

In addition, no deductions or additions to basis or cost of goods sold for transactions with foreign related parties would be permitted unless the taxpayer concludes an annual pre-filing agreement, advance pricing agreement, or other agreement with the IRS, a "preapproval agreement", to ensure that all related-party transactions comply with all relevant provisions of the Code, including sections 482, 845, 163(j), and 267(a)(3). Similarly, the transfer or license of intangible property from a U.S. corporation to a related foreign corporation would be disregarded, and cost-sharing arrangements would not be respected unless approved under such an agreement.

The confidentiality and disclosure rules normally applicable to advance pricing agreements would apply to all preapproval agreements entered into pursuant to this legislation, and the parameters for the IRS's statutorily required annual APA report would be amended to require a summary section for inversion transactions.

The second set of measures also includes modifications to the "earnings stripping" rules of section 163(j) (which deny or defer deductions for certain interest paid to foreign related parties), as applied to inverted corporations. The legislation would eliminate the debt-equity threshold generally applicable under that provision and reduce the 50 percent threshold for "excess interest expense" to 25 percent.

The provisions of both prongs of this legislation also would apply to certain partnership transactions similar to corporate inversion transactions.

The legislation also strengthens the present-law rules of section 845(a) in a manner intended to address reinsurance transactions with foreign related parties that have the effect of stripping out earnings of a U.S. corporation, regardless of whether an inversion transaction has occurred. The legislation modifies the present-law provision permitting the Treasury Department to allocate or recharacterize items of investment income, premiums, deductions, assets, reserves, credits or other items, or to make other adjustments, under a reinsurance agreement between related parties, if necessary to reflect the proper source and character of income. The legislation permits such an allocation, recharacterization or adjustment if necessary to reflect the proper amount, source or character of income. This provision would be effective for any risk insured after April 11, 2002.

Mr. BAUCUS. Madam President, I am pleased to be a co-sponsor, with Senator GRASSLEY, of this important piece of legislation. Our legislation, Reversing the Expatriation of Profits Offshore, (REPO), Act, is designed to put the brakes on the potential rush to move U.S. corporate headquarters to tax havens, through increasingly popular transactions known as corporate inversions. Prominent U.S. companies are literally re-incorporating in offshore tax havens in order to avoid U.S. taxes. They are, in effect, renouncing their U.S. citizenship to cut their tax bill.

Tax avoidance costs honest taxpayers tens of billions of dollars each year. When one taxpayer, whether a corpora-

tion or an individual, doesn't pay their fair share of taxes, we all pay. The REPO Act cracks down on corporations that avoid taxes at the expense of honest, hardworking American taxpayers.

The local hardware store in Butte, MT, isn't re-incorporating in Bermuda or one of these tax haven countries. He is keeping his company an American company. The companies reincorporating in tax haven countries, and their executives, are still physically located in the United States. Their executives and employees enjoy all the privileges afforded to honest U.S. taxpayers.

I understand that the corporate inversion issue is complex. I also understand that, over the long term, we may need to consider whether the structure of the U.S. international tax rules creates an incentive for U.S. corporations to shift their operations abroad in order to remain competitive. For now, we are putting a stop to the erosion of the U.S. tax base through these tax avoidance schemes.

Our legislation distinguishes between two types of inversions, pure inversions and limited inversions. A pure inversion is when a U.S. company becomes a subsidiary of a foreign company or shifts substantially all of its properties to a foreign corporation and 80 percent of more of the shareholders in the original U.S. company are now shareholders in the new foreign company. The foreign company has no substantial business activity in the foreign tax haven country. Companies that hold board meetings in the tax haven country or send a few employees or executives to work in the tax haven country will not meet the substantial business activity standard. Under our legislation, the parent company will be treated as a U.S. company.

A limited inversion transaction is when more than 50 percent and fewer than 80 percent of the shareholders are the same. The new foreign company is recognized as a foreign company for tax purposes but there is a tax cost. The company won't be able to use tax attributes, such as net operating losses and foreign tax credits, to offset the gain incurred upon inverting. Finally, the company won't be able to strip earnings out of the U.S. to avoid U.S. taxes.

This week is the last week leading up to the April 15 tax filing deadline. Families in Montana and across the nation are sitting down at their kitchen tables, or at their home computers, and figuring out their taxes. The calculations may be complex, the tax bite may seem high, but by and large, with quiet patriotism, average Americans will step up and pay the tax they owe. They're counting on us to make sure that sophisticated corporations pay their fair share, as well.

## SUBMITTED RESOLUTIONS

SENATE RESOLUTION 236—COMMENDING THE UNIVERSITY OF MINNESOTA-DULUTH BULLDOGS FOR WINNING THE 2002 NATIONAL COLLEGIATE ATHLETIC ASSOCIATION DIVISION I WOMEN'S ICE HOCKEY NATIONAL CHAMPIONSHIP

Mr. DAYTON (for himself and Mr. WELLSTONE) submitted the following resolution; which was considered and agreed to:

## S. RES. 236

Whereas on March 24, 2002, the defending NCAA Women's Ice Hockey National Champion, the University of Minnesota-Duluth Bulldogs, won the National Championship for the second straight year;

Whereas Minnesota-Duluth defeated Brown University in the championship game by the score of 3-2, having previously defeated Niagara University in the semi-final by the same score;

Whereas sophomore Tricia Guest scored the unassisted game-winning goal in the third period, and assisted in the Bulldogs' opening goal in the first period;

Whereas during the 2001-2002 season, the Bulldogs won 24 games, while losing only 6, and tying 4;

Whereas forward Joanne Eustace and defenseman Larissa Luther were both selected to the 2002 All-Tournament team;

Whereas forward and team captain Maria Rooth led the Bulldogs in scoring the last 2 years, and was named to the Jofa Women's University Division Ice Hockey All-American first team, the only first team repeat from 2001;

Whereas Minnesota-Duluth Head Coach, Shannon Miller, after winning the National Championship in 2 consecutive years, was named a finalist for the 2002 NCAA Division I Coach of the Year; and

Whereas all of the team's players showed tremendous dedication throughout the season toward the goal of winning the National Championship: Now, therefore, be it

*Resolved*, That the Senate—

(1) commends the University of Minnesota-Duluth Women's Ice Hockey Team for winning the 2002 NCAA Division I Collegiate Ice Hockey National Championship;

(2) recognizes the achievements of all the team's players, coaches, and support staff, and invites them to the United States Capitol to be honored;

(3) requests that the President—

(A) recognize the achievements of the University of Minnesota-Duluth Women's Ice Hockey Team; and

(B) invite them to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs the Secretary of the Senate to—  
(A) make available enrolled copies of this Resolution to the University of Minnesota-Duluth for appropriate display; and

(B) transmit an enrolled copy of the Resolution to every coach and member of the 2002 NCAA Division I Women's Ice Hockey National Championship Team.

SENATE RESOLUTION 237—COMMENDING THE UNIVERSITY OF MINNESOTA GOLDEN GOPHERS FOR WINNING THE 2002 NATIONAL COLLEGIATE ATHLETIC ASSOCIATION DIVISION I MEN'S HOCKEY NATIONAL CHAMPIONSHIP

Mr. DAYTON (for himself and Mr. WELLSTONE) submitted the following resolution; which was considered and agreed to:

S. RES. 237

Whereas on April 6, 2002, the University of Minnesota Men's Hockey Team won the National Championship for the first time in 23 years;

Whereas Minnesota defeated the University of Maine in overtime in the championship game by the score of 4-3, having previously defeated the University of Michigan in the semifinal by the score of 3-2;

Whereas Grant Potulny, from North Dakota, the team's only non-Minnesotan, scored the winning goal in overtime and was named the tournament's Most Outstanding Player;

Whereas during the 2001-2002 season, the Golden Gophers won 32 games, while losing only 8, and tying 4;

Whereas senior defenseman Jordan Leopold was named the winner of the Hobey Baker Memorial Award, given annually to the college hockey Player of the Year, and was also named an All-American for the second consecutive year;

Whereas senior forward Johnny Pohl was also named to the All-American team, and led the NCAA Division I in scoring;

Whereas senior goalie Adam Hauser was named to the "Frozen Four" All-Tournament team, became the all-time Western Collegiate Hockey Association leader in victories, and established Minnesota records for most wins, shutouts, and saves;

Whereas Minnesota Head Coach Don Lucia, after winning the National Championship in just his third season at Minnesota, was named a finalist for the 2002 Spencer Penrose Award, which is presented to the NCAA Division I National Hockey Coach of the Year; and

Whereas all of the team's players showed tremendous dedication throughout the season toward the goal of winning the National Championship: Now, therefore, be it

*Resolved*, That the Senate—

(1) commends the University of Minnesota Men's Hockey Team for winning the 2002 NCAA Division I Collegiate Hockey National Championship;

(2) recognizes the achievements of all the team's players, coaches, and support staff, and invites them to the United States Capitol to be honored;

(3) requests that the President—

(A) recognize the achievements of the University of Minnesota Men's Hockey Team; and

(B) invite the team to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs the Secretary of the Senate to—

(A) make available enrolled copies of this Resolution to the University of Minnesota for appropriate display; and

(B) transmit an enrolled copy of the Resolution to every coach and member of the 2002 NCAA Division I Men's Hockey National Championship Team.

SENATE RESOLUTION 238—COMMENDING THE UNIVERSITY OF MINNESOTA GOLDEN GOPHERS FOR WINNING THE 2002 NCAA DIVISION I WRESTLING NATIONAL CHAMPIONSHIP

Mr. WELLSTONE (for himself and Mr. DAYTON) submitted the following resolution; which was considered and agreed to:

S. RES. 238

Whereas the University of Minnesota wrestling team successfully defended its 2001 national title by winning the 2002 National Collegiate Athletic Association championship on March 23, 2002, in Albany, New York;

Whereas the victory was the first back-to-back national championship in an intercollegiate athletic competition in University of Minnesota history since the Golden Gophers captured 2 consecutive national championship football titles in 1940 and 1941;

Whereas the University of Minnesota won the national crown with 126.5 points, over Iowa State (103 points), Oklahoma (101.5 points), Iowa (89 points) and Oklahoma State (82.5 points);

Whereas the University of Minnesota became the first Division I wrestling team since the 1995-96 season to go undefeated in dual meets and win the National Duals, conference and NCAA team titles in a single season and the first team to win these titles in consecutive seasons since the 1994-95 and 1995-96 seasons;

Whereas the Golden Gophers wrestling team has finished in the top 3 in the Nation in the last 6 years: placing third in 1997, being the runner up in 1998 and 1999; placing third in 2000; and winning the national title in 2001 and 2002;

Whereas the University of Minnesota wrestling team has now placed in the top 10 at the NCAA Championships 25 times in the history of the program;

Whereas Coach J. Robinson, as head coach of the University of Minnesota wrestling team, now has finished in the top 10 at the NCAA Championships 10 times during his 16-year tenure;

Whereas two members of the Minnesota wrestling team, Jared Lawrence and Luke Becker, each earned an individual national crown, marking the first time in school history that two Minnesota athletes were individual champions in a single NCAA sport in the same year;

Whereas Lawrence, at 149 pounds, and Becker, at 157 pounds, captured the 13th and 14th NCAA individual titles in school history, respectively;

Whereas Ryan Lewis, at 133 pounds, was the runner-up, Owen Elzen, at 197 pounds, finished in fourth place, Damion Hahn, at 184 pounds, finished in fifth place, Garret Lowney, at heavyweight, finished in fifth place, and Chad Erikson, at 141 pounds, finished in seventh place;

Whereas seven University of Minnesota wrestlers, Chad Erikson, Jared Lawrence, Luke Becker, Damion Hahn, Owen Elzen, Ryan Lewis, and Garrett Lowney, earned All-American honors; and

Whereas the Golden Gophers have now had 68 wrestlers earn 111 All-American citations in the history of the varsity wrestling program at the University of Minnesota: Now, therefore, be it

*Resolved*, That the Senate—

(1) commends the Golden Gophers of the University of Minnesota for winning the 2002 National Collegiate Athletic Association Division I Wrestling National Championship;

(2) recognizes the achievements of all the team's members, coaches, and support staff,

and invites them to the United States Capitol to be honored;

(3) requests that the President recognize the achievements of the University of Minnesota wrestling team and invite them to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs the Secretary of the Senate to transmit a copy of this resolution to the President of the University of Minnesota.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3114. Mrs. FEINSTEIN proposed an amendment to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

SA 3115. Mrs. FEINSTEIN (for herself and Mrs. BOXER) proposed an amendment to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra.

SA 3116. Mr. VOINOVICH (for himself and Ms. LANDRIEU) submitted an amendment intended to be proposed to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra; which was ordered to lie on the table.

SA 3117. Mr. DODD (for himself and Mr. MCCONNELL) proposed an amendment to the bill S. 565, to require States and localities to meet uniform and nondiscriminatory election technology and administration requirements applicable to Federal elections, to establish grant programs to provide assistance to States and localities to meet those requirements and to improve election technology and the administration of Federal elections, to establish the Election Administration Commission, and for other purposes.

SA 3118. Mr. DODD (for himself and Mr. MCCONNELL) proposed an amendment to the bill H.R. 3295, supra.

SA 3119. Mr. BINGAMAN (for Mr. ROCKEFELLER) proposed an amendment to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

SA 3120. Mr. BINGAMAN (for Mr. LEVIN (for himself, Mr. DEWINE, and Ms. STABENOW)) proposed an amendment to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra.

SA 3121. Mr. BINGAMAN (for Mr. SCHUMER) proposed an amendment to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra.

SA 3122. Mr. BINGAMAN (for Mr. SMITH, of Oregon) proposed an amendment to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra.

SA 3123. Mr. BINGAMAN (for Mr. DURBIN (for himself and Ms. COLLINS)) proposed an amendment to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra.

TEXT OF AMENDMENTS

SA 3114. Mrs. FEINSTEIN proposed an amendment to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas