

terms for competition. We prohibit practices we deem unfair, discriminatory, outlandish, or improper. The American people expect Government to set minimum standards of behavior, and keep the playing field level.

In the area of health insurance, we need to see that competition is based on more than just price. Price often tells us very little about value or quality. One of the arguments for changing the Consumer Price Index is the argument that it fails to take into account improvements in quality. And let me observe that if price were the only consideration in buying a care, we'd all be driving around in Yugos.

When it comes to health care, I don't want a Yugo, and I don't need a Rolls-Royce. A Dodge or Chevy or Ford will do quite nicely.

In this instance, that means a system in which patients receive appropriate, quality health care, in which they can understand decisions about their care, and in which they can act effectively on their own behalf. My legislation will accomplish that.

TRIBUTE TO CAPT. RALPH
MARTIN ALFORD

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1997

Mr. SKELTON. Mr. Speaker, today I wish to recognize a truly outstanding naval officer, Capt. Marty Alford, U.S. Navy. Captain Alford will soon be completing his assignment as the Director of the Navy Liaison Office to the House of Representatives, which will also bring to a close a long and distinguished career in the U.S. Navy. It is a pleasure for me to recognize just a few of his many outstanding achievements.

A native of Columbia, MO, Captain Alford was commissioned an ensign upon graduation from the U.S. Naval Academy in 1971. Following graduation, he entered flight training, receiving his wings of gold, and designation as a naval aviator in June 1973. Captain Alford's initial tour was with Patrol Squadron 10, homeported at Naval Air Station Brunswick, ME, flying the P-3B Orion aircraft. In February 1977, Captain Alford reported for duty as flag lieutenant to commander, Naval Safety Center, Norfolk, VA. After 18 months he transferred to the staff of commander, Carrier Group 8, also in Norfolk, where he again served as flag lieutenant and aide. Captain Alford's next tour found him at the naval air station in Jacksonville, FL with Patrol Squadron 30. Qualifying as an instructor pilot in both the P-3B and P-3C aircraft, he also served as assistant training officer and maintenance material control officer. In March 1982, he transferred to Patrol Squadron 1 at the naval air station in Barbers Point, HI. He served as training officer and operations officer while completing deployments to Cubi Point in the Philippines and to Kadena Air Base in Okinawa, Japan. In January 1985, Captain Alford reported for duty to Patrol Squadron 4 in Hawaii as the executive officer and deployed to Diego Garcia.

In May 1986, Captain Alford assumed command of Patrol Squadron 4 and led the squadron through a successful deployment to Naval Air Station Adak, AK. Upon successful completion of his command tour at sea in May 1987, Captain Alford began a 1 year assignment as operations officer for Commander Patrol Wing 2, followed by challenging duty in

Washington, DC, as an action officer in the Strategy, Plans and Policy Division of the Naval Staff. Following selection for Fleet Reserve Squadron Command in July 1989, Captain Alford reported as commanding officer of Patrol Squadron 31 at Naval Air Station Moffet field in California. After completing his second command tour in July 1990, he began a 1 year assignment as a student at the National War College at Fort McNair in Washington, DC. After graduating in June 1991, he was assigned to the staff of the Assistant Chief of Naval Operations, Air Warfare as a branch head. Captain Alford reported as commander, Patrol Wing 10 in March 1992 and led the wing through several highly successful operational deployments and numerous detachments throughout the world in support of a wide variety of missions. Captain Alford completed his third major command tour in October 1993 and reported as Director, Navy Liaison to the House of Representatives in February 1994.

Mr. Speaker, Marty Alford, his wife Terri, and their two children, Michelle and Mary Beth, have made many sacrifices during his 26-year naval career. Marty has spent a significant amount of time away from his family to support the vital role our naval forces play in ensuring the security of our great Nation. Captain Alford is a great credit to the U.S. Navy and the country he so proudly served. As he now prepares to depart the Navy for new challenges ahead, I call upon my colleagues from both sides of the aisle to wish him and his family every success, as well as fair winds and following seas, always.

THE 401(k) PENSION PROTECTION
ACT

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1997

Mr. CONDIT. Mr. Speaker, I have today introduced the 401(k) Pension Protection Act of 1997. Last year I introduced a similar bill, H.R. 3688. This legislation would close an important gap in pension protection affecting tens-of-millions of working Americans.

Federal law currently provides less protection to participants in 401(k) plans than it provides to participants in traditional pension plans. A traditional plan may not invest more than 10 percent of its assets in the company sponsoring the plan. The purpose of this limitation is the protection of employees who might otherwise lose their jobs and pensions at the same time.

This limitation does not apply to 401(k)s, despite their having become the predominant form of American pension plan, enrolling 23 million employees and investing nearly \$700 billion. When a company goes bankrupt with a large percentage of its 401(k) invested in the company, the impact on employees can be catastrophic. The largest department store chain in California went bankrupt with more than half of its 401(k) invested in the chain's stock, 10,000 401(k) participants, many near retirement after decades of work, lost 92 percent of their stock investment.

The 401(k) Pension Protection Act would prevent this from occurring. The bill applies the 10 percent limit to 401(k)'s—unless the participants, not the company sponsoring the plan, make the investment decisions. After all, it is the employees' money, they bear the in-

vestment risk, and their 401(k)'s, unlike traditional plans, have no Pension Benefit Guaranty Corporation insurance. No participant should be required to invest more than 10 percent of his or her 401(k) contribution, known as a salary deferral, in the company sponsoring the plan.

Mr. Speaker, millions-of-Americans are working hard every day to save for their retirement and provide for their families. Enactment of this legislation will protect the retirement assets of working Americans. I urge our colleagues to join me in support of this important measure.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "401(k) Pension Protection Act of 1997".

SEC. 2. SECTION 401(K) INVESTMENT PROTECTION.

(a) LIMITATIONS ON INVESTMENT IN EMPLOYER SECURITIES AND EMPLOYER REAL PROPERTY BY CASH OR DEFERRED ARRANGEMENTS.—Paragraph (3) of section 407(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1107(d)) is amended by adding at the end the following new subparagraph:

“(D) The term ‘eligible individual account plan’ does not include that portion of an individual account plan that consists of elective deferrals (as defined in section 402(g)(3) of the Internal Revenue Code of 1986) pursuant to a qualified cash or deferred arrangement as defined in section 401(k) of the Internal Revenue Code of 1986 (and earnings thereon), if such elective deferrals (or earnings thereon) are required to be invested in qualifying employer securities or qualifying employer real property or both pursuant to the documents and instruments governing the plan or at the direction of a person other than the participant (or the participant's beneficiary) on whose behalf such elective deferrals are made to the plan. For the purposes of subsection (a), such portion shall be treated as a separate plan. This subparagraph shall not apply to an individual account plan if the fair market value of the assets of all individual account plans maintained by the employer equals not more than 10 percent of the fair market value of the assets of all pension plans maintained by the employer.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) TRANSITION RULE FOR PLANS HOLDING EXCESS SECURITIES OR PROPERTY.—

(A) IN GENERAL.—In the case of a plan which on the date of the enactment of this Act, has holdings of employer securities and employer real property (as defined in section 407(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1107(d)) in excess of the amount specified in such section 407, the amendment made by this section applies to any acquisition of such securities and property on or after such date, but does not apply to the specific holdings which constitute such excess during the period of such excess.

(B) SPECIAL RULE FOR CERTAIN ACQUISITIONS.—Employer securities and employer real property acquired pursuant to a binding written contract to acquire such securities and real property entered into and in effect on the date of the enactment of this Act, shall be treated as acquired immediately before such date.