feel better. They want to do everything possible to bring a smile to the face of their child.

The Lexington Dream Factory has helped those smiles appear. Since it was organized in 1988, it has granted over 350 dreams, bringing laughter and joy to the faces of these critically-ill children, and to the faces of their families. Dreams have ranged from Disney World family vacations, to shopping sprees at local stores.

I want to salute the Dream Factory and offer my best wishes to all the families gathering on March 28th. I'm hopeful this reunion will prove to be a celebration of life, remembering those children who are no longer with us and giving strength to those who are fighting to get well.

#### SCIENCE IS THE FOUNDATION OF TECHNOLOGICAL PROGRESS

**HON. EDDIE BERNICE JOHNSON**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 18, 1998*

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, strong math and science curricula is crucial to our American youths' education. The results of the Third International Mathematics and Science Study (TIMSS) shows that American high school seniors rank near the bottom in math and science education when compared to their international counterparts. In addition, there are 346,000 unfilled information technology jobs nationwide. In each of our districts, there is a lack of skilled professionals for information technology jobs particularly related to the lack of specialized math, science, and technology high school curriculum.

In order to solve both of these problems, I am introducing The Information Technology Partnership Act. This bill creates a partnership between Local Education Agencies (LEAs) and local businesses to provide a sound math, science, and technology curriculum coupled with college internships and scholarships through the National Science Foundation. The Information Technology Partnership Act creates an additional grant program through the National Science Foundation's (NSF) Urban Systemic Initiative (USI) Program. The USI Program focuses primarily on math and science by using mentor teachers to help educators introduce an innovative and engaging math and science curriculum to K-12 students in the inner city.

This "IT Partnership" grant is aimed at improving scientific and mathematical literacy of all students in urban communities while fostering a student's career in the information technology field. This partnership consists of Local Education Agencies (LEAs) and local businesses investing in the educational development of the youth in their district. The specialized curriculum and scholarships would assist students in filling future information technology jobs. Specifically, the "IT Partnership" grant focuses on math and science curricula for students in grades 10-12, and offers internships and scholarship opportunities for students ma-

joring in fields related to information technology.

Under the NSF's USI Program, eligibility for the "IT Partnership" grant is limited to the cities with the largest number of school-age children (ages 5 to 17) living in economic poverty, as determined by the 1990 census. The following cities are eligible for this grant: Atlanta, Baltimore, Bayamon, Boston, Chicago, Cincinnati, Cleveland, Columbus, Dallas, Detroit, El Paso, Fresno, Houston, Indianapolis, Jacksonville, Los Angeles, Memphis, Miami, Milwaukee, New Orleans, New York City, Phoenix, Philadelphia, Ponce, San Antonio, San Diego, San Juan, and St. Louis.

This grant awards five LEAs \$300,000 to develop math and science, and technology curricula for grades 10-12, and to train teachers in technology. In order for LEAs to win this grant, they must enter into a partnership with businesses in their community. These businesses would commit to provide to LEAs, at a minimum, internships, scholarships, mentoring programs, and computer products. Local businesses would promise a LEA scholarship money which would be awarded to high school seniors who will be majoring in fields associated with information technology (math, computer science, engineering) at 2-year or 4-year colleges. The partnership between the LEAs and local business sponsors would determine the amount and number of scholarships given.

It is important to note that the LEAs will have direct responsibility for overseeing the program. NSF's role is limited to determining which five (5) cities meet the criteria for eligibility. The NSF Director will award the "IT Partnership" grants to the 5 cities with the best package of business sponsorship and curricula development. In addition, priority will be given to LEAs which grant scholarships to students who are first generation college students, have a strong desire to pursue a career in the information technology field, show scholastic achievement, and submit teacher recommendations.

In addition to the NSF's USI's reporting guidelines, a longitudinal study will be submitted to Congress after four years from the awarding of the grant.

**DOBROSLAV PARAGA**

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 18, 1998*

Mr. TOWNS. Mr. Speaker, we rise today to acknowledge the efforts of Dobroslav Paraga, a political opposition leader from Croatia, to bring about democratic and human rights reforms in his country. As our colleagues are probably aware, we recently introduced a resolution, H. Res. 375, expressing our concern about repression by the Government of Croatia of these rights. In 1989, Mr. Paraga met with Members of both Chambers of the Congress and as a result S. Res. 169, calling for respect of human rights throughout the former Yugoslavia, passed the Senate and a companion resolution, H. Res. 240 was introduced in the House.

Mr. Paraga has been an eloquent spokesman for the rights of the citizens of Croatia and we, in the Congress, respect his commitment and courage. As a result of his efforts, he has been the target of harassment, political trials and several suspicious assassination attempts. Soon Mr. Paraga will be returning to his home in Zagreb and we will be monitoring his treatment by the Croatian government. We are inserting a statement by Attorney Joseph A. Morris, who successfully represented Mr. Paraga as co-counsel in the trial that followed his last visit to the Congress in 1993. Attorney Morris is a former Assistant Attorney General of the United States and is President of the Midwest Region of B'nai B'rith in the United States. We believe Members will be interested in his statement which follows:

#### STATEMENT OF JOSEPH A. MORRIS<sup>1</sup> ON POLITICAL LIBERTY IN CROATIA AND THE CASE OF DOBROSLAV PARAGA

In 1993,<sup>1</sup> in association with Zvonimir Hodak, barrister and counselor at law of Zagreb, Croatia, I accepted the defense of Dobroslav Paraga, then a Member of the Croatian Parliament and President of the Croatian Party of Rights, which was then the largest opposition party in the Republic of Croatia, against charges tantamount to an indictment for treason. The case was tried before a military court in Zagreb.

Although the case of *Military Public Prosecutor v. Paraga* resulted in a happy outcome—Mr. Paraga was acquitted—I nonetheless remain concerned, now more than four years later, about the chilling effect that the mere bringing of the case has had upon freedoms of speech and association in Croatia. The development of strong democratic institutions and traditions depends upon the establishment of a free and robust political life, including competing political parties and open political debate. Objective observers must register dismay at the lack of progress in such development in Croatia.

Mr. Paraga, then 33, married and the father of three young children, has been charged with speaking publicly, within and without Croatia, to the "embarrassment" of the President of the Croatian Republic, Franjo Tudjman. Mr. Paraga had excoriated the Tudjman regime's participation in "ethnic cleansing" directed at Serbs and Moslems within Croatia and at Moslems in Bosnia. He called for Croatia to respect the individual human rights of its residents and neighbors, irrespective of their religious and ethnic backgrounds and national and political allegiances. He condemned the regime, dominated by former communists, for dragging its feet in building Croatia's free-market economy. Some of these charges derived from a speech that Mr. Paraga gave to the National Press Club in Washington, D.C.

Identical charges against Mr. Paraga were dismissed in 1992 by Croatia's civilian courts. The Supreme Court of Croatia ultimately ordered Mr. Paraga's release from the "interrogation jail" where he had been held by the regime during the pendency of his case. Two days later President Tudjman removed the Chief Justice of Croatia from office. The regime thereafter constituted a special military tribunal in Zagreb for the purpose of hearing the same charges against Mr.