SUPPORT THE SPOUSAL EQUITY IN BANKRUPTCY AMENDMENTS OF 1994

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1994

Ms. SLAUGHTER. Mr. Speaker, today I am introducing the Spousal Equity in Bankruptcy Amendments of 1994, legislation to give high priority to child support and alimony payments in the event of bankruptcy.

The 1978 overhaul of the Bankruptcy Code was necessary to reexamine bankruptcy procedure and strike a careful balance between the rights of creditors and debtors. This year, the Code should again be revisited. The passage of time has rendered a number of provisions obsolete and current problems not originally envisioned must be addressed.

One such problem concerns alimony and child support payments. While the current Code does not allow courts to forgive outstanding debts "in the nature of support," child support and alimony are given no priority when a debtor has assets and the proceeds are distributed. Thus, even while creditors can be paid, spouses and children who are entitled to support are not likely to be the beneficiaries. My legislation would elevate child support and alimony from their current status as general unsecured debts to formally prioritized debts, thereby ensuring that a spouse with dependent children will receive support payments without waiting for years.

In addition, my legislation establishes a Bankruptcy Commission to study the impact of bankruptcy laws on the family, and it protects child support and alimony payments from judicial liens and trustee avoidance proceedings.

The Spousal Equity in Bankruptcy Amendments also takes into account a little-known but potentially devastating loophole in bankruptcy and divorce proceedings. In the midst of a divorce or separation agreement, it is not uncommon for the custodial parent to accept a lower level of child support and/or alimony payments in exchange for the other parent's agreement to assume the couple's marital debts; these could be any debts which have been incurred over the marriage, such as auto loans, mortgage payments, and credit card bills. If the noncustodial parent declares bankruptcy following this agreement, however, the marital debts would then fall to the custodial nonbankrupt spouse. Since child support and alimony was negotiated down earlier, the custodial parent faces a bleak future: little to no support payments, the heavy responsibilities of the couple's debts while married, and the normal expenses that come with rearing children alone. This unfortunate situation does, indeed, occur and is the subject of current court proceedings within my home State of New York.

My legislation would expand current law to include these marital debts among those which are not discharged by a bankruptcy filing. I think it is outrageous that wives and dependent children would have to answer to all the couple's creditors for debts the husband agreed to pay in return for lower support and alimony. This relatively small—but vital—change in the Bankruptcy Code proposed by my legislation would prevent this, and ensure a more equitable treatment of all parties in the event of bankruptcy.

The spousal equity in bankruptcy amendments will also contribute to ending the cycle of poverty and welfare for custodial parents. Delinquent support payments and marital debts can be overwhelming for single-parent families to endure. The burden is further shifted on the Federal Government when these families face no other choice but welfare to provide the support the absent parent ought to be providing. Prioritizing support payments and shielding single parents against the shifting of spousal debts can help break this tragic welfare cycle.

Mr. Speaker, the President has said that ending prolonged dependence on welfare is a priority. Many of our colleagues have also recognized the urgent need to amend the current Bankruptcy Code. My legislation speaks to both important tasks. I urge my colleagues to support the Spousal Equity in Bankruptcy Amendments of 1994.

LIFTING THE BAN ON ALASKAN OIL

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1994

Mr. DELAY. Mr. Speaker, the Department of Energy has just produced a study which makes a compelling case for an action some of us have supported for a long time. That action is the lifting of the ban on exporting crude oil from the Alaska North Slope. The Department has indicated, in its careful and deliberate study, that this would have a very positive effect on jobs in both the production and shipping industries.

If the President really wants to help the ailing domestic energy industry, he should take heed of the results of this study by his own executive agency. This is a way to help spur domestic production and bring stability to our domestic producers with absolutely no cost to the taxpayers.

Mr. Speaker, during his campaign the President often spoke of encouraging innovative solutions to our domestic problems. Here is one thing he can do to give life to his words. He should throw the weight of his administration behind the legislative effort to end this anachronistic impediment to the free market. Lift the ban.

FORTNIGHT OF PATRIOTISM

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1994

Mr. STEARNS. Mr. Speaker, I would like to commend the city of Keystone Heights for their recent declaration of a Fortnight of Patriotism. This patriotic community is making a special effort this year to observe our American traditions and values through the time spanning Flag Day, June 14 to Independence Day, July 4. I would like to read to my colleagues this resolution.

Whereas, our nation annually recognizes June 14th as Flag Day commemorating the flag of these United States of America; and

Whereas, our nation annually recognizes July 4th as Independence Day commemorating the birth and independence of these United States of America,

Now Therefore, I, Wilbert E. Thrasher Mayor of the City of Keystone Heights, Florida do hereby proclaim those days between Flag Day, June 14 and Independence Day July 4 as a fortnight of patriotism and urge my fellow Americans to rekindle the fire of patriotism during this approximate two week celebration of flag and country.

Furthermore, I encourage citizens of the United States of America to join in these festivities through the exhibition of "Old Glory", and the prominent display of red, white, and blue at their homes and places of business.

Dated this fourth day of April, 1994.

ANTITRUST AND COMMUNICATIONS REFORM ACT OF 1994

SPEECH OF

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 28, 1994

Mr. HUGHES. Mr. Speaker, I rise in support of H.R. 3626, the Antitrust and Communications Reform Act of 1994. I would like to commend my colleagues, Chairman BROOKS, Chairman DINGELL, and Chairman MARKEY for the excellent work they have done to facilitate this measure being brought to the floor today for a vote.

As our country faces the challenges of maintaining its place as a predominant player in the development of the information superhighway, it is imperative that we establish a fair and competitive environment in which American companies may thrive. The passage of H.R. 3626 is a fundamental step which we must take in order to establish such an environment.

H.R. 3626 sets forth a clear process for lifting the current restrictions placed on the Bell operating companies so they may play a greater role in creating and competing in our developing information-rich society. Notwithstanding the increased entry into new areas of the telecommunications industry provided for in H.R. 3626, it is important to note that this measure ensures that the safeguards established in our current antitrust law remain strong. This careful balance of increased access to the telecommunications market coupled with strong safeguards against anticompetitive behavior will facilitate a fair and open competitive market and, in turn, foster growth in the job market as well as in the telecommunications market as a whole.

One of the most significant aspects of H.R. 3626 is the administrative structure which it establishes. This structure, which replaces the 1982 modified final judgment [MFJ] consent decree agreement between the Department of Justice and AT&T, establishes an appropriate framework under which the seven regional Bell operating companies and their affiliates will be permitted to provide services which they are currently barred from providing pursuant to the MFJ.

Essentially, this structure sets forth a well-balanced process by which the appropriate Federal agencies and State regulatory bodies may review a Bell company's request to enter

into other lines of business. Specifically, the measure establishes a specific time frame within which a Bell company may provide long-distance services, information services, and manufacture telecommunications equipment.

Pursuant to H.R. 3626, both the Department of Justice [DOJ] and the Federal Communications Commission [FCC] will be involved in the review process for determining how and when the Bell companies may enter new areas of the telecommunication industry. The DOJ and the FCC will also carefully review when the Bell companies are authorized to enter into the intrastate long distance market.

Another important provision in this measure is the recognition of those consumers who are disabled. That is, this measure establishes requirements that new equipment and services must be fully accessible and usable by those persons who may have special needs. Moreover, the bill incorporates consumer privacy protections which will prohibit Bell operating companies from using unsolicited information about their own telephone subscribers to market potential customers for other services provided by the company or its affiliates.

Moreover, I am very pleased that this measure specifically addresses the concerns of both the alarm monitoring and electronic publishing markets. H.R. 3626 provides that the regional Bell companies and their operating affiliates may file—beginning 5½ years after enactment of this measure—applications to the Federal Government to enter into the alarm monitoring market.

Likewise, this measure allows the Bell companies to enter into the electronic publishing business, while adhering to important safeguards protecting against the development of any unfair competitive advantage in providing these services. That is, Bell companies would be permitted to provide electronic publishing services over its own telephone lines only if such services are provided through a separate affiliate or a joint venture with an electronic publisher.

I urge my colleagues to support H.R. 3626. It is a comprehensive, well-balanced bill which will encourage the growth of fair competition in the telecommunications marketplace, while ensuring that America maintains her rightful position as a leader in the rapidly developing information superhighway.

GI BILL UPDATE

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1994

Mr. MONTGOMERY. Mr. Speaker, last week I was honored to participate in a ceremony at the Department of Veterans Affairs commemorating the 50th anniversary of the GI bill of rights.

On June 6, 1944, the Allied Forces launched the massive invasion which rescued Europe from Hitler's terror and oppression and restored liberty in the Western World. I came into Normandy 5 months after the invasion as a 2d lieutenant in an armored division. I then had the great privilege to lead a congressional delegation which participated in the recent 50th anniversary of that momentous day.

Sixteen days after the D-day invasion, on June 22, 1944, President Franklin Delano Roosevelt signed the Servicemen's Readjustment Act of 1944—generally referred to as the GI bill of rights. There have been few, if any, more important pieces of legislation enacted by Congress, and no investment ever made by our Government has paid richer dividends to us all. Because of the increased earning power that comes with advanced education, veterans pay several times the cost of the GI bill in Federal income tax over the course of their lifetimes.

No program in the 20th century has had more of an impact on the social and economic fabric of the United States—housing, education, employment, corporate America—all areas of our society have benefited from the assistance provided under this landmark legislation. Extended to our present day by the Korean conflict, Vietnam era, and Montgomery GI bills, the original GI bill changed the concept of adult education in the United States and started the greatest home construction boom in history.

This is an appropriate time to update my colleagues on the GI bill that is available to the young men and women now entering our Armed Forces. Since we enacted this program in 1984, more than 1.5 million young men and women have enrolled in the Montgomery GI bill—Active Duty—chapter 30, title 38, United States Code—and over 419,000 veterans have gone to school under this program. Nearly 315,000 members of the Selected Reserve have pursued further education using the benefits available to them under the Montgomery GI bill-Selected Reserve—chapter 106, title 10, United States Code.

During the month of May 1994, 94 percent of new active duty Army recruits elected to participate in the Montgomery GI bill [MGIB]. Ninety-seven percent of Navy recruits made the same decision as did 88 percent of Air Force recruits and 97 percent of Marine Corps recruits. Overall, during the month of May 1994, 94 percent of all new recruits DOD-wide chose to enroll in the MGIB–Active Duty.

Not only has the MGIB been popular with recruits, it has also been a cost-effective program. Since the initiation of the MGIB—Active Duty on July 1, 1985, through May 31, 1994, $1.99 billion have reverted to the U.S. Treasury as a result of the basic pay reductions required to participate in the program. During the same time period, $2.9 billion have been paid in benefits under the MGIB-Active Duty and the MGIB—Selected Reserve.

GI bills are often characterized as rewards for honorable military service. I believe they are even more appropriately described as tributes to those whose lives have been disrupted—and too often threatened—so that the rest of us can enjoy the security and prosperity of these democratic United States.

SWIFT ENACTMENT OF H.R. 3636 URGED

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1994

Mr. SWETT. Mr. Speaker, I was gratified by the House's action this week in approving H.R. 3636, the National Communications Competition and Information Infrastructure Act. This important measure, shepherded through the legislative process by our colleagues Mr. MARKEY and Mr. FIELDS, will inject a positive note of competition into our communications industry. I am confident that this competition will benefit consumers and provided needed impetus for even more technological progress in a key sector of our economy.

H.R. 3636 is a forward looking, visionary bill, proving that Government can respond to the rapidly shifting technological landscape in a timely and constructive way. The overwhelming support of the House for this bill—as evidenced by its 423–3 margin of passage—is testament to the months of work and consultation that went into this legislation.

I strongly urge the other body to move swiftly in passing simular legislation so that a conferenced bill can be approved and sent to the President for signature before the end of this session.

INTRODUCTION OF LEGISLATION TO CREATE THE PREMIER LENDERS PROGRAM

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1994

Mr. LaFALCE. Mr. Speaker, I rise today as chairman of the Small Business Committee to introduce legislation that will facilitate the administration of the certified development company loan program administered by the Small Business Administration.

This is one of two bills that I introduce today that will become part of the pending legislation to reauthorize the Small Business Administration. That legislation is currently under consideration in my committee.

My bill addresses concerns that many in the small business community have had regarding the timeliness of SBA approval for certain loans. The premier lender program will allow the best lenders who are providing long-term loans for plant and equipment financing under the certified development company program to process the applications of borrowers with excellent credit reports faster. Under the new premier lender program, these lenders will completely process and approve SBA loans without prior approval from the SBA. Premier lenders must agree to assume 5 percent of the risk of the loan.

The premier lender program is meant for lenders and borrowers who have an excellent established track record with the Small Business Administration. It is meant to reduce the paperwork and time involved in the loan approval process. It is patterned after the highly successful preferred lenders program under which financial institutions can quickly issue SBA guarantees on the best 7(a) loan applications.

A summary of the legislation is attached.

H.R. _____ would authorize the Small Business Administration to establish a premier lenders program under the certified development company program.

SBA would delegate to these lenders the authority to approve debenture guarantees, and the underlying loans to small businesses for plant and equipment, without prior SBA approval. The premier lender be required to assume the responsibility for and reimburse

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