

that a 13-year-old girl had fallen into the dangerous Richmond Creek and needed immediate assistance. Mr. Raper ran 200 yards to the creek and instinctively jumped into the freezing water to help the young girl. Risking his own safety, he quickly secured her to a large concrete structure in the middle of the creek until firefighters were able to throw them a rope. Mr. Raper calmed the young girl and led her to the shore.

The doctor who treated Ms. Andrews said the freezing temperatures of the creek water could have been detrimental to the 13-year-old girl if she hadn't been pulled to safety so quickly.

This story did not have a terrible ending because a man like Ronnie Raper was there and was willing to put the safety of another person above his own. He is not only an excellent public servant through his work as the Chairman of the Rhea County Commission; Mr. Raper is good neighbor and a heroic man.

I ask the United States House of Representatives to join me in commending Mr. Ronnie Raper for this brave act.

EXPRESSING HIS SALUTATIONS AND CONGRATULATIONS TO LIEUTENANT COLONEL ANN S. FREED, 77TH REGIONAL SUPPORT COMMAND, CHIEF OF PUBLIC AFFAIRS

**HON. JOSEPH CROWLEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Mr. CROWLEY. Mr. Speaker, I rise today to salute and congratulate Lieutenant Colonel Ann S. Freed, 77th Regional Support Command, Chief of Public Affairs, on her retirement this week after 28 years of active duty service.

Lieutenant Colonel Freed has been exemplary in her field. She is an award-winning public relations professional with 28 years of experience in public and internal communications including public affairs support for military exercises, operations, and events. She has run media relations campaigns at home and overseas; directed the Combined and Joint Information Bureau in the Philippines in 2000 and 2001 during the overthrow of President Estrada and the return of the U.S. military to the Philippines, handled media relations for the 77th Regional Support Command during Desert Shield/Desert Storm to include planning and execution of the reserve participation in the NYC "Welcome Home" parade down the canyon of heroes. During the post-9/11 era, Lieutenant Colonel Freed published the award winning 77th RSC Liberty Torch magazine for the soldiers of the 77th, handled media relations for New York and New Jersey Army Reservists during their mobilization and deployment in support of the Global War on Terror (GWT) and Operation Iraqi Freedom.

Most recently, Lieutenant Colonel Freed has run public affairs operations for the 12,000 soldier 77th Regional Support Command. She has conducted media relations, produced the command magazine, and developed community relations projects. Lieutenant Colonel Freed has worked hard to ensure that the New York and New Jersey publics are aware of the legacy, and continuing contribution of the 77th to America's Army.

Lieutenant Colonel Freed has received numerous awards including the Meritorious Service Medal with third Oak Leaf Cluster for outstanding achievement in Public Affairs, the Department of the Army Keith L. Ware journalism award for the World Trade Center Memorial Issue of the Liberty Torch. She has also received six awards for excellence in broadcast or print journalism from First U.S. Army, Second U.S. Army, Forces Command, and Department of the Army.

I wish Lieutenant Colonel Freed all the best in this new stage of life, and continued health and success for many years to come.

JOB PROTECTION ACT OF 2003

**HON. PHILIP M. CRANE**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, April 11, 2003*

Mr. CRANE. Mr. Speaker, I am very pleased to introduce the Jobs Protection Act of 2003, legislation which will respond to a recent World Trade Organization ruling that held that our export-related tax benefit, the FSC/ETI provision in our tax code, violates our trade agreements. It is my distinct pleasure to be joined in this effort by my good friends CHARLES RANGEL and DON MANZULLO.

This legislation achieves two goals: it brings the United States into compliance with the WTO, and it keeps the playing field level for our manufacturers, which will keep jobs here. I'd like to address each of those issues.

As Chairman of the Trade Subcommittee, I have a strong interest in preserving and promoting free trade throughout the world. Trade is fundamental to our relations with other nations, and free trade has been the greatest civilizing force throughout modern history. I have fought ardently for many years to ensure that the United States, which is the largest exporter in the world, maintains its rightful role as world leader when it comes to trade.

Like my colleagues who have joined me in introducing this legislation, I believe that we must comply with our international agreements. To do otherwise could precipitate a trade war, which would be an unacceptable result. Therefore, this legislation repeals FSC/ETI and brings the United States into compliance with our WTO obligations.

The issue, then, is how to best replace FSC/ETI. In recognition of the fact that the repeal of FSC/ETI raises the tax burden of current beneficiaries by at least \$50 billion over ten years, this legislation returns that money to the U.S. manufacturers. In order to understand why that is so crucial to protecting our job base, it is important to understand why the FSC/ETI benefit exists in the first place.

U.S. corporations that export manufactured goods pay a 35 percent corporate tax rate on their profits. In addition, the corporation pays an additional value added tax when they sell its products in Europe. However, European manufacturers get a portion of their VAT rebated. FSC/ETI compensates manufacturers for this double taxation, thus leveling the playing field between U.S. and European manufacturers. That means jobs stay here. Were this benefit to be repealed with no replacement, U.S. jobs and wealth would be artificially transferred to Europe. This is another unacceptable result.

Therefore, the Job Protection Act of 2003 provides a permanent new deduction, which is an effective rate reduction for U.S. manufacturers, that is consistent with our trade agreements. It is structured in such a manner as to preserve and strengthen U.S. jobs. Surely, Mr. Speaker, that is a goal we should all support!

Mr. Speaker, I would like to be clear as to the process we should follow as we debate how best to replace FSC/ETI. We have faced challenges to export-related benefits in years past. As in the past, it is my fervent belief that our common goal must be to protect the interests of the United States, not our foreign competitors. While I expect a great deal of vigorous debate as we seek to comply with our WTO obligations, I remain hopeful that we will resolve any differences in a dignified manner, not giving our opponents the benefit of a public spectacle.

A summary of the provisions of the legislation follows.

THE JOB PROTECTION ACT OF 2003—STRENGTHENING U.S. MANUFACTURING AND ADDRESSING THE WTO CHALLENGE TO FSC/ETI (APRIL 2003)

REPEAL OF FSC/ETI

The Job Protection Act of 2003 (the "proposal") would repeal the current-law FSC/ETI benefit effective for transactions after the date of enactment.

Transition relief: The proposal would provide two types of transition relief—

(1) Binding Contracts: The proposal would not affect transactions pursuant to binding contracts in effect on the date of introduction of the legislation. This provision ensures that pre-existing arrangements of U.S. taxpayers are not retroactively penalized merely because of the WTO ruling.

(2) General Transition Relief: The proposal also would provide general transition relief based on the company's average FSC/ETI benefit during 2001. A company would receive a deduction for 100 percent of its base period amount (indexed for inflation) for 2004 and 2005, 75 percent for 2006 and 2007, and 50 percent for 2008 (no general transition relief thereafter). A permanent benefit for production activities in the U.S., described below, would begin to phase-in as the general transition relief phases out. The general transition relief is not contingent upon future exports and, therefore, is WTO compliant.

PERMANENT BENEFIT FOR MANUFACTURING ACTIVITIES IN U.S.

Strengthening U.S. Manufacturing: The proposal would provide a permanent new deduction which reduces the effective corporate tax rate that would apply to so much of the company's taxable income as is attributable to "U.S. production activities". U.S. production activities would be defined as the manufacture, production, growth, or extraction of property eligible for the current FSC/ETI benefit whether or not actually exported.

Calculating U.S. Production: The portion of the taxable income attributable to U.S. production activities would be calculated by computing total gross receipts from sale, rental or license of eligible property produced in whole or part by the taxpayer in the United States, and then subtracting from those gross receipts inventory costs, directly allocable deductions, and a pro rata portion of other deductions. Allocation would be done in a manner similar to the method used in allocating deductions between U.S. and foreign source income.

Corporate Tax Rate Reduction: For companies with 100 percent domestic production, the effective rate reduction would be 3½ points (35 percent corporate tax rate reduced