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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. OSE).

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DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 19, 2000.

I hereby appoint the Honorable DOUG OSE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

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PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God of Heaven and Earth, ancient writings describe a Suffering Servant you have given us as an example.

We are to follow in His footsteps: ''He committed no sin and no deceit was found in His mouth.''

Ever since, we have witnessed courageous people in the history of this Nation and throughout the world who have followed the example You have given us.

When insulted, they return no insult, when suffering, they do not threaten; instead, they hand themselves over to You, the only true and lasting Judge, who judges all things justly.

May justice in this land be founded in You. Guide the dealings of this Chamber so that all laws and decisions reflect Your Spirit at work now and forever. Amen.

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THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Michigan (Mr. KNOLLENBERG) come forward and lead the House in the Pledge of Allegiance.

Mr. KNOLLENBERG led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

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MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agreed to the following resolution:

S. RES. 338

Whereas the Honorable Paul Coverdell served Georgia in the United States Senate with devotion and distinction;

Whereas the Honorable Paul Coverdell served all the people of the United States as Director of the Peace Corps;

Whereas his efforts on behalf of Georgians and all Americans earned him the esteem and high regard of his colleagues; and

Whereas his tragic and untimely death has deprived his State and Nation of an outstanding lawmaker and public servant: Now, therefore, be it

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Paul Coverdell, a Senator from the State of Georgia.

Resolved, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of the deceased Senator.

The message also announced that the Senate has passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4578. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

H.R. 4811. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2001, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4578) ''An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2001, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GORTON, Mr. STEVENS, Mr. COCHRAN, Mr. DOMENICI, Mr. BURNS, Mr. BENNETT, Mr. GREGG, Mr. CAMPBELL, Mr. BYRD, Mr. LEAHY, Mr. HOLLINGS, Mr. REID, Mr. DORGAN, Mr. KOHL, and Mrs. FEINSTEIN, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4811) ''An Act making appropriations for the foreign operations, export financing, and related programs for the fiscal year ending September 30, 2001, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCONNELL, Mr. SPECTER, Mr. GREGG, Mr. SHELBY, Mr. BENNETT, Mr. CAMPBELL, Mr. BOND, Mr. STEVENS, Mr. LEAHY, Mr. INOUYE, Mr. LAUTENBERG, Mr. HARKIN, Ms. MIKULSKI, Mrs. MURRAY, and Mr. BYRD, to be the conferees on the part of the Senate.

□

EXECUTING PREGNANT WOMEN

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, if a woman on death row is pregnant, should she or should she not be executed? That is the question that was recently posed to the Vice President, by Tim Russert on Meet the Press. The Vice President responded, ''I don't know what you're talking about.''

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When Mr. Russert asked the question again, the Vice President laughed and said he would want to think about it. The next day, Mr. GORE emerged from his campaign headquarters and said that it should be up to the felon to decide.

Mr. Speaker, most people on death row are there because they have willfully taken another life, often several of them. The death penalty is not given for manslaughter or third degree murder. It is only given to perpetrators of the most horrible crimes.

How on Earth could the Vice President believe that we should be asking these people for permission to kill their innocent, unborn children along with themselves?

Is the child guilty of the crimes as the mother? Obviously not.

We have had laws for hundreds of years against executing pregnant death row inmates.

Mr. Speaker, the Vice President's position on this issue is wrong. It is callous and cruel.

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INTERNATIONAL ABDUCTION

(Mr. LAMPSON asked and was given permission to address the House for 1 minute.)

Mr. LAMPSON. Mr. Speaker, I rise today to draw attention to the issue of international child adduction, and to continue to make my colleagues aware that this issue has ripped 10,000 American children away from their parents.

I have been coming here almost every day since February 16 telling a story about an abducted child, and today I am going to be talking about Brianna Nicole Ballout. Brianna was abducted by her noncustodial father, Samar Ali Ballout, during his weekend visitation on July 7, 1996. The abductor and Brianna's mother shared joint custody, but Mrs. Rogers had physical custody.

An unlawful flight to avoid prosecution was issued as well as a warrant for his kidnapping. The FBI and the State Department located Brianna in Southern Lebanon, and over 2 years, her mother has had sporadic contact with her, ranging from phone calls to receiving pictures when she was 4 in 1999. Mrs. Rogers has lost contact with Brianna and her abducting father.

Mr. Speaker, I urge this House and my colleagues to join me and to do whatever it takes to bring our children home.

□

EDUCATION ACCOMPLISHMENTS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, it has been said that an education is the best provision for old age. Without an education, a person's options and their potential for growth are severely limited.

Nowhere is this philosophy more accurate than in America, where even many entry-level jobs require a college degree.

Unfortunately, America's public education system has been failing thousands of American students. Many of our schools are struggling just to provide the basic tools of modern education demands, computers, updated textbooks and evenly qualified teachers.

Republicans are working to solve these problems. We passed legislation that gives States maximum flexibility in how they use Federal education dollars.

We also passed measures to help improve teacher quality and reduce class size, and we passed legislation to improve education opportunities for disabled students. Republicans are making education a top priority and our children deserve no less.

□

SUBSTANCE AND MENTAL HEALTH SERVICES ADMINISTRATION REAUTHORIZATION

(Mrs. CAPPS asked and was given permission to address the House for 1 minute.)

Mrs. CAPPS. Mr. Speaker, I wish to address two pressing issues before our country today; substance abuse and mental health.

This week, I introduced H.R. 4867, the Youth Drug and Mental Health Services Act, along with my colleagues the gentleman from New York (Mr. RANGEL), the gentleman from Michigan (Mr. DINGELL), the gentleman from Ohio (Mr. BROWN), and the gentleman from Wisconsin (Mr. BARRETT).

This bill reauthorizes the Substance and Mental Health Services Administration which provides State mental health and substance abuse prevention grants throughout this country.

Drug addiction is often an intergenerational family problem with future use by children of addicts a very common occurrence. Sadly, this is a pattern I regularly saw as a school nurse, but I have also seen the success of SAMHSA prevention programs in my own district, particularly with Santa Barbara's Fighting Back.

This program provides successful public awareness initiatives, mentoring, criminal justice partnerships and health care intervention programs.

Mr. Speaker, I call on my colleagues to move H.R. 4867 as soon as it is possible. This reauthorization is the best way to comprehensively address the problems of substance abuse confronting our communities. These problems are just too great for us to treat in a piecemeal fashion.

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ELIMINATE MARRIAGE PENALTY TAX AND DEATH TAX

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, now is the time, once and for all, to eliminate the marriage penalty and the death tax. These are antiquated and unfair taxes, and they penalize too many American families.

In my district alone, more than 77,000 married couples are subjected to the marriage tax. There is no good reason why we are penalizing these couples who choose to marry. It is unfair financial hardship and it does not reflect the family values of this country. I hope the President will join us in our effort to eliminate this unfair tax burden.

I also want to see the elimination of the estate tax. It is obscene that in this country we tax the dead and penalize the survivors. The time has come to eliminate both these Federal taxes.

Mr. Speaker, I urge the President to put aside political considerations and help the Congress abolish these taxes. Why? Because it is the right thing to do.

□

WHITE HOUSE THROWING MONEY AROUND AT CAMP DAVID

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, yesterday it was $40 billion, today they are talking $150 billion at Camp David. Unbelievable.

While the White House continues to oppose a tax cut for married couples in America, the White House is literally throwing money around at Camp David like confetti, like cotton candy at a summer festival.

Beam me up, Mr. Speaker, I believe this is a flawed and dangerous policy. The bottom line, a true, lasting and enduring peace will never be built on a foundation of dollars in the first place. I yield back the auction at Camp David.

□

REMEMBERING SENATOR PAUL COVERDELL

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, yesterday America lost a true friend, and we were all saddened to hear of the tragic news that we had lost a colleague and friend in the United States Senate.

Senator PAUL COVERDELL was a true leader of the Senate, his beloved State of Georgia and to this Nation. As an ardent supporter of freedom and the American dream, the distinguished Senator from Georgia believed that freedom was best preserved and nurtured by a well-educated citizenry.

As a result, throughout his career, Senator COVERDELL fought for education reform which ensured that every child in America received a quality education in a safe environment.

Personally, I am honored to have had the recent opportunity to work with the Senator in passing a bill to award the Congressional Gold Medal to the Reagans, a family which he held in high regard.

Senator COVERDELL's tenacity and dedication to that effort, as well as to

any project he led, were two of his most honorable attributes.

My deepest sympathies go out to Senator COVERDELL's family, colleagues, and his staff during this most difficult time.

Senator COVERDELL and his genuine love for our great Nation will be missed by colleague and friend alike.

□

EYES ON CAMP DAVID: LAND FOR PEACE

(Mr. SHERWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHERWOOD. Mr. Speaker, our eyes are on Camp David, and the focus is on various details, 90 percent, 92 percent, this or that concession. And I think it is important for us to take a step back and to look at the entire panoply.

The discussion is land for peace. This is the first time in recorded history when the land for peace equation has meant that the country that has won the wars has been asked to concede land.

Mr. Speaker, never has there been such extraordinary love of peace as we see in the people of Israel, willing to make concessions after they have won four wars of defense. We should also note that half the Jewish population of Israel are themselves refugees from Arab states, from Yemen and Iran and from other Islamic countries. There is not even the slightest discussion that these Jewish refugees will receive any compensation. We must admire Israel's love of peace.

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REPUBLICAN ACCOMPLISHMENTS

(Mr. ROYCE asked and was given permission to address the House for 1 minute.)

Mr. ROYCE. Mr. Speaker, as we know, this Congress has accomplished much, and it should be proud of what it has done. We said we wanted to preserve and protect Social Security and Medicare, and we have. We stopped the raid on Social Security that had been going on for decades. And we made the system stronger by passing legislation locking away 100 percent of the Social Security surplus for Social Security, not for any other spending.

Republicans said we would eliminate the deficit and pay down the debt, and we have. In fact, under the Republican budget, we will pay off the entire $3.5 trillion publicly held debt. When Americans across this land said they wanted us to eliminate the marriage tax, we ignored protests from the Clinton-Gore administration, and we passed a bill that makes married couples equal with singles in the eyes of the IRS.

Let us work together in a bipartisan manner on behalf of all Americans to protect and preserve Social Security and accomplish these other goals.

CONSIDERING LEGISLATION HELPING AMERICAN FAMILIES SAVE FOR RETIREMENT

(Mr. POMEROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POMEROY. Mr. Speaker, today we are going to consider legislation that will help American families save for retirement. This has never been more important than now, because baby boomers are getting along in their career years and projections are that they will live longer than ever.

The Democrats will offer a substitute, which will add to the underlying legislation, a new savings incentive for middle- and modest-income households. It will be a tax credit for savings committed and will function much like an employer match on traditional 401(k) plans. If you contribute at the qualifying income level, $2,000, to an IRA, the Federal Government will provide a tax credit for $1,000 that can be added to that savings strategy.

□ 1015

This Democrat substitute, I hope, will enjoy the support of both parties. It goes directly to middle and modest income levels, those that are having most difficulty in saving for retirement.

□

PROTECT AMERICAN JOBS AND THE CONSTITUTION

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, the price of gasoline in my home State of Michigan is currently the highest in the country: still nearly $1.90 for a gallon of regular. Yet if $2.00 a gallon is troubling, just consider the impact of implementing the administration's flawed Kyoto Treaty. Tack on at least another 65 cents a gallon and double, double, the energy costs of powering our homes and our factories. Compound this with the loss of as many as 3.2 million American jobs, and we see what this treaty really entails.

The fate of the American economy would be placed in the hands of those nations who do not have to comply with the dictates of the treaty but yet are the biggest offenders. Vice President GORE blatantly disregarded unanimous Senate advice in 1997 and volunteered American taxpayers to the Kyoto Protocol. Three years have now passed and still the advice and the consent of the Senate, as mandated by the Constitution, has not been sought on this misguided treaty.

We already pay too much for our energy supplies. We cannot afford to further insult the American worker with this damaged and unratified treaty.

□

REPUBLICAN ACCOMPLISHMENTS

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, we must be doing a good job when our friends on the other side of the aisle are racing to take credit for our accomplishments. To set the record straight, it was a Republican Congress that provided the fiscal discipline needed to balance the budget for the first time in a generation.

We passed the first broad-based tax cut in 16 years and returned more dollars back to the American taxpayers. We are continuing to find ways to eliminate unfair taxes that penalize hard-working Americans.

This Congress has worked to abolish the earnings limit for our Nation's seniors, repeal the burdensome death tax, and has extended incentives for hard-working Americans to save and invest in the future.

This week the House will again vote to reduce the unfair marriage penalty tax which punishes couples just for being married. We have proven our commitment to secure a better future for every American.

□

THE FAMILY UNIT IS WHAT MAKES AMERICA STRONG

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, it has been said that the strength of our country can be measured by the strength of our families, and it is true that the family is our smallest unit of government. So when families are doing well, we all do well. It is in the family that we pass on the virtues and the knowledge to build a great Nation. We know that when Mom and Dad can care for their children, their kids do better in school. They are less likely to get into drugs and more likely to reach their goals.

Mr. Speaker, the House and the Senate have passed legislation to make American families stronger. It is called marriage penalty tax relief. With this help, moms and dads can spend more time building strong families and a stronger Nation.

Mr. Speaker, I would ask the President to sign the marriage penalty tax relief, and together we will build a better America.

□

AMERICA'S MILITARY, THE BEST IN THE WORLD

(Ms. GRANGER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. GRANGER. Mr. Speaker, throughout my years in public service I have had the pleasure of meeting and becoming acquainted with many of the fine men and women who serve in our Armed Forces. Their strength has allowed America to be an agent for change and courage. They have helped

us win the Cold War, and several hot ones. In the process, they have helped open doors for democracy and torn down walls of oppression.

We have an obligation to do anything and everything we can to defend our shores and protect our citizens. We must also show the same strength and support for our troops.

I have introduced H.R. 4208, the Recruiting Retention and Reservist Promotion Act. This legislation focuses on three things: one, improvement for recruiting through expansion of junior ROTC, sea cadets, young Marines and civil air patrol youth programs; two, retention through enhanced bonus pay for lengthy and numerous deployments; and, three, reservist promotion through tax credits and loans for businesses that employ National Guardsmen and reservists who are called to duty.

I hope my colleagues will join me in cosponsoring 4208. To our friends who say we cannot agree and we argue over we cannot afford to have the best military, I would simply say we cannot afford not to.

□

COMPREHENSIVE RETIREMENT SECURITY AND PENSION REFORM ACT

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 557 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 557

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 1102) to provide for pension reform, and for other purposes. The bill shall be considered as read for amendment. In lieu of the amendment recommended by the Committee on Education and the Workforce now printed in the bill, an amendment in the nature of a substitute consisting of the text of the amendment recommended by the Committee on Ways and Means now printed in H.R. 4843 shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. OSE). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purpose of debate only.

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. REYNOLDS. Mr. Speaker, last night the Committee on Rules met and granted a modified closed rule for H.R. 1102, the Comprehensive Retirement Security and Pension Reform Act of 2000. The rule provides that in lieu of the amendment recommended by the Committee on Education and the Workforce now printed in the bill, the text of H.R. 4843 as reported by the Committee on Ways and Means shall be considered as adopted. Additionally, the rule waives all points of order against the bill and against consideration of the amendment printed in this report.

The rule also provides 1 hour of debate equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means.

The rule further provides for consideration of the amendment printed in the Committee on Rules report accompanying the resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be separately debatable for 1 hour equally divided and controlled by a proponent and an opponent.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, this is a completely fair rule for reform of our Nation's pension and retirement security laws. Not only is the underlying bill a completely balanced, bipartisan measure, but the rule also makes in order a minority substitute amendment providing for a full hour for debate. In short, the rule allows for a comprehensive debate on this very important matter.

Mr. Speaker, Americans are investing far less than they should to prepare for their retirement. Half of all private-sector workers still have no pension coverage. Over a fifth of small businesses with 25 or fewer employees offer a pension plan, and members of the baby boomers generation, 76 million of whom will retire in the next 15 years, have less than 40 percent of the savings needed to maintain their standard of living.

In fact, retirement savings in the United States are at extremely low levels, even as our economy is reaching record highs. The reason Americans are saving less than they need for their retirement is simple, because the Federal Government has discouraged them from doing so.

For too long the Federal Government has been an impediment to American workers planning and preparing for their retirement security.

Mr. Speaker, contribution limits on pensions and IRAs have not kept with the times. In fact, they have been stuck at the 1980s level. Worse, over the past 2 decades Congress has actually reduced contribution limits and, as a double hit on working Americans, the Federal Government at the same time introduced burdensome and costly regulatory restrictions on pension plans. The result, in 1987 there were 114,000 of these pension plans across America. Ten years later, there were only 45,000. Since 1990 pension coverage has declined from 40 to 33 percent among workers making less than $20,000; and despite a booming economy, the personal savings rate has dropped every year since 1992 and is at its lowest point in 66 years.

The underlying bipartisan bill is a historic measure that will strengthen individual retirement accounts, 401(k) plans and small business retirement plans, finally bringing retirement savings into the 21st century and helping ensure retirement security of countless Americans.

The Comprehensive Retirement Security and Pension Reform Act allows working Americans to set more of their hard-earned money aside in an IRA or 401(k)-type plan, modernizes pension laws, and provides regulatory relief to encourage more small businesses to offer retirement plans.

The bill increases the old IRA contribution limit from $2,000 to $5,000 over the next 3 years for both traditional and Roth IRAs, and the bill includes an important fairness provision to allow workers over 50 years of age to catch up with contributions for 401(k) plans by increasing the contribution level immediately.

This bipartisan measure will remove excessive, burdensome and unnecessary Federal regulations, providing relief to American businesses and workers by encouraging small businesses to offer pension plans. By removing these restrictions, Americans will be allowed the freedom to invest in their future as never before.

Mr. Speaker, H.R. 1102 is a fair, balanced and bipartisan plan that will help millions of Americans. I would like to commend the chairman of the Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER), and the gentleman from New York (Mr. RANGEL), for their hard work on this bill. Additionally, I would like to commend the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN), the sponsors of the underlying legislation, for their dedication to pension and retirement reform for America.

I urge my colleagues to support this fair rule, the underlying measure.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from New York for yielding me the customary 30 minutes and yield myself such time as I may consume.

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, this is a modified closed rule; but H.R. 4843 deserves full and open debate, and an open rule would have ensured that no one would be shut out of the process.

Mr. Speaker, I strongly support the underlying goals of H.R. 4843, to provide expanded opportunities for working Americans to save for their retirement. The bill includes a number of provisions which improve current protections for workers and retirees, such as a reduction of vesting to 3 years for 401(k) plan-matching contributions, encouraging rollovers of pension plans when workers switch employment, and eliminating compensation caps that unfairly affect the pension benefits of rank and file workers.

Even during this period of strong economic growth, more people are joining the workforce than are receiving pension coverage. Only half the workforce is covered by a pension plan; and, worse, there is reason to believe it will not provide them with an adequate level of supplemental income in their retirement.

Although there is insufficient data to measure contributions and benefits, data from the Federal Reserve shows pension plan contributions declining by 50 percent in recent years.

While the underlying bill provides significant opportunities for those workers who can most afford to save the maximum amount allowed, few or no opportunities are available to low- and moderate-income workers under the bill. We must continue to work together to improve this aspect of the bill and ensure that no segment of our workforce is excluded from the opportunity to financially improve their retirement years.

□ 1030

The pressure to save adequately for retirement affects all working Americans. Statistics confirm that low-income workers are far less likely to participate in an employment-based retirement savings plan than workers with higher incomes, even when the plan is available to them. Individuals who are in between $10,000 and $14,000 annually participate at a rate of 31 percent, even though 51 percent of them have access to plans at work. However, the participation rate for workers earning $50,000 or more increased to 83 percent, with 88 percent of such workers having access to employer-sponsored plans.

During the consideration of the underlying bill, the gentleman from New York (Mr. RANGEL) will offer a substitute that incorporates the text of H.R. 4843, as well as provisions to encourage the participation of the low-income workers. Specifically, the substitute provides a refundable credit for low- and middle-income workers who save for their retirement, makes small business employers eligible to claim a credit for certain expenses incurred as the result of establishing a qualified pension plan, provides relief from certain section 415 rules and benefit limits, and expresses a Sense of Congress that issues concerning cash balance plans should be resolved.

Mr. Speaker, I urge that my colleagues support these important improvements to the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 557, I call up the bill (H.R. 1102), to provide for pension reform, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 557, the bill is considered read for amendment.

The text of H.R. 1102 is as follows:

H.R. 1102

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Comprehensive Retirement Security and Pension Reform Act''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—EXPANDING COVERAGE

Sec. 101. Restoration of limits formerly in effect.
Sec. 102. Plan loans for subchapter S owners, partners, and sole proprietors.
Sec. 103. Salary reduction only simple plans.
Sec. 104. Modification of top-heavy rules.
Sec. 105. Elective deferrals not taken into account for purposes of limits.
Sec. 106. Reduced PBGC premium for new plans of small employers.
Sec. 107. Phase-in of additional premium for new plans.
Sec. 108. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.
Sec. 109. Elimination of user fee for requests to IRS regarding pension plans.
Sec. 110. Alternative method of meeting nondiscrimination requirements for automatic contribution trust.
Sec. 111. Deduction limits.
Sec. 112. Option to treat elective deferrals as after-tax contributions.
Sec. 113. Credit for pension plan startup costs of small employers.

TITLE II—ENHANCING FAIRNESS FOR WOMEN AND CHILDREN

Sec. 201. Additional salary reduction catch-up contributions.
Sec. 202. Equitable treatment for contributions of employees to defined contribution plans.
Sec. 203. Faster vesting of certain employer matching contributions.
Sec. 204. Deferred annuities for surviving spouses of Federal employees.
Sec. 205. Simplify and update the minimum distribution rules.
Sec. 206. Clarification of tax treatment of division of section 457 plan benefits upon divorce.
Sec. 207. Percentage limitations on contributions.
Sec. 208. Eligible rollover distributions.
Sec. 209. Immediate participation in the Thrift Savings Plan.

TITLE III—INCREASING PORTABILITY FOR PARTICIPANTS

Sec. 301. Rollovers allowed among various types of plans.
Sec. 302. Rollovers of IRAs into workplace retirement plans.
Sec. 303. Rollovers of after-tax contributions.
Sec. 304. Treatment of forms of distribution.
Sec. 305. Rationalization of restrictions on distributions.
Sec. 306. Purchase of service credit in governmental defined benefit plans.
Sec. 307. Employers may disregard rollovers for purposes of cash-out amounts.

TITLE IV—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

Sec. 401. Repeal of 150 percent of current liability funding limit.
Sec. 402. Missing participants.
Sec. 403. Periodic pension benefits statements.
Sec. 404. Civil penalties for breach of fiduciary responsibility.
Sec. 405. Penalty tax relief for sound pension funding.
Sec. 406. Protection of investment of employee contributions to 401(k) plans.
Sec. 407. Notice of significant reduction in benefit accruals.

TITLE V—REDUCING REGULATORY BURDENS

Sec. 501. Intermediate sanctions for inadvertent failures.
Sec. 502. Repeal of the multiple use test.
Sec. 503. Safety valve from mechanical rules.
Sec. 504. Reform of the line of business rules.
Sec. 505. Coverage test flexibility.
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TITLE I—EXPANDING COVERAGE

SEC. 101. RESTORATION OF LIMITS FORMERLY IN EFFECT.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking ''$90,000'' and inserting ''$180,000''.

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking ''$90,000'' each place it appears in the headings and the text and inserting ''$180,000''.

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking ''the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$90,000' '' and inserting ''one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$180,000' ''.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 62''.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 65''.

(4) MULTIEMPLOYER PLANS AND PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.—Subparagraph (F) of section 415(b)(2) is amended to read as follows:

''(F) MULTIEMPLOYER PLANS AND PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.—

''(i) IN GENERAL.—In the case of a governmental plan (within the meaning of section 414(d)), a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle, a multiemployer plan (as defined in section 414(f)), or a qualified merchant marine plan, subparagraph (C) shall be applied as if the last sentence thereof read as follows: 'The reduction under this subparagraph shall not reduce the limitation of paragraph (1)(A) below (i) $130,000 if the benefit begins at or after age 55, or (ii) if the benefit begins before age 55, the equivalent of the $130,000 limitation for age 55.'

''(ii) DEFINITIONS.—For purposes of this subparagraph—

''(I) QUALIFIED MERCHANT MARINE PLAN.—The term 'qualified merchant marine plan' means a plan in existence on January 1, 1986, the participants in which are merchant marine officers holding licenses issued by the Secretary of Transportation under title 46, United States Code.

''(II) EXEMPT ORGANIZATION PLAN COVERING 50 PERCENT OF ITS EMPLOYEES.—A plan shall be treated as a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle if at least 50 percent of the employees benefiting under the plan are employees of an organization (other than a governmental unit) exempt from tax under this subtitle. If less than 50 percent of the employees benefiting under a plan are employees of an organization (other than a governmental unit) exempt from tax under this subtitle, the plan shall be treated as a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle only with respect to employees of such an organization.''.

(5) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) in paragraph (1)(A) by striking ''$90,000'' and inserting ''$180,000'', and

(B) in paragraph (3)(A)—

(i) by striking ''$90,000'' in the heading and inserting ''$180,000'', and

(ii) by striking ''October 1, 1986'' and inserting ''July 1, 1999''.

(b) DEFINED CONTRIBUTION PLANS.—

(1) DOLLAR LIMIT.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''$30,000'' and inserting ''$45,000''.

(2) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) in paragraph (1)(C) by striking ''$30,000'' and inserting ''$45,000'', and

(B) in paragraph (3)(D)—

(i) by striking ''$30,000'' in the heading and inserting ''$45,000'', and

(ii) by striking ''October 1, 1993'' and inserting ''July 1, 1999''.

(c) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking ''$150,000'' each place it appears and inserting ''$235,000''.

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking ''October 1, 1993'' and inserting ''July 1, 1999'', and

(B) by striking ''$10,000'' both places it appears and inserting ''$5,000''.

(d) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraphs (1) and (5) of section 402(g) (relating to limitation on exclusion for elective deferrals) are each amended by striking ''$7,000'' and inserting ''$15,000''.

(2) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraph (1), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Clause (iii) of section 501(c)(18)(D) is amended by striking ''(other than paragraph (4) thereof)''.

(e) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(1) in subsections (b)(2)(A), (c)(1), and (e)(15) by striking ''$7,500'' each place it appears and inserting ''$15,000'',

(2) in subsection (b)(3)(A) by striking ''$15,000'' and inserting ''$30,000'', and

(3) in subsection (e)(15)—

(A) by inserting ''and the $30,000 amount specified in subsection (b)(3)(A)'' after ''(c)(1)'', and

(B) by striking ''September 30, 1994'' and inserting ''September 30, 1999''.

(f) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Sections 408(p)(2)(A)(ii), 408(p)(2)(E), 401(k)(11)(B)(i)(I), and 401(k)(11)(E) are each amended by striking ''$6,000'' and inserting ''$10,000''.

(2) BASE PERIOD FOR COST-OF-LIVING ADJUSTMENT.—Subparagraph (E) of section 408(p)(2) is amended by striking ''September 30, 1996'' and inserting ''September 30, 1999''.

(g) COST-OF-LIVING ADJUSTMENTS.—

(1) PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.—Paragraph (1) of section 415(d) (as amended by subsection (b)) is amended by striking ''and'' at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

''(C) the $130,000 amount in subsection (b)(2)(F), and''.

(2) BASE PERIOD.—Paragraph (3) of section 415(d) (as amended by subsection (b)) is further amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

''(D) $130,000 AMOUNT.—The base period taken into account for purposes of paragraph (1)(C) is the calendar quarter beginning July 1, 1999.''.

(3) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

''(4) ROUNDING.—

''(A) $180,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

''(B) $130,000 AND $45,000 AMOUNTS.—Any increase under subparagraph (C) or (D) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.''.

(4) CONFORMING AMENDMENT.—Subparagraph (D) of section 415(d)(3) (as amended by paragraph (2)) is amended by striking ''paragraph (1)(C)'' and inserting ''paragraph (1)(D)''.

(h) INCREASE IN AMOUNT OF DEDUCTIBLE IRA CONTRIBUTIONS.—

(1) INCREASE IN MAXIMUM AMOUNT OF DEDUCTION.—Subparagraph (A) of section 219(b)(1) (relating to maximum amount of deduction) is amended by striking ''$2,000'' and inserting ''$5,000''.

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(1), (b)(2), (j), and (p)(8) of section 408 are each amended by striking ''$2,000'' each place it appears and inserting ''$5,000''.

(B) Clause (i) of section 408(o)(2)(B) is amended by inserting ''the lesser of $2,000, or'' after ''means''.

(C) Paragraph (2) of section 408A(c) is amended by inserting ''the lesser of $2,000, or'' after ''shall not exceed''.

(D) Subparagraph (B) of section 4973(b)(1) is amended by inserting ''(or in the case of a nondeductible individual retirement plan, the amount allowable as a contribution under section 408(o))'' after ''contributions,''.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to years beginning after December 31, 1999.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions or benefits pursuant to any such agreement for years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2000, or

(B) January 1, 2004.

SEC. 102. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) AMENDMENT TO 1986 CODE.—Subsection (f) of section 4975 (relating to other definitions and special rules) is amended by striking paragraph (6).

(b) AMENDMENTS TO ERISA.—

(1) Section 408 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108) is amended—

(A) by striking subsection (d); and

(B) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(2) Section 407(b)(3)(B) of such Act (29 U.S.C. 1107(b)(3)(B)) is amended by striking ''section 408(e)'' and inserting ''section 408(d)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 103. SALARY REDUCTION ONLY SIMPLE PLANS.

(a) SIMPLE RETIREMENT ACCOUNTS.—

(1) IN GENERAL.—Paragraph (2) of section 408(p) (as amended by section 101(f)) is further amended—

(A) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(B) by inserting after subparagraph (B) the following:

''(C) EMPLOYER MAY ELECT SALARY REDUCTION ONLY ARRANGEMENT.—

''(i) IN GENERAL.—An employer shall be treated as meeting the requirements of subparagraph (A)(iii) for any year if, in lieu of the contributions described in such subparagraph, the employer elects to limit the amount which an employee may elect under subparagraph (A)(i) to a total of $5,000 for the year. If an employer makes an election under this subparagraph for any year, the employer shall notify employees of such election within a reasonable period of time before the 60-day period for such year under paragraph (5)(C).

''(ii) EXCEPTION.—This subparagraph shall not apply to an employer if such employer (or any predecessor employer) maintained another qualified plan (as defined in subparagraph (D)(ii)) with respect to which contributions were made, or benefits were accrued, for service during the year in which the arrangement described in clause (i) became effective or either of the 2 preceding years. If only individuals other than employees described in subparagraph (A) of section 410(b)(3) are eligible to participate in the arrangement described in clause (i), then the preceding sentence shall be applied without regard to any qualified plan in which only employees so described are eligible to participate.''.

(2) SPECIAL RULE FOR ACQUISITIONS, DISPOSITIONS, AND SIMILAR TRANSACTIONS.—Subparagraph (B) of section 408(p)(10) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ''; and'', and by inserting after clause (iii) the following:

''(iv) the requirement under paragraph (2)(C) that the employer not have maintained another qualified plan described therein.''.

(3) COST-OF-LIVING ADJUSTMENT.—Subparagraph (F) of section 408(p)(2) (as so redesignated) is amended by inserting ''and the $5,000 amount under subparagraph (C)'' after ''subparagraph (A)(ii)''.

(4) COORDINATION WITH MAXIMUM LIMITATION.—Paragraph (8) of section 408(p) (relating to coordination with maximum limitation under subsection (a)) is amended by striking ''paragraph (2)(A)(ii) of this subsection'' and inserting ''subparagraph (A)(ii) or (C) of paragraph (2) of this subsection, whichever is applicable,''.

(5) CONFORMING AMENDMENT.—Clause (ii) of section 408(p)(10)(B) is amended by striking ''paragraph (2)(D)'' and inserting ''paragraph (2)(E)''.

(b) ADOPTION OF SIMPLE PLAN TO MEET NONDISCRIMINATION TESTS.—

(1) SIMPLE PLAN.—Subparagraph (B) of section 401(k)(11) is amended by redesignating clause (iii) as clause (iv) and by inserting after clause (ii) the following new clause:

''(iii) EMPLOYER MAY ELECT SALARY REDUCTION ONLY ARRANGEMENT.—

''(I) IN GENERAL.—An employer shall be treated as meeting the requirements of clause (i)(II) for any year if, in lieu of the contributions described in such clause, the employer elects to limit the amount which an employee may elect under clause (i) to a total of $5,000 for the year. If an employer makes an election under this clause for any year, the employer shall notify employees of such election within a reasonable period of time before the 60-day period for such year under clause (iv)(II).

''(II) EXCEPTION.—This clause shall not apply to an employer if such employer (or any predecessor employer) maintained another qualified plan (as defined in section 408(p)(2)(D)(ii)) with respect to which contributions were made, or benefits were accrued, for service during the year in which the arrangement described in subclause (I) became effective or either of the 2 preceding years. This subclause shall not apply if such contributions or benefits were solely on behalf of employees who are not eligible to participate in the arrangement described in subclause (I).''.

(2) COST-OF-LIVING ADJUSTMENT.—Subparagraph (E) of section 401(k)(11) is amended by inserting ''and the $5,000 amount under subparagraph (B)(iii)'' after ''subparagraph (B)(i)(I)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 104. MODIFICATION OF TOP-HEAVY RULES.

(a) REPEAL OF FAMILY AGGREGATION RULES.—Section 416(i)(1)(B)(i)(I) (defining 5-percent owner) is amended by inserting ''(without regard to subsection (a)(1) thereof)'' after ''section 318''.

(b) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking ''or any of the 4 preceding plan years'' in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

''(i) an officer of the employer who has compensation from the employer of more than $150,000,'',

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking ''and subparagraph (A)(ii)''.

(c) EMPLOYEE ELECTIVE CONTRIBUTIONS TO PLAN NOT TAKEN INTO ACCOUNT.—

(1) DEFINITION OF TOP-HEAVY PLAN.—Section 416(g)(4) (relating to other special rules) is amended by adding at the end the following:

''(H) EMPLOYEE ELECTIVE CONTRIBUTIONS TO PLAN NOT TAKEN INTO ACCOUNT.—At the election of the employer, any employee elective contribution described in section 415(c)(3)(D) to a plan (and earnings allocable thereto) shall not be taken into account for purposes of determining whether a plan is a top-heavy plan (or whether any aggregation group which includes such plan is a top-heavy group).''.

(2) DEFINITION OF COMPENSATION.—Section 416(i)(1)(D) (defining compensation) is amended to read as follows:

''(D) COMPENSATION.—

''(i) IN GENERAL.—For purposes of this paragraph, except as provided in clause (ii), the term 'compensation' has the meaning given such term by section 414(q)(4).

''(ii) EMPLOYEE ELECTIVE CONTRIBUTIONS TO PLAN NOT TAKEN INTO ACCOUNT.—At the election of the employer, any employee elective contribution described in section 415(c)(3)(D) to a plan shall not be taken into account for purposes of determining compensation.''.

(d) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: ''Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.''.

(e) REQUIREMENTS FOR QUALIFICATIONS.—Clause (ii) of section 401(a)(10)(B) (relating to requirements for qualifications for top-heavy plans) is amended by adding at the end the following new flush sentence:

''The preceding sentence shall not apply to a plan if the plan is not top-heavy and if it is not reasonable to expect that the plan will become top-heavy.''.

(f) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—Section 416(g) is amended—

(1) in paragraph (3)—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) in the matter following subparagraph (B), by striking ''5-year period'' and inserting ''1-year period'', and

(2) in paragraph (4)(E)—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) by striking ''5-year period'' and inserting ''1-year period''.

(g) DEFINITION OF TOP-HEAVY PLANS.—

(1) EXCLUSION OF CERTAIN PLANS FROM DEFINITION OF TOP-HEAVY PLAN.—Paragraph (4) of section 416(d) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraphs:

''(H) CASH OR DEFERRED ARRANGEMENTS USING ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—The term 'top-heavy plan' shall not include a cash or deferred arrangement to the extent that such arrangement meets the requirements of section 401(k)(12). This subparagraph shall also apply to contributions that are not required to satisfy the requirements of section 401(k)(12) but are consistent with the purposes of such section, as permitted under regulations which the Secretary shall prescribe. Nothing in this subparagraph shall preclude an employer from taking into account contributions made under the cash or deferred arrangement when determining whether any plan of such employer satisfies the requirements of this section.

''(I) DEFINED CONTRIBUTION PLANS USING ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—The term 'top-heavy plan' shall not include a defined contribution plan to the extent that such plan meets the requirements of section 401(m)(11). This subparagraph shall also apply to contributions that are not required to satisfy the requirements of section 401(m)(11) but are consistent with the purposes of such section, as permitted under regulations which the Secretary shall prescribe. Nothing in this subparagraph shall

preclude an employer from taking into account contributions made under the defined contribution plan when determining whether any plan of such employer satisfies the requirements of this section.''.

(2) AGGREGATION GROUP NOT REQUIRED TO INCLUDE CERTAIN PLANS.—Clause (i) of section 416(g)(2)(A) of such Code (relating to required aggregation) is amended by adding at the end the following new flush sentence:

''Such term shall not include a plan or arrangement described in subparagraph (H) or (I) of paragraph (4).''.

(h) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT.—Clause (i) of section 416(c)(2)(B) (relating to special rule where maximum contribution less than 3 percent) is amended by inserting ''(other than elective deferrals (as defined in section 402(g)(3))'' after ''contributions''.

(i) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(1) in clause (i) by striking ''clause (ii)'' and inserting ''clause (ii) or (iii)'', and

(2) by adding at the end the following:

''(iii) For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when no employee or former employee benefits under the plan within the meaning of section 410(b).''.

(j) ALTERNATIVE 60 PERCENT.—Subsection (g) of section 416 (relating to top heavy plan defined) is amended by adding at the end the following:

''(5) ALTERNATIVE 60 PERCENT TEST.—

''(A) IN GENERAL.—For any plan year, an employer may elect for this paragraph to apply to all plans maintained by such employer. If this paragraph applies to a plan, the term 'top-heavy plan' shall have the meaning set forth in subparagraph (B) and the term 'top-heavy group' shall have the meaning set forth in subparagraph (C).

''(B) TOP-HEAVY PLAN DEFINED.—In the case of any plan to which this paragraph applies, the term 'top-heavy plan' means, with respect to any plan year—

''(i) any defined benefit plan if, for the plan year ending on the determination date, the present value of the accruals for key employees exceeds 60 percent of the present value of the accruals for all employees, and

''(ii) any defined contribution plan if, for the plan year ending on the determination date, the annual additions for key employees exceed 60 percent of the annual additions for all employees.

''(C) TOP-HEAVY GROUP.—In the case of any plan to which this paragraph applies, the term 'top-heavy group' means any aggregation group if—

''(i) the sum, for the plan year ending on the determination date, of—

''(I) the present value of the accruals for key employees under all defined benefit plans included in such group, and

''(II) the aggregate of the annual additions of key employees under all defined contribution plans included in such group,

''(ii) exceeds 60 percent of a similar sum determined for all employees.

''(D) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' shall have the same meaning as when used in section 415(c)(2) (without regard to section 415(l) or section 419A(d)(2)).

''(E) CERTAIN RULES NOT TO APPLY.—Paragraphs (3) and (4) (other than subparagraphs (B), (C), (D), (E), and (G) of paragraph (4)) shall not apply for purposes of this paragraph.''.

(k) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 416(g)(1) is amended by striking ''subparagraph (B)'' and inserting ''subparagraph (B) and paragraph (5)''.

(2) Subparagraph (B) of section 416(g)(2) is amended by striking ''The term'' and inserting ''Except as provided in paragraph (5), the term''.

(3) Subparagraph (A) of section 415(b)(5) is amended by adding at the end the following: ''An employee shall not be credited with a year of participation in a defined benefit plan for any year in which such employee does not benefit under the plan within the meaning of section 410(b).''.

(l) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 105. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF LIMITS.

(a) IN GENERAL.—Section 404 is amended by adding at the end the following new subsection:

''(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitations described in this section (other than subsection (a)), and such elective deferrals shall not be taken into account in applying such limitations to any other contributions.''.

(b) CONFORMING AMENDMENTS.—Paragraph (3) of section 4972(c) is amended to read as follows:

''(3) CONTRIBUTIONS NOT TAKEN INTO ACCOUNT.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account—

''(A) any elective deferral (as defined in section 402(g)(3)), or

''(B) any contribution for such taxable year which is distributed to the employer in a distribution described in section 4980(c)(2)(B)(ii) if such distribution is made on or before the last day on which a contribution may be made for such taxable year under section 404(a)(6).''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 1999.

SEC. 106. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) by inserting ''other than a new single-employer plan of a small employer (as defined in clause (iv)),'' after ''in the case of a single-employer plan,'' in clause (i),

(2) by striking the period at the end of clause (iii) and inserting ''; and'', and

(3) by inserting after clause (iii) the following new clause:

''(iv) in the case of a new single-employer plan of a small employer, $5 for each individual who is a participant in such plan during the plan year. For purposes of this clause (iv):

''(I) The term 'new single-employer plan' means a single-employer plan during its first five plan years; provided, however, that a single-employer plan is not a new single-employer plan if any contributing sponsor or any member of its controlled group (including any predecessor of a contributing sponsor or member of such predecessor's controlled group) had established or maintained a plan to which this title applied that included substantially the same employees as such new plan, at any time within the 36-month period preceding the adoption of such new plan.

''(II) The term 'small employer' means a contributing sponsor that on the first day of the plan year has, in combination with all members of its controlled group, 100 or fewer employees.

''(III) In the case of a plan maintained by two or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether the plan shall be considered to be a plan of a small employer.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. 107. PHASE-IN OF ADDITIONAL PREMIUM FOR NEW PLANS.

(a) IN GENERAL.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended—

(1) by inserting ''(or, in the case of a new single-employer plan described in clause (vi), the amount determined under clause (v))'' after ''determined under clause (ii)'' in clause (i), and

(2) by inserting after clause (iv) the following new clauses:

''(v) The amount determined under this clause for any plan year of a new single-employer plan (as described in clause (vi)) shall be an amount equal to the product derived by multiplying the amount determined under clause (ii) by the applicable percentage. For purposes of this clause (v), the term 'applicable percentage' means—

''(I) 0 percent, for the first plan year,

''(II) 20 percent, for the second plan year,

''(III) 40 percent, for the third plan year,

''(IV) 60 percent, for the fourth plan year, and

''(V) 80 percent, for the fifth plan year.

''(vi) For purposes of clause (v), the term 'new single-employer plan' means a single-employer plan during its first five plan years; provided, however, that a single-employer plan is not a new single-employer plan if any contributing sponsor or any member of its controlled group (including any predecessor of a contributing sponsor or member of such predecessor's controlled group) had established or maintained a plan to which this title applied that included substantially the same employees as such new plan, at any time within the 36-month period preceding the adoption of such new plan.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. 108. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended to read as follows:

''(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed $15,000 (as modified by any adjustment provided under subsection (b)(3)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1999.

SEC. 109. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 10511 of the Revenue Act of 1987 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a pension benefit plan maintained solely by one or more eligible employers or any trust which is part of the plan.

(b) PENSION BENEFIT PLAN.—For purposes of this section, the term 'pension benefit

plan' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

(c) ELIGIBLE EMPLOYER.—For purposes of this section, the term ''eligible employer'' has the same meaning given such term in section 408(p)(2)(C)(i)(I) of the Internal Revenue Code of 1986. The determination of whether an employer is an eligible employer under this section shall be made as of the date of the request described in subsection (a).

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 1999.

SEC. 110. ALTERNATIVE METHOD OF MEETING NONDISCRIMINATION REQUIREMENTS FOR AUTOMATIC CONTRIBUTION TRUST.

(a) IN GENERAL.—Section 401(k) (relating to cash or deferred arrangement) is amended by adding at the end the following new paragraph:

''(13) NONDISCRIMINATION REQUIREMENTS FOR AUTOMATIC CONTRIBUTION TRUSTS.—

''(A) IN GENERAL.—A cash or deferred arrangement shall be treated as meeting the requirements of paragraph (3)(A)(ii) if such arrangement constitutes an automatic contribution trust.

''(B) AUTOMATIC CONTRIBUTION TRUST.—For purposes of this paragraph, the term 'automatic contribution trust' means an arrangement—

''(i) under which each employee eligible to participate in the arrangement is treated as having elected to have the employer make elective contributions in an amount equal to the uniform percentage (not less than 3 percent) of compensation provided under the arrangement until the employee specifically elects not to have such contributions made, and

''(ii) which meets the other requirements of this paragraph.

Clause (i) of this subparagraph shall not apply to any employee who was eligible to participate in the arrangement (or a predecessor arrangement) immediately before the first date on which the arrangement is an automatic contribution trust. The election treated as having been made under clause (i) shall cease to apply to compensation paid after the specific election by the employee.

''(C) PARTICIPATION.—

''(i) Except as provided in clause (ii), an arrangement meets the requirements of this subparagraph for any year if, during the plan year or the preceding plan year, elective contributions are made on behalf of at least 70 percent of employees other than highly compensated employees eligible to participate in the arrangement.

''(ii) An arrangement (other than a successor arrangement) shall be treated as meeting the requirements of this subparagraph with respect to the first plan year in which the arrangement is effective.

''(D) MATCHING OR NONELECTIVE CONTRIBUTIONS.—The requirements of this subparagraph are met if, under the arrangement, the employer—

''(i) makes matching contributions on behalf of each employee who is not a highly compensated employee in an amount equal to 50 percent of the elective contributions of the employee to the extent such elective contributions do not exceed 5 percent of compensation, or

''(ii) is required, without regard to whether the employee makes an elective contribution or employee contribution, to make a contribution to a defined contribution plan on behalf of each employee who is not a highly compensated employee and who is eligible to participate in the arrangement in an amount equal to at least 2 percent of the employee's compensation.

The rules of clauses (ii), (iii), and (iv) of paragraph (12)(B) shall apply for purposes of clause (i).

''(E) VESTING.—The requirements of this subparagraph are met if the requirements of subparagraph (C) of paragraph (2) are met with respect to all employer contributions (including matching contributions) taken into account in determining whether the requirements of subparagraph (B) or (C) are met.

''(F) NOTICE REQUIREMENTS.—

''(i) IN GENERAL.—The requirements of this subparagraph are met if the requirements of clauses (ii) and (iii) are met.

''(ii) REASONABLE PERIOD TO MAKE ELECTION.—The requirements of this clause are met if each employee to whom subparagraph (B)(i) applies—

''(I) receives a notice explaining the employee's right under the arrangement to elect not to have elective contributions made on the employee's behalf, and

''(II) has a reasonable period of time after receipt of such notice and before the first elective contribution is made to make such election.

''(iii) ANNUAL NOTICE OF RIGHTS AND OBLIGATIONS.—The requirements of this clause are met if each employee eligible to participate in the arrangement is, within a reasonable period before any year, given notice of the employee's rights and obligations under the arrangement.

The requirements of clauses (i) and (ii) of paragraph (12)(D) shall be met with respect to the notices described in clauses (ii) and (iii) of this subparagraph.''.

(b) MATCHING CONTRIBUTIONS.—Section 401(m) (relating to nondiscrimination test for matching contributions and employee contributions) is amended by redesignating paragraph (12) as paragraph (13) and by inserting after paragraph (11) the following new paragraph:

''(12) ALTERNATIVE METHOD FOR AUTOMATIC CONTRIBUTION TRUSTS.—

''(A) IN GENERAL.—A defined contribution plan shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if the plan—

''(i) meets the contribution requirements of subparagraphs (B)(i) and (D) of subsection (k)(13),

''(ii) meets the participation requirements of subsection (k)(13)(C),

''(iii) meets the vesting and notice requirements of subparagraphs (E) and (F) of subsection (k)(13), and

''(iv) meets the requirements of paragraph (11)(B).

''(B) MATCHING CONTRIBUTIONS.—An annuity contract under section 403(b) shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if such contract meets requirements similar to the requirements under subparagraph (A).''.

(c) EXCLUSION FROM DEFINITION OF TOP-HEAVY PLANS.—Paragraph (4) of section 416(d) (relating to other special rules for top-heavy plans), as amended by section 104(g), is amended by adding at the end the following new subparagraph:

''(J) AUTOMATIC CONTRIBUTION TRUST.—The term 'top-heavy plan' shall not include an automatic contribution trust under section 401(k)(13). Nothing in this subparagraph shall preclude an employer from taking into account contributions made under the automatic contribution trust when determining whether any plan of such employer satisfies the requirements of this section.''.

(d) DEFINITION OF COMPENSATION.—

(1) IN GENERAL.—Paragraph (9) of section 401(k) is amended to read as follows:

''(9) COMPENSATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for purposes of this section, the term 'compensation' has the meaning given such term by section 414(s).

''(B) USE OF BASE PAY.—For purposes of paragraph (12)(B), the term 'compensation' means the definition of compensation used by the cash or deferred arrangement if such compensation—

''(i) meets the requirements of section 414(s), or

''(ii) constitutes base pay.

''(C) BASE PAY.—For purposes of subparagraph (B), the term 'base pay' means a reasonable definition of compensation that does not by design favor highly compensated employees and that excludes on a consistent basis all irregular or additional compensation.''.

(2) AUTOMATIC CONTRIBUTION TRUSTS.—Paragraph (9)(B) of section 401(k) (as amended by paragraph (1)) is amended by striking ''paragraph (12)(B)'' and inserting ''paragraphs (12)(B), (13)(B), and (13)(D)(i)''.

(3) MATCHING CONTRIBUTIONS.—Paragraph (11) of section 401(m) is amended by adding at the end the following:

''(C) DEFINITION OF COMPENSATION.—For purposes of subparagraph (B), the term ''compensation'' has the meaning given such term by subsection (k)(9)(B).''.

(e) APPLICATION BY YEAR OR PAYROLL PERIOD.—

(1) CASH OR DEFERRED ARRANGEMENTS.—Subparagraph (B) of section 401(k)(12) is amended by adding at the end the following:

''(iv) APPLICATION BY YEAR OR PAYROLL PERIOD.—The requirements of this subparagraph may be met for a plan year by meeting such requirements either—

''(I) with respect to the plan year as a whole, or

''(II) separately with respect to each payroll period (or other payment of compensation) taken into account under the arrangement for the plan year.''.

(2) DEFINED CONTRIBUTION PLANS.—Paragraph (11) of section 401(m) (as amended by this section) is amended by adding at the end the following:

''(D) APPLICATION BY YEAR OR PAYROLL PERIOD.—The requirements of subparagraph (B) may be met for a plan year by meeting such requirements either—

''(i) with respect to the plan year as a whole, or

''(ii) separately with respect to each payroll period (or other payment of compensation) taken into account under the plan for the plan year.''.

(f) SECTION 403(b) CONTRACTS.—Paragraph (11) of section 401(m) (as amended by this section) is amended by adding at the end the following:

''(E) SECTION 403(B) CONTRACTS.—An annuity contract under section 403(b) shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if such contract meets requirements similar to the requirements under subparagraph (A).''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 1999.

(2) EXCEPTION.—The amendments made by subsections (d)(1), (d)(3), (e), and (f) shall apply to years beginning after December 31, 1998.

SEC. 111. DEDUCTION LIMITS.

(a) IN GENERAL.—

(1) STOCK BONUS AND PROFIT SHARING TRUSTS.—Subclause (I) of section 404(a)(3)(A)(i) (relating to stock bonus and profit sharing trusts) is amended by striking ''15 percent'' and inserting ''25 percent''.

(2) COMPENSATION.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

''(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), and (9), the term 'compensation otherwise paid or accrued during the taxable year' shall include amounts treated as 'participant's compensation' under subparagraph (C) or (D) of section 415(c)(3).''.

(3) DEFINED CONTRIBUTION PLANS.—Subparagraph (A) of section 404(a)(3) (relating to stock bonus and profit sharing trusts) is amended by adding at the end the following:

''(vi) DEFINED CONTRIBUTION PLANS SUBJECT TO THE FUNDING STANDARDS.—Except as provided by the Secretary, for purposes of this subparagraph, a defined contribution plan which is subject to the funding standards of section 412 shall be treated in the same manner as a stock bonus or profit-sharing plan.''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 404(a)(3) is amended by striking clause (v) and by redesignating clause (vi) (as added by subsection (a)(3) of this section) as clause (v).

(2) Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(3) Subparagraph (D) of section 404(a)(8) is amended by striking the period at the end and inserting the following: '', except that such earned income shall be adjusted under rules similar to the rules of paragraph (12).''.

(4) Subparagraph (C) of section 404(h)(1) is amended by striking ''15 percent'' each place it appears and inserting ''25 percent''.

(5) Paragraph (2) of section 404(h) is amended by striking ''stock bonus or profit-sharing trust'' and inserting ''trust subject to subsection (a)(3)(A)''.

(6) Clause (i) of section 4972(c)(6)(B) is amended by striking ''(within the meaning of section 404(a))'' and inserting ''(within the meaning of section 404(a) and as adjusted under section 404(a)(12))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 112. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

''SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.

''(a) GENERAL RULE.—If an applicable retirement plan includes a qualified plus contribution program—

''(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

''(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

''(b) QUALIFIED PLUS CONTRIBUTION PROGRAM.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified plus contribution program' means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

''(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

''(A) establishes separate accounts ('designated plus accounts') for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

''(B) maintains separate recordkeeping with respect to each account.

''(c) DEFINITIONS AND RULES RELATING TO DESIGNATED PLUS CONTRIBUTIONS.—For purposes of this section—

''(1) DESIGNATED PLUS CONTRIBUTION.—The term 'designated plus contribution' means any elective deferral which—

''(A) is excludable from gross income of an employee without regard to this section, and

''(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

''(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

''(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

''(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

''(3) ROLLOVER CONTRIBUTIONS.—

''(A) IN GENERAL.—A rollover contribution of any payment or distribution from a designated plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

''(i) another designated plus account of the individual from whose account the payment or distribution was made, or

''(ii) a Roth IRA of such individual.

''(B) COORDINATION WITH LIMIT.—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

''(d) DISTRIBUTION RULES.—For purposes of this title—

''(1) EXCLUSION.—Any qualified distribution from a designated plus account shall not be includible in gross income.

''(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A).

''(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

''(i) the earlier of—

''(I) the 1st taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

''(II) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the 1st taxable year for which the individual made a designated plus contribution to such previously established account), or

''(ii) the 1st taxable year for which the individual (or the individual's spouse) made a contribution to a Roth IRA established for such individual.

''(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND EARNINGS.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

''(3) AGGREGATION RULES.—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE RETIREMENT PLAN.—The term 'applicable retirement plan' means—

''(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

''(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).''

(b) EXCESS DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: ''The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.'', and

(2) by inserting ''(or would be included but for the last sentence thereof)'' after ''paragraph (1)'' in paragraph (2)(A).

(c) ROLLOVERS.—Subparagraph (B) of section 402(c)(7) (as amended by sections 301 and 302) is amended by adding at the end the following:

''Without regard to the foregoing provisions of this paragraph, if any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.''

(d) REPORTING REQUIREMENTS.—

(1) W–2 INFORMATION.—Section 6051(a)(8) is amended by inserting '', including the amount of designated plus contributions (as defined in section 402A)'' before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DESIGNATED PLUS CONTRIBUTIONS.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.''

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: ''Such term includes a rollover contribution described in section 402A(c)(3)(A).''

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

''Sec. 402A. Optional treatment of elective deferrals as plus contributions.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 113. CREDIT FOR PENSION PLAN STARTUP COSTS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45D. SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any

taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

''(b) DOLLAR LIMITATION.—The amount of the credit determined under this section for any taxable year shall not exceed—

''(1) $1,000 for the first credit year,

''(2) $500 for each of the 2 taxable years immediately following the first credit year, and

''(3) zero for any other taxable year.

''(c) ELIGIBLE EMPLOYER.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible employer' has the meaning given such term by section 408(p)(2)(C)(i).

''(2) EMPLOYERS MAINTAINING QUALIFIED PLANS DURING 1998 NOT ELIGIBLE.—Such term shall not include an employer if such employer (or any predecessor employer) maintained a qualified plan (as defined in section 408(p)(2)(D)(ii)) with respect to which contributions were made, or benefits were accrued, for service in 1998. If only individuals other than employees described in subparagraph (A) of section 410(b)(3) are eligible to participate in the qualified employer plan referred to in subsection (d)(1), then the preceding sentence shall be applied without regard to any qualified plan in which only employees so described are eligible to participate.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED STARTUP COSTS.—

''(A) IN GENERAL.—The term 'qualified startup costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

''(i) the establishment or administration of an eligible employer plan, or

''(ii) the retirement-related education of employees with respect to such plan.

''(B) PLAN MUST HAVE AT LEAST 2 PARTICIPANTS.—Such term shall not include any expense in connection with a plan that does not have at least 2 individuals who are eligible to participate.

''(C) PLAN MUST BE ESTABLISHED BEFORE JANUARY 1, 2002.—Such term shall not include any expense in connection with a plan established after December 31, 2001.

''(2) ELIGIBLE EMPLOYER PLAN.—The term 'eligible employer plan' means a qualified employer plan within the meaning of section 4972(d).

''(3) FIRST CREDIT YEAR.—The term 'first credit year' means—

''(A) the taxable year which includes the date that the eligible employer plan to which such costs relate becomes effective, or

''(B) at the election of the eligible employer, the taxable year preceding the taxable year referred to in subparagraph (A).

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

''(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

''(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.''

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following new paragraph:

''(13) in the case of an eligible employer (as defined in section 45D(c)), the small employer pension plan startup cost credit determined under section 45D(a).''

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

''(8) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN STARTUP COST CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan startup cost credit determined under section 45D may be carried back to a taxable year ending on or before the date of the enactment of section 45D.''

(2) Subsection (c) of section 196 is amended by striking ''and'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting '', and'', and by adding at the end the following new paragraph:

''(9) the small employer pension plan startup cost credit determined under section 45D(a).''

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45D. Small employer pension plan startup costs.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years ending after the date of the enactment of this Act.

TITLE II—ENHANCING FAIRNESS FOR WOMEN AND CHILDREN

SEC. 201. ADDITIONAL SALARY REDUCTION CATCH-UP CONTRIBUTIONS.

(a) LIMITATION ON EXCLUSION FOR ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Subsection (g) of section 402 (as amended by section 101(d)) is further amended by adding at the end the following:

''(9) CATCH-UP CONTRIBUTIONS FOR THOSE APPROACHING RETIREMENT.—In the case of an individual who has attained age 50 during any taxable year, the limitation of paragraph (1) for such year, after the application of paragraph (8), shall be increased by $5,000.''.

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (4) of section 402(g) (relating to cost-of-living adjustment), as amended by section 101(d), is further amended by inserting ''and the $5,000 amount under paragraph (9)'' after ''paragraph (1)''.

(b) SIMPLE RETIREMENT ACCOUNTS.—

(1) IN GENERAL.—Paragraph (2) of section 408(p) (relating to qualified salary reduction arrangement) (as amended by sections 101(f) and 103(a)) is further amended by redesignating subparagraph (F) as subparagraph (G) and by inserting after subparagraph (E) the following new subparagraph:

''(F) CATCH-UP CONTRIBUTIONS FOR THOSE APPROACHING RETIREMENT.—In the case of an individual who has attained age 50 during any taxable year, the limitation of subparagraph (A)(ii) for such year shall be increased by $5,000.''.

(2) COST-OF-LIVING ADJUSTMENT.—Subparagraph (G) of section 408(p)(2) (as so redesignated) is amended by inserting ''and the $5,000 amount under subparagraph (F)'' after ''subparagraph (A)(ii)''.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subsection (b) of section 457 (relating to definition of eligible deferred compensation plan) is amended by adding at the end the following new paragraph:

''(7) CATCH-UP CONTRIBUTIONS FOR THOSE APPROACHING RETIREMENT.—In the case of an individual who has attained age 50 during any taxable year, the limitation of paragraph (2)(A) for such year shall be increased by $5,000.''.

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) (relating to cost-of-living adjustment) is amended by inserting '', and the $5,000 amount specified in subsection (b)(7),'' after ''(c)(1)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 202. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) IN GENERAL.—

(1) Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended to read as follows:

''(B) the participant's compensation.''.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking ''section 403(b)(2)(D)(iii))'' and inserting ''section 403(b)(2)(D)(iii), as in effect on December 31, 1998)''.

(B) Section 403(b) is amended—

(i) by striking ''the exclusion allowance for such taxable year'' in paragraph (1) and inserting ''the applicable limit under section 415'',

(ii) by striking paragraph (2), and

(iii) by inserting ''or any amount received by a former employee after the 5th taxable year following the taxable year in which such employee was terminated'' before the period at the end of the second sentence of paragraph (3).

(C) Section 404(a)(10)(B) is amended by striking '', the exclusion allowance under section 403(b)(2),''.

(D) Section 415(a)(2) is amended by striking '', and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)''.

(E) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

''(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).''.

(F) Section 415(c) is amended by striking paragraph (4).

(G) Section 415(c)(7) is amended to read as follows:

''(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church, a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

''(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

''(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).''.

(H) Section 415(e)(5) is amended—

(i) by striking ''(except in the case of a participant who has elected under subsection (c)(4)(D) to have the provisions of subsection (c)(4)(C) apply)'', and

(ii) by striking the last sentence.

(I) Section 415(n)(2)(B) is amended by striking ''percentage''.

(J) Subparagraph (B) of section 402(g)(7) (as amended by section 101(d)) is amended by inserting before the period at the end the following: ''(as in effect on the date of the enactment of the Retirement Security for the 21st Century Act)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 1999.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 1999.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking ''33⅓ percent'' and inserting ''100 percent''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 203. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan'', and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
1	20
2	40
3	60
4	80
5	100.''.

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (4), a plan'', and

(2) by adding at the end the following:

''(4) In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	The nonforfeitable percentage is:
1	20
2	40
3	60
4	80
5	100.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 1999.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2000, or

(B) January 1, 2004.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. 204. DEFERRED ANNUITIES FOR SURVIVING SPOUSES OF FEDERAL EMPLOYEES.

(a) IN GENERAL.—Section 8341 of title 5, United States Code, is amended—

(1) in subsection (h)(1), by striking ''section 8338(b) of this title'' and inserting ''section 8338(b), and a former spouse of a deceased former employee who separated from the service with title to a deferred annuity under section 8338 (if they were married to one another prior to the date of separation),''; and

(2) by adding at the end the following:

''(j)(1) If a former employee dies after having separated from the service with title to a deferred annuity under section 8338 but before having established a valid claim for annuity, and is survived by a spouse to whom married on the date of separation, the surviving spouse may elect to receive—

''(A) an annuity, commencing on what would have been the former employee's 62d birthday, equal to 55 percent of the former employee's deferred annuity;

''(B) an annuity, commencing on the day after the date of death of the former employee, such that, to the extent practicable, the present value of the future payments of the annuity would be actuarially equivalent to the present value of the future payments under subparagraph (A) as of the day after the former employee's death; or

''(C) the lump-sum credit, if the surviving spouse is the individual who would be entitled to the lump-sum credit and if such surviving spouse files application therefor.

''(2) An annuity under this subsection and the right thereto terminate on the last day of the month before the surviving spouse remarries before becoming 55 years of age, or dies.''.

(b) CORRESPONDING AMENDMENT FOR FERS.—Section 8445(a) of title 5, United States Code, is amended—

(1) by striking ''(or of a former employee or'' and inserting ''(or of a former''; and

(2) by striking ''annuity)'' and inserting ''annuity, or of a former employee who dies after having separated from the service with title to a deferred annuity under section 8413 but before having established a valid claim for annuity (if such former spouse was married to such former employee prior to the date of separation))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to surviving spouses and former spouses (whose marriage, in the case of the amendments made by subsection (a), terminated after May 6, 1985) of former employees who die after the date of the enactment of this Act.

SEC. 205. SIMPLIFY AND UPDATE THE MINIMUM DISTRIBUTION RULES.

(a) SIMPLIFICATION AND FINALIZATION OF MINIMUM DISTRIBUTION REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall—

(A) simplify and finalize the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code of 1986, and

(B) modify such regulations to—

(i) reflect increases in life expectancy, and

(ii) revise the required distribution methods so that, under reasonable assumptions, the amount of the required minimum distribution does not decrease over a participant's life expectancy.

(2) FRESH START.—Notwithstanding subparagraph (D) of section 401(a)(9) of such Code, during the first year that regulations are in effect under this subsection, required distributions for future years may be redetermined to reflect changes under such regulations. Such redetermination shall include the opportunity to choose a new designated beneficiary and to elect a new method of calculating life expectancy.

(3) EFFECTIVE DATE FOR REGULATIONS.—Regulations referred to in paragraph (1) shall be effective for years beginning after December 31, 2000, and shall apply in such years without regard to whether an individual had previously begun receiving minimum distributions.

(b) AMOUNT NOT SUBJECT TO MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (9) of section 401(a) is amended—

(1) in subparagraph (A), by inserting ''(minus the exclusion amount)'' after ''the entire interest''; and

(2) by adding at the end the following:

''(H) EXCLUSION AMOUNT.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'exclusion amount' means—

''(I) $100,000 in the case of a defined contribution plan;

''(II) $100,000 in the case of an individual retirement plan; and

''(III) $0 in the case of a defined benefit plan.

''(ii) AGGREGATION OF PLANS.—For purposes of determining the exclusion amount under clause (i)—

''(I) all defined contribution plans maintained by the same employer shall be treated as a single plan; and

''(II) all individual retirement plans (other than Roth IRAs) of the individual shall be treated as a single plan.

''(iii) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust the $100,000 exclusion amount specified in clause (i) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter ending September 30, 1999.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(c) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''FOR OTHER CASES'' in the heading, and

(ii) by striking ''the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)'' and inserting ''his entire interest has been distributed to him,''.

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking ''clause (ii)'' and inserting ''clause (i)''.

(C) Clause (iii) of section 401(a)(9)(B)(iii) (as so redesignated) is amended—

(i) by striking ''clause (iii)(I)'' and inserting ''clause (ii)(I)'',

(ii) in subclause (I) by striking ''clause (iii)(III)'' and inserting ''clause (ii)(III)'',

(iii) in subclause (I) by striking ''the date on which the employee would have attained the age 70½,'' and inserting ''April 1 of the calendar year following the calendar year in which the spouse attains 70½, and clause (ii) shall not apply to the exclusion amount,'', and

(iv) in subclause (II) by striking ''the distributions to such spouse begin,'' and inserting ''his entire interest has been distributed to him,''.

(3) REDUCTION IN EXCISE TAX.—Subsection (a) of section 4974 is amended by striking ''50 percent'' and inserting ''10 percent''.

(4) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided by subparagraph (B), the amendments made by this subsection shall apply to years beginning after December 31, 2000.

(B) EXCISE TAX.—The amendment made by paragraph (3) shall apply to years beginning after December 31, 1999.

SEC. 206. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting ''or an eligible deferred compensation plan (within the meaning of section 457(b))'' after ''subsection (e))'', and

(2) in the heading, by striking ''GOVERNMENTAL AND CHURCH PLANS'' and inserting ''CERTAIN OTHER PLANS''.

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking ''and section 409(d)'' and inserting ''section 409(d), and section 457(d)''.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

''(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers, distributions, and payments made after the date of enactment of this Act.

SEC. 207. PERCENTAGE LIMITATIONS ON CONTRIBUTIONS.

(a) AMENDMENTS RELATING TO FERS.—

(1) IN GENERAL.—

(A) Subsection (a) of section 8432 of title 5, United States Code, is amended by striking ''10 percent of''.

(B) Subsection (d) of section 8432 of title 5, United States Code, is amended by striking ''section 415'' and inserting ''section 401(a)(30) or 415''.

(2) JUSTICES AND JUDGES.—Subsection (b) of section 8440a of title 5, United States Code, is amended—

(A) by striking paragraph (2) and by redesignating paragraphs (3) through (7) as paragraphs (2) through (6), respectively; and

(B) in paragraph (6) (as so redesignated by subparagraph (A)) by striking ''paragraphs (4) and (5)'' and inserting ''paragraphs (3) and (4)''.

(3) BANKRUPTCY JUDGES AND MAGISTRATES.—Subsection (b) of section 8440b of title 5, United States Code, is amended—

(A) by striking paragraph (2) and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively;

(B) in paragraph (4) (as so redesignated by subparagraph (A)) by striking ''paragraph (4)(A), (B), or (C)'' and inserting ''paragraph (3)(A), (B), or (C)''; and

(C) in paragraph (7) (as so redesignated by subparagraph (A)) by striking ''Notwithstanding paragraph (4),'' and inserting ''Notwithstanding paragraph (3),''.

(4) COURT OF FEDERAL CLAIMS JUDGES.—Subsection (b) of section 8440c of title 5, United States Code, is amended—

(A) by striking paragraph (2) and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively;

(B) in paragraph (4) (as so redesignated by subparagraph (A)) by striking ''paragraph (4)(A) or (B)'' and inserting ''paragraph (3)(A) or (B)''; and

(C) in paragraph (7) (as so redesignated by subparagraph (A)) by striking ''Notwithstanding paragraph (4),'' and inserting ''Notwithstanding paragraph (3),''.

(5) JUDGES OF THE UNITED STATES COURT OF VETERANS APPEALS.—Paragraph (2) of section 8440d(b) of title 5, United States Code, is amended to read as follows:

''(2) For purposes of contributions made to the Thrift Savings Fund, basic pay does not include any retired pay paid pursuant to section 7296 of title 38.''.

(b) AMENDMENTS RELATING TO CSRS.—Paragraph (2) of section 8351(b) of title 5, United States Code, is amended by striking ''5 percent of''.

(c) EFFECTIVE DATE.—

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

(2) COORDINATION WITH ELECTION PERIODS.—The Executive Director shall by regulation determine the first election period in which elections may be made consistent with the amendments made by this section.

(3) DEFINITIONS.—For purposes of this section—

(A) the term ''election period'' means a period afforded under section 8432(b) of title 5, United States Code; and

(B) the term ''Executive Director'' has the meaning given such term by section 8401(13) of title 5, United States Code.

SEC. 208. ELIGIBLE ROLLOVER DISTRIBUTIONS.

Section 8432 of title 5, United States Code, is amended by adding at the end the following:

''(j)(1) For the purpose of this subsection—

''(A) the term 'eligible rollover distribution' has the meaning given such term by section 402(c)(3) of the Internal Revenue Code of 1986; and

''(B) the term 'eligible retirement plan' has the meaning given such term by section 402(c)(7) of the Internal Revenue Code of 1986.

''(2) An employee or Member may contribute to the Thrift Savings Fund an eligible rollover distribution from an eligible retirement plan. A contribution made under this subsection shall be made by means of a direct rollover from an eligible retirement plan in a manner that is similar to a direct rollover under section 401(a)(31) of the Internal Revenue Code of 1986. In the case of an eligible rollover distribution, the maximum amount transferred to the Thrift Savings Fund shall not exceed the amount which would otherwise have been included in the employee's or Member's gross income for Federal income tax purposes.

''(3) The Executive Director shall prescribe regulations to carry out this subsection.''.

SEC. 209. IMMEDIATE PARTICIPATION IN THE THRIFT SAVINGS PLAN.

(a) ELIMINATION OF CERTAIN WAITING PERIODS FOR PURPOSES OF EMPLOYEE CONTRIBUTIONS.—Paragraph (4) of section 8432(b) of title 5, United States Code, is amended to read as follows:

''(4) The Executive Director shall prescribe such regulations as may be necessary to carry out the following:

''(A) Notwithstanding subparagraph (A) of paragraph (2), an employee or Member described in such subparagraph shall be afforded a reasonable opportunity to first make an election under this subsection beginning on the date of commencing service or, if that is not administratively feasible, beginning on the earliest date thereafter that such an election becomes administratively feasible, as determined by the Executive Director.

''(B) An employee or Member described in subparagraph (B) of paragraph (2) shall be afforded a reasonable opportunity to first make an election under this subsection (based on the appointment or election described in such subparagraph) beginning on the date of commencing service pursuant to such appointment or election or, if that is not administratively feasible, beginning on the earliest date thereafter that such an election becomes administratively feasible, as determined by the Executive Director.

''(C) Notwithstanding the preceding provisions of this paragraph, contributions under paragraphs (1) and (2) of subsection (c) shall not be payable with respect to any pay period before the earliest pay period for which such contributions would otherwise be allowable under this subsection if this paragraph had not been enacted.

''(D) Sections 8351(a)(2), 8440a(a)(2), 8440b(a)(2), 8440c(a)(2), and 8440d(a)(2) shall be applied in a manner consistent with the purposes of subparagraphs (A) and (B), to the extent those subparagraphs can be applied with respect thereto.

''(E) Nothing in this paragraph shall affect paragraph (3).''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 8432(a) of title 5, United States Code, is amended—

(A) in the first sentence by striking ''(b)(1)'' and inserting ''(b)''; and

(B) by amending the second sentence to read as follows: ''Contributions under this subsection pursuant to such an election shall, with respect to each pay period for which such election remains in effect, be made in accordance with a program of regular contributions provided in regulations prescribed by the Executive Director.''.

(2) Section 8432(b)(1)(B) of title 5, United States Code, is amended by inserting ''(or any election allowable by virtue of paragraph (4))'' after ''subparagraph (A)''.

(3) Section 8432(b)(3) of title 5, United States Code, is amended by striking ''Notwithstanding paragraph (2)(A), an'' and inserting ''An''.

(4) Section 8432(i)(1)(B)(ii) of title 5, United States Code, is amended by striking ''either elected to terminate individual contributions to the Thrift Savings Fund within 2 months before commencing military service or''.

(5) Section 8439(a)(1) of title 5, United States Code, is amended by inserting ''who makes contributions or'' after ''for each individual'' and by striking ''section 8432(c)(1)'' and inserting ''section 8432''.

(6) Section 8439(c)(2) of title 5, United States Code, is amended by adding at the end the following: ''Nothing in this paragraph shall be considered to limit the dissemination of information only to the times required under the preceding sentence.''.

(7) Sections 8440a(a)(2) and 8440d(a)(2) of title 5, United States Code, are amended by

striking all after ''subject to'' and inserting ''this chapter.''.

(c) EFFECTIVE DATE.—This section shall take effect 6 months after the date of enactment of this Act or such earlier date as the Executive Director (within the meaning of section 8401(13) of title 5, United States Code) may by regulation prescribe.

TITLE III—INCREASING PORTABILITY FOR PARTICIPANTS

SEC. 301. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

''(16) ROLLOVER AMOUNTS.—

''(A) GENERAL RULE.—In the case of an eligible deferred compensation plan, if—

''(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) (other than section 402(c)(4)(C)),

''(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

''(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

''(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).''.

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting ''(other than rollover amounts)'' after ''taxable year''.

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by inserting after subparagraph (B) the following:

''(C) the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.''.

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

''(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b);''.

(ii) Paragraph (5) of section 3405(e) is amended by adding at the end the following: ''Such term shall include an eligible deferred compensation plan described in section 457(b).''.

(iii) Paragraph (3) of section 3405(c) is amended to read as follows:

''(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).''.

(iv) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by adding at the end the following:

'(iv) section 457(b).''.

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following:

''(v) an eligible deferred compensation plan described in section 457(b) of an eligible employer described in section 457(e)(1)(A).''.

(B) Paragraph (9) of section 402(c) is amended by striking ''except that'' and all that follows and inserting ''except that only an account or annuity described in clause (i) or (ii) of paragraph (8)(B) shall be treated as an eligible retirement plan with respect to such distribution.''.

(C) Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)). For purposes of this subsection, any such distribution shall be treated as if made from a qualified retirement plan described in section 4974(c)(1). This paragraph shall only apply to a transfer that is in excess of $50,000 and that is permitted by reason of section 402(c)(8)(B)(v) or section 408(d)(3)(A)(ii).''.

(D) Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended—

(i) by striking ''or otherwise made available'', and

(ii) by adding at the end the following: ''To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.''.

(3) MINIMUM DISTRIBUTIONS.—Paragraph (2) of section 457(d) is amended to read as follows:

''(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the distribution requirements of this paragraph if the plan meets the requirements of section 401(a)(9).''.

(4) CONFORMING AMENDMENT.—Paragraph (9) of section 457(e) is amended to read as follows:

''(9) BENEFITS NOT TREATED AS FAILING TO MEET DISTRIBUTION REQUIREMENTS OF SUBSECTION (d).—A plan shall not be treated as failing to meet the distribution requirements of subsection (d) by reason of a distribution of the total amount payable to a participant under the plan if—

''(A) such amount does not exceed the dollar limit under section 411(a)(11)(A), and

''(B) such amount may be distributed only if—

''(i) no amount has been deferred under the plan with respect to such participant during the 2-year period ending on the date of the distribution, and

''(ii) there has been no prior distribution under the plan to such participant to which this paragraph applied.''.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking ''such distribution'' and all that follows and inserting ''such distribution to an eligible retirement plan described in section 402(c)(8)(B), and''.

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by adding at the end the following:

''(vi) an annuity contract described in section 403(b).''

(3) CONFORMING AMENDMENT.—Subparagraph (B) of section 403(b)(8) is amended by striking ''Rules similar to the'' and inserting ''The''.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(2) Section 219(d)(2) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(3) Section 401(a)(31)(B) is amended by striking ''and 403(a)(4)'' and inserting '', 403(a)(4), 403(b)(8), and 457(e)(16)''.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking ''or paragraph (4) of section 403(a)'' and inserting '', paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)''.

(5) Paragraph (1) of section 402(f) is amended by striking ''from an eligible retirement plan''.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking ''another eligible retirement plan'' and inserting ''an eligible retirement plan''.

(7) Subparagraph (B) of section 403(b)(8) is amended by striking ''shall apply for purposes of subparagraph (A)'' and inserting ''and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator''.

(8) Subparagraph (B) of section 403(b)(8) is amended by inserting ''and (9)'' after ''through (7)''.

(9) Section 408(a)(1) is amended by striking ''or 403(b)(8)'' and inserting '', 403(b)(8), or 457(e)(16)''.

(10) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(11) Section 415(c)(2) is amended by striking ''and 408(d)(3)'' and inserting ''408(d)(3), and 457(e)(16)''.

(12) Section 4973(b)(1)(A) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(e) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 1999.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf

of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 302. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding ''or'' at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

''(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which he receives the payment or distribution.

For purposes of clause (ii), the term 'eligible retirement plan' has the meaning given such term by clauses (iii), (iv), (v), and (vi) of section 402(c)(8)(B).''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking ''section 408(d)(3)(A)(iii)'' and inserting ''section 408(d)(3)(A)(ii)''.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking ''(i), (ii), or (iii)'' and inserting ''(i) or (ii)''.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

''(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.''.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 1999.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 303. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) IN GENERAL.—

(1) Subsection (c) of section 402 (relating to rules applicable to rollovers from exempt trusts) (as amended by section 2) is amended by striking paragraph (2) and redesignating paragraphs (3) through (10) as paragraphs (2) through (9), respectively.

(2) Paragraph (31) of section 401(a) (relating to optional direct transfer of eligible rollover distributions) is amended by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(3) Subparagraph (B) of section 408(d)(3) (relating to rollover contributions) is amended by striking ''which was not includible in his gross income because of the application of this paragraph'' and inserting ''to which this paragraph applied''.

(4) Paragraph (7)(B) of section 402(c) (as redesignated by subsection (a)(1) and as amended by section 301) is amended—

(A) by striking ''The term'' and inserting ''Except as provided in this subparagraph, the term'', and

(B) by adding at the end the following:

''Arrangements described in clauses (iii), (iv) (v), and (vi) shall not be treated as eligible retirement plans for purposes of receiving a rollover contribution of an eligible rollover distribution to the extent that such eligible rollover distribution is not includible in gross income (determined without regard to paragraph (1)).''.

(5) Paragraph (2) of section 408(d) is amended—

(A) by striking ''For purposes'' and inserting the following:

''(A) IN GENERAL.—Except as provided in this paragraph, for purposes'',

(B) by striking ''(A) all'' and inserting ''(i) all'';

(C) by striking ''(B) all'' and inserting ''(ii) all'';

(D) by striking ''(C) the'' and inserting ''(iii) the'',

(E) by striking ''subparagraph (C)'' and inserting ''clause (iii)'', and

(F) by inserting at the end the following:

''(B) APPLICATION OF SECTION 72.—For purposes of applying section 72, if—

''(i) a distribution is made from an individual retirement plan, and

''(ii) a rollover contribution described in paragraph (3) is made to an eligible retirement plan described in section 402(c)(7)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

the includible amount in the individual's individual retirement plans shall be reduced by the amount described in subparagraph (C). As of the close of the calendar year in which the taxable year begins, the reduction of all amounts described in subparagraph (C)(i) shall be applied prior to the computations described in subparagraph (A)(iii). The amount of any distribution with respect to which there is a rollover contribution described in clause (ii) shall not be treated as a distribution for purposes of subparagraph (A).

''(C) AMOUNT DESCRIBED.—The amount described in this subparagraph is the sum of—

''(i) the amount of the rollover contribution described in subparagraph (B)(ii), and

''(ii) in the case of any portion of the distribution with respect to which there is not a rollover contribution described in paragraph (3), the amount of such portion that is included in gross income under section 72.

''(D) INCLUDIBLE AMOUNT.—For purposes of this paragraph, the term 'includible amount' shall mean the amount that is not investment in the contract (as defined in section 72).''.

(6) Subparagraph (C) of section 402(c)(5) (as redesignated by subsection (a)(1)) is amended by inserting after ''other than money'' the following: ''or where the amount of the distribution exceeds the amount of the rollover contribution''.

(b) HARDSHIP EXCEPTION TO 60-DAY RULE.—

(1) Paragraph (2) of section 402(c) (as so redesignated) is amended to read as follows:

''(2) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

''(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(2) Paragraph (3) of section 408(d) (relating to rollover contributions) is amended by adding at the end the following new subparagraph:

''(H) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (4) of section 402(c) (as redesignated by subsection (a)(1)) is amended by striking ''(8)(B)'' and inserting ''(7)(B)''.

(2) Subparagraph (B) of section 403(a)(4) is amended by striking ''(2) through (7)'' and inserting ''(2) through (6)''.

(3) Section 403(b)(8)(A)(ii) (as amended by section 301) is amended by striking ''section 402(c)(8)(B)'' and inserting ''section 402(c)(7)(B)''.

(4) Subparagraph (B) of section 403(b)(8) (as amended by section 301) is amended by striking ''(2) through (7) and (9) of section 402(c) (including paragraph (4)(C) thereof)'' and inserting ''(2) through (6) and (8) of section 402(c) (including paragraph (3)(C) thereof)''.

(5) Subparagraph (A) of section 408(d)(3) (as amended by section 302) is amended by striking ''402(c)(8)'' and inserting ''402(c)(7)''.

(6) Paragraph (16) of section 457(e) (as added by section 301) is amended—

(A) in subparagraph (A)(i) by striking ''402(c)(4) (other than section 402(c)(4)(C))'' and inserting ''section 402(c)(3) (other than section 402(c)(3)(C))'',

(B) in subparagraph (A)(ii) by striking ''402(c)(8)(B)'' and inserting ''402(c)(7)(B)'', and

(C) in subparagraph (B) by striking ''paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c)'' and inserting ''paragraphs (2) through (6) (other than paragraph (3)(C)) and (8) of section 402(c)''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply to distributions made after December 31, 1999.

(2) HARDSHIP EXCEPTION.—The amendments made by subsection (b) shall apply to 60-day periods ending after the date of the enactment of this Act.

SEC. 304. TREATMENT OF FORMS OF DISTRIBUTION.

(a) IN GENERAL.—

(1) PLAN TRANSFERS.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

''(D) PLAN TRANSFERS.—

''(i) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this paragraph referred to as the 'transferor plan') to the extent that—

''(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

''(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I);

''(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

''(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election;

''(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2); and

''(VI) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(ii) Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(E) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

''(ii) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(2) REGULATIONS.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: ''The Secretary may by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.

(3) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986. Such regulations shall apply to plan years beginning after December 31, 2001 or such earlier date as is specified by the Secretary of the Treasury. Under such regulations, section 411(d)(6) of such Code shall not apply to plan amendments that do not adversely affect the rights of participants in a material manner. In determining whether a plan amendment has such a materially adverse effect on a participant, the factors taken into account shall include—

(A) all of the participant's early retirement benefits, retirement-type subsidies, and optional forms of benefit that are reduced or eliminated by the plan amendment,

(B) the extent to which early retirement benefits, retirement-type subsidies, and optional forms of benefit in effect with respect to a participant after the effective date of the plan amendment provide rights that are comparable to the rights that are reduced or eliminated by the plan amendment,

(C) the number of years before the participant attains normal retirement age under the plan (or early retirement age, as applicable),

(D) the size of the participant's benefit that is affected by the plan amendment, in relation to the amount of the participant's compensation, and

(E) the number of years before the plan amendment is effective.

The regulations described in this paragraph are intended to permit the elimination or reduction of early retirement benefits, retirement-type subsidies, and optional forms of benefit that do not have a material value for a plan's participants but create significant burdens and complexities for the plan and its participants.

(b) CONFORMING AMENDMENT.—(1) Subsection (g) of section 204 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054) is amended by adding at the end the following:

''(4)(A) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this paragraph referred to as the 'transferor plan') to the extent that—

''(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

''(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

''(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

''(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election;

''(v) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 205, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 205(c)(2); and

''(vi) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution which the participant or beneficiary is entitled under transferee plan in the form of a single sum distribution.

''(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(5) Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This paragraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(A) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

''(B) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(2) Paragraph (2) of section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054) is amended by striking the last sentence and inserting the following: ''The Secretary of the Treasury may by regulations provide that this paragraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 305. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking ''separates from service'' and inserting ''has a severance from employment''.

(B) The heading for paragraph (11) of section 403(b) is amended by striking ''SEPARATION FROM SERVICE'' and inserting ''SEVERANCE FROM EMPLOYMENT''.

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking ''is separated from service'' and inserting ''has a severance from employment''.

(b) BUSINESS SALE REQUIREMENTS REPEALED.—

(1) IN GENERAL.—Section 401(k)(2)(B)(i)(II) (relating to qualified cash or deferred arrangements) is amended by striking ''an event'' and inserting ''a plan termination''.

(2) CONFORMING AMENDMENTS.—Section 401(k)(10) is amended—

(A) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—A plan termination is described in this paragraph if the termination of the plan does not involve the establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).'',

(B) in subparagraph (B)—

(i) by striking ''An event'' and inserting ''A termination'', and

(ii) by striking ''the event'' and inserting ''the termination'',

(C) by striking subparagraph (C), and

(D) by striking ''OR DISPOSITION OF ASSETS OR SUBSIDIARY'' in the heading.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 1999.

SEC. 306. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 (as amended by section 501) is amended by adding at the end the following new paragraph:

''(14) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(b) 457 PLANS.—

(1) Subsection (e) of section 457 (as amended by section 509) is amended by adding at the end the following new paragraph:

''(18) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(2) Section 457(b)(2), as amended by sections 101, 202, and 301, is amended by striking ''(other than rollover amounts)'' and inserting ''(other than rollover amounts and amounts received in a transfer referred to in subsection (e)(16))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 1999.

SEC. 307. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) AMENDMENTS TO 1986 CODE.—

(1) Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

''(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), clause (ii), (iii), or (iv) of 408(d)(3)(A), and 457(e)(16).''.

(2) Clause (i) of section 457(e)(9)(A) is amended by striking ''such amount'' and inserting ''the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))''.

(b) AMENDMENT TO ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(e)) is amended by adding at the end the following:

''(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this paragraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), clause (ii), (iii), or (iv) of 408(d)(3)(A), and 457(e)(16) of the Internal Revenue Code of 1986.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 1999.

TITLE IV—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

SEC. 401. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) IN GENERAL.—

(1) CODE AMENDMENT.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(A) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2003, the applicable percentage'', and

(B) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

''In the case of any plan year beginning in—	**The applicable percentage is—**
2000	160
2001	165
2002	170.''.

(2) ERISA AMENDMENT.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(A) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2003, the applicable percentage'', and

(B) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

''In the case of any plan year beginning in—	**The applicable percentage is—**
2000	160
2001	165
2002	170.''.

(3) EFFECTIVE DATES.—The amendments made by this subsection shall apply to plan years beginning after December 31, 1999.

(b) MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.—

(1) IN GENERAL.—Section 404(a)(1)(D) (relating to special rule in case of certain plans) is amended—

(A) by striking ''which has more than 100 participants for the plan year'',

(B) by striking ''unfunded current liability determined under section 414(l)'' and inserting ''unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year)'',

(C) by inserting after the first sentence the following: ''For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) brought about by plan amendment within the last 2 years before the termination date.'', and

(D) by striking ''(other than a multiemployer plan)''.

(2) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended by striking the sentence preceding the last sentence thereof.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning after the date of enactment of this Act.

SEC. 402. MISSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following:

''(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

''(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

''(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

''(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

''(A) to the corporation, or

''(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

''(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

''(A) in a single sum (plus interest), or

''(B) in such other form as is specified in regulations of the corporation.

''(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

''(A) the plan is a pension plan (within the meaning of section 3(2))—

''(i) to which the provisions of this section do not apply (without regard to this subsection), and

''(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

''(B) at the time the assets are to be distributed upon termination, the plan—

''(i) has missing participants, and

''(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

''(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 206(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(f)) is amended—

(A) by striking ''title IV'' and inserting ''section 4050'', and

(B) by striking ''the plan shall provide that''.

(2) Section 401(a)(34) of such Act (relating to benefits of missing participants on plan termination) is amended by striking ''title IV'' and inserting ''section 4050''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 403. PERIODIC PENSION BENEFITS STATEMENTS.

(a) IN GENERAL.—Section 105(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025(a)) is amended by striking ''shall furnish to any plan participant or beneficiary who so requests in writing, a statement'' and inserting ''shall furnish to each plan participant at least once each year (in the case of a defined contribution plan) and upon written request of a plan participant or beneficiary (in the case of a defined benefit plan), a statement in written or electronic form''.

(b) REQUIRED PERIODIC STATEMENTS FOR PLANS WITH MORE THAN ONE UNAFFILIATED EMPLOYER.—Section 105(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025(d)) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. 404. CIVIL PENALTIES FOR BREACH OF FIDUCIARY RESPONSIBILITY.

(a) IMPOSITION AND AMOUNT OF PENALTY MADE DISCRETIONARY.—Section 502(l)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)(1)) is amended—

(1) by striking ''shall'' and inserting ''may'', and

(2) by striking ''equal to'' and inserting ''not greater than''.

(b) APPLICABLE RECOVERY AMOUNT.—Section 502(l)(2) of such Act (29 U.S.C. 1132(l)(2)) is amended to read as follows:

''(2) For purposes of paragraph (1), the term 'applicable recovery amount' means any amount which is recovered from any fiduciary or other person (or from any other person on behalf of any such fiduciary or other person) with respect to a breach or violation described in paragraph (1) on or after the 30th day following receipt by such fiduciary or other person of written notice from the Secretary of the violation, whether paid voluntarily or by order of a court in a judicial proceeding instituted by the Secretary under subsection (a)(2) or (a)(5). The Secretary may, in the Secretary's sole discretion, extend the 30-day period described in the preceding sentence.''.

(c) OTHER RULES.—Section 502(l) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)) is amended by adding at the end the following:

''(5) A person shall be jointly and severally liable for the penalty described in paragraph (1) to the same extent that such person is

jointly and severally liable for the applicable recovery amount on which the penalty is based.

''(6) No penalty shall be assessed under this subsection unless the person against whom the penalty is assessed is given notice and opportunity for a hearing with respect to the violation and applicable recovery amount.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to any breach of fiduciary responsibility or other violation of part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 occurring on or after the date of enactment of this Act.

(2) TRANSITION RULE.—In applying the amendment made by subsection (b) (relating to applicable recovery amount), a breach or other violation occurring before the date of enactment of this Act which continues after the 180th day after such date (and which may have been discontinued at any time during its existence) shall be treated as having occurred after such date of enactment.

SEC. 405. PENALTY TAX RELIEF FOR SOUND PENSION FUNDING.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

''(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 406. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) IN GENERAL.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

''(b) EFFECTIVE DATE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

''(2) NONAPPLICATION TO PREVIOUSLY ACQUIRED PROPERTY.—The amendments made by this section shall not apply to any elective deferral if such deferral is used for the payment of indebtedness incurred before January 1, 1999 (or any refinancing thereof) on the acquisition by the plan of employer securities or employer real property—

''(A) before January 1, 1999, or

''(B) after such date pursuant to a written contract which was binding on such date and at all times thereafter on such plan.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. 407. NOTICE OF SIGNIFICANT REDUCTION IN BENEFIT ACCRUALS.

(a) IN GENERAL.—Subsection (h) of section 204 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054) is amended to read as follows:

''(h) NOTICE OF SIGNIFICANT REDUCTION IN BENEFIT ACCRUALS.—

''(1) If a plan described in paragraph (4) is amended to provide for a significant reduction in the rate of future benefit accrual, the plan administrator shall provide a notice to—

''(A) each affected participant in the plan,

''(B) each affected beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)(i)), and

''(C) each employee organization representing affected participants in the plan, except that such notice shall instead be provided to a person designated to receive such notice on behalf of any person referred to in paragraph (A), (B), or (C). For purposes of this paragraph, an affected participant or beneficiary is a participant or beneficiary to whom the significant reduction described in this paragraph is reasonably expected to apply.

''(2) The notice required by paragraph (1) shall—

''(A) include the plan amendment, or a summary of such plan amendment, and its effective date, and

''(B) provide a notification and description of the reduction described in paragraph (1).

A notification and description shall not fail to satisfy paragraph (2)(B) by reason of a failure to provide the specific amount of the reduction with respect to any participant or beneficiary.

''(3) The notice required by paragraph (1) shall be provided no less than 30 days prior to the effective date of the plan amendment.

''(4) A plan is described in this paragraph if such plan is—

''(A) a defined benefit plan, or

''(B) an individual account plan which is subject to the funding standards of section 302.

''(5) In the case of a material failure to comply with requirements of this subsection with respect to more than a de minimis number of persons described in paragraph (1), the plan amendment to which the failure relates shall not be effective with respect to such persons for any period prior to the expiration of 30 days following the date on which a notice is provided in accordance with this subsection. For purposes of this paragraph, the term 'material failure' includes any failure that results in materially less information being provided to the persons described in paragraph (1).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan amendments that are adopted more than 120 days after the date of enactment of this Act.

TITLE V—REDUCING REGULATORY BURDENS

SEC. 501. INTERMEDIATE SANCTIONS FOR INADVERTENT FAILURES.

(a) IN GENERAL.—Section 401(a) (relating to qualified pension, profit-sharing, and stock bonus plans) is amended by inserting after paragraph (34) the following:

''(35) PROTECTION FROM DISQUALIFICATION UPON TIMELY CORRECTION OR PAYMENT OF FINE.—A trust shall not fail to constitute a qualified trust under this section if the plan of which such trust is a part has made good faith efforts to meet the requirements of this section, has inadvertently failed to satisfy 1 or more of such requirements, and either—

''(A) substantially corrects (to the extent possible) such failure before the date the plan becomes subject to a plan examination for the applicable year (as determined under rules prescribed by the Secretary), or

''(B) substantially corrects (to the extent possible) such failure on or after such date.

If the plan satisfies the requirement under subparagraph (B), the Secretary may require the sponsoring employer to make a payment to the Secretary in an amount that does not exceed an amount that bears a reasonable relationship to the severity of the plan's failure to satisfy the requirements of this section.''.

(b) APPLICATION TO CASH OR DEFERRED ARRANGEMENTS.—Section 401(k) is amended by inserting after paragraph (12) the following new paragraph:

''(13) PROTECTION FROM DISQUALIFICATION.—Rules similar to the rules set forth in section 401(a)(35) shall apply for purposes of determining whether a cash or deferred arrangement is a qualified cash or deferred arrangement.''.

(c) APPLICATION TO SECTION 403(b) ANNUITY CONTRACTS.—Section 403(b) is amended by inserting after paragraph (12) the following:

''(13) CORRECTION OF ERRORS.—For purposes of determining whether the exclusion from gross income under paragraph (1) is applicable to an employee for any taxable year, rules similar to the rules set forth in section 401(a)(35) shall apply to any annuity contract purchased under this subsection or any plan established to meet the requirements of this subsection.''.

(d) INCOME INCLUSION FOR DISQUALIFICATION NOT APPLICABLE TO NONHIGHLY COMPENSATED EMPLOYEES.—Section 402(b) (relating to taxability of beneficiary of nonexempt trust) is amended by striking paragraph (4) and inserting the following:

''(4) INCOME INCLUSION FOR DISQUALIFICATION NOT APPLICABLE TO NONHIGHLY COMPENSATED EMPLOYEES.—Paragraphs (1) and (2) shall not apply to employees who are not highly compensated employees.

''(5) FAILURE TO MEET REQUIREMENTS OF SECTION 401(a)(26) OR 410(b).—If 1 of the reasons a trust is not exempt from tax under section 501(a) is the failure of the plan to meet the requirements of section 401(a)(26) or 410(b), then a highly compensated employee shall, in lieu of the amount determined under paragraph (1) or (2), include in gross income for the taxable year with or within which the taxable year of the trust ends an amount equal to the vested accrued benefit of such employee (other than the employee's investment in the contract) as of the close of such taxable year of the trust.

''(6) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this subsection, the term 'highly compensated employee' has the meaning given such term by section 414(q).''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 502. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 1999.

SEC. 503. SAFETY VALVE FROM MECHANICAL RULES.

(a) IN GENERAL.—The Secretary of the Treasury, by regulation, shall provide that the plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, if—

(1) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test, and

(2) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Paragraph (2) shall only apply to the extent provided by the Secretary.

(b) EFFECTIVE DATES.—

(1) REGULATIONS.—The regulation required by subsection (a) shall apply to years beginning after December 31, 2000.

(2) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under subsection (a)(1) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

SEC. 504. REFORM OF THE LINE OF BUSINESS RULES.

(a) REPEAL OF GATEWAY TEST.—Paragraph (5) of section 410(b) is amended to read as follows:

''(5) LINE OF BUSINESS EXCEPTION.—If, under section 414(r), an employer is treated as operating separate lines of business for a year, the employer may apply the requirements of this subsection for such year separately with respect to employees in each separate line of business.''.

(b) REGULATIONS.—The Secretary of the Treasury shall modify the regulations issued under section 414(r) of the Internal Revenue Code of 1986 (relating to special rules for separate line of business) to—

(1) simplify the administrability of the rules for both the Secretary and plans, and

(2) permit employees to be allocated among lines of business based on all the facts and circumstances.

(c) EFFECTIVE DATES.—

(1) REPEAL.—The repeal made by subsection (a) shall apply to years beginning after December 31, 2000.

(2) REGULATIONS.—The regulations modified under subsection (b) shall apply to years beginning after December 31, 2000.

SEC. 505. COVERAGE TEST FLEXIBILITY.

(a) IN GENERAL.—Paragraph (1) of section 410(b) is amended by adding at the end the following:

''(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

''(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

''(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

''(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.''.

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2000.

(2) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(a)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

SEC. 506. INCREASE IN RETIREMENT PLAN CASH-OUT AMOUNT.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

''(D) INFLATION ADJUSTMENT.—In the case of any plan year beginning in a calendar year after 1999, the Secretary shall adjust annually the $5,000 amount contained in subparagraph (A) for increases in the cost of living at the same time and in the same manner as adjustments under section 415(d); except that the base period shall be the calendar quarter ending September 30, 1999, and any increase which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(b) AMENDMENTS TO ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(e)) is amended by adding at the end the following:

''(4) INFLATION ADJUSTMENT.—In the case of any plan year beginning in a calendar year after 1999, the Secretary shall adjust annually the $5,000 amount contained in paragraph (1) for increases in the cost of living at the same time and in the same manner as adjustments under section 415(d) of the Internal Revenue Code of 1986; except that the base period shall be the calendar quarter ending September 30, 1999, and any increase which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning on or after the date of enactment of this Act.

SEC. 507. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Section 412(c)(9) (relating to annual valuation) is amended—

(1) by striking ''For purposes'' and inserting the following:

''(A) IN GENERAL.—For purposes'', and

(2) by adding at the end the following:

''(B) ELECTION TO USE PRIOR YEAR VALUATION.—

''(i) IN GENERAL.—If, for any plan year—

''(I) an election is in effect under this subparagraph with respect to a plan, and

''(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year, then this section shall be applied using the information available as of such valuation date.

''(ii) ADJUSTMENTS.—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iii) ELECTION.—An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary.''.

(b) AMENDMENTS TO ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting ''(A)'' after ''(9)'', and

(2) by adding at the end the following:

''(B)(i) If, for any plan year—

''(I) an election is in effect under this subparagraph with respect to a plan, and

''(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

''(ii) Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iii) An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary of the Treasury.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning on or after the date of enactment of this Act.

SEC. 508. SECTION 457 INAPPLICABLE TO CERTAIN MIRROR PLANS.

(a) IN GENERAL.—Subsection (e) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended by adding at the end the following new paragraph:

''(17) This section shall not apply to a plan, program, or arrangement maintained solely for the purposes of providing retirement benefits for employees in excess of the limitations imposed by sections 401(a)(17) or 415.''.

(b) CERTAIN DEFERRED COMPENSATION NOT TAKEN INTO ACCOUNT.—Subsection (c) of section 457 (relating to individuals who are participants in more than 1 plan) (as amended by section 108(a)) is amended by adding at the end the following: ''This section shall be applied without regard to a plan, program, or arrangement described in subsection (e)(17).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 509. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) MODIFICATION OF PHASE-IN OF GUARANTEE.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

''(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

''(i) owns the entire interest in an unincorporated trade or business,

''(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

''(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

''(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

''(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

''(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.''.

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking ''section 4022(b)(5)'' and inserting ''section 4022(b)(5)(B)''.

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking ''(5)'' in paragraph (2) and inserting ''(4), (5),'', and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following:

''(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking ''as defined in section 4022(b)(6)'', and

(B) by adding at the end the following:

''(d) For purposes of subsection (b)(9), the term ''substantial owner'' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

''(1) owns the entire interest in an unincorporated trade or business,

''(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

''(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).''.

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking ''section 4022(b)(6)'' and inserting ''section 4021(d)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) on or after the date of enactment of this Act, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation on or after such date.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (c) shall take effect on the date of enactment of this Act.

SEC. 510. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking ''or'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) is, at the election of such participants or their beneficiaries—

''(I) payable as provided in clause (i) or (ii), or

''(II) paid to the plan and reinvested in qualifying employer securities, or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 511. MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.

The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 1999, such regulations shall be applied as if such requirement were void.

SEC. 512. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''.

(b) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS.—Subparagraph (I) of section 415(b)(2) (relating to limitation for defined benefit plans) is amended—

(1) by inserting ''or a multiemployer plan (as defined in section 414(f))'' after ''section 414(d))'' in clause (i),

(2) by inserting ''or multiemployer plan'' after ''governmental plan'' in clause (ii), and

(3) by inserting ''AND MULTIEMPLOYER'' after ''GOVERNMENTAL'' in the heading.

(c) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section.''.

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking ''The Secretary'' and inserting ''Except as provided in subsection (f)(3), the Secretary''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 513. ELIMINATION OF PARTIAL TERMINATION RULES FOR MULTIEMPLOYER PLANS.

(a) PARTIAL TERMINATION RULES FOR MULTIEMPLOYER PLANS.—Section 411(d)(3) (relating to termination or partial termination; discontinuance of contributions) is amended by adding at the end the following new sentence: ''This paragraph shall not apply in the case of a partial termination of a multiemployer plan.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to partial terminations beginning after December 31, 1999.

SEC. 514. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) EXPANSION OF PERIOD.—

(1) IN GENERAL.—

(A) Subparagraph (A) of section 417(a)(6) is amended by striking ''90-day'' and inserting ''one-year''.

(B) Subparagraph (A) of section 205(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055) is amended by striking ''90-day'' and inserting ''one-year''.

(2) MODIFICATION OF REGULATIONS.—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute ''one year'' for ''90 days'' each place it appears in Treasury Regulations sections 1.402(f)–1, 1.411(a)–11(c), and 1.417(e)–1(b).

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) and the modifications required by paragraph (2) shall apply to years beginning after December 31, 1999.

(b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 1999.

SEC. 515. CONFORMING AMENDMENTS RELATING TO ELECTION TO RECEIVE TAXABLE CASH COMPENSATION IN LIEU OF NONTAXABLE PARKING BENEFITS.

(a) IN GENERAL.—

(1) Clause (ii) of section 415(c)(3)(D) and subparagraph (B) of section 403(b)(3) are each amended by striking ''section 125 or'' and inserting ''section 125, 132(f)(4), or''.

(2) Paragraph (2) of section 414(s) is amended by striking ''section 125, 402(e)(3)'' and inserting ''section 125, 132(f)(4), 402(e)(3)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the amendment made by section 1072 of the Taxpayer Relief Act of 1997.

SEC. 516. EXTENSION TO INTERNATIONAL ORGANIZATIONS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—Subparagraph (G) of section 401(a)(5), subparagraph (H) of section 401(a)(26), subparagraph (G) of section 401(k)(3), and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by inserting ''or by an international organization which is described in section 414(d)'' after ''or instrumentality thereof)''.

(b) CONFORMING AMENDMENTS.—

(1) The headings for subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by inserting ''AND INTERNATIONAL ORGANIZATION'' after ''GOVERNMENTAL''.

(2) Subparagraph (G) of section 401(k)(3) is amended by inserting ''STATE AND LOCAL GOVERNMENTAL AND INTERNATIONAL ORGANIZATION PLANS.—'' after ''(G)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendment made by section 1505 of the Taxpayer Relief Act of 1997.

SEC. 517. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401(k), or section 401(m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan, and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such section 401(k) plan or section 401(m) plan.

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 518. PERMISSIVE AGGREGATION OF COLLECTIVE BARGAINING UNITS.

(a) IN GENERAL.—Paragraph (3) of section 410(b) is amended by inserting the following immediately before the last sentence thereof: ''Solely for purposes of applying this subsection to employees who are not described in subparagraph (A), an employer may elect to have subparagraph (A) not apply to one or more units of employees who are described in subparagraph (A).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 1999.

SEC. 519. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c)(4) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning on or after January 1, 2000.

SEC. 520. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Section 132(e) (defining de minimis fringe) is amended by adding at the end the following:

''(3) TREATMENT OF CERTAIN RETIREMENT PLANNING SERVICES.—The provision of retirement planning services by an employer to employees, to the extent not described in subsection (d), shall be treated as a de minimis fringe.''.

(b) NO CONSTRUCTIVE RECEIPT.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

''(m) RETIREMENT PLANNING.—

''(1) IN GENERAL.—No amount shall be included in the gross income of an employee solely because the employee may choose between any retirement planning fringe and compensation which would otherwise be includible in the gross income of such employee.

''(2) NONDISCRIMINATION REQUIREMENT.—Paragraph (1) shall apply to a highly compensated employee only if the choice described in such paragraph is available on substantially the same terms to each member of a group of employees which is defined under a reasonable classification set up by the employer which does not discriminate in favor of highly compensated employees.

''(3) RETIREMENT PLANNING FRINGE.—For purposes of this subsection, the term 'retirement planning fringe' means any retirement planning services provided by an employer to an employee which are not included in the gross income of the employee by reason of subsection (d) or (e).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 521. ANNUAL REPORT DISSEMINATION.

(a) IN GENERAL.—Section 104(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(3)) is amended by striking ''shall furnish'' and inserting ''shall make available for examination (and, upon request, shall furnish)''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to reports for years beginning after December 31, 1998.

SEC. 522. EXCESS BENEFIT PLANS.

(a) IN GENERAL.—Section 3(36) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(36)) is amended to read as follows:

''(36) The term 'excess benefit plan' means a plan, without regard to whether such plan is funded, maintained by an employer solely for the purpose of providing benefits to employees in excess of the limitations imposed by 1 or more of sections 401(a)(17), 401(k), 401(m), 402(g), 403(b), 408(k), 408(p), or 415 of the Internal Revenue Code of 1986 or any other limitation on contributions or benefits in such Code on plans to which any of such sections apply. To the extent that a separable part of a plan (as determined by the Secretary of Labor) maintained by an employer is maintained for such purpose, that part shall be treated as a separate plan which is an excess benefit plan.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 523. BENEFIT SUSPENSION NOTICE.

(a) MODIFICATION OF REGULATION.—The Secretary of Labor shall modify the regulation under section 203(a)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)(3)(B)) to provide that the notification required by such regulation—

(1) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1024(b)), rather than in a separate notice, and

(2) need not include a copy of the relevant plan provisions.

(b) EFFECTIVE DATE.—The modification made under subsection (a) shall apply to plan years beginning after December 31, 1999.

SEC. 524. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 or section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this Act, or pursuant to any regulation issued under this Act, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2002.

In the case of a government plan (as defined in section 414(d) of the Internal Revenue Code of 1986 and section 3(32) of the Employee Retirement Income Security Act of 1974), this paragraph shall be applied by substituting ''2004'' for ''2002''.

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

SEC. 525. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $500,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term ''one-participant retirement plan'' means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated), or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation),

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses),

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the 1st day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

SEC. 526. MODEL PLANS FOR SMALL BUSINESSES.

(a) IN GENERAL.—Not later than December 31, 2000, the Secretary of the Treasury is directed to issue at least one model defined contribution plan and at least one model defined benefit plan that fit the needs of small businesses and that shall be treated as meeting the requirements of section 401(a) of the Internal Revenue Code of 1986 with respect to the form of the plan. To the extent that the requirements of section 401(a) of such Code are modified after the issuance of such plans, the Secretary of the Treasury shall, in a timely manner, issue model amendments that, if adopted in a timely manner by an employer that has a model plan in effect, shall cause such model plan to be treated as meeting the requirements of section 401(a) of such Code, as modified, with respect to the form of the plan.

(b) MASTER AND PROTOTYPE PLAN ALTERNATIVE.—The Secretary of the Treasury may, in its discretion, satisfy the requirements of subsection (a) through the enhancement and simplification of the Secretary's programs for master and prototype plans in such a manner as to achieve the purposes of subsection (a).

The SPEAKER pro tempore. In lieu of the amendment recommended by the Committee on Education and the Workforce printed in House Report 106–331 accompanying the bill H.R. 1102, an amendment in the nature of a substitute recommended by the Committee on Ways and Means printed in H.R. 4843 is adopted.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 4843

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

SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Comprehensive Retirement Security and Pension Reform Act of 2000''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; references; table of contents.

TITLE I—INDIVIDUAL RETIREMENT ACCOUNT PROVISIONS

Sec. 101. Modification of IRA contribution limits.

TITLE II—EXPANDING COVERAGE

Sec. 201. Increase in benefit and contribution limits.
Sec. 202. Plan loans for subchapter S owners, partners, and sole proprietors.
Sec. 203. Modification of top-heavy rules.
Sec. 204. Elective deferrals not taken into account for purposes of deduction limits.
Sec. 205. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.
Sec. 206. Elimination of user fee for requests to IRS regarding pension plans.
Sec. 207. Deduction limits.
Sec. 208. Option to treat elective deferrals as after-tax contributions.

TITLE III—ENHANCING FAIRNESS FOR WOMEN

Sec. 301. Catch-up contributions for individuals age 50 or over.
Sec. 302. Equitable treatment for contributions of employees to defined contribution plans.
Sec. 303. Faster vesting of certain employer matching contributions.
Sec. 304. Simplify and update the minimum distribution rules.
Sec. 305. Clarification of tax treatment of division of section 457 plan benefits upon divorce.
Sec. 306. Modification of safe harbor relief for hardship withdrawals from cash or deferred arrangements.

TITLE IV—INCREASING PORTABILITY FOR PARTICIPANTS

Sec. 401. Rollovers allowed among various types of plans.
Sec. 402. Rollovers of IRAs into workplace retirement plans.
Sec. 403. Rollovers of after-tax contributions.
Sec. 404. Hardship exception to 60-day rule.
Sec. 405. Treatment of forms of distribution.
Sec. 406. Rationalization of restrictions on distributions.
Sec. 407. Purchase of service credit in governmental defined benefit plans.
Sec. 408. Employers may disregard rollovers for purposes of cash-out amounts.
Sec. 409. Minimum distribution and inclusion requirements for section 457 plans.

TITLE V—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

Sec. 501. Repeal of 150 percent of current liability funding limit.
Sec. 502. Maximum contribution deduction rules modified and applied to all defined benefit plans.
Sec. 503. Excise tax relief for sound pension funding.
Sec. 504. Excise tax on failure to provide notice by defined benefit plans significantly reducing future benefit accruals.
Sec. 505. Treatment of multiemployer plans under section 415.
Sec. 506. Prohibited allocations of stock in S corporation ESOP.

TITLE VI—REDUCING REGULATORY BURDENS

Sec. 601. Modification of timing of plan valuations.
Sec. 602. ESOP dividends may be reinvested without loss of dividend deduction.
Sec. 603. Repeal of transition rule relating to certain highly compensated employees.
Sec. 604. Employees of tax-exempt entities.
Sec. 605. Clarification of treatment of employer-provided retirement advice.
Sec. 606. Reporting simplification.
Sec. 607. Improvement of employee plans compliance resolution system.
Sec. 608. Repeal of the multiple use test.
Sec. 609. Flexibility in nondiscrimination, coverage, and line of business rules.
Sec. 610. Extension to all governmental plans of moratorium on application of certain nondiscrimination rules applicable to State and local plans.
Sec. 611. Notice and consent period regarding distributions.

TITLE VII—PLAN AMENDMENTS

Sec. 701. Provisions relating to plan amendments.

TITLE I—INDIVIDUAL RETIREMENT ACCOUNTS

SEC. 101. MODIFICATION OF IRA CONTRIBUTION LIMITS.

(a) INCREASE IN CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking ''$2,000'' and inserting ''the deductible amount''.

(2) DEDUCTIBLE AMOUNT.—Section 219(b) is amended by adding at the end the following new paragraph:

''(5) DEDUCTIBLE AMOUNT.—For purposes of paragraph (1)(A)—

''(A) IN GENERAL.—The deductible amount shall be determined in accordance with the following table:

''For taxable years beginning in:	*The deductible amount is:*
2001	*$3,000*
2002	*$4,000*
2003 and thereafter	*$5,000.*

''(B) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS 50 OR OLDER.—In the case of an individual who has attained the age of 50 before the close of the taxable year, the deductible amount for taxable years beginning in 2001 or 2002 shall be $5,000.

''(C) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2003, the $5,000 amount under subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2002' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $500, such amount shall be rounded to the next lower multiple of $500.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 408(a)(1) is amended by striking ''in excess of $2,000 on behalf of any individual'' and inserting ''on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)''.

(2) Section 408(b)(2)(B) is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(3) Section 408(b) is amended by striking ''$2,000'' in the matter following paragraph (4) and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(4) Section 408(j) is amended by striking ''$2,000''.

(5) Section 408(p)(8) is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE II—EXPANDING COVERAGE

SEC. 201. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking ''$90,000'' and inserting ''$160,000''.

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking ''$90,000'' each place it appears in the headings and the text and inserting ''$160,000''.

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking ''the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$90,000'' and inserting ''one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$160,000' ''.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 62''.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 65''.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$90,000'' in paragraph (1)(A) and inserting ''$160,000''; and

(B) in paragraph (3)(A)—

(i) by striking ''$90,000'' in the heading and inserting ''$160,000''; and

(ii) by striking ''October 1, 1986'' and inserting ''July 1, 2000''.

(5) CONFORMING AMENDMENT.—Section 415(b)(2) is amended by striking subparagraph (F).

(b) DEFINED CONTRIBUTION PLANS.—

(1) DOLLAR LIMIT.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''$30,000'' and inserting ''$40,000''.

(2) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$30,000'' in paragraph (1)(C) and inserting ''$40,000''; and

(B) in paragraph (3)(D)—

(i) by striking ''$30,000'' in the heading and inserting ''$40,000''; and

(ii) by striking ''October 1, 1993'' and inserting ''July 1, 2000''.

(c) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking ''$150,000'' each place it appears and inserting ''$200,000''.

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking ''October 1, 1993'' and inserting ''July 1, 2000''; and

(B) by striking ''$10,000'' both places it appears and inserting ''$5,000''.

(d) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

''(1) IN GENERAL.—

''(A) LIMITATION.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

''(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	*The applicable dollar amount:*
2001	*$11,000*
2002	*$12,000*
2003	*$13,000*
2004	*$14,000*
2005 or thereafter	*$15,000.''.*

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (5) of section 402(g) is amended to read as follows:

''(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking ''402(g)(8)(A)(iii)'' and inserting ''402(g)(7)(A)(iii)''.

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking ''(other than paragraph (4) thereof)''.

(e) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking ''$7,500'' each place it appears and inserting ''the applicable dollar amount''; and

(B) in subsection (b)(3)(A) by striking ''$15,000'' and inserting ''twice the dollar amount in effect under subsection (b)(2)(A)''.

(2) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

''(15) APPLICABLE DOLLAR AMOUNT.—

''(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.

''(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount specified in the table in subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(f) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking ''$6,000'' and inserting ''the applicable dollar amount''.

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

''(E) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$7,000
2002	$8,000
2003	$9,000
2004 or thereafter	$10,000.

''(ii) COST-OF-LIVING ADJUSTMENT.—In the case of a year beginning after December 31, 2004, the Secretary shall adjust the $10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2003, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Clause (I) of section 401(k)(11)(B)(i) is amended by striking ''$6,000'' and inserting ''the amount in effect under section 408(p)(2)(A)(ii)''.

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(g) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

''(4) ROUNDING.—

''(A) $160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

''(B) $40,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 202. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) IN GENERAL.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

''(iii) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to loans made after December 31, 2000.

SEC. 203. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking ''or any of the 4 preceding plan years'' in the matter preceding clause (i);

(B) by striking clause (i) and inserting the following:

''(i) an officer of the employer having an annual compensation greater than $150,000,'';

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively; and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking ''and subparagraph (A)(ii)''.

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: ''Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.''.

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

''(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

''(A) IN GENERAL.—For purposes of determining—

''(i) the present value of the cumulative accrued benefit for any employee, or

''(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

''(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.''.

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE''; and

(B) by striking ''5-year period'' and inserting ''1-year period''.

(d) DEFINITION OF TOP-HEAVY PLANS.—Paragraph (4) of section 416(g) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

''(H) CASH OR DEFERRED ARRANGEMENTS USING ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—The term 'top-heavy plan' shall not include a plan which consists solely of—

''(i) a cash or deferred arrangement which meets the requirements of section 401(k)(12), and

''(ii) matching contributions with respect to which the requirements of section 401(m)(11) are met.

If, but for this subparagraph, a plan would be treated as a top-heavy plan because it is a member of an aggregation group which is a top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of subsection (c)(2).''.

(e) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking ''clause (ii)'' in clause (i) and inserting ''clause (ii) or (iii)''; and

(B) by adding at the end the following:

''(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.''.

(f) ELIMINATION OF FAMILY ATTRIBUTION.—Section 416(i)(1)(B) (defining 5-percent owner) is amended by adding at the end the following new clause:

''(iv) FAMILY ATTRIBUTION DISREGARDED.—Solely for purposes of applying this paragraph (and not for purposes of any provision of this title which incorporates by reference the definition of a key employee or 5-percent owner under this paragraph), section 318 shall be applied without regard to subsection (a)(1) thereof in determining whether any person is a 5-percent owner.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 204. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

''(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 205. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 201, is amended to read as follows:

''(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2000.

SEC. 206. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 7527 of the Internal Revenue Code of 1986 for requests to the Internal Revenue Service for determination letters with respect to the qualified status of a pension benefit plan maintained solely by one or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request—

(1) made after the fifth plan year the pension benefit plan is in existence; or

(2) made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

(b) PENSION BENEFIT PLAN.—For purposes of this section, the term ''pension benefit plan'' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

(c) ELIGIBLE EMPLOYER.—For purposes of this section, the term ''eligible employer'' has the same meaning given such term in section 408(p)(2)(C)(i)(I) of the Internal Revenue Code of 1986. The determination of whether an employer is an eligible employer under this section shall be made as of the date of the request described in subsection (a).

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2000.

SEC. 207. DEDUCTION LIMITS.

(a) IN GENERAL.—

(1) STOCK BONUS AND PROFIT SHARING TRUSTS.—Subclause (I) of section 404(a)(3)(A)(i) (relating to stock bonus and profit sharing trusts) is amended by striking ''15 percent'' and inserting ''20 percent''.

(2) COMPENSATION.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

''(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation otherwise paid or accrued during the taxable year' shall include amounts treated as 'participant's compensation' under subparagraph (C) or (D) of section 415(c)(3).''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(2) Subparagraph (C) of section 404(h)(1) is amended by striking ''15 percent'' each place it appears and inserting ''20 percent''.

(3) Clause (i) of section 4972(c)(6)(B) is amended by striking ''(within the meaning of section 404(a))'' and inserting ''(within the meaning of section 404(a) and as adjusted under section 404(a)(12))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 208. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

''SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.

''(a) GENERAL RULE.—If an applicable retirement plan includes a qualified plus contribution program—

''(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

''(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

''(b) QUALIFIED PLUS CONTRIBUTION PROGRAM.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified plus contribution program' means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

''(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

''(A) establishes separate accounts ('designated plus accounts') for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

''(B) maintains separate recordkeeping with respect to each account.

''(c) DEFINITIONS AND RULES RELATING TO DESIGNATED PLUS CONTRIBUTIONS.—For purposes of this section—

''(1) DESIGNATED PLUS CONTRIBUTION.—The term 'designated plus contribution' means any elective deferral which—

''(A) is excludable from gross income of an employee without regard to this section, and

''(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

''(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

''(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

''(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

''(3) ROLLOVER CONTRIBUTIONS.—

''(A) IN GENERAL.—A rollover contribution of any payment or distribution from a designated plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

''(i) another designated plus account of the individual from whose account the payment or distribution was made, or

''(ii) a Roth IRA of such individual.

''(B) COORDINATION WITH LIMIT.—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

''(d) DISTRIBUTION RULES.—For purposes of this title—

''(1) EXCLUSION.—Any qualified distribution from a designated plus account shall not be includible in gross income.

''(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

''(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

''(i) the first taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

''(ii) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated plus contribution to such previously established account.

''(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND EARNINGS.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

''(3) AGGREGATION RULES.—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE RETIREMENT PLAN.—The term 'applicable retirement plan' means—

''(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

''(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).''.

(b) EXCESS DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: ''The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.''; and

(2) by inserting ''(or would be included but for the last sentence thereof)'' after ''paragraph (1)'' in paragraph (2)(A).

(c) ROLLOVERS.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

''If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.''.

(d) REPORTING REQUIREMENTS.—

(1) W–2 INFORMATION.—Section 6051(a)(8) is amended by inserting '', including the amount of designated plus contributions (as defined in section 402A)'' before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DESIGNATED PLUS CONTRIBUTIONS.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: ''Such term includes a rollover contribution described in section 402A(c)(3)(A).''.

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

''Sec. 402A. Optional treatment of elective deferrals as plus contributions.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE III—ENHANCING FAIRNESS FOR WOMEN

SEC. 301. CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.

(a) IN GENERAL.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

''(v) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.—

''(1) IN GENERAL.—An applicable employer plan shall not be treated as failing to meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.

''(2) LIMITATION ON AMOUNT OF ADDITIONAL DEFERRALS.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

''(A) $5,000, or

''(B) the excess (if any) of—

''(i) the participant's compensation for the year, over

''(ii) any other elective deferrals of the participant for such year which are made without regard to this subsection.

''(3) TREATMENT OF CONTRIBUTIONS.—In the case of any contribution to a plan under paragraph (1), such contribution shall not, with respect to the year in which the contribution is made—

''(A) be subject to any otherwise applicable limitation contained in section 402(g), 402(h)(2), 404(a), 404(h), 408(p)(2)(A)(ii), 415, or 457, or

''(B) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan.

''(4) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term 'eligible participant' means, with respect to any plan year, a participant in a plan—

''(A) who has attained the age of 50 before the close of the plan year, and

''(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of the application of any limitation or other restriction described in paragraph (3) or comparable limitation contained in the terms of the plan.

''(5) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) APPLICABLE EMPLOYER PLAN.—The term 'applicable employer plan' means—

''(i) an employees' trust described in section 401(a) which is exempt from tax under section 501(a),

''(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

''(iii) an eligible deferred compensation plan under section 457 of an eligible employer as defined in section 457(e)(1)(A), and

''(iv) an arrangement meeting the requirements of section 408 (k) or (p).

''(B) ELECTIVE DEFERRAL.—The term 'elective deferral' has the meaning given such term by subsection (u)(2)(C).

''(C) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to an applicable employer plan described in subparagraph (A)(iii) for any year to which section 457(b)(3) applies.

''(D) COST-OF-LIVING ADJUSTMENT.—For years beginning after December 31, 2005, the Secretary shall adjust annually the $5,000 amount in subparagraph (A) for increases in the cost-of-living at the same time and in the same manner as adjustments under section 415(d); except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2000.

SEC. 302. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''25 percent'' and inserting ''100 percent''.

(2) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking ''the exclusion allowance for such taxable year'' in paragraph (1) and inserting ''the applicable limit under section 415'';

(B) by striking paragraph (2); and

(C) by inserting ''or any amount received by a former employee after the fifth taxable year following the taxable year in which such employee was terminated'' before the period at the end of the second sentence of paragraph (3).

(3) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking ''section 403(b)(2)(D)(iii))'' and inserting ''section 403(b)(2)(D)(iii), as in effect before the enactment of the Comprehensive Retirement Security and Pension Reform Act of 2000)''.

(B) Section 404(a)(10)(B) is amended by striking '', the exclusion allowance under section 403(b)(2),''.

(C) Section 415(a)(2) is amended by striking '', and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)''.

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

''(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).''.

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

''(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

''(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

''(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).''.

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 211) is amended by inserting before the period at the end the following: ''(as in effect before the enactment of the Comprehensive Retirement Security and Pension Reform Act of 2000)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 1999.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2000, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 1999, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking ''33⅓ percent'' and inserting ''100 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. 303. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) IN GENERAL.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan''; and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

''Years of service:	*The nonforfeitable percentage is:*
2	*20*
3	*40*
4	*60*
5	*80*
6	*100.''.*

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2000.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment); or

(ii) January 1, 2001; or

(B) January 1, 2005.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall

not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. 304. SIMPLIFY AND UPDATE THE MINIMUM DISTRIBUTION RULES.

(a) SIMPLIFICATION AND FINALIZATION OF MINIMUM DISTRIBUTION REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall—

(A) simplify and finalize the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code of 1986; and

(B) modify such regulations to—

(i) reflect current life expectancy; and

(ii) revise the required distribution methods so that, under reasonable assumptions, the amount of the required minimum distribution does not decrease over a participant's life expectancy.

(2) FRESH START.—Notwithstanding subparagraph (D) of section 401(a)(9) of such Code, during the first year that regulations are in effect under this subsection, required distributions for future years may be redetermined to reflect changes under such regulations. Such redetermination shall include the opportunity to choose a new designated beneficiary and to elect a new method of calculating life expectancy.

(3) EFFECTIVE DATE FOR REGULATIONS.—Regulations referred to in paragraph (1) shall be effective for years beginning after December 31, 2000, and shall apply in such years without regard to whether an individual had previously begun receiving minimum distributions.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''FOR OTHER CASES'' in the heading; and

(ii) by striking ''the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)'' and inserting ''his entire interest has been distributed to him''.

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking ''clause (ii)'' and inserting ''clause (i)''.

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''clause (iii)(I)'' and inserting ''clause (ii)(I)'';

(ii) by striking ''clause (iii)(III)'' in subclause (I) and inserting ''clause (ii)(III)'';

(iii) by striking ''the date on which the employee would have attained age 70½,'' in subclause (I) and inserting ''April 1 of the calendar year following the calendar year in which the spouse attains 70½,''; and

(iv) by striking ''the distributions to such spouse begin,'' in subclause (II) and inserting ''his entire interest has been distributed to him,''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(c) REDUCTION IN EXCISE TAX.—

(1) IN GENERAL.—Subsection (a) of section 4974 is amended by striking ''50 percent'' and inserting ''10 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. 305. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting ''or an eligible deferred compensation plan (within the meaning of section 457(b))'' after ''subsection (e))''; and

(2) in the heading, by striking ''GOVERNMENTAL AND CHURCH PLANS'' and inserting ''CERTAIN OTHER PLANS''.

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking ''and section 409(d)'' and inserting ''section 409(d), and section 457(d)''.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

''(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers, distributions, and payments made after December 31, 2000.

SEC. 306. MODIFICATION OF SAFE HARBOR RELIEF FOR HARDSHIP WITHDRAWALS FROM CASH OR DEFERRED ARRANGEMENTS.

(a) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(b) EFFECTIVE DATE.—The revised regulations under subsection (a) shall apply to years beginning after December 31, 2000.

TITLE IV—INCREASING PORTABILITY FOR PARTICIPANTS

SEC. 401. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

''(16) ROLLOVER AMOUNTS.—

''(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

''(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

''(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

''(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

''(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).''.

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting ''(other than rollover amounts)'' after ''taxable year''.

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by inserting after subparagraph (B) the following:

''(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.''.

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

''(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) maintained by an employer described in section 457(e)(1)(A); or''.

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

''(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).''.

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by adding at the end the following:

''(iv) section 457(b).''.

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by inserting after clause (iv) the following new clause:

''(v) an eligible deferred compensation plan described in section 457(b) of an employer described in section 457(e)(1)(A).''.

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

''(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.''.

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).''.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking ''such distribution'' and all that follows and inserting ''such distribution to an eligible retirement plan described in section 402(c)(8)(B), and''.

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by inserting after clause (v) the following new clause:

''(vi) an annuity contract described in section 403(b).''.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover

treatment) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.''.

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking ''; except that'' and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(2) Section 219(d)(2) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(3) Section 401(a)(31)(B) is amended by striking ''and 403(a)(4)'' and inserting '', 403(a)(4), 403(b)(8), and 457(e)(16)''.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking ''or paragraph (4) of section 403(a)'' and inserting '', paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)''.

(5) Paragraph (1) of section 402(f) is amended by striking ''from an eligible retirement plan''.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking ''another eligible retirement plan'' and inserting ''an eligible retirement plan''.

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.''.

(8) Section 408(a)(1) is amended by striking ''or 403(b)(8),'' and inserting ''403(b)(8), or 457(e)(16)''.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(10) Section 415(c)(2) is amended by striking ''and 408(d)(3)'' and inserting ''408(d)(3), and 457(e)(16)''.

(11) Section 4973(b)(1)(A) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 402. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding ''or'' at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

''(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking ''section 408(d)(3)(A)(iii)'' and inserting ''section 408(d)(3)(A)(ii)''.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking ''(i), (ii), or (iii)'' and inserting ''(i) or (ii)''.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

''(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.''.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 403. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution to the extent—

''(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).''.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

''(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).''.

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

''(H) APPLICATION OF SECTION 72.—

''(i) IN GENERAL.—If—

''(I) a distribution is made from an individual retirement plan, and

''(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

''(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

''(I) section 72 shall be applied separately to such distribution,

''(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

''(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2000.

SEC. 404. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

''(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

''(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(b) IRAS.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section 403, is amended by adding after subparagraph (H) the following new subparagraph:

''(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 405. TREATMENT OF FORMS OF DISTRIBUTION.

(a) PLAN TRANSFERS.—

(1) IN GENERAL.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

''(D) PLAN TRANSFERS.—

''(i) IN GENERAL.—A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

''(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

''(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

''(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

''(IV) the election described in subclause (III) was made after the participant or beneficiary

received a notice describing the consequences of making the election,

''(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2), and

''(VI) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(ii) EXCEPTION.—Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(E) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated, and

''(ii) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

(b) REGULATIONS.—

(1) IN GENERAL.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: ''The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.''.

(2) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986, including the regulations required by the amendments made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2001, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 406. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

''(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).''.

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking ''An event'' in clause (i) and inserting ''A termination''; and

(II) by striking ''the event'' in clause (i) and inserting ''the termination'';

(ii) by striking subparagraph (C); and

(iii) by striking ''OR DISPOSITION OF ASSETS OR SUBSIDIARY'' in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking ''separates from service'' and inserting ''has a severance from employment''.

(B) The heading for paragraph (11) of section 403(b) is amended by striking ''SEPARATION FROM SERVICE'' and inserting ''SEVERANCE FROM EMPLOYMENT''.

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking ''is separated from service'' and inserting ''has a severance from employment''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 407. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

''(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(b) 457 PLANS.—Subsection (e) of section 457 is amended by adding after paragraph (16) the following new paragraph:

''(17) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2000.

SEC. 408. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

''(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).''.

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking ''such amount'' and inserting ''the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 409. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

''(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).''.

(b) INCLUSION IN GROSS INCOME.—

(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

''(a) YEAR OF INCLUSION IN GROSS INCOME.—

''(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

''(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

''(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

''(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.''.

(2) CONFORMING AMENDMENTS.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

''(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—''.

(B) Section 457(d) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

TITLE V—STRENGTHENING PENSION SECURITY AND ENFORCEMENT

SEC. 501. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) IN GENERAL.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2004, the applicable percentage''; and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

''In the case of any plan year beginning in—	***The applicable percentage is—***
2001	*160*
2002	*165*
2003	*170.''.*

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 502. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

''(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

''(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

''(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in

the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

''(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as one plan, but only employees of such member or employer shall be taken into account.

''(iv) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.''.

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

''(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to one or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

''(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

''(B) the sum of—

''(i) the amount of contributions described in section 401(m)(4)(A), plus

''(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 503. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

''(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 504. EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) IN GENERAL.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

''SEC. 4980F. FAILURE OF APPLICABLE PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of any applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as one plan. For purposes of this paragraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(2) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) NOTICE REQUIREMENTS FOR PLANS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.—

''(1) IN GENERAL.—If an applicable pension plan is amended to provide for a significant reduction in the rate of future benefit accrual, the plan administrator shall provide written notice to each applicable individual (and to each employee organization representing applicable individuals).

''(2) NOTICE.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow applicable individuals to understand the effect of the plan amendment.

''(3) TIMING OF NOTICE.—Except as provided in regulations, the notice required by paragraph (1) shall be provided within a reasonable time before the effective date of the plan amendment.

''(4) DESIGNEES.—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(5) NOTICE BEFORE ADOPTION OF AMENDMENT.—A plan shall not be treated as failing to meet the requirements of paragraph (1) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.

''(f) APPLICABLE INDIVIDUAL; APPLICABLE PENSION PLAN.—For purposes of this section—

''(1) APPLICABLE INDIVIDUAL.—The term 'applicable individual' means, with respect to any plan amendment—

''(A) any participant in the plan, and

''(B) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

who may reasonably be expected to be affected by such plan amendment.

''(2) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(A) any defined benefit plan, or

''(B) an individual account plan which is subject to the funding standards of section 412,

which had 100 or more participants who had accrued a benefit, or with respect to whom contributions were made, under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective. Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 43 is amended by adding at the end the following new item:

''Sec. 4980F. Failure of applicable plans reducing benefit accruals to satisfy notice requirements.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under sections 4980F(e)(2) and (3) of the Internal Revenue Code of 1986 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) SPECIAL RULE.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

(d) STUDY.—The Secretary of the Treasury shall prepare a report on the effects of conversions of traditional defined benefit plans to cash balance or hybrid formula plans. Such study shall examine the effect of such conversions on longer service participants, including the incidence and effects of ''wear away'' provisions under which participants earn no additional benefits for a period of time after the conversion. As soon as practicable, but not later than 60 days after the date of the enactment of this Act, the Secretary shall submit such report, together with recommendations thereon, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 505. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''.

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section, except that such plan shall be combined or aggregated with another plan which is not such a multiemployer plan solely for purposes of determining whether such other plan meets the requirements of subsections (b)(1)(A) and (c).''.

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking ''The Secretary'' and inserting ''Except as provided in subsection (f)(3), the Secretary''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 506. PROHIBITED ALLOCATIONS OF STOCK IN S CORPORATION ESOP.

(a) IN GENERAL.—Section 409 (relating to qualifications for tax credit employee stock ownership plans) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(p) PROHIBITED ALLOCATIONS OF SECURITIES IN AN S CORPORATION.—

''(1) IN GENERAL.—An employee stock ownership plan holding employer securities consisting of stock in an S corporation shall provide that no portion of the assets of the plan attributable to (or allocable in lieu of) such employer securities may, during a nonallocation year, accrue (or be allocated directly or indirectly under any plan of the employer meeting the requirements of section 401(a)) for the benefit of any disqualified person.

''(2) FAILURE TO MEET REQUIREMENTS.—

''(A) IN GENERAL.—If a plan fails to meet the requirements of paragraph (1), the plan shall be treated as having distributed to any disqualified person the amount allocated to the account of such person in violation of paragraph (1) at the time of such allocation.

''(B) CROSS REFERENCE.—

''For excise tax relating to violations of paragraph (1) and ownership of synthetic equity, see section 4979A.

''(3) NONALLOCATION YEAR.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'nonallocation year' means any plan year of an employee stock ownership plan if, at any time during such plan year—

''(i) such plan holds employer securities consisting of stock in an S corporation, and

''(ii) disqualified persons own at least 50 percent of the number of shares of stock in the S corporation.

''(B) ATTRIBUTION RULES.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The rules of section 318(a) shall apply for purposes of determining ownership, except that—

''(I) in applying paragraph (1) thereof, the members of an individual's family shall include members of the family described in paragraph (4)(D), and

''(II) paragraph (4) thereof shall not apply.

''(ii) DEEMED-OWNED SHARES.—Notwithstanding the employee trust exception in section 318(a)(2)(B)(i), individual shall be treated as owning deemed-owned shares of the individual. Solely for purposes of applying paragraph (5), this subparagraph shall be applied after the attribution rules of paragraph (5) have been applied.

''(4) DISQUALIFIED PERSON.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'disqualified person' means any person if—

''(i) the aggregate number of deemed-owned shares of such person and the members of such person's family is at least 20 percent of the number of deemed-owned shares of stock in the S corporation, or

''(ii) in the case of a person not described in clause (i), the number of deemed-owned shares of such person is at least 10 percent of the number of deemed-owned shares of stock in such corporation.

''(B) TREATMENT OF FAMILY MEMBERS.—In the case of a disqualified person described in subparagraph (A)(i), any member of such person's family with deemed-owned shares shall be treated as a disqualified person if not otherwise treated as a disqualified person under subparagraph (A).

''(C) DEEMED-OWNED SHARES.—

''(i) IN GENERAL.—The term 'deemed-owned shares' means, with respect to any person—

''(I) the stock in the S corporation constituting employer securities of an employee stock ownership plan which is allocated to such person under the plan, and

''(II) such person's share of the stock in such corporation which is held by such plan but which is not allocated under the plan to participants.

''(ii) PERSON'S SHARE OF UNALLOCATED STOCK.—For purposes of clause (i)(II), a person's share of unallocated S corporation stock held by such plan is the amount of the unallocated stock which would be allocated to such person if the unallocated stock were allocated to all participants in the same proportions as the most recent stock allocation under the plan.

''(D) MEMBER OF FAMILY.—For purposes of this paragraph, the term 'member of the family' means, with respect to any individual—

''(i) the spouse of the individual,

''(ii) an ancestor or lineal descendant of the individual or the individual's spouse,

''(iii) a brother or sister of the individual or the individual's spouse and any lineal descendant of the brother or sister, and

''(iv) the spouse of any individual described in clause (ii) or (iii).

A spouse of an individual who is legally separated from such individual under a decree of divorce or separate maintenance shall not be treated as such individual's spouse for purposes of this subparagraph.

''(5) TREATMENT OF SYNTHETIC EQUITY.—For purposes of paragraphs (3) and (4), in the case of a person who owns synthetic equity in the S corporation, except to the extent provided in regulations, the shares of stock in such corporation on which such synthetic equity is based shall be treated as outstanding stock in such corporation and deemed-owned shares of such person if such treatment of synthetic equity of 1 or more such persons results in—

''(A) the treatment of any person as a disqualified person, or

''(B) the treatment of any year as a nonallocation year.

For purposes of this paragraph, synthetic equity shall be treated as owned by a person in the same manner as stock is treated as owned by a person under the rules of paragraphs (2) and (3) of section 318(a). If, without regard to this paragraph, a person is treated as a disqualified person or a year is treated as a nonallocation year, this paragraph shall not be construed to result in the person or year not being so treated.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) EMPLOYEE STOCK OWNERSHIP PLAN.—The term 'employee stock ownership plan' has the meaning given such term by section 4975(e)(7).

''(B) EMPLOYER SECURITIES.—The term 'employer security' has the meaning given such term by section 409(l).

''(C) SYNTHETIC EQUITY.—The term 'synthetic equity' means any stock option, warrant, restricted stock, deferred issuance stock right, or similar interest or right that gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock appreciation right, phantom stock unit, or similar right to a future cash payment based on the value of such stock or appreciation in such value.

''(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.''.

(b) COORDINATION WITH SECTION 4975(e)(7).—The last sentence of section 4975(e)(7) (defining employee stock ownership plan) is amended by inserting '', section 409(p),'' after ''409(n)''.

(c) EXCISE TAX.—

(1) APPLICATION OF TAX.—Subsection (a) of section 4979A (relating to tax on certain prohibited allocations of employer securities) is amended—

(A) by striking ''or'' at the end of paragraph (1), and

(B) by striking all that follows paragraph (2) and inserting the following:

''(3) there is any allocation of employer securities which violates the provisions of section 409(p), or a nonallocation year described in subsection (e)(2)(C) with respect to an employee stock ownership plan, or

''(4) any synthetic equity is owned by a disqualified person in any nonallocation year,

there is hereby imposed a tax on such allocation or ownership equal to 50 percent of the amount involved.''.

(2) LIABILITY.—Section 4979A(c) (defining liability for tax) is amended to read as follows:

''(c) LIABILITY FOR TAX.—The tax imposed by this section shall be paid—

''(1) in the case of an allocation referred to in paragraph (1) or (2) of subsection (a), by—

''(A) the employer sponsoring such plan, or

''(B) the eligible worker-owned cooperative,

which made the written statement described in section 664(g)(1)(E) or in section 1042(b)(3)(B) (as the case may be), and

''(2) in the case of an allocation or ownership referred to in paragraph (3) or (4) of subsection (a), by the S corporation the stock in which was so allocated or owned.''.

(3) DEFINITIONS.—Section 4979A(e) (relating to definitions) is amended to read as follows:

''(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) DEFINITIONS.—Except as provided in paragraph (2), terms used in this section have the same respective meanings as when used in sections 409 and 4978.

''(2) SPECIAL RULES RELATING TO TAX IMPOSED BY REASON OF PARAGRAPH (3) OR (4) OF SUBSECTION (a).—

''(A) PROHIBITED ALLOCATIONS.—The amount involved with respect to any tax imposed by reason of subsection (a)(3) is the amount allocated to the account of any person in violation of section 409(p)(1).

''(B) SYNTHETIC EQUITY.—The amount involved with respect to any tax imposed by reason of subsection (a)(4) is the value of the shares on which the synthetic equity is based.

''(C) SPECIAL RULE DURING FIRST NONALLOCATION YEAR.—For purposes of subparagraph (A), the amount involved for the first nonallocation year of any employee stock ownership plan shall be determined by taking into account the total value of all the deemed-owned shares of all disqualified persons with respect to such plan.

''(D) STATUTE OF LIMITATIONS.—The statutory period for the assessment of any tax imposed by this section by reason of paragraph (3) or (4) of subsection (a) shall not expire before the date which is 3 years from the later of—

''(i) the allocation or ownership referred to in such paragraph giving rise to such tax, or

''(ii) the date on which the Secretary is notified of such allocation or ownership.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

(2) EXCEPTION FOR CERTAIN PLANS.—In the case of any—

(A) employee stock ownership plan established after July 11, 2000, or

(B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 1362(a) of the Internal Revenue Code of 1986 is not in effect on such date,

the amendments made by this section shall apply to plan years ending after July 11, 2000.

TITLE VI—REDUCING REGULATORY BURDENS

SEC. 601. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Paragraph (9) of section 412(c)(9) (relating to annual valuation) is amended to read as follows:

''(9) ANNUAL VALUATION.—

''(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

''(B) VALUATION DATE.—

''(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

''(ii) ELECTION TO USE PRIOR YEAR VALUATION.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

''(I) an election is in effect under this clause with respect to the plan, and

''(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)).

''(iii) ADJUSTMENTS.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) ELECTION.—An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 602. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking ''or'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) is, at the election of such participants or their beneficiaries—

''(I) payable as provided in clause (i) or (ii), or

''(II) paid to the plan and reinvested in qualifying employer securities, or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 603. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 2000.

SEC. 604. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401(k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan; and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401(k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 605. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking ''or'' at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting '', or'', and by adding at the end the following new paragraph:

''(7) qualified retirement planning services.''.

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

''(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning service provided to an employee and his spouse by an employer maintaining a qualified employer plan.

''(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

''(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 606. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term ''one-participant retirement plan'' means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated); or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation);

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business;

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses);

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control; and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the first day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2001.

SEC. 607. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program;

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures;

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures;

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit; and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. 608. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 609. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test; and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test. Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) COVERAGE TEST.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

''(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

''(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

''(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

''(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.''.

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) LINE OF BUSINESS RULES.—The Secretary of the Treasury shall, on or before December 31, 2000, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. 610. EXTENSION TO ALL GOVERNMENTAL PLANS OF MORATORIUM ON APPLICATION OF CERTAIN NON-DISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—

(1) Subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by striking ''section 414(d))'' and all that follows and inserting ''section 414(d)).''.

(2) Subparagraph (G) of section 401(k)(3) and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by striking ''maintained by a State or local government or political subdivision thereof (or agency or instrumentality thereof)''.

(b) CONFORMING AMENDMENTS.—

(1) The heading for subparagraph (G) of section 401(a)(5) is amended to read as follows: ''GOVERNMENTAL PLANS''.

(2) The heading for subparagraph (H) of section 401(a)(26) is amended to read as follows: ''EXCEPTION FOR GOVERNMENTAL PLANS''.

(3) Subparagraph (G) of section 401(k)(3) is amended by inserting ''GOVERNMENTAL PLANS.— '' after ''(G)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 611. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) EXPANSION OF PERIOD.—

(1) IN GENERAL.—Subparagraph (A) of section 417(a)(6) is amended by striking ''90-day'' and inserting ''180-day''.

(2) MODIFICATION OF REGULATIONS.—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute ''180 days'' for ''90 days'' each place it appears in Treasury Regulations sections 1.402(f)–1, 1.411(a)–11(c), and 1.417(e)–1(b).

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) and the modifications required by paragraph (2) shall apply to years beginning after December 31, 2000.

(b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2000.

TITLE VII—PLAN AMENDMENTS

SEC. 701. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A); and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this Act, or pursuant to any regulation issued under this Act, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2003.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting ''2005'' for ''2003''.

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan); and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(B) such plan or contract amendment applies retroactively for such period.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the amendment printed in House Report 106–760, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. ARCHER) and the gentleman from Massachusetts (Mr. NEAL) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1102.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have accomplished a great deal this year for older Americans and for baby boomers who are nearing retirement. We repealed the punitive Social Security earnings penalty so that seniors who wanted to continue to work could do so without the loss of their benefits. We protected the Social Security and Medicare trust funds from being spent, put them in a lock box, and we are paying down the debt by historic levels. Today, we continue our broad agenda to help Americans enjoy a healthier and more fulfilling retirement.

If there is one cloud on our economic horizon, it is the lack of personal savings, private savings in the private sector in this country, which is at an all time low. In fact, negative. We as a people borrow more than we save. We should be encouraging Americans to save more, and one of the proven methods of doing that is simple: do not tax savings or the interest earned on savings.

While we have tried many times, and the last time IRA contribution limits were raised was almost 20 years ago in 1981, there is wide bipartisan support for raising the limits from $2,000 to $5,000. At least 90 Democrats cosponsored the Portman-Cardin bill, which includes an increase in IRA limits, and 60 Democrats cosponsored a straight expansion of IRA limits from $2,000 to $5,000.

The Committee on Ways and Means reported this bill with a strong bipartisan vote, and I expect that support will be reflected by the full House of Representatives today.

Mr. Speaker, I particularly thank the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN), who have really provided the bipartisan leadership on this issue. This should be the hallmark of Congress, that we come together to do the right thing for the American people. I also must mention the leadership of the gentleman from California (Mr. GALLEGLY) on IRA expansions.

This bill also strengthens our pension system, and it expands opportunities for Americans to get pension coverage, especially women. As we know, women live longer than men and have special retirement needs, but only 32 percent of retired women have pensions as opposed to 55 percent for men.

This bill includes catchup provisions so women who have to leave the workforce, perhaps for a period of time to rear children and then reenter later in life, can increase their contributions to make up for the lost time when they were not in the workforce.

So this is the right legislation at the right time. The workplace has changed, our retirement needs have changed, and the pension system has changed. Now is the time to expand IRAs, improve 401(k)s, update our pension system so more Americans have the opportunity for a safe and secure retirement. We particularly help small businesses to create pension plans where there is a great need for workers to be covered. This is a good bill, one that should get a resounding bipartisan vote.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have an honest disagreement here today reflected in the proposals that are before this House. This honest disagreement I think crystallizes along the lines of who is to benefit from this legislation. Once again, on the Democratic side, we argue, I think with considerable merit, that the legislation in front of us does not do enough to help middle-income Americans or low-income wage earners.

The substitute that we will discuss later on today offered by the gentleman from New York (Mr. RANGEL) is, I believe, the only way that we can bring a balanced pension package to the President that he will sign this year. The substitute that we will offer later on will add a dimension that the underlying bill lacks and which it badly needs.

One of the key criticisms of the bill before us is that the benefit increases go only to those lucky few who make a maximum contribution under current law. The retirement savings account proposal takes a good first step at addressing this lack of balance. It gives a refundable tax credit to low- and moderate-income workers who participate in an employer-sponsored pension plan or an individual retirement account. The maximum credit is 50 percent of qualifying contributions, and would be available to married workers earning less than $25,000 when fully phased in. The credit phases down to zero at $75,000 for married workers filing jointly.

Mr. Speaker, it is important to understand that the RSA proposal does not create a separate account like an individual retirement account. With all of the pension vehicles currently in law, placing one more into law really did not seem to make a lot of sense. Rather, the tax credit is tied to contributions made to an IRA, or a qualified employer-sponsored pension plan like a 401(k) plan, or another similar defined contribution plan. This was done for simplicity, and to ease the administration of plan sponsors.

The RSA proposal before us today has gone through similar and many versions. In its final version, it preserves the original goal of the administration, which is to provide a real incentive for low- and moderate-income workers to participate in our retirement system while meeting concerns expressed by the pension community that the proposal be administrable.

For example, the original RSA proposal was designed to deliver the tax credit to business or financial institutions as reimbursement for making employer contributions to eligible employees. The pension community argued that this design was too complex, and that some small businesses or tax-exempt entities would not have the ability to absorb tax credits because they may have little or no tax liability. Thus, the proposal was changed to a tax credit for individuals.

The proposal is intended to provide a stronger incentive for individuals to save for retirement, of which we all agree. For those who have not done so to date, a 50 percent credit encourages them to take the first step in the right direction. For those who currently save a little, it encourages them to save more. Given all of the competing demands, it is often very hard for many workers, even middle income workers, to set aside a percentage of their wages toward retirement. Refundability is a key feature of this credit. It allows us to provide a strong incentive to some workers who simply could not otherwise participate in a pension plan.

This is not a panacea for low-income workers. The average deferral rate for nonhighly compensated workers who make less than $30,000 a year is less than 6 percent. The RSA proposal is the only thing that would help us to help these workers, and it is crucial to do so if we wish to bring some balance to this package.

Likewise, the small business tax credits contained in the amendment may provide a significant increase in pension coverage and pension participation for employees of small businesses. The first proposal gives a 50 percent tax credit for 3 years to small businesses for their start-up costs associated with a new pension plan. That is their administrative and retirement education costs. Not only would this provide an incentive for small businesses to offer a plan to employees, but it also could be used as a marketing tool by financial institutions or pension advisors to promote the adoption of a pension plan to small business.

The second small business credit would provide a 50 percent credit for employer contributions to a pension plan for nonhighly compensated employees if the employer is willing to contribute 1 to 3 percent of compensation through their employees' accounts. This credit is designed to encourage small businesses to make employer contributions to the plan they sponsored for their employees.

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By encouraging small employers to make contributions on behalf of their non-highly compensated employees, retirement savings for all these workers will increase.

Clearly the Rangel substitute will make this a much better bill. It will provide significant incentives for low- and middle-income workers to participate in those pension plans that are offered by their employers. This is clearly where we need to concentrate our incentives because this is where the need is greatest, among low- and moderate-income wage-earners.

For higher-income wage-earners, those who already save a maximum under current law, the bill in front of us provides a boost for their savings. So as long as that increase does not lead to any pension coverage being dropped, as some strongly argue, then there is nothing wrong with the increases, as long as we consider low- and moderate-income wage-earners.

However, the debate today is over the possible unintended consequences of this and other provisions in the underlying bill. It certainly will continue throughout the year.

There are additional controversies that surround this legislation. For example, the Department of the Treasury and some outside groups argue strongly that some of the provisions of this bill can actually lead to a shrinking of pension coverage for low- and moderate-income workers. They cite most often the provisions of the bill that weaken the so-called top-heavy rules and the nondiscrimination rules which are designed to protect non-key employees by making sure they get a minimum amount of benefit from an employer's pension plan.

I know the authors of this bill, the gentleman from Ohio (Mr. PORTMAN) included, strongly believe the opposite, and that these are just simplification proposals that will do no harm. But there are many others, myself included, who feel just as strongly that the proposals will do harm.

For example, we have a letter from 30 organizations, including the AARP, the Gray Panthers, the Pension Rights Centers, the National Urban League, the Older Women's League, and others who argue that if we look at the changes in this bill that affect top-heavy rules and nondiscrimination rules, that taken together, these provisions would serve to aggravate the imbalances in our current pension system.

We urge Members to drop these provisions from their bill. A top-heavy plan, by example, is a definition which we offer to the value of benefits when top employees exceed 60 percent of the package. In order to make sure that all other employees receive a benefit, the rules require faster vesting and a certain minimum benefit for non-key employees. This has led to an increased benefit for those employees.

While top-heavy rules are not being repealed, the changes made by the bill may redefine some plans as being not top-heavy, which in turn means that the workers covered by those plans lose their current protections.

Ironically, one of the arguments for keeping the changes in the top-heavy rules is that there are nondiscrimination rules in place to protect workers. A top-heavy plan already meets the nondiscrimination rules, yet gives key employees more than 60 percent of the benefits, so Congress has already made a judgment that nondiscrimination rules are not enough protection in a top-heavy plan.

Moreover, the other major complaint about this bill is that the nondiscrimination rules are weakened, which in turn will provide, again from the letter, ''less protection and ultimately less retirement security'' for workers and their families.

Mr. Speaker, these are some of the concerns that have been expressed and some of the provisions that need to get worked out by the end of this legislative year. There is still time to work these proposals out with President Clinton.

I believe that every one of us on this floor wants to see a balanced pension package that can reach the President's desk in October and be signed into law. Unfortunately, this bill will not be signed into law. We may have somewhat different views as to where that

balance is, but that is what the legislative process is for.

With that in mind, the substitute that the Democratic Party will offer today is as constructive an approach as is possible, signalling where some of us continue to have problems with the underlying bill, as well as sending a clear message that we would like to try to bridge the gap.

I hope everyone will take this in the spirit in which it is offered, and that we can make real progress on pension reform this year. Having said that, I also think that the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) have served an important purpose, and that is to generate considerable attention to the issue of pension legislation.

I believe there is still time to work out the differences that we currently hold and to get a good pension reform bill that President Clinton will sign. Given the knowledge I have of the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN), I think that is still possible.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. Without objection, the gentleman from Ohio (Mr. PORTMAN) will control the time on the majority side.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I want to thank the gentleman from Texas (Chairman ARCHER) for his leadership over the years, and all he has done to expand saving options for all Americans, and in particular, his personal commitment to moving this bill to the floor today. Without his help and his support, we would not be here.

I would also like to thank my colleague, the gentleman from Maryland (Mr. CARDIN) on the other side of the aisle, who has been a true partner over the past 3 years as we have developed this bipartisan legislation before us today.

In the face of some very real political pressure from the administration and others, the gentleman from Maryland (Mr. CARDIN) has remained committed to doing what he believes is right to help people save for retirement. He deserves great credit for that.

I rise in very enthusiastic support of H.R. 1102, the legislation before us today. This is great legislation, because it allows all workers to put more aside in a 401(k) type plan, a traditional pension plan, or in an individual retirement account, an IRA. It makes it easier for employers to offer plans and maintain and establish them, and it makes it easier for workers to roll over their retirement nest egg from job to job.

Let us look at the problem that we face today. Seventy million Americans, that is half the American work force, today do not have a pension, either a 401(k) or any kind of a pension plan. The problem, of course, is much worse in American smaller businesses. In fact we are told that only 19 percent of businesses with 25 or fewer employees have any kind of pension at all today.

Unbelievably, there has been virtually no growth in pension coverage for the past 2 decades. Retirement savings in general is so low that many experts believe that most older baby-boomers have not put nearly enough away for their retirement. The estimates are that they have put away only 40 percent of what they will need to have a comfortable retirement.

Part of the problem has been right here in Congress. Over the past 20 years this Congress has done the wrong thing, not the right thing, with regard to pensions. We have lowered the contribution and the benefit levels. We have made pensions more costly by, yes, increasing the number of rules and regulations and mathematical tests and the burdens and costs of establishing and maintaining a pension plan.

What impact did that have? Let me give some specific examples. First, from 1982 to 1994, the limits on defined benefit plans, these are the wonderful traditional guaranteed defined benefit plans, the limits on these plans were repeatedly reduced by Congress from 1982 to 1994 and new restrictions were added, primarily I am told for purpose of generating more Federal revenue.

As these cutbacks began to take effect, the number of traditional defined benefit plans insured by PBGC dropped from 114,000 plans in 1987 to only 45,000 plans in 1997. Those are the facts.

Let me share another example. Within a year after Congress reduced the compensation limit from $235,000 to $160,000 in 1993, the percentage of companies offering so-called non-qualified plans, these are non-insured plans, focused on higher-paids, went from 20 percent of companies to 67 percent of companies.

These non-qualified plans basically ensure that highly-paid executive and managers have retirement coverage, but they do nothing to help lower- and middle-level income employees. That is the record.

Yes, in this legislation we do believe strongly that we ought to increase those limits, at least restore them back to where they were 20 years ago. Yes, we believe strongly that we ought to do something to reduce some of the costs and burdens of establishing and maintaining these plans.

Over the past two decades, overall pension coverage has remained stagnant. It is time for Congress to now take these steps to reverse the trend. This bill before us today does just that. It is a comprehensive approach. It has been developed over the past 3 years, after careful consultations with small business people, who we want to have offer more of these plans, with labor organizations, with pension law experts in the private sector, in academia, in the administration, at the Treasury Department, at PBGC, at the Department of Labor, and most importantly, with workers themselves and individuals who will be affected by these changes.

They have been fully vetted. These proposals have been through the wringer. In fact, most or the great majority of them have now passed this House twice.

About 200 Members of this House, just over 200 as of this morning, almost equally divided between Republicans and Democrats, have now cosponsored this bill. More than 85 outside groups, business groups like the Chamber and the NFIB, labor organizations like the Building and Construction Trades Council of the AFL–CIO, have endorsed this legislation.

The approach is fiscally responsible. It is also straightforward. First, again, we allow all workers to set aside more for their retirement in 401(k) type plans. We address union multi-employer plans. We made those plans fairer for all working union Members. We raise limits for defined benefit plans and for other pensions, as well as for IRAs, moving from $2,000 to $5,000. Again, what we are really trying to do is at least restore these limits back to where they were in the 1980s.

In some cases, we do not even go that far. This $2,000 to $5,000 increase in the IRA limit, incidentally, is right about where it would be had we simply indexed in 1974 the IRA limits.

We also allow special catch-up contributions for those workers who are 50 years old or older. This is done, this accelerated contribution, so older workers, especially women who will be returning to the work force, have the opportunity to build up that retirement nest egg more quickly at a time in their lives when they need it the most and frankly can afford to put some money aside.

Second, after the contribution increases, we are modernizing pension laws to adapt to what we have learned about the realities of an increasingly mobile work force. So we make defined contribution plans portable so workers can roll over their retirement nest egg between various types of qualified plans, 401(k)s, 403(b)s, and 457 plans for public employees.

We require employers to allow workers to become vested in their plans more quickly. Instead of 5 years, we move it down to 3 years. This lets workers get a piece of the action earlier.

Finally, yes, we listened to those in the trenches. We paid attention to the surveys out there that are very clear, clearly demonstrating that if we do not reduce the complexities and the burdens in our current very complex, very burdensome pension laws, we are not going to be able to expand pension opportunities for those who work in small businesses, which is where most lower-paid and middle-income workers now find their jobs.

That is why we make it easier for employers, particularly small businesses, to establish and maintain plans

by reducing the costs and the liabilities, including modernizing outdated laws, streamlining complex rules. Yet, we keep in place the very important protections to ensure fairness in our pension system.

My friend, the gentleman from Massachusetts (Mr. NEAL) talked a while ago about his concerns about these provisions. I would love to have a debate over these specific provisions. There are many people, including the President's ERISA Advisory Council, that reported to the Department of Labor, that said we should repeal the top-heavy rules that were discussed a moment ago.

In fact, there are many on my side of the aisle who would like to do that. We do not do that. The changes we make in the top-heavy rules are minor, but yes, they will help the small businesses to be able to offer and maintain a pension plan. We keep in place the 3 percent contribution limit. We keep in place all the fundamentals of the top-heavy rules. Yet, we do go into them, we roll up our sleeves, as the gentleman from Maryland (Mr. CARDIN) and I will hope to have a chance to talk about in more detail, and we do make it easier to offer these plans.

We keep the nondiscrimination tests in place. Again some in the business community would like for us to have gone further. We think it is important that every time a pension is offered to a higher-paid worker, it must be offered right down the line to workers of all incomes. That is why we keep the rules in place.

We do change them a little. The major change is, we say after you have gone through all the incredibly complicated mathematical computations and tests, then the Department of the Treasury would have the discretion in some cases to look at a plan and say, even though you seem to have failed this extremely complicated mathematical test, when we look at your plan, if it retains fairness to workers in that business, we will let you continue with this plan.

Is that too much to ask, to give a little discretion, so that it is not all based on computations and mechanical tests? I have to tell the Members, I think this is the least we can do to try to get at what we know is the problem, which is the cost, the burdens, and the liabilities that small businesses face today if they want to offer pension plans. Unless we want to have a mandate and tell every business in America, you have to offer a plan, and I do not think anybody is advocating that here today, we have to deal with the reality.

I have to tell the Members, I am surprised that the Clinton administration continues, despite this broad bipartisan support, despite a 3-year vetting process, despite going through a process of consultation with all the outside groups, including the Department of the Treasury, that they continue to oppose this legislation.

It is amazing to me. They have brought out the tired class warfare argument again over the last 24 hours, saying this is somehow tax cuts for the rich. That is wrong.

□ 1100

Americans who are struggling to try to meet their retirement needs do not think they are rich when they make less than $62,000 a year, which is the cap on IRAs, and they are told they can now go from $2,000 to $5,000 a year. It is hard to build up an adequate retirement putting $2,000 aside, less than 200 bucks a month. That is hard.

Yes, we think it ought to be indexed to inflation, which means it goes up above $5,000, letting more people save.

I have got to remind people here who benefits the most from this. Seventy-seven percent of the American workers who participate in pension plans today make less than $50,000 a year. So much for tax cuts for the rich. These are the people who need it most.

We ought to be getting out of the way and helping them save for their retirement, not creating more obstacles for them to be able to have a comfortable retirement.

Again, I want to thank Members on both sides of the aisle who contributed so much over the years. I see the gentleman from North Dakota (Mr. POMEROY) here who has been a leader on the portability provisions which are so commonsensical. I see the gentleman from Maryland (Mr. CARDIN), who we talked about earlier who is here. The gentleman from California (Mr. GALLEGLY) and the gentleman from Kansas (Mr. MOORE) who have taken the lead on the IRA contributions. I see the gentleman from California (Mr. GALLEGLY) is here, and I hope he will speak in a minute about his wonderful legislation that is incorporated as part of this legislation as well. The gentlewoman from New Mexico (Mrs. WILSON) and the gentleman from Maryland (Mr. WYNN), both of whom I hope will talk later today. There are so many, many others who I do not have time to mention, but who have been part of this process and have contributed to it in valuable ways.

I want to end by urging my colleagues to join us in this crusade, in this movement to try to expand retirement savings for all Americans. This should be bipartisan today. It should be a very strong message. I hope we can get well over a veto-proof majority of the House, Republicans and Democrats together, because if we do not, we probably will not be able to send a strong enough message to the Senate, to the White House and the administration that we are committed to getting this done, not next year, not in some new Congress, but getting it done this year for people who need it badly.

We need to provide this retirement security. We need to provide the peace of mind that Americans deserve in their retirement years. I hope we will send that strong message today with a strong bipartisan vote.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to briefly reference what the gentleman from Ohio (Mr. PORTMAN) has said. We continue to hold on this side that the tax proposals and tax cuts that have been proposed in this House over the last 6 weeks overwhelmingly are skewed toward helping the well off.

Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, first, if I might, let me thank my colleagues on the Democratic side of the aisle, particularly the gentleman from Massachusetts (Mr. NEAL) for his long work on pension issues, on his interest in improving retirement savings accounts for all workers; the gentleman from North Dakota (Mr. POMEROY), who has been one of the real spokespersons for pension reform since his first day in the House; the gentleman from Texas (Mr. BENTSEN), who has been a key player on the pension reform issues; and I know the gentleman from Kansas (Mr. MOORE), who is not on the floor, he will be here later; and the gentlewoman from Florida (Mrs. THURMAN) who has a provision in this bill as it relates to ESOPs.

As the gentleman from Ohio (Mr. PORTMAN) pointed out, this is truly a bipartisan bill. But I particularly want to recognize the gentleman from Ohio for his leadership on this issue. The gentleman has demonstrated amazing patience in working with all elements, not only here in Congress, but the different interest groups so that we could fashion the bill that could truly be a bill that all of us should be proud of and a bill that has been developed in a very bipartisan way. The gentleman from Ohio (Mr. PORTMAN) has reached out to all of us, and I thank him for that.

The process that has been used for this legislation is the right process. Each provision has been well vetted. We have had public hearings in the Committee on Ways and Means. We have established the record. We have had a mark-up in the committee. We have brought forward a bill that is deserving Members' support.

Why do we need this legislation? Well, it is pretty self-obvious. We brag about the economic progress of our Nation, low inflation rates, high economic growth, stock market still growing; but our saving ratios over the last 2 decades have steadily declined. In fact, we have had negative quarters. We actually spend more money than we earn as a Nation. That is certainly nothing that we can be proud of.

We understand that income security retirement requires, not only a strong Social Security system, but a strong private retirement system; and this is what the legislation is aimed at doing.

So what do we do? Well, we adjust limits to try to bring it back to where

they used to be. Let me just give my colleagues a couple of examples. The gentleman from Ohio (Mr. PORTMAN) mentioned the defined benefit. In 1982, that was $136,000. If we adjusted for inflation, it would be $242,000. Instead, it is $135,000 and we raise it to $160,000.

How about the 401(k)'s that many of our constituents are well aware of. In 1986, that was $30,000. If we adjust it for inflation, it would be $47,000 today. Instead, it is $10,500. We make a modest change to $5,000.

Why do we do this? Well, it is interesting. When we reduce the limits, and we did reduce the compensation limit in 1993, we reduced it from 235,000 to 170,000. What happened? What happened? We found that employers dropped their plans. They went to nonqualified plans. We had a threefold increase in nonqualified plans that year. These compensation limits are important if employers are going to be sponsoring plans for all of their employees.

We provide special benefits for women. Women many times enter the workforce; later they take time out of the workforce. We reduce the vesting so that workers can be entitled to defined contribution benefits by their employers earlier, 3 years rather than 6.

We allow for catch-up contributions, because many times one is a little bit older before one is able to put money away, so we allow an extra $5,000 contribution when someone reaches the age of 50. One is finished paying one's children's college education bills, maybe one has got the mortgage down to a more realistic level. Now one can start thinking about retirement; we allow one to do that. We put the 415 provisions in there for people who work for labor unions. We help all workers.

Mr. Speaker, I am still somewhat disappointed by criticisms that this bill is aimed at wealthy high-paid workers. It is not. It is aimed at allowing employers to continue pension plans that help all workers.

If one has an employer-sponsored plan, the employer puts money on the table. That helps the lower-wage workers. We want to encourage those types of pension plans. The IRA provisions, most of the money goes into the IRA provisions. That goes to workers basically who are making less than $60,000 a year. These provisions are well targeted.

The gentleman from Ohio (Mr. PORTMAN) pointed out the top-heavy changes. We do not eliminate top-heavy rules; we make them work. We make them effective. The one provision we change in top heavy is, say, that if an employer has a matched contribution, that should count towards the 3 percent. For my colleagues see, if a pension plan is top heavy, the employer is required to make a 3 percent contribution. Under current law, that employer cannot count their matched contributions. What does that do? Employers drop their matched contribution. This encourages employers to continue to put money on the table which helps lower-wage workers and younger workers actually participate in a pension plan.

It is a well-balanced approach. Sure, one might want to pick at one provision and say, does this not help one special group? All of the provisions help all of our workers. It will help us plan for people's retirement. I urge my colleagues to support the legislation.

Mr. PORTMAN. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

The gentleman from Pennsylvania (Mr. ENGLISH) has been a leader on the multiemployer plan provisions in this bill, which help section 415.

Mr. ENGLISH. Mr. Speaker, I would like to join the individuals who have spoken today in congratulating the gentleman from Ohio (Mr. PORTMAN) for his Herculean efforts on behalf of this legislation.

Mr. Speaker, working families must be able to fall back on strong private pension plans when they are planning for retirement. Social Security is simply not enough. This landmark legislation will allow more families to save with greater flexibility for retirement.

This legislation has many simple changes, but the cumulative effect is profound. It would allow families to secure their retirement future by increasing the IRA contributions limits and increasing the 401(k) limits, long overdue changes.

It would also allow baby boomers who are discovering that their retirement is seriously underfunded to catch up through higher contribution limits.

But particularly I wanted to note that the changes in the current section 415 would address the unintended consequences of this legislation which have hurt many, many of the working families in my district.

Currently section 415 seriously hampers the ability of America's workers, not the rich, but rank and file workers, to collect their full pension amounts that they have earned.

Slashing the pensions of workers who retire before normal Social Security retirement age has caused financial hardship for many workers, especially in my district. Many of these workers have physically demanding jobs and frequently negotiate and contribute to pension plans specifically with the goal of being able to retire before age 65.

Thousands of retiring workers have carefully saved and planned for their retirement. They are depending on their pensions. But when they retire, there are arbitrary cuts in the amount they can collect. Americans are living longer, but are not saving enough to sustain them through an extended retirement.

This legislation goes a great distance toward improving our retirement system and creating a greater incentive for employers to offer private retirement plans and for individuals to save for their retirement.

Some have labeled this as tax cuts for the rich, and I find that to be an extraordinary claim. The fact is this legislation is clearly pro-savings, pro-worker, pro-union, pro-taxpayer, and pro-small business.

Mr. Speaker, I urge every Member of the House to join us in support of this very important initiative.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 4 minutes to the gentleman from North Dakota (Mr. POMEROY) whose work in the pension arena has been invaluable to this Congress.

Mr. POMEROY. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I want to begin by commending the gentleman from Massachusetts (Mr. NEAL) and in particular the sponsors of this legislation, the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) for the detailed work they have done.

Just listening to the debate and their presentations on the floor leave one well aware of the depth of knowledge they have acquired on this complex subject during the time of their work on the legislation.

In balance, especially as to the Portman-Cardin proper, not addressing the IRA adjustment, but Portman-Cardin proper, I believe that they have made decisions that are well founded in terms of trying to continue support for defined benefit plans in the workplace.

We have seen a collapse in the workers covered by defined benefit plans, the traditional pension coverages. In fact, from 1975 to 1995, the number, percentage of covered workers has fallen 40 percent in defined pension plans. The number of actual defined benefit plans in the marketplace has gone from 114,000 in 1987 to 45,000 in 1997.

It is time we address this subject head on, and that is what the Portman-Cardin legislation does. I have enjoyed working with the gentleman on it.

I believe that there is much to be said for the traditional pension plan in terms of protecting workers. It shifts investment risk away from workers who are least able to bear it, and it provides lifelong guaranteed benefits sustaining people in retirement years, no matter how long they live. Let us face it, workers are living longer today, so these features of defined benefit plans are very, very important.

This legislation also incorporates a bill that I had introduced as a stand-alone measure called the Retirement Account Portability Act, and it will allow much greater portability across different types of defined contribution plans.

Right now, if one works for a non-profit corporation, one will have a 403(b) plan. If one works for a for-profit, one will have a 401(k) plan. If one works for a State government, one will have a 457 plan. As one moves in the workplace between these categories of employers, one cannot move one's defined contribution money with one. There is no public policy purpose served by the existing law with those

prohibitions. It is time we knocked them down. I am very pleased this, along with the reduction investing schedule from 5 years to 3 years for defined contribution, was incorporated in this legislation.

So there is much to commend this bill and particularly the effort behind it by the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN).

The problem I have today is not with what is in the bill; it is what was left out of the bill as the Committee on Ways and Means marked it up. And that is a special savings incentive for workers needing additional help in saving for retirement.

This chart makes it very clear that savings rates are lower among households who earn less money. There is no rocket science there. It is just obvious. Families that have incomes well in excess of $100,000 can save much more than families earning under $35,000.

This legislation basically fails to address this savings issue. It addresses pension, but only 27 percent of workers under 415,000 have access to workplace retirement savings. It increases the IRA limits, but only 7 percent of households under $50,000 are accessing the tax-deductible IRA.

These people need a more powerful savings incentive, and it is time we address the savings needs of middle- and modest-income households. They have not had an additional savings incentive passed since 1981, and the Democrat substitute, which we will debate next, would provide a powerful new savings incentive for these families.

□ 1115

Mr. PORTMAN. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from California (Mr. GALLEGLY), who has been a leader on IRS expansion. In particular, he has added valuable contributions to this legislation on increasing the limit and indexing IRA contributions.

(Mr. GALLEGLY asked and was given permission to revise and extend his remarks.)

Mr. GALLEGLY. Mr. Speaker, I rise today in strong support of H.R. 1102, a bill that will enhance retirement security for all Americans.

I want to particularly recognize my good friend, the gentleman from Ohio (Mr. PORTMAN), my classmate, and my good friend, the gentleman from Maryland (Mr. CARDIN), and the gentleman from Texas (Chairman ARCHER) for their leadership, along with many other Members on both sides of the aisle in bringing this legislation to the floor in a timely fashion.

This legislation includes a provision that increases from $2,000 to $5,000 per year the amount a person can contribute to their IRA. This mirrors the language in a bill I introduced, H.R. 1322, which has garnered strong bipartisan support, in fact, 220 cosponsors and also the endorsement of numerous groups representing senior citizen groups across this country.

Increasing the annual IRA contribution limit is a matter of fundamental fairness. Since 1974, the year IRAs were created, the Consumer Price Index has increased 240 percent. Yet during the same period, the IRA level has only increased once; and this was way back in 1981. Had it simply kept pace with inflation, Americans would now be able to contribute over $5,000 instead of only $2,000.

Mr. Speaker, a very important point of this legislation is that it has recently been brought to the attention of Members of this body that the net savings rate has dropped to zero for the first time since the Great Depression. If we do not reverse this trend, we threaten the long economic prosperity of our country.

Finally, I would like to commend the authors for including language in H.R. 1102 that I strongly supported that indexes the IRA amount to the rate of inflation. We must never again let inflation eat away the amount that people can save.

I would also like to thank the gentlewoman from New Mexico (Mrs. WILSON) and the gentleman from Kansas (Mr. MOORE) for all their help in working with me on this very important issue.

I urge my colleagues to strongly support H.R. 1102.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER), whose concern for quality-of-life issues speaks well of retirees.

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for his courtesy in yielding me the time.

I appreciate the hard work that has been going on both sides of the aisle in moving this legislation forward.

I would speak just briefly to one particular item that does speak to the quality of life of our families, who we want to be able to be safe, healthy, and economically secure.

The section 415 modifications speak to a very real problem we have now where working men and women who are covered by pension retirement programs are not able to collect the full amount of money that they would otherwise be granted. This is a problem.

H.R. 1102 would correct this. It recognizes that hard physical labor oftentimes requires people to retire earlier.

The substitute that is going to be offered and the bill before us now both deal with the 100 percent of compensation problem, this speaks to the potential disparity to the lower-paid employees who do not get all that they would otherwise be entitled because some of these programs are based on years of service, not simply to the amount of salary.

The second provision that both bills have that I am pleased to see deals with aggregation. In many cases we have employees who are part of two pension plans, one that is a multiemployer plan and another that is simply their own union or company. It is important that we include this piece.

Finally, I would commend my colleague, the gentleman from Massachusetts (Mr. NEAL), who talked about some of the improvements that are being made for the people most in need. These employees who oftentimes are required to retire earlier are subjected to a problem where there is money in the pension program, but they are not allowed to collect it. The substitute would put an 80 percent floor and protect them.

These are important provisions that I hope will ultimately find their way into law.

Mr. PORTMAN. Mr. Speaker, I yield 3 minutes to my colleague, the gentlewoman from New York (Mrs. KELLY), for the purpose of a colloquy.

Mrs. KELLY. Mr. Speaker, I rise for the purpose of entering into a colloquy with my friend, the gentleman from Ohio (Mr. PORTMAN), the author of this legislation.

I am grateful for the hard work my colleagues on the Committee on Ways and Means have done in putting together a strong package of tax relief to ensure retirement security for working Americans.

Unfortunately, I have been contacted by constituents concerned about potential interpretations of sections 405, 501, and 701 of H.R. 1102. They fear these could negatively affect pension benefits.

Over the past months, I appreciate the time the gentleman from Ohio (Mr. PORTMAN) and members of the committee concerned with pension issues have spent as we have worked together to ensure that these concerns are properly addressed.

I thank the gentleman from Ohio and the committee for the report language which addresses some of my concerns. But, Mr. Speaker, I would like to get assurances that these sections I have mentioned are not intended to be used to harm participants.

It is my understanding that these provisions are not intended to be interpreted in such a way as to reduce pension benefits, discourage companies from increasing pension benefits, or to allow violations of the Tax Code.

So I ask my friend, the gentleman from the State of Ohio (Mr. PORTMAN), is my understanding correct?

Mr. Speaker, I yield to the gentleman from Ohio.

Mr. PORTMAN. Mr. Speaker, I thank the gentlewoman from New York for yielding, and I tell her that absolutely, her interpretation is correct. Indeed, the provisions that she mentioned are in the bill with the intent that we will be able to expand pension coverage and protections for American workers who are in defined benefit plans.

Mrs. KELLY. Mr. Speaker, reclaiming my time, I thank my friend, the gentleman from Ohio (Mr. PORTMAN), for his assurances and his continuing efforts on the legislation. With these efforts, we can assure concerned individuals that pensions are enhanced and protected by this legislation.

We have an opportunity today to enhance retirement security for Americans. These are all initiatives I have long advocated. I look forward to voting in support of this important legislation today, and I urge all of my colleagues to join me in strong support.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. BENTSEN), whose work in retirement savings is well known to this body.

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me the time.

Mr. Speaker, I rise today in support of H.R. 1102, the Comprehensive Retirement Security and Pension Reform Act of 2000.

Presently, our Nation is experiencing the lowest unemployment rate in a generation. This recent boom in job creation has been driven in large part by the growth of a number of small businesses. Even as more Americans work and incomes rise, we as a Nation have an abysmally low savings rate of 3.8 percent in disposable personal income. If the economy slows in the near future, that figure may rise by only one or two percentage points, which is still low by historical standards.

Further, with fewer companies offering defined benefit plans, the percentage of private workers covered by pension plans has decreased by 2 percent from 45 percent in 1970 to 43 percent in 1990. This is not progress.

Finally, with Social Security as the main source of income for 80 percent of retirees, the approaching retirement of today's aging workforce will surely place additional stress on Social Security's ability to pay out benefits.

In short, the three-leg stool of retirement security is in jeopardy. Plans where employers make automatic, mandatory contributions have been replaced by plans where employees make voluntary contributions. No longer do companies automatically bear the risks and costs of professionally made investment decisions. Today, workers have to bear the risks and costs of their investment decisions.

Passage of H.R. 1102 will set us on the path of enhancing retirement security by not only increasing the annual contribution limit for IRAs and providing catch-up provisions for older workers and easing administrative burdens to allow employers to offer pension plans.

In particular, H.R. 1102 includes provisions of a bill, H.R. 352, which I introduced with the gentleman from Missouri (Mr. BLUNT) which would allow small businesses to establish qualified small employer pension plans for small businesses of less than 100 employees.

The provisions of the Bentsen bill would provide an easing of the establishment of qualified pension plans while still requiring employer matches and contributions for all employees.

Small businesses with less than 100 employees can participate in this plan, yet only 21 percent of individuals employed by such businesses have such pension plans at this time, compared with 64 percent of those who work for businesses with more than 100 employees.

Overall I want to say, H.R. 1102 will clear up many of the problems in the current pension programs. I know there have been a number of criticisms about whether or not this would skew benefits to the upper income. I might say this is somewhat different than tax cut bills we have had before because this is about savings and not consumption. It is voluntary.

We do not know if the bill will work or not, but we do know that the current regulatory scheme for pensions and savings is not working, and we ought to try this bill to see if it will work to increase the amount of pensions to as many American workers as possible.

I encourage my colleagues to support the bill.

Mr. PORTMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. WELLER), my colleague on the Committee on Ways and Means, who played a big role in putting together not only the multiemployer provisions but also the catch-up provisions on the 401(k) and IRA side.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I am fortunate to represent a very diverse district, representing the south side of Chicago, the south suburbs and rural areas. And when I listen, whether in the city, the suburbs or the country, my neighbors tell me how frustrated they are with their Tax Code. Not only are taxes too high, but they are frustrated with the complexity and the unfairness of the Tax Code; and they greatly point time and time again about how unfair our Tax Code is where it treats retirement savings, where it treats those who want to set aside more for their retirement.

They also tell me that women in particular have a harder time saving for their retirement. In fact, in 1999 only 23 percent of those who were out of the workforce, usually for raising a family, were able to contribute to an IRA in 1999. That is less than one-fourth contributed to their IRA.

When I think of that example, I think of my sister Pat. She and her husband, Rich, are in their 50s. They live near Sheldon, Illinois, on their farm. One is a farmer. One is a school teacher. But a few years back, my sister and her husband, Rich, decided to have a family. Pat took 7 years out of the workforce in order to be home with the kids. And when the kids were old enough to go into school, she went back into the workforce. But during that period of time the family income was a lot less, it was cut in half, and expenses were up because they had little children. During that time, Pat and Rich really could not really set aside much more retirement savings.

That is why I think it is so important to point out in this legislation that we help people like my sister, Pat, working moms, empty-nesters who now have a little extra money after the kids are out of the household, those who may have missed a little work because of health reasons, but give them an opportunity to catchup on their contributions to their IRA as well as their 401(k).

That is why I am so proud that provisions from H.R. 4546 were included in this legislation allowing an individual when they turn 50 to put a full $5,000 into their IRA immediately in 2001.

As my colleagues know, the increased $5,000 is phased in over three years. Those over age 50 will get the immediate benefit allowing them to catch up. And also, if they have a 401(k), they will be able to put in an additional $5,000 in every year beginning in 2001. That will be a big help, particularly to working moms and empty-nesters, important legislation to help those save for retirement, particularly women making up missed contributions.

I also want to point out another key provision in this legislation. I think of folks back home in the district, working people, building tradesmen, carpenters, cement finishers, iron workers, operating engineers, those who get up early, work hard all day, get their hands dirty, and of course put in many, many hours.

Unfortunately, and I will give an example, Larry Kohr, a retired laborer from La Salle, Illinois. Larry pointed out to me that because of section 415 limitations in our Tax Code that he does not get what he was promised on his pension. According to his pension plan, he should be getting about $39,000 a year. But because of the pension limitations under section 415, he and other building tradespeople only get about half of what they deserve, in Larry's case about $15,000 to $16,000.

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Now, think about that, 30 years you get up at 6 a.m. and go out and work hard all day, you only get half of what you were promised. I am so proud our legislation today that helps 10 million building tradespeople, people like Larry Kohr by giving them 100 percent of what they deserve on their pension.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Kansas (Mr. MOORE), who has been a welcome new addition to this House.

Mr. MOORE. Mr. Speaker, I appreciate the gentleman from Massachusetts (Mr. NEAL) yielding me this time.

Mr. Speaker, I rise today in strong support of H.R. 1102, and I urge my colleagues in this body to pass 1102 today.

Back as a new freshman Member of this body, in February of last year, I introduced H.R. 802, which would basically increase the contribution limit from $2,000 to $5,000. That concept at least was incorporated in this bill, and

I am very, very proud today to stand here in support of again H.R. 1102.

As a matter of national policy, I think it makes perfect sense that we try to encourage Americans to save more, number one; and, number two, to save more in private retirement accounts to supplement Social Security accounts for later on to take the stress and the strain off of Social Security.

Mr. Speaker, I am very proud to have had an opportunity to work on a bipartisan basis with the gentleman from California (Mr. GALLEGLY), the gentlewoman from New Mexico (Mrs. WILSON), the gentleman from Ohio (Mr. PORTMAN), the gentleman from Maryland (Mr. CARDIN), the gentleman from Illinois (Mr. WELLER), and others who have spoken here today in support of this legislation.

It truly is a good experience to work in a bipartisan basis. When I go home, I talk to my constituents back home, they tell me, they are really tired of all the partisan bickering in Congress. They are tired of hearing the Republicans did this, the Democrats did this, and what they would like to see us doing is working together.

This is a perfect example of where Republicans and Democrats have come together across the aisle and worked on behalf of the American people. This is not a Republican idea. This is not a Democrat idea. It is a good idea and should be law, and I urge its passage.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Hampshire (Mr. BASS), my colleague who has been very helpful on the small business provisions of this legislation.

Mr. BASS. Mr. Speaker, I thank the gentleman from Ohio (Mr. PORTMAN) for yielding the time to me.

Mr. Speaker, I rise in strong support of H.R. 1002. Mr. Speaker I want to congratulate the gentleman from Ohio (Mr. PORTMAN) for his tireless efforts on working on behalf of this important issue.

Earlier this year, I introduced a bill which would reduce the premiums paid to the Pension Benefit Guarantee Corporation by small businesses that are looking to offer new plans. This bipartisan initiative already had been passed by the House on a previous occasion and was also included in the original version of the bill we are debating today.

I fully understand the reasons for removing all nontax provisions from the bill, but I do hope that Members who may be appointed to the conference committee will work for the inclusion of these provisions that were in my bill and other pension reforms that may have been removed from the bill. With the inclusion of that, we will be assured that we will have a bill that will encourage employers to offer pensions, as this one does, increase participation by eligible employees, raise the limits on benefits and contributions, improve asset portability, strengthen legal protections for planned participants, and reduce regulatory burdens on plan sponsors.

Mr. Speaker, I also urge Members not to lose sight of the fact that during debate regarding who will benefit from this bill, we should consider the fact that when IRAs were created in 1974, they were widely regarded as a great new step in encouraging retirement savings for all Americans, and the original limit of $1,500 was not criticized as a giveaway for the most wealthy, but was hailed by both parties as the introduction of a planning tool for working Americans.

Had this limit been adjusted yearly to account for increases in the CPI, the Consumer Price Index, it would be today $5,353 each year. This bill will not adjust the limit to $5,000 until 2003, and I think we would do well to keep this in mind as we debate this important bill on a bipartisan basis.

Mr. Speaker, I urge support for this bill.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS), who once again has helped us reinforce the arguments that we are undertaking today.

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank my friend from Massachusetts (Mr. NEAL) for yielding the time to me.

Mr. Speaker, I rise in support of the underlying legislation. I also support the Democratic substitute because I believe that it more fairly targets the benefits of the legislation. I commend the gentleman from Massachusetts (Mr. NEAL) and his colleagues for offering it, and I look forward to voting for it. But I want to say to my friend, the gentleman from Maryland (Mr. CARDIN), and the gentleman from Ohio (Mr. PORTMAN) that they have demonstrated that people can come together on very contentious issues and do good for the country.

Mr. Speaker, I very much appreciate the work they have done on this bill. Americans are going to have more years of retirement and, therefore, need more income, and that is a great thing; but it is a thing we need to be prepared for.

Mr. Speaker, I support this bill for four significant reasons. First of all, it repeals what I view as a very strange provision that makes it illegal for employers to put too much into the pension plan for their employees. That makes no sense at all. This will result in more money being put away for employees.

Second, I support this because I believe it is great news for people who have left the labor force for a while, usually to raise children, and then rejoin the labor force and want to catch up for those years when they could not put money away. Very frequently women are in this position, although it is not only women. And this is very strong news for those who will benefit from that provision.

Third, this legislation corrects what I believe is a glaring inequity and anomaly in the Internal Revenue Code with respect to pension payments made to people very often associated with the building trades or other unions or other crafts who have earned their pensions and because of a quirk in the law had been unable to collect them fairly. This bill corrects that.

Finally, the increase in contributions that would be made to individual retirement accounts are a benefit to the economy, as well as to the families who will benefit from those.

To the gentleman from Maryland (Mr. CARDIN), who has shown great leadership on this, and to the gentleman from Ohio (Mr. PORTMAN), I am pleased that our committee, chaired by my friend, the gentleman from Ohio (Mr. BOEHNER), has been able to help shepherd this legislation along. I rise in support of it and look forward to its adoption by this House.

Mr. PORTMAN. Mr. Speaker, I understand we have about 3 minutes remaining.

The SPEAKER pro tempore (Mr. OSE). The gentleman from Ohio (Mr. PORTMAN) has 3 minutes remaining, and the gentleman from Massachusetts (Mr. NEAL) has 2½ minutes remaining.

Mr. PORTMAN. Mr. Speaker, who has the right to close?

The SPEAKER pro tempore. The gentleman from Ohio (Mr. PORTMAN) has the right to close.

Mr. PORTMAN. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. LAZIO), my colleague who has been a leader on this legislation and in expanding retirement security.

Mr. LAZIO. Mr. Speaker, let me begin by saying how thrilled I am to be here today, and I rise in strong support of this legislation.

I want to commend my good friend, the gentleman from Ohio (Mr. PORTMAN) who has spearheaded the efforts to provide pension and retirement security for millions of Americans, as well as the gentleman from Maryland (Mr. CARDIN). I want to thank him as well for his great help. We would not be here without the partnership and bipartisanship that both have exhibited.

Mr. Speaker, the baby boom generation is graying. I ought to know, I am one of them, and I can see myself in the mirror every day. Over 60 million baby boomers will be retiring over the next 20 years.

Let me talk for a moment about the typical baby boomer generation story. It is a story of a typical middle-class couple who are beginning to approach retirement age. Their children have moved out of their house. These prototypical baby boomers have been working hard, day in and day out, since graduating high school. They have been exemplary members of their community, providing for their families, perhaps volunteering for a local charity, maybe serving on a local school board.

Throughout the years, they did all right financially, but they were not millionaires. They never got really

rich. They owned their own home. They scrimped and saved to send their kids to school and often they did not have enough left over at the end of the month to save enough maybe for their own retirement.

When the kids are grown and educated, when the house is almost paid off and they have a few more dollars in their pocket, you would think they would be okay. But the fact of the matter is, they have not been able to save that much.

The current law contribution limit for IRAs is only $2,000, the same amount that it was 20 years ago. In today's dollars, $2,000 per year does not add up to much. Once they retire without a steady income, many baby boomers will have to think twice before taking all of their grandchildren out for the ball game or for a concert, and they dare not even dream about visiting that vacation spot that has always caught their eye.

Mr. Speaker, the bill we debate on the floor today will help 70 million Americans who lack access to any type of pension. This bill will allow more Americans to save more of their own hard-earned dollars for their retirement years. It will encourage more small businesses to set up retirement plans for their employees.

This is a bipartisan bill. It has been a result of a lot of hard work. It enjoys the support of over 190 cosponsors from both sides of the aisle. Let me say, there is only one thing standing between us and actual passage, and, that is, the opposition of the administration.

I do not know why anybody would object to a bipartisan bill that would give Americans security in their retirement years. I do not know why anybody would stand opposed to a bill that would help pensionless low- and middle-income workers save for their retirement. We need to pass this bill today.

Mr. NEAL of Massachusetts. Mr. Speaker, the gentleman from New York (Mr. LAZIO) mentioned there was bipartisan support for the bill. I am pleased to announce there is bipartisan opposition to the bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, virtually everything that has been said this morning about this bill is true, and it is a bipartisan bill. I am delighted with the work that has gone into it, but I reluctantly rise in opposition to the bill.

Mr. Speaker, I want my colleagues to all consider for a moment the term ''vested.'' I think we all think we know what that term means. The dictionary says it is law, settled, if fixed, absolute, being without contingency, as in a vested right.

About 2 years ago, thousands of employees that worked for IBM Corporation found out that vested does not mean what we think it means, and all of a sudden these people who had calculators on their computers, as part of their tool kit so they could calculate what their pension benefit would be when they retired, all of a sudden woke up and the company had unilaterally changed the pension formula.

They had gone from a defined benefit program to a cash balance program, and they were given no choice. And I had offered to the authors language to give them that choice, just for the vested employees, because once those rights are vested, it seems to me we have a moral obligation as a Congress, as employers. In fact, the term in pension policy is fiduciary responsibility, and that transcends legal.

Yes, it was legal for IBM, and many of these other corporations, to convert their pension plans into cash balanced plans. It was legal, I think. I am not so certain, but it was not moral. It was the wrong thing to do.

As a result, I have to rise in opposition to this bill because we have an opportunity in this Congress to solve this problem; and just because it is IBM this year does not mean it is not going to be another employer next year. This is ultimately going to affect millions and millions of Americans, and everyone in this room knows that it is wrong. It is wrong to allow large employers to abuse their employees, to convert these pension plans without their knowledge and without their choice.

Mr. Speaker, I have to congratulate the authors for working together, but this bill has one glaring omission.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I want to thank the gentleman from Minnesota (Mr. GUTKNECHT) for those very telling comments, and at the same time point out that we do not on this side hold opposition to this bill, as much as we argue that the bill can be improved.

In the closing days of this Congress, there is going to be ample opportunity to do that. And I would close with the remarks that I opened with, the legislation in front of us does not do enough to help low- and middle-income workers, and when we look at the statistical data of the companies of the proposal in front of us, one would quickly conclude that is the case.

We have an opportunity. The President says he will sign a pension bill. Secretary Summers has told me he will recommend to the President that he veto this legislation in its current form.

Mr. Speaker, I yield back the balance of my time.

Mr. PORTMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank my friend from Minnesota (Mr. GUTKNECHT) for his help on the cash balance issue. As the gentleman knows, in this legislation we expand disclosure and expand information provided so we improve the cash balance situation. I appreciate his help in getting us to that point and tell the gentleman that he is welcome to come to this side to get time any time he wants.

Mr. Speaker, I would also say at the end here that we need to be clear, that this legislation is not only bipartisan, it has not only been fully vetted over a 3-year period, but it does strike the right balance. It is fair.

Most of those lower- and middle-income workers we are all concerned about work in these small businesses that do not offer any kind of pension coverage today, that is precisely where this bill is targeted; that is what we are trying to do. We are trying to reverse what this Congress has done over the past couple of decades in terms of restricting pension access to all workers.

Mr. Speaker, I would encourage all of my colleagues on the both sides of the aisle to support the legislation before us.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of H.R. 1102, the Comprehensive Retirement Security and Pension Reform Act.

This bill contains a number of commonsense provisions to make it easier for Americans to build a stronger financial future for themselves. First and foremost, the bill increases the amount of money an individual can contribute to an Individual Retirement Account (IRA). The current $2,000 a year level, which has remained unchanged since 1981, would be increased to $5,000. An estimated 35 million Americans have some sort of IRA account, and nearly 70 percent of them contribute the maximum amount each year. Passage of H.R. 1102 will allow these individuals to set aside an even greater amount of money to prepare for their future retirement security.

Second, the bill allows workers to become vested in less time—three years instead of five—and makes 401(k)-type plans more portable. As we know, workers no longer spend their entire careers with the same company. Instead, workers increasingly change jobs several times over the course of their careers. Under the provisions of H.R. 1102, these workers will be able to bring their accumulated retirement savings with them when they switch jobs.

Lastly, this bill also allows older men and women, aged 50 and up, to make a $5,000 ''catch up'' contribution to their IRAs and increases the limit on salary reduction contributions to 401(k)-type plans to $15,000. Further, H.R. 1102 reduces administrative burdens, such as reporting requirements, to encourage small businesses to offer pension plans.

According to the Treasury Department, there are 75 million Americans who do not participate in a retirement pension plan and have little or no other retirement savings. For these individuals, as well as the millions of Americans who already contribute to IRAs or other retirement accounts, I urge my colleagues to support this bill. All of us benefit when citizens prepare for their future retirement security and families have incentives to save.

Mr. WELDON of Florida. Mr. Speaker, today I rise in strong support of H.R. 1102, the 401-K—IRA Pension Expansion Plan. Mr. Speaker, I am a co-sponsor of this measure that will help the over 70 million Americans who need the benefits of this plan. It is imperative that

we pass this bill today to help millions of American families save for their retirement security, and to be able to carry those pension funds with them when they change jobs.

In 1981, workers were permitted to put aside up to $2,000 in an Individual Retirement Account (IRA) tax-free. Oddly, that amount has never been raised, even in the face of inflation and increased per capita earnings. Also, with the 1986 Tax Reform Act the number of participants dropped dramatically because of the disincentives it introduced. This bill addresses those shortcomings. It phases in increases for the maximum individual contribution reaching $5,000 by 2003. That means, that over the course of ten or twenty years, a couple can save tens of thousands of dollars more towards their retirement; that doesn't even begin to touch on interest and any additional matching funds from an employer. The $5,000 annual limit is also increased annually to ensure that inflation does not again erode the contributions that can be set aside for retirement.

Today, only half of all private sector workers have any kind of pension plan, and only 20 percent of small businesses offer retirement plans. However, we have seen over the past two decades that IRAs are an effective way for all Americans to save for their future, and with the proper incentives in this bill, it will significantly expand the rate of savings. This measure will help all workers. It can especially help among Generation X-ers, many of whom are already deciding to save for their retirement. In our expanding, technology driven economy, today's twenty- and thirty-somethings have taken it upon themselves to begin saving for the long-term. This bill helps them by enabling and encouraging them to set aside more of their own money over their working years for their own retirement.

Another component of the bill is targeted to my generation. It allows workers age 50 and above to be permitted to contribute up to $5,000 immediately in order to ''catch-up'' with years of being limited to only $2,000/year. Estimates indicate that over the next two decades over 16 million Baby Boomers will retire. So many of these hard-working Americans have scrimped and saved to put aside some money for their senior years. Now as they begin to see their personal incomes rise they are not able to set aside as much money as they would like to in their IRAs. We should enable them to put aside more money as their incomes grow and as they seriously consider their financial planning for their retirement.

In addition, this bill provides incentives to promote the portability of IRAs. With the expanding and ever-changing economy workers are changing jobs with increased frequency. The prospect of spending thirty or forty years with an American institution like a General Motors or a Ford are less likely today than they were in past generations. With the increased portability provision in this bill it will be easier for workers to take their retirement savings from one job to another. They can roll over their money into an IRA with their new employer and take it with them without penalties and continue to expand the growth of their retirement savings.

In closing, statistics indicate that personal savings among Americans has been down every year since 1992, and now it is at its lowest point in decades. Also, many women put their careers on hold to raise their children. These families not only gave up a second income for these years, but these women were not able to contribute to an IRA. This bill allows them to make-up contributions for those years. We should encourage savings and the best way to do that is to promote tax-free savings for retirement. This bill is a good bill. It is good for hard-working Americans and their families, and I encourage my colleagues to support it.

Mr. BILIRAKIS. Mr. Speaker, I rise in support of H.R. 1102, the Comprehensive Retirement Security and Pension Reform Act.

The authors of H.R. 1102 are to be commended for their work in drafting a bill to address the retirement savings gap by expanding small business retirement plans, allowing workers to save more, providing portability in retirement benefits for an increasingly mobile workforce, and securing the pensions of America's workers. I am pleased to see that H.R. 1102 increases IRA contribution and benefit limits, provides rollovers of retirement plan and IRA distributions, and reduces vesting requirements for employer matching contributions. These provisions will help Americans save more for their retirement needs.

However, I still have concerns about the protection of pension benefits of workers and retirees.

Over the years, I have heard from many of my constituents who have lost pension benefits as the result of their employer declaring bankruptcy or merging with another company. Current law does not do enough to protect the retirement benefits of these employees and the company's retirees.

Mr. Speaker, hard-working Americans do not deserve to lose their hard-earned benefits due to a company's declaration of bankruptcy or merger with another corporation.

As Members of Congress, we spend a lot of time and effort debating what we can do to improve the lives of our constituents. Providing additional protections for the retirement benefits of hard-working Americans is a step in the right direction, and I hope my colleagues will work with me to ensure that changes in a company's structure will not result in the loss of benefits for our constituents.

Mr. PORTMAN. Mr. Speaker, I yield back the balance of my time.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEAL OF MASSACHUSETTS

Mr. NEAL of Massachusetts. Mr. Speaker, I offer an amendment in the nature of substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. NEAL of Massachusetts:

Strike all after the enacting clause and insert the text of H.R. 4843, as reported, and add at the end the following new title:

TITLE VIII—ADDITIONAL PROVISIONS

SEC. 801. REFUNDABLE CREDIT TO CERTAIN INDIVIDUALS FOR ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

''(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed $2,000.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

Adjusted Gross Income						Applicable percentage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
$0	$25,000	$0	$18,750	$0	$12,500	50
25,000	35,000	18,750	26,250	12,500	17,500	45
35,000	45,000	26,250	33,750	17,500	22,500	35
45,000	55,000	33,750	41,250	22,500	27,500	25
55,000	75,000	41,250	56,250	27,500	37,500	15
75,000	.....	56,250	.....	37,500	.....	0

''(c) ELIGIBLE INDIVIDUAL.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible individual' means any individual if—

''(A) such individual has attained the age of 18, but has not attained the age of 61, as of the close of the taxable year, and

''(B) the compensation (as defined in section 219(f)(1)) includible in the gross income of the individual (or, in the case of a joint return, of the taxpayer) for such taxable year is at least $5,000.

''(2) DEPENDENTS AND FULL-TIME STUDENTS NOT ELIGIBLE.—The term 'eligible individual' shall not include—

''(A) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins, and

''(B) any individual who is a student (as defined in section 151(c)(4)).

''(3) INDIVIDUALS RECEIVING CERTAIN RETIREMENT DISTRIBUTIONS NOT ELIGIBLE.—

''(A) IN GENERAL.—The term 'eligible individual' shall not include, with respect to a taxable year, any individual who received during the testing period—

''(i) any distribution from a qualified retirement plan (as defined in section 4974(c)),

or from an eligible deferred compensation plan (as defined in section 457(b)), which is includible in gross income, or

''(ii) any distribution from a Roth IRA which is not a qualified rollover contribution (as defined in section 408A(e)) to a Roth IRA.

''(B) TESTING PERIOD.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

''(i) such taxable year,

''(ii) the 2 preceding taxable years, and

''(iii) the period after such taxable year and before the due date (without extensions) for filing the return of tax for such taxable year.

''(C) EXCEPTED DISTRIBUTIONS.—There shall not be taken into account under subparagraph (A)—

''(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4),

''(ii) any distribution to which section 408A(d)(3) applies, and

''(iii) any distribution before January 1, 2002.

''(D) TREATMENT OF DISTRIBUTIONS RECEIVED BY SPOUSE OF INDIVIDUAL.—For purposes of determining whether an individual is an eligible individual for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

''(d) QUALIFIED RETIREMENT SAVINGS CONTRIBUTIONS.—For purposes of this section, the term 'qualified retirement savings contributions' means the sum of—

''(1) the amount of the qualified retirement contributions (as defined in section 219(e)) for the benefit of the eligible individual,

''(2) the amount of the elective deferrals (as defined in section 414(u)(2)(C)) of such individual, and

''(3) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).

''(e) ADJUSTED GROSS INCOME.—For purposes of this section, adjusted gross income shall be determined without regard to sections 911, 931, and 933.

''(f) INVESTMENT IN THE CONTRACT.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.

''(g) TRANSITIONAL RULES.—In the case of taxable years beginning before January 1, 2008—

''(1) CONTRIBUTION LIMIT.—Subsection (a) shall be applied by substituting for '$2,000'—

''(A) $600 in the case of taxable years beginning in 2002, 2003, or 2004, and

''(B) $1,000 in the case of taxable years beginning in 2005, 2006, or 2007.

''(2) APPLICABLE PERCENTAGE.—The applicable percentage shall be determined under the following table (in lieu of the table in subsection (b)):

Adjusted Gross Income						Applicable percentage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
$0	$20,000	$0	$15,000	$0	$10,000	50
20,000	25,000	15,000	18,750	10,000	12,500	45
25,000	30,000	18,750	22,500	12,500	15,000	35
30,000	35,000	22,500	26,250	15,000	17,500	25
35,000	40,000	26,250	30,000	17,500	20,000	15
40,000	.....	30,000	.....	20,000	.....	0.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

''Sec. 35. Elective deferrals and IRA contributions by certain individuals.

''Sec. 36. Overpayments of tax.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 802. CREDIT FOR PENSION PLAN STARTUP COSTS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45D. SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

''(b) DOLLAR LIMITATION.—The amount of the credit determined under this section for any taxable year shall not exceed—

''(1) $1,000 for the first credit year,

''(2) $500 for each of the 2 taxable years immediately following the first credit year, and

''(3) zero for any other taxable year.

''(c) ELIGIBLE EMPLOYER.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible employer' has the meaning given such term by section 408(p)(2)(C)(i).

''(2) EMPLOYERS MAINTAINING QUALIFIED PLANS DURING 1998 NOT ELIGIBLE.—Such term shall not include an employer if such employer (or any predecessor employer) maintained a qualified plan (as defined in section 408(p)(2)(D)(ii)) with respect to which contributions were made, or benefits were accrued, for service in 1998. If only individuals other than employees described in subparagraph (A) or (B) of section 410(b)(3) are eligible to participate in the qualified employer plan referred to in subsection (d)(1), then the preceding sentence shall be applied without regard to any qualified plan in which only employees so described are eligible to participate.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED STARTUP COSTS.—

''(A) IN GENERAL.—The term 'qualified startup costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

''(i) the establishment or administration of an eligible employer plan, or

''(ii) the retirement-related education of employees with respect to such plan.

''(B) PLAN MUST HAVE AT LEAST 2 PARTICIPANTS.—Such term shall not include any expense in connection with a plan that does not have at least 2 individuals who are eligible to participate.

''(C) PLAN MUST BE ESTABLISHED BEFORE JANUARY 1, 2010.—Such term shall not include any expense in connection with a plan established after December 31, 2009.

''(2) ELIGIBLE EMPLOYER PLAN.—The term 'eligible employer plan' means a qualified employer plan within the meaning of section 4972(d), or a qualified payroll deduction arrangement within the meaning of section 408(q)(1) (whether or not an election is made under section 408(q)(2)). A qualified payroll deduction arrangement shall be treated as an eligible employer plan only if all employees of the employer who—

''(A) have been employed for 90 days, and

''(B) are not described in subparagraph (A) or (C) of section 410(b)(3),

are eligible to make the election under section 408(q)(1)(A).

''(3) FIRST CREDIT YEAR.—The term 'first credit year' means—

''(A) the taxable year which includes the date that the eligible employer plan to which such costs relate becomes effective, or

''(B) at the election of the eligible employer, the taxable year preceding the taxable year referred to in subparagraph (A).

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

''(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

''(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.''

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit) is amended by

striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following new paragraph:

''(13) in the case of an eligible employer (as defined in section 45D(c)), the small employer pension plan startup cost credit determined under section 45D(a).''

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

''(8) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN STARTUP COST CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan startup cost credit determined under section 45D may be carried back to a taxable year ending on or before the date of the enactment of section 45D.''

(2) Subsection (c) of section 196 is amended by striking ''and'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting '', and'', and by adding at the end the following new paragraph:

''(9) the small employer pension plan startup cost credit determined under section 45D(a).''

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45D. Small employer pension plan startup costs.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years ending after the date of the enactment of this Act.

SEC. 803. CREDIT FOR QUALIFIED PENSION PLAN CONTRIBUTIONS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45E. SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan contribution credit determined under this section for any taxable year is an amount equal to 50 percent of the amount which would (but for subsection (f)(1)) be allowed as a deduction under section 404 for such taxable year for qualified employer contributions made to any qualified retirement plan on behalf of any nonhighly compensated employee.

''(b) CREDIT LIMITED TO 3 YEARS.—The credit allowable by this section shall be allowed only with respect to the period of 3 taxable years beginning with the taxable year in which the qualified retirement plan becomes effective.

''(c) QUALIFIED EMPLOYER CONTRIBUTION.—For purposes of this section—

''(1) DEFINED CONTRIBUTION PLANS.—In the case of a defined contribution plan, the term 'qualified employer contribution' means the amount of nonelective and matching contributions to the plan made by the employer on behalf of any nonhighly compensated employee to the extent such amount does not exceed 3 percent of such employee's compensation from the employer for the year.

''(2) DEFINED BENEFIT PLANS.—In the case of a defined benefit plan, the term 'qualified employer contribution' means the amount of employer contributions to the plan made on behalf of any nonhighly compensated employee to the extent that the accrued benefit of such employee derived from such contributions for the year do not exceed the equivalent (as determined under regulations prescribed by the Secretary and without regard to contributions and benefits under the Social Security Act) of 3 percent of such employee's compensation from the employer for the year.

''(d) QUALIFIED RETIREMENT PLAN.—

''(1) IN GENERAL.—The term 'qualified retirement plan' means any plan described in section 401(a) which includes a trust exempt from tax under section 501(a) if the plan meets—

''(A) the contribution requirements of paragraph (2),

''(B) the vesting requirements of paragraph (3), and

''(C) the distributions requirements of paragraph (4).

''(2) CONTRIBUTION REQUIREMENTS.—

''(A) IN GENERAL.—The requirements of this paragraph are met if, under the plan—

''(i) the employer is required to make nonelective contributions of at least 1 percent of compensation (or the equivalent thereof in the case of a defined benefit plan) for each nonhighly compensated employee who is eligible to participate in the plan, and

''(ii) allocations of nonelective employer contributions are either in equal dollar amounts for all employees covered by the plan or bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of the employees covered by the plan.

''(B) COMPENSATION LIMITATION.—The compensation taken into account under subparagraph (A) for any year shall not exceed the limitation in effect for such year under section 401(a)(17).

''(3) VESTING REQUIREMENTS.—The requirements of this paragraph are met if the plan satisfies the requirements of subparagraph (A) or (B).

''(A) 3-YEAR VESTING.—A plan satisfies the requirements of this subparagraph if an employee who has completed at least 3 years of service has a nonforfeitable right to 100 percent of the employee's accrued benefit derived from employer contributions.

''(B) 5-YEAR GRADED VESTING.—A plan satisfies the requirements of this subparagraph if an employee has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer contributions determined under the following table:

''Years of service:	**The nonforfeitable percentage is:**
1	20
2	40
3	60
4	80
5	100.

''(4) DISTRIBUTION REQUIREMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the requirements of this paragraph are met if, under the plan—

''(i) in the case of a profit-sharing or stock bonus plan, amounts are distributable only as provided in section 401(k)(2)(B), and

''(ii) in the case of a pension plan, amounts are distributable subject to the limitations applicable to other distributions from the plan.

''(B) DISTRIBUTIONS WITHIN 5 YEARS AFTER SEPARATION, ETC.—In no event shall a plan meet the requirements of this paragraph unless, under the plan, amounts distributed—

''(i) after separation from service or severance from employment, and

''(ii) within 5 years after the date of the earliest employer contribution to the plan,

may be distributed only in a direct trustee-to-trustee transfer to a plan having the same distribution restrictions as the distributing plan.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE EMPLOYER.—The term 'eligible employer' has the meaning given such term by section 408(p)(2)(C)(i).

''(2) NONHIGHLY COMPENSATED EMPLOYEES.—The term 'highly compensated employee' has the meaning given such term by section 414(q) (determined without regard to section 414(q)(1)(B)(ii)).

''(f) SPECIAL RULES.—

''(1) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified employer contributions paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

''(2) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

''(g) RECAPTURE OF CREDIT ON FORFEITED CONTRIBUTIONS.—If any accrued benefit which is forfeitable by reason of subsection (d)(3) is forfeited, the employer's tax imposed by this chapter for the taxable year in which the forfeiture occurs shall be increased by 35 percent of the employer contributions from which such benefit is derived to the extent such contributions were taken into account in determining the credit under this section.

''(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the abuse of the purposes of this section through the use of multiple plans.

''(i) TERMINATION.—This section shall not apply to any plan established after December 31, 2009.''

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit) is amended by striking ''plus'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting '', plus'', and by adding at the end the following new paragraph:

''(14) in the case of an eligible employer (as defined in section 45E(e)), the small employer pension plan contribution credit determined under section 45E(a).''

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

''(9) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN CONTRIBUTION CREDIT BEFORE JANUARY 1, 2002.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan contribution credit determined under section 45E may be carried back to a taxable year beginning before January 1, 2002.''

(2) Subsection (c) of section 196 is amended by striking ''and'' at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting '', and'', and by adding at the end the following new paragraph:

''(10) the small employer pension plan contribution credit determined under section 45E(a).''

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45E. Small employer pension plan contributions.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or incurred in taxable years beginning after December 31, 2001.

SEC. 804. LIMITATION ON CATCH-UP CONTRIBUTIONS.

(a) IN GENERAL.—Section 414(v), as added by section 301, is amended by adding at the end the following new paragraph:

''(6) LIMITATION.—This subsection shall apply with respect to a participant for a year only if the participant is not a highly compensated employee and certifies to the plan administrator that the participant has been out of the workforce for at least 2 of the preceding 7 years. A plan shall not be treated as failing to meet the requirements of this subsection by reason of reliance on an incorrect

certification under this paragraph unless the plan administrator knew, or reasonably should have known, that the certification was incorrect.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2000.

SEC. 805. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) EARLY RETIREMENT LIMITS FOR CERTAIN PLANS.—Subparagraph (F) of section 415(b)(2) is amended to read as follows:

''(F) MULTIEMPLOYER PLANS AND PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.—In the case of a governmental plan (within the meaning of section 414(d)), a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle, a multiemployer plan (as defined in section 414(f)), or a qualified merchant marine plan—

''(i) subparagraph (C) shall be applied—

''(I) by substituting 'age 62' for 'social security retirement age' each place it appears, and

''(II) as if the last sentence thereof read as follows: 'The reduction under this subparagraph shall not reduce the limitation of paragraph (1)(A) below (i) 80 percent of such limitation as in effect for the year, or (ii) if the benefit begins before age 55, the equivalent of such 80 percent amount for age 55.', and

''(ii) subparagraph (D) shall be applied by substituting 'age 65' for 'social security retirement age' each place it appears.

For purposes of this subparagraph, the term 'qualified merchant marine plan' means a plan in existence on January 1, 1986, the participants in which are merchant marine officers holding licenses issued by the Secretary of Transportation under title 46, United States Code.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 806. SENSE OF THE HOUSE OF REPRESENTATIVES REGARDING CASH BALANCE PENSION PLAN CONVERSIONS.

(a) FINDINGS.—The House of Representatives finds the following:

(1) Defined benefit pension plans are guaranteed by the Pension Benefit Guaranty Corporation and provide a lifetime benefit for a beneficiary and spouse.

(2) Defined benefit pension plans provide meaningful retirement benefits to rank and file workers, since such plans are generally funded by employer contributions.

(3) Employers should be encouraged to establish and maintain defined benefit pension plans.

(4) An increasing number of major employers have been converting their traditional defined benefit plans to ''cash balance'' or other hybrid defined benefit plans.

(5) Under current law, employers are not required to provide plan participants with meaningful disclosure of the impact of converting a traditional defined benefit plan to a ''cash balance'' or other hybrid formula.

(6) For a number of years after a conversion, the cash balance or other hybrid benefit formula may result in a period of ''wear away'' during which older and longer service participants earn no additional benefits.

(7) Federal law prohibits pension plan participants from being discriminated against on the basis of age in the provision of pension benefits.

(b) SENSE OF THE HOUSE.—It is the sense of the House of Representatives that pension plan participants whose plans are changed to cause older or longer service workers to earn less retirement income, including conversions to ''cash balance plans'', should receive additional protection under the Internal Revenue Code of 1986 than what is currently provided, and Congress should act this year to address this important issue. In particular, the tax laws, at a minimum, should provide that—

(1) all pension plan participants receive adequate, accurate, and timely notice of any change to a plan that will cause participants to earn less retirement income in the future; and

(2) pension plans that are changed to a cash balance or other hybrid formula not be permitted to ''wear away'' participants' benefits in such a manner that older and longer service participants earn no additional pension benefits for a period of time after the change.

The SPEAKER pro tempore. Pursuant to House Resolution 557, the gentleman from Massachusetts (Mr. NEAL) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

In the last hour, we have really gone through I think a very helpful exercise, and that is to point out that the differences are really not that large as currently proposed.

□ 1145

Even though the differences are not large, they remain for low-income and moderate-income workers substantial. If we let this get away from us in its current form, if the President were to sign this legislation, which I suggest that he will not, we would find ourselves quickly coming back to an issue in succeeding sessions of the Congress on how to deal with what is the most prickly part of the problem, and that is how do we get low-income wage earners into a pension system? How do we provide the necessary incentives for employers to do precisely that? How do we speak to moderate-income workers who find themselves perhaps in mid-life without the benefits of a pension plan as well?

The amendment today that we offer in the nature of a substitute would accomplish this goal by encouraging individuals, all workers, to save better for retirement through adding retirement savings accounts as proposed by the President and the Secretary of the Treasury, Mr. Summers. This proposal would provide a refundable credit to low- and middle-income workers who participate in an employer-sponsored pension plan or an individual retirement account. The credit would equal up to 50 percent of the annual contribution allowed under a traditional IRA.

Let me say that 2 years ago, the gentleman from California (Mr. THOMAS) and I led the fight here in a bipartisan manner on this floor in support of the Roth IRA. I hold no intransigence or opposition to the nature of expanding individual retirement accounts. I think that there is significant data, however, that indicates that the problem with IRAs is they tend to reward those who already have the ability to save for retirement. No problem with getting more people in, but at the same time we want to extend this benefit to low- and moderate-income workers.

Under this proposal, eligible taxpayers would receive an immediate credit equal up to $300, which would be phased up to $1,000. When fully phased in, individuals filing a joint return with adjusted gross income up to $75,000 would be eligible for the credit. Taxpayers filing as heads of households with an adjusted gross income of up to $56,000 would be eligible for the credit as well, and individuals filing as single would receive the credit if their adjusted gross income does not exceed $37,500.

Now, we have once again an opportunity in the closing days of this Congress to accomplish something that is very important to average Americans, and that is the opportunity, given the uncertainty that so many people feel about pension benefits that are allegedly set aside, we have watched the collapse in different States across the country of pension benefits and it is clearly an issue that is on the minds of the American people. So I ask in the spirit of bipartisanship that we take an opportunity in the next 6 weeks as the Congress adjourns to come back here in September, refreshed and energetic, with the goal of some tangible achievements.

I would alert the Members of Congress again that President Clinton has argued, through Secretary Summers, that he will not sign this legislation into law. That should be the stop sign that we all see at the intersection. Let us come back and revisit it. I think the gentleman from Ohio (Mr. PORTMAN) has done a commendable job. I think the gentleman from Maryland (Mr. CARDIN) has done a commendable job. The problem is that they have, in my judgment, not accomplished enough for moderate- and low-income workers.

MODIFICATION OF AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEAL OF MASSACHUSETTS

Mr. NEAL of Massachusetts. Mr. Speaker, I ask unanimous consent to modify this amendment. The modification is at the desk.

The SPEAKER pro tempore (Mr. OSE). The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Mr. NEAL of Massachusetts:

Strike out section 804, and renumber succeeding sections accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts that the amendment in the nature of a substitute be modified?

Mr. PORTMAN. Mr. Speaker, reserving the right to object, I would just like to get a quick explanation of the legislation.

Mr. NEAL of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PORTMAN. I yield to the gentleman from Massachusetts.

Mr. NEAL of Massachusetts. Mr. Speaker, I would say to the gentleman from Ohio (Mr. PORTMAN), my understanding is that this was not part of the amendment as proposed; that it was supposed to be deleted last evening and it was not.

Mr. PORTMAN. Is this on the catch-up provisions?

Mr. NEAL of Massachusetts. Yes, it is.

Mr. PORTMAN. I think this House ought to give unanimous consent to this. This essentially, as I understand it, would move the Democrat substitute into a similar position of where the underlying legislation is with regard to catch-ups. Is that correct?

Mr. NEAL of Massachusetts. Yes, that is correct.

Mr. PORTMAN. Otherwise, we would be gutting the catch-up provisions in the Democrat substitute, which none of us want to do.

Mr. NEAL of Massachusetts. This was supposed to be deleted last evening; and it is my understanding, based upon what the staff tells me, that it simply was a miscalculation.

Mr. PORTMAN. Mr. Speaker, I withdraw my reservation of objection. I think we ought to agree with the gentleman and give him unanimous consent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. Does the gentleman from Ohio (Mr. PORTMAN) claim the time in opposition?

Mr. PORTMAN. Yes, Mr. Speaker. I am opposed to the substitute and would claim the time in opposition.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, a few months ago a constituent wrote me about him and his wife. They had been burdened 20 years before with student loans, and they had only recently paid them off. They never had a chance to vest money into an Individual Retirement Account. I introduced H.R. 3620, the Second Chance IRA Act, to allow workers to make up for years when they missed out or simply failed to make IRA contributions.

My legislation would have essentially doubled the IRA contribution and tax deductions from the current $2,000 to the $4,000 to catch up on those lost years.

Before us is H.R. 1102. It has provided a similar ''catch-up.'' This bill would allow those workers to immediately contribute up to $5,000 a year to an IRA. That achieves a good part of the goal to encourage a buildup of savings for workers who are nearing retirement and never had the opportunity to invest in an IRA.

I thank the gentleman from Texas (Mr. ARCHER), the gentleman from Ohio (Mr. PORTMAN), and the gentleman from Maryland (Mr. CARDIN) for their bipartisan effort which resulted in this legislation.

It is an important help for the women who are retiring and reentering the workforce after raising a family, and for many other Americans who want and need a significant retirement savings account so they can have security in their golden years.

Let us help retirement.

Let us encourage saving.

Let us vote for H.R. 1102.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. CARDIN), who I indicated earlier has done a terrific job with the legislation, and our difference here is a small one. We have time to correct it. He has done a good job with this work.

Mr. CARDIN. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. NEAL) for yielding me this time.

Mr. Speaker, let me point out that the Democratic substitute is an add-on to the underlying Portman-Cardin H.R. 1102 legislation. By that I mean that all of the provisions of H.R. 1102 remain if one votes for the Democratic substitute. It adds some additional provisions to provide more incentives for particularly low-wage workers to be able to put money away for their retirement.

When the gentleman from Ohio (Mr. PORTMAN) and I started working on this legislation 3 years ago, we were very sensitive to the fact that we had not balanced the Federal budget and that we should be very cautious on the use of tax revenues. We were very conservative in our approach. Quite frankly, we did not think that there would be as much money available for savings incentives as now appears to be the case as we start considering legislation, not only to reform our pension laws but to reform Social Security and the ability of individuals to have private accounts, whether they are part of Social Security or independent add-ons to Social Security.

So I think the discussion has changed somewhat.

The Democratic substitute provides for retirement savings accounts. That will help low-wage workers. Let me indicate some of the problems that we encountered as we worked on H.R. 1102. We were looking for ways to help low-wage workers and to help young workers, because the truth is young workers and low-wage workers are very difficult to get their attention to put money away for savings. I am proud of the provisions in the underlying bill that will help low-wage workers and will help young workers, because the underlying bill encourages employers to sponsor retirement plans and to use some of the same tools that we use in the thrift savings by offering employer contribution to retirement and to offer match by employer. That is good and that will help, and that is why this is an important bill.

The RSAs go to the next step and say let us have the government as a partner in providing incentives for particularly lower-wage workers to set up their own retirement funds.

There is another important part to the Democratic substitute I would like to mention, and that is the provision that deals with small business, small business credits. It was actually in the Portman-Cardin bill, H.R. 1102; and as has been pointed out in a little bit earlier debate, I hope it does make its way into the bill as it works its way through Congress. The gentlewoman from Michigan (Ms. STABENOW) first introduced this bill, H.R. 1021, that provides this credit.

We have incorporated it in the Democratic substitute. It was in H.R. 1102, and I think it is an improvement to add an additional tool for small business to set up pension plans. There is already important provisions in H.R. 1102 that are going to help small business. This improves it.

So, basically, the substitute is an improvement of the underlying bill and spends a lot more money than the underlying bill that we did not want to do when we originally looked at H.R. 1102. So I hope my colleagues will look favorably upon this substitute. I think it does provide a bridge for us to ultimately work out an arrangement with the White House on tax legislation.

I hope regardless of how one feels on the Democratic substitute, and I do hope that they will support it, I hope they will support the underlying bill.

I think this legislation is extremely important. I think we can improve it with the substitute; but regardless of what happens with the substitute, I urge my colleagues to support the legislation so that we can move forward to help secure retirement for those people when they retire.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY), a member of the Committee on Ways and Means who has been a leader on retirement security.

Mr. FOLEY. Mr. Speaker, let me first thank the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) for their excellent work on this legislation that is important to all Americans.

Relative to the substitute retirement savings account, let me make certain people understand this is a new proposal. This has not been vetted yet. In fact, we first saw this proposal during markup and it has since been modified so we are still trying to grapple with the underlying assumptions that are made in the request.

The first we heard about it was the President's State of the Union address and budget proposal. So we have a lot to work out before we accept the substitute.

Let me again answer another claim that was made during debate relative to IRAs. Low- and middle-income Americans use IRAs to save for retirement. This is an absolute certainty. In fact, the median income of new IRA contributors dropped from $41,277 in 1982 to $28,677 in 1986. The vast majority of taxpayers making IRA contributions are lower- and middle-income

Americans. The inflation rate would have brought it to $5,000 today had it been adjusted, but it has had one increase, one increase alone from $1,500 to $2,000.

This very bill encapsulates an option to bring it up to $5,000, which I think is significantly important.

One of the greatest fears most Americans have is will they have enough savings and money to retire comfortably to take care of their health care needs, purchase prescription drugs, do the things that are required as one ages. This bill, a bipartisan bill, provides that kind of opportunity.

Let me also underscore that there are 106 Republican co-sponsors and 94 Democrats, for a total of 200 Members of the House of Representatives, that support this initiative. I am delighted today to at least hear positive things about a bill in Congress coming out of the Committee on Ways and Means. Oftentimes these bills we introduce are derided as reckless and risky. Today, we are hearing a celebration of bipartisanship on this floor talking about legislation that will advance the opportunities of all Americans, and I celebrated that. I am thrilled and delighted that this House finally has the common voice in supporting legislation authorized and issued by the committee, and I congratulate again the gentleman from Ohio (Mr. PORTMAN) for his fine work on this proposal.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI), a senior and distinguished member of the Committee on Ways and Means who is well known for his work on retirement savings.

□ 1200

Mr. MATSUI. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

I would like to congratulate the gentleman from Ohio (Mr. PORTMAN) and certainly the gentleman from Maryland (Mr. CARDIN). They made a good try and made a good effort on this legislation.

However, I have to say that there are fundamental flaws in this legislation. First of all, it does make significant changes, although the authors talk about technical changes, in the top-heavy rules and the anti-discrimination rules. But these changes are actually substantive changes and, in fact, what they will do is make it more difficult for lower- and middle-income wage earners, employees, to be able to get pension benefits.

In addition, statistically, a number of outside groups, because we do not have a joint tax committee distribution table, but a number of outside groups have said that the top 10 percent of the taxpayers will get 62 percent of the benefits in this legislation, and that is taking into consideration the additional employees that will be covered under the original Portman-Cardin legislation. But this is not unusual, because all of the tax bills that we have seen coming from my Republican colleagues over the last 4 or 5 months have been basically for upper-income folks anyway. So I would not make that as a major argument. The marriage penalty and all of these others have been basically for them.

But it is very important that if this legislation passes, and I believe it will, that we add on the substitute provisions here. Because at least then, it will help the distribution of where the benefits will go and it will actually then, in fact, help wage earners and not the top management employees or the employers themselves.

But nevertheless, this bill is a bill that if it is unchanged, is not a good piece of legislation.

Let me just conclude by making one observation. There was an add-on to this bill. Right now, people that want to have IRAs can have up to $2,000 per individual per year on IRA accounts, individual retirement accounts. This will increase that number to $5,000. So a couple will be able to then put $10,000 a year into an IRA.

Now, I will tell my colleagues that there are not many Americans that even put $4,000 a year into IRAs. This means that a small business owner will probably say, I will just eliminate my entire pension program, because why should I give to my employees and share my profits? Why not just take two IRAs out at $5,000 each, husband and wife, and essentially then, I can take care of my retirement and let my employees deal with it themselves. So to a large extent, this legislation will actually reduce, in my opinion, the opportunities for small business to cover their employees. That is why this legislation standing by itself is not a good piece of legislation. It will be vetoed by the President if it stands by itself, and that is why this substitute is so critical to make this legislation work and to make sure that we take care of the average American taxpayer.

Mr. PORTMAN. Mr. Speaker, I yield myself 15 seconds to respond briefly to my friend from California. The intent of this legislation is, of course, just the opposite. It is to expand pension coverage to small businesses. It is an interesting theory that he plays out; but if we are to take the facts, it would be that that small business owner could put $20,000 aside now, $15,000 plus $5,000 catch-up for himself and if his spouse or her spouse is working, another $20,000. So it does not seem to make much sense to shift over to the IRA. If we were just increasing IRAs, the gentleman might have a good point.

Finally, of course, this goes to middle-income workers. We have already talked about that, both on the IRA side and the 401(k) side.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. BOEHNER), the chair of the Subcommittee on Employer-Employee Relations, who has been a leader in expanding pension coverage and reforming ERISA.

Mr. BOEHNER. Mr. Speaker, let me thank the gentleman from Ohio (Mr. PORTMAN) and congratulate both him and the gentleman from Maryland (Mr. CARDIN) for their tireless work over the last 3 years of bringing this bill to the floor.

Clearly, improving retirement security is a top priority this year, as Congress works to secure America's future. But improving retirement security is just not about fixing Social Security. It is also about expanding access to private pensions and making innovations that will maximize every American's opportunity for a safe and secure retirement.

I want to commend the gentleman from Texas (Mr. ARCHER) for his work in crafting this bill along with the two authors and for all of his efforts in this and past Congresses relating to retirement security and improving our Nation's Tax Code to the benefit of all Americans.

Rarely has an ambitious legislation such as this earned such broad support from the AFSCME and Teamsters and other labor unions, to the U.S. Chamber of Commerce, the National Federation of Independent Business and other folks in the private sector. As I said earlier, I think it is a real tribute to the two authors, the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) and the work that they have done.

The reforms in this bill will directly improve the retirement security of millions of workers by expanding small business retirement plans, allowing workers to save more, making pensions more secure, and cutting red tape, that have hamstrung employers who want to establish pension plans for their employees.

Mr. Speaker, H.R. 1102 was reported out of the Committee on Education and the Workforce on July 14, 1999 with a bipartisan vote. Our committee made amendments to the Employee Retirement Income Security Act, or ERISA, as we know it, that complement the Tax Code provisions that are on the floor today. And while the ERISA provisions were removed by the Committee on Rules for procedural reasons, the gentleman from Texas (Mr. ARCHER) has pledged to seek the restoration in conference, and I thank the gentleman for this commitment and I look forward to working with him to ensure enactment of H.R. 1102.

Mr. Speaker, we have a new world that we are living in today. As people retire, they are living much longer than anyone had ever anticipated; and if we want to make sure that people have safe and secure retirements, they are going to need more assets than our parents did when they retired. As a result, we all know about the three legs of the retirement security stool: Social Security, private pensions, and personal savings.

The bill we have before us today makes important strides in making sure that people have safe and secure

private pension plans and expands access to them, especially by small business owners. The incentives in this bill to expand the amount of money that can be set aside for private savings is also very important. Clearly, shoring up Social Security for the long term is something that we know is going to have to be done in the next Congress.

Just today, Mr. Speaker, the subcommittee that I chair, the Subcommittee on Employer-Employee Relations, moved out a bill that would expand investment advice provided by employers to their employees. It is another piece to this puzzle to help employees give them all of the advice and effort that they need to maximize their private pensions.

So I encourage my colleagues today to support the bill.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 4 minutes to the gentleman from North Dakota (Mr. POMEROY), whose work in pension security is well known to all Members of this House. In fact, I would submit that there are very few, if any, Members of this House that have more knowledge on this issue.

Mr. POMEROY. Mr. Speaker, I rise in response to a preceding speaker who said the Democrat substitute has not been vetted. It is based essentially on a proposal known as First Credit which I introduced last Congress and I introduced this Congress. We do not run the Committee on Ways and Means, but there have certainly been proposals out there to gear savings incentives to modest- and middle-income households to accelerate the rate of savings, and any fair-minded look at the savings issue in this country would identify that the lower-income, modest-income, middle-income levels are having the harder time saving.

Let me just say about the underlying legislation, the problem is not so much what is in it; the problem is what is left out. That is why the Democrat substitute is additive, not detractive. It does not change the underlying bill; it adds to it in a very important way, savings incentives for families who need it.

We have learned that the underlying bill addresses workplace savings. That is great, except half of the people in the workforce today have no workplace savings, half have no workplace savings. As we get down to lower levels of earnings, the percentage goes up. In fact, 70 percent of workers earning under $15,000 have no workplace savings in the workplace, 70 percent. Portman-Cardin will not relate to that group.

We know that the other second major component of the legislation is the IRA, taking the IRA from $2,000 to $5,000. Treasury data tells us that 93 percent of those eligible to use the tax deductible IRA, those earning $50,000 and below, do not use it as of 1995. Mr. Speaker, 93 percent. It is used by only 7 percent.

So if a family cannot afford to save $2,000 a year, our response saying, well, great, now you can save $5,000 a year is completely ridiculous. It misses the point. They need additional help. That is what our substitute offers, a tax credit on savings. For those income eligible, we would match 50 percent of the contribution. I consider this like an ''Uncle Sam'' match, much like an employer match on savings incentives. You save $2,000, the IRA tax credit of $1,000, matching your savings effort. I believe that this will accelerate savings for those most needing to save.

This chart shows that savings rates is related to income. Twenty-three percent earning between $15,000 and $25,000 are projected to be saving enough for retirement, whereas well over 60 percent earning over $100,000 are saving at the savings rate. We know that this tax credit incentive on savings will work because it is modeled after the savings incentive most effective in the marketplace, the 401(k) match. When employers provide savings opportunities with no match, 65 percent save. When there is a 50 percent match like this bill would provide, there is a 78 percent response in saving.

As Members of Congress, we have access to the Thrift Savings Plan and the Federal Government matches our savings contribution 100 percent on the dollar. Do we not think it is only fair that we extend a match opportunity to American workers who have no savings at the workplace and no opportunity to save in light of sparse discretionary dollars.

This is a tax cut, but it is tax relief to those who need it most, those earning up to $80,000 a year, struggling to save for retirement. It is time we take this step. Last Congress we passed the ROTH IRA, we increased the limits on the spousal IRA. We did a lot of things for a lot of people, but we did not do anything new by way of savings incentives for those earning $50,000 and below.

Mr. Speaker, it is time we take this step, and that is what the substitute is all about.

Mr. PORTMAN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding me this time. I want to thank him and congratulate him for his diligent work over a long period of time on this important legislation.

My accolades also to the gentleman from Maryland (Mr. CARDIN) for the work that he has done, the fine work in a very bipartisan manner.

I am a cosponsor of H.R. 1102, and I rise in strong support of it, because it addresses the retirement savings gap by expanding small business retirement plans, allowing workers to save more, addressing the needs of an increasingly mobile workforce through portability and other changes, making pensions more secure, cutting the red tape that has hamstrung employers who want to establish pension plans for their employees.

Mr. Speaker, we all know that incentives are necessary to increase retirement savings for all Americans. Our savings rate is much too low to ensure the retirement security of American families. Statistics indicate that a typical household would need to triple its rate of asset accumulation in order to finance its retirement. Simply put, the current savings rate is not sufficient to fund retirement expenditures.

Even more alarming is that the U.S. personal savings rates dropped 6.3 percent of GDP in 1960 through 1980, to 4.1 percent in 1991 through the first quarter of this year, 2000. We need to take action now. H.R. 1102 provides incentives for reversing this alarming trend.

Mr. Speaker, I want to point out something else that needs to be done in this legislation. Unfortunately, the legislation does not address the unfair situation which exists under current law in which Federal employees are prohibited from saving for their retirement in the same manner as private sector 401(k) plans. Currently, FERS employees can contribute up to 10 percent of their salary with a government match of up to 5 percent, and CSRS employees can invest up to 5 percent of their salary.

For example, a FERS employee earning $35,498 per year may only contribute $3,550 annually into his or her Thrift Savings Plan account, while someone in the private sector earning the same amount may contribute $6,450 more annually into their 401(k) account.

Mr. Speaker, I have introduced legislation, H.R. 483, the Federal Thrift Savings Enhancement Act, which would eliminate that 10 percent and 5 percent restrictions and allow all Federal employees to make TSP contributions up to the IRS limit without changing the government contribution. This is fair and equitable.

Mr. Speaker, I would hope that during the conference on this legislation, our Federal workforce will be taken into consideration and the provisions of H.R. 483 will be included in the final conference report.

□ 1215

It is important. It is equitable. Let us pass the bill and add that provision.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. GEPHARDT), the highly effective minority leader in this House.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I rise to argue that this reform bill is in many ways a very good example of bipartisan legislation, and all of us I think can agree that tax incentives for retirement savings are needed, warranted, the right thing to do for our workers, and good for our country in general.

But as currently written, I think this reform bill is flawed, or not including

enough features that should be included, because it targets simply those Americans who need incentives for saving the least: corporate executives, managers, big business owners.

This legislation, as the Center on Budget Policy and Priorities wrote recently, ''would substantially expand pension tax preferences for high-income executives, but likely lead to reductions in pension coverage among low- and moderate-income workers and employees of small businesses.''

I am not opposed to helping upper-income Americans by raising the ceilings on their annual IRA contributions. These men and women have worked hard and deserve their piece of the pie. But I am very afraid that with this bill, as with many of the tax-cutting measures that we have seen in this Congress, we have lost sight of our principal challenge and concern. We have lost sight of our goal to provide tax relief for middle-income Americans and very small businesses, the men and women who really deserve a real reduction in their income taxes.

The greatest failing of this bill is that it does little to encourage retirement saving by lower- and middle-income workers, those Americans who simply are not saving enough because they do not have enough to save.

We have offered an alternative that we think addresses this shortcoming and that rights the playing field so middle-income Americans, not just the well off, receive the lion's share of incentives to boost their retirement accounts.

We have offered an amendment, supported by the administration, that will create retirement savings accounts in which the government will give refundable tax credits to the retirement accounts of millions of Americans.

Our amendment caps the level at which people can receive the tax cut at $75,000, so that the bulk of the incentives to invest in retirement accounts flow to the middle-income group. Our amendment provides tax credits to small businesses of up to 50 percent of the start-up and initial administration costs to set up businesses.

I have said many times in the last several weeks and I will say again, I believe that all of us, Democrats and Republicans, can come together, negotiate on the issues of taxes and spending, hammer out tax cuts that help the vast majority of Americans, while making sure that we address the issues that concern the American people the most: paying down the debt, strengthening social security and Medicare, providing a real prescription medicine reform, and sending the President a total budget that he can sign.

I ask all of us to work together to amend this legislation so that it truly benefits Americans most in need of tax relief; that we fashion these other tax bills so that the President will sign them, and the middle-income Americans and Americans trying to get in the middle class will get the bulk of the help; and that we enact these other reforms, like prescription drugs, medicine, a Patients' Bill of Rights, a minimum wage increase, doing something that is sensible about gun safety, trying to get smaller classroom sizes, which are the issues, along with tax cuts, that really have attracted the interest of the American people.

So I ask Members to vote for our alternative. Let us get a good piece of legislation done that can get the support of the administration and the bulk of the American people.

Mr. PORTMAN. Mr. Speaker, I yield myself 15 seconds.

I would like to say I agree with the minority leader, we need to work on a bipartisan basis to come together. That is what we have done here over the last 3 years. We have over 200 cosponsors, almost equally divided.

Second, I want to assure him that we have indeed not lost sight of the need to help middle- and lower-income categories. That is precisely where we target this legislation.

Mr. Speaker, I yield 2½ minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague for yielding time to me, and I thank my friends, the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN), who have brought forth this commonsense bipartisan piece of legislation.

Mr. Speaker, I listened with great interest to my friend, the minority leader, and coincidentally, I want to wish him well in future endeavors that may extend beyond this House, as the Vice President of the United States may be looking for a partner in the upcoming general election, and want to salute him for coming out with a poll-tested speech.

Mr. Speaker, when all is said and done, I rise in opposition to the Democrat alternative and rise in strong support of our bipartisan bill with 200 cosponsors. I sympathize with the minority leader, because he is finding himself in a situation where we have sought consensus and compromise, we have come up with a commonsense piece of legislation that encourages savings accounts, that protects and builds pension plans.

So with this constructive piece of legislation, and now confronting an election, what is a minority party to do? Well, of course, stand and offer the curious paradox to say, we want cooperation, but this is not good enough.

Therein lies the fundamental problem. We encourage personal savings for every American. Our friends on the left in the substitute say, if you are American, you exist; therefore, you are entitled. It is not enough for one's personal initiative. No, the Federal government needs to step in with a plan that, by the way, as cobbled together here, is eminently unworkable. They ask their friends at the Internal Revenue Service to stick their magnifying glasses and microscopes into the affairs of Americans, because this very provision invites fraud. It appeals to what is the wrong course of action for Americans.

We have a simple, straightforward plan. We strengthen pensions, we build retirement savings accounts, and we do not set up a Rube Goldbergesque machination of entitlement that over the next 10 years will cost close to a quarter of a trillion dollars.

Support the underlying bill and reject the desperate Democrat substitute.

Mr. PORTMAN. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. CRANE), the chairman of the Subcommittee on Trade and an active member of the Committee on Ways and Means.

Mr. CRANE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want to commend our two colleagues, the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN), for their work on this bill. This bill proves that Republicans and Democrats can work together in a bipartisan way to achieve worthwhile reforms.

I note that the ranking member of the Committee on Ways and Means often urges us to work together in a bipartisan way, and I appreciate that input from him. I am hopeful that he, too, will strongly support this bill.

This bill also proves that it can sometimes take more than one try to get important legislation passed. Members may have a sense of deja vu because we enacted this bill last year, only to have the President veto it. I hope this year he is able to sign this bill when it comes to his desk.

This is important legislation, Mr. Speaker, for at least two other reasons. The first is that we must do everything we can to encourage savings in America. The figures say our private savings rate is very low. I suspect it is lower than it should be. But I am sure we would be better off saving more than we do.

One way to do that is through fundamental tax reform, and that is just not in the cards right now. I hope we can focus on fundamental reform before long, perhaps with a change in administration.

In the meantime, by rationalizing the laws relating to pensions, by making it easier for businesses, and especially small businesses to establish and maintain pension plans for their workers, this bill will encourage more businesses to establish pension plans and it will encourage more workers to participate. In the end, I believe private saving will result as a consequence.

I also believe private saving will increase through the increase in the contribution limits on individual retirement accounts to $5,000. For individuals who do not have the benefit of an employer-based pension system this is terribly important. It is also, I would point out, a baby step towards tax reform.

Why is that so important? Why is it so important that individuals save more? First, savings is the key to acquiring wealth. It is the key to financial security to us as individuals. Financial security enhances our sense of personal freedom.

Second, the level of saving in America also goes a long way towards determining who owns the Nation's capital stock: the land, buildings, the plant, and equipment.

We have a very high rate of investment right now that has contributed mightily to our rapid rate of economic growth. If Americans do not save enough to fund this capital expansion, then our open economy and advanced capital markets permit us to lure foreign savings to make up the difference.

That is the good news. We can import the capital, the foreign savings necessary to keep our rate of investment high.

The bad news is that that means that foreign savers reap the lion's share of the benefits from that investment. If Members want a sense of the magnitude of this effect, just look at our persistent and high trade deficit. Our trade deficit represents the flip side in the balance of payments to all of the capital we are importing from abroad.

As we find ways to increase our rate of savings at home, at the very least we help Americans to own a greater share of the capital stock driving our economy.

The second reason this bill is so important is because it strengthens the private pension leg of our national pension system at a time when the public leg of that system, social security, is under a cloud.

We have heard about the troubled financial State of social security many times in the Committee on Ways and Means. Fortunately, we have the lockbox in place to keep the Congress from its former practice of spending the American workers' payroll taxes on anything but paying social security benefits. The lockbox performs a function very much like the medical profession's dictum: First, do no harm.

The first step towards restoring social security's financial soundness is to keep Washington from spending payroll taxes on other programs. The lockbox achieves that goal. But beyond that, once again, it appears we must wait for the next administration to take on social security reform.

Until then, and even after we have enacted social security reform, we must do everything we can to strengthen the private pension and savings system. That means eliminating unnecessary rules and regulations and other accumulated barnacles that have attached themselves to this part of the tax law.

I want to thank our two colleagues for undertaking the hard work necessary to bring this to the floor, and urge our colleagues to support it.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY), who is well known for her work on retirement savings.

Mrs. MALONEY of New York. Mr. Speaker, I rise in support of the Democratic substitute, which would more fairly distribute the benefits to lower-income people, but also for the underlying comprehensive reform legislation.

Mr. Speaker, we all know that our population is graying. Fifty years from now, more than 80 million people will be over the age of 65. In order to help retirees in the near term and many decades from now, it is critical that we provide them the maximum flexibility to supplement social security.

While President Clinton's plans to dedicate surplus money to social security and Medicare are an important step in preserving these programs for the long-term, individuals should have a range of options for their retirement savings.

This is especially true and important for women. Sixty percent of social security beneficiaries are women. Women are heavily reliant on social security benefits because women earn less than men and because they spend less time in the work force. Women live, on average, 7 years longer. Less than one-third of all women retirees over age 55 receive pension benefits, yet the typical American woman who retires can expect to live approximately 19 years longer.

Women often choose to take time out of their working careers to attend to their families. This bill will allow them to catch up on their pension contributions and increase the yearly amount they can contribute to IRAs and 401(k) plans to make up for lost time, up to an additional $5,000 per year.

I strongly support the fair Rangel substitute and urge my colleagues to support it, and the underlying bill.

□ 1230

Mr. PORTMAN. Mr. Speaker, I yield 3½ minutes to the gentleman from California (Mr. THOMAS), another distinguished member of the Committee on Ways and Means, chairman of the Subcommittee on Health, who has been very active on the IRA front for many years.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, first of all, the fact that we are on the floor today with a bipartisan proposal to reform the pension and the individual retirement accounts is quite an accomplishment, and I want to compliment the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN). It has been more than 20 years since we made an adjustment in this important savings area.

I heard the gentleman from North Dakota (Mr. POMEROY) say that the substitute had been looked at and that it was thoroughly understood. I do have to say it is fundamentally different than the President's initial offering. In fact, it is substantially different than the offering that the Democrats have presented in the Committee on Ways and Means just last week.

Last week's offering cost $225 billion over 10 years on top of the fund. This one only costs $105 billion over 10 years. In one narrow particular area, the refundable credit, which was not in the President's initial budget proposal, cost $35 billion. So it is substantially different. It has not been aired in committee as this bipartisan proposal has.

I heard the minority leader say that this plan simply did not treat low-income people fairly. Well, I know the gentleman from Maryland (Mr. CARDIN), I know the gentleman from Maryland (Mr. WYNN), I know the gentleman from Kansas (Mr. MOORE), I know the gentleman from Tennessee (Mr. TANNER), I know the gentlewoman from Florida (Mrs. THURMAN), and I know the more than 100 Democrats who cosponsor this proposal. They would not cosponsor this proposal if it did not treat low-income people fairly.

Now, I heard my friend from California give my colleagues an example of what would happen under this bill with the expanded IRAs and that, in fact, the employers, while looking out for their self-interest, could in fact damage the savings interest of their employees. The response we heard from the cosponsor was I think significant, and I want to make sure everyone understands it.

This is a bipartisan proposal, precisely because, under all aspects of the bill, the employers maximize their benefit by utilizing all of the portions of the bill; and in pursuing their self-interest and maximizing it, it in fact maximizes the employees' savings capabilities.

It is the way in which this proposal is integrated that makes it really superior. It is the product of the bipartisan working relationship. It is the best of what this House does.

As far as the veto threat, around here we learn to read the tea leaves, and the tea leaves are very clear. The message was very clear, it did not say veto. It does not say veto. Treasury is trying to buy leverage. As a matter of fact, once this moves out of here with the bipartisan majority and off the floor of the Senate, the President does not dare veto this piece of legislation because the last thing he wants is an override of his veto.

The way this piece of legislation was put together, frankly, the House owes a debt of gratitude to the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) and all of those who have worked together to make these changes. They are long overdue. They are much appreciated. It fits our needs today.

Vote no on the substitute, vote yes on H.R. 1102, and send the President a message. This Congress is working, and it is working for the American people in a bipartisan way.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me reiterate quickly, Secretary Summers has told me in a phone conversation he will recommend a veto of this legislation as currently proposed if it goes to the President's desk.

Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS), who worked on a recent pension case in the State of Vermont who has been an inspiration for all of us.

(Mr. SANDERS asked and was given permission to revise and extend his remarks.)

Mr. SANDERS. Mr. Speaker, I thank the gentleman from Massachusetts for yielding to me.

Mr. Speaker, I rise in opposition to H.R. 1102. This bill is being touted as a package of pension provisions designed to increase pension benefits for Americans; yet some of the pension provisions included in the bill are simply new tax breaks that mostly accrues to the wealthiest Americans and may have the effect of slashing the pensions of lower- and middle-income families.

Mr. Speaker, if Congress is really concerned about protecting the pensions of American workers, it should quickly address the cash balance pension rip-off scheme being implemented by hundreds of large corporations all over this country.

Since 1985, despite large profits and growing surpluses in their pension funds, over 300 companies have slashed the retirement benefits that they promised their employees. Cash balance schemes typically reduce the future pension benefits of older workers by as much as 50 percent. Not only is this immoral, it is also illegal, because the reductions in benefits are in violation of Federal age-discrimination laws.

What makes the conversions even more indefensible is the fact that many of these companies have pension fund surpluses in the billions of dollars, and these surpluses have grown significantly in recent years.

Frankly, it is simply unacceptable that, during a time of record-breaking corporate profits, huge pension fund surpluses, massive compensations for CEOs, including, interestingly, very generous retirement benefits, that corporate America renege on the commitments that they have made to workers by slashing their pensions.

Last year, I held a town meeting in Winooski, Vermont, for IBM workers, the older IBM workers who had seen their pensions cut by as much as 50 percent. Over 700 older workers came out and expressed their outrage at what the company had done. I congratulate the IBM workers and look forward to working with them.

Mr. Speaker, I rise in opposition to H.R. 1102. This bill is being touted as a package of pension provisions designed to increase pension benefits for Americans. Yet some of the pension provisions included in the bill are simply new tax breaks that mostly accrue to the wealthiest Americans and may have the effect of slashing the pensions of lower and middle income families.

Last November, Treasury Secretary Summers and Labor Secretary Herman, criticized these pension provisions, saying that they ''could lead to reductions in retirement benefits for moderate and lower-income workers.''

Mr. Speaker, if Congress is really concerned about protecting the pensions of American workers it should quickly address the cash balance pension rip off scheme being implemented by hundreds of large corporations all over this country. In fact if this Congress is really concerned about protecting the pensions of American workers it should pass H.R. 2902, the Pension Benefits Preservation and Protection Act, legislation that I authored and that now has a total of 84 co-sponsors.

Mr. Speaker, all across this country, American workers are deeply concerned about the status of their pension plans. That concern is well founded. Since 1985, despite large profits and growing surpluses in their pension funds, over 300 companies have slashed the retirement benefits that they promised their employees. Cash balance schemes typically reduce the future pension benefits of older workers by as much as 50 percent. Not only is this immoral, it is also illegal because the reductions in benefits are in violation of Federal age discrimination law. What makes the conversions even more indefensible is the fact that many of these companies have pension fund surpluses in the billions of dollars and that have grown huge in recent years.

Frankly, it is simply unacceptable that during a time of record breaking corporate profits, huge pension fund surpluses, massive compensation for CEOs (including very generous retirement benefits), that corporate America renege on the commitments that they have made to workers by slashing their pensions.

Last summer, I held a town meeting in Vermont for IBM workers who live there. Seven hundred came out.

According to the Office of Management and Budget, corporations currently receive $100 billion a year in federal government subsidies through the tax code by offering pension plans. American taxpayers have a right to expect that corporations who take advantage of this special tax treatment will not slash the pensions of American workers.

Yet, hundreds of corporations throughout the country from IBM to AT&T are doing just that by converting their traditional defined benefit pension plans to these cash balance schemes.

Cash balance schemes are nothing but a replay of the corporate pension raids we experienced during the 1980's. While these companies claim that they are converting to cash balance plans to attract younger workers into their workforce, the fact of the matter is that cash balance plans are intentional attempts to slash the pension benefits of older workers.

The reason why large corporations are targeting their older workers' pensions is easy to understand. Millions and millions of Americans in the so-called ''baby boom'' generation are rapidly approaching retirement age. Companies that reduce the pensions of older workers will thus realize tremendous cost savings when these people retire.

Companies claim that they are converting to cash balance schemes to attract a younger, more mobile workforce. But, worker mobility is not the rationale for converting to a cash balance plan, money is. As 11,000 people a day turn 50, which cash balance promoter Watson Wyatt claims will turn us into a ''Nation of Floridas,'' employers are looking for any way possible to reduce older workers' promised benefits. This is outrageous.

But, what is even more outrageous is that they are not being honest to the employees whose pensions they are slashing. As Joseph Edmunds stated at a 1987 Conference of Consulting Actuaries, ''It is easy to install a cash balance plan in place of a traditional defined benefit plan and cover up cutbacks in future benefits.''

Despite the protestations of cash balance promoters, cash balance schemes are implemented to unlawfully cut the benefits of older employees and to disguise those cuts by implementing a plan that makes it virtually impossible for employees to make an ''apples to apples'' comparison of their benefits under the old and new plans.

Not only does the federal government need to enforce the laws that are on the books, Congress also must pass meaningful pension protections right now. That is why I introduced H.R. 2902. This legislation would primarily do three things:

(1) It would send a directive to the Secretary of Treasury to enforce the laws that are already on the books;

(2) It would provide a safe harbor making cash balance plans legal only if employees are given the choice to remain in their old pension plan with detailed disclosure; and

(3) It would provide a major disincentive for companies to slash the future pension benefits of employees.

Mr. Speaker, H.R. 2902 would provide meaningful pension protection to millions of Americans, unlike the current bill being considered right now. My legislation is being supported by the Pension Rights Center, the National Council of Senior Citizens, the Communications Workers of America, the IBM Employees Benefits Action Coalition, and several other groups. I urge my colleagues to defeat H.R. 1102, and work with me to pass real pension protection.

Mr. PORTMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MCCRERY), a colleague on the Committee on Ways and Means who has been actively involved and a leader on this issue of expanding retirement savings.

Mr. MCCRERY. Mr. Speaker, I thank the gentleman from Ohio for yielding me this time, and I commend him on his efforts as well as those of the gentleman from Maryland (Mr. CARDIN) in a bipartisan effort to improve pensions in this country.

The gentleman from Vermont (Mr. SANDERS) spoke about the cash balance programs, and it just so happens that the gentleman from Maryland (Mr. CARDIN) and the gentleman from Ohio (Mr. PORTMAN) recognize that there are some problems with those, and they call for full disclosure and transparency in those programs. The gentleman from Vermont ought to be supporting this bill.

Mr. SANDERS. Mr. Speaker, will the gentleman yield?

Mr. MCCRERY. I am glad to yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Speaker, there are tens of thousands of IBM workers and millions of other workers who have seen significant reductions as the result of the conversion to cash balance. What will this legislation do for any one of those people?

Mr. MCCRERY. Mr. Speaker, reclaiming my time, if the gentleman from Vermont would allow me to reiterate that this bill does provide for accounting disclosure of every parcel of those plans so that those employees will have access to the information that they have not had access to in some of those situations that the gentleman from Vermont presents. So while this bill may not do everything the gentleman wants, it certainly improves the situation, and he should support that. But the gentleman from Vermont certainly should take some solace in the provisions that are in this bill.

The substitute, on the other hand, is something that this House should not support for a couple of reasons. Number one, it has not been properly vetted. It was sprung on the Committee on Ways and Means for the first time last week, and today we have an even different version from that that was sprung on the Committee on Ways and Means just last week.

It doubles the cost of the underlying bill, the new substitute does. The version that was sprung on us last week actually increased the cost by four or five times. Today's version only doubles the cost of the underlying bill.

The substitute is patterned after the earned income tax credit. Now, while I support the EIC, we should know that, before we create yet another program based upon that concept, that the Taxpayer Advocate's 1999 Annual Report to Congress identified the refundable earned income credit as one of the most serious problems facing taxpayers and the Internal Revenue Service in terms of its complexity, compliance, and litigation associated with it. Surely we do not want to double the problems with the IRS by creating a new program based on that concept.

Number two, this proposal would give refundable tax credits only to people who cannot afford now to put part of their salaries forward. So it really would have no effect. It would not help those folks at all.

This substitute, while well-intentioned is wrong headed. They came up with it very quickly to try to obfuscate the issue, try to detract attention from the fact that this is a bipartisan proposal. If the President wants to veto this, shame on him. We are finally doing what he asked us to do in a bipartisan way. He ought to sign it.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. RANGEL), the distinguished leader of the Democratic members on the Committee on Ways and Means. He is very effective.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, the gentleman from Louisiana (Mr. MCCRERY), the previous speaker, said, if the President intends to veto this, shame on him. This really shatters the whole concept of the bipartisanship which the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) had tried and continue to try to bring to this House.

Whether the majority likes it or not, the President of the United States is a part of the equation. When he presented the retirement savings accounts to this Congress, it would seem to me that the majority, as well as the minority, should at least look at these concepts and to see what could be worked out for true bipartisanship.

The whole idea that people would complain that the substitute had not passed the committee when, even yesterday, we had budget issues coming to the floor for votes that did not even come to the committee, this whole idea that Committee on Ways and Means issues and tax issues should come before the Committee on Ways and Means is relatively new. I thought my colleagues just went to the Committee on Rules for these issues to be before us.

But I am convinced that those who put this bill together, if they had any idea that we would have the type of cash flow, the type of surpluses that are available today, when they put together their bill, that it would have been more expansive, and they would have concerned themselves with those group of Americans that do not have disposable income in order to have pensions.

We have less than one-third of those small business people that have any pensions at all. Yet, two out of five of every working people work for small businesses.

The Social Security system was not created to be a pension. It was created to supplement a pension. So while work has been done to be of assistance to those in the higher income tax brackets, what this does is provide incentives, not only for employees, but it provides an incentive for small employers to be able to do what they would want to do for the employees and, therefore, would enhance and supplement the Social Security benefits.

So the substitute takes into consideration the fine work that has been done by our colleagues and just broadens it to enhance those people who, by any standard, have been excluded from the bill that is before us.

So I ask my colleagues to support the substitute; and I also ask them, when they think in terms of bipartisanship, would they please include my President.

Mr. PORTMAN. Mr. Speaker, may I inquire how much time is remaining on each side.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Ohio (Mr. PORTMAN) has 7 minutes remaining. The gentleman from Massachusetts (Mr. NEAL) has 3 minutes remaining.

□ 1245

Mr. PORTMAN. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. FOSSELLA).

(Mr. FOSSELLA asked and was given permission to revise and extend his remarks.)

Mr. FOSSELLA. Mr. Speaker, I applaud the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) for pursuing this legislation because it is truly of benefit to the American people.

And the distinctions are very clear, as I see it, because we believe that individuals should have more power, more freedom, and more opportunities to save for their retirement. This legislation allows individuals to do so.

We believe that creating wealth for Americans and their families, for their retirement, are good things. This legislation allows those Americans to do so.

We believe that small business owners who want to create pensions for their employees to keep them with them so that they and their employees can save for their retirement, should be able to do that effectively. This legislation allows them to do so.

We believe that firefighters and police officers who want to save a little bit more each year for their retirement, for themselves and their families, should have the opportunity to do so. This legislation allows them to do it.

Yes, we give to Americans the power, the freedom and the opportunity to save a little more if they want to. That is what this Nation is all about. And I think that is what this legislation attempts to do and, indeed, does.

With that, Mr. Speaker, I compliment all those Members, Democrats and Republicans, who give Americans more power to save for their retirement.

Mr. PORTMAN. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, clearly Social Security alone is not enough for retirement in relative comfort today. The private pension system is an indispensable part of retirement security, and this underlying bill, which I have been proud to coauthor, would give American workers more tools to prepare for a better future.

The pension reforms we are considering today will help individuals to save more for retirement. Increased pension portability will allow workers to roll over their pension savings between plans when they change jobs. And streamlined rules and regulations would make it easier for small businesses to offer pensions.

If these changes are enacted, they will give millions of American workers better tools to prepare for retirement.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. BLUNT), who put together his own legislation, which was very popular here in the House. He had a number of cosponsors for the Blunt-Bentsen legislation on expanding small business retirement plans. I thank the gentleman for his contributions to this effort.

Mr. BLUNT. Mr. Speaker, I thank the gentleman for yielding me this time and for his great work, as well as the work of the gentleman from Maryland (Mr. CARDIN) on this bipartisan legislation for retirement security.

I also want to thank the gentleman from Texas (Mr. ARCHER) for seeing that this bill gets to the floor. It makes a difference for the future of Americans.

I want to thank the gentleman from Texas (Mr. BENTSEN), who joined me 2 years ago to come up with legislation that really tried to fill the gap for small business in America, small business and their employees, who really had been left out of retirement security.

Today, as we talk about this bill, 84 percent of all Americans who work for employers with 1,000 or more employees have access to employer-sponsored pension plans. Sixty-nine percent of people who work for employers that have between 100 and 1,000 employees have access to pension plans. Only 42 percent of people who work for employers who have fewer than 100 employees and only 17 percent of small businesses that have fewer than 25 employees have access to a pension plan.

As America gets more focused on retirement security, as Americans understand that that has to be a combination of personal savings and Social Security and a pension, they are more and more concerned about working somewhere where that pension is available. We have kept small business, the engine that runs America, out of the pension environment. This bill removes many of the obstacles. This bill makes it possible for employers of a few people to have the same kind of access to long-term retirement security that mega corporations have today.

It is unfair for an employer in Joplin, Missouri or Springfield, Missouri that has 20 hard-working employees, the people who work to make that business a reality, to not have access to pensions. That happens with this bill.

This is an important bill, and I urge my colleagues to vote for H.R. 1102. This is a giant step for retirement security in America. It is a giant step for small business. It is a giant step for those who would like to see their own IRA have a meaningful annual contribution.

This legislation creates significant new opportunities for small businesses and individuals to establish retirement security plans. It does so by expanding small business retirement plans, such as unnecessary regulations and expenses. This bill also increases the limit on IRA's from $2,000 to $5,000, which is a long overdue updating of a limit set almost 20 years ago.

I feel fortunate that I've had the opportunity to work closely with Congressman PORTMAN and Congressman CARDIN on the provisions of this bill that specifically affect small businesses. In fact, H.R. 1102 includes several key features from legislation I introduced, H.R. 352, the Blunt/Bentsen Retirement Plan.

Why do small employers offer retirement benefits so less frequently than their larger counterparts? According to the 1998 Small Employer Retirement Survey conducted by the Employee Benefit Research Institute Research Institute, small businesses do not offer retirement benefits because, among other things, their revenue stream is too uncertain to commit to a plan, because their employees prefer immediate wages or other benefits, and because plans are too complex and expensive to set up and maintain. In exchange for the tax benefits of an employer sponsored retirement plan, current law imposes myriad requirements on employers. Unfortunately, the complexity of these requirements make the cost of administering these plans prohibitively expensive for small employers.

H.R. 1102 includes several key provisions that address this problem. Under current law, an employer's contributions are effectively limited to 15 percent of the employer's payroll because contributions in excess of 15 percent are nondeductible and subject to a 10 percent excise tax. H.R. 1102 increases the limit on an employer's deduction for contributions to a defined contribution plan from 15 percent to 20 percent. This will enable employers to provide more generous benefits to employees and reduce the need for complex two-plan arrangements. H.R. 1102 also increases the amount that can be contributed on behalf of individuals to $40,000 or 100 percent of pay and provides regulatory relief to encourage small businesses to offer plans. Employer sponsored retirement plans are good for employees because they are proven to be among the most effective ways for individuals to accumulate retirement savings. They are good for employers because they help them to attract and retain workers they need to remain competitive in the global economy. These statements do not apply only to multi-national corporations and their employees; they are every bit as relevant for the small manufacturer in Joplin or Springfield, Missouri and their 20 hard-working employees. Unfortunately, whether or not a particular individual has access to a retirement plan depends a great deal on the size of his employer. H.R. 1102 is a giant step toward correcting this inequity and I urge my colleagues to support this legislation.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. GEJDENSON), the very erudite gentleman.

Mr. GEJDENSON. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time and for his generosity.

It is astounding to me, when we listen to this debate, where the division is once again. There is no debate about the underlying bill. And what has been ignored by our colleagues on the Republican side of the aisle again is whether, in this time of great surpluses thanks to the Clinton-Gore economic plan, whether we are going to be able to get a few resources for the poorest of the poor, for women, and for small businesses. That is the real debate.

It is kind of like the pension debate. The Democrats were ready to give $4 million estates tax exempt. On the Republican side they had to go to Bill Gates, $70 billion tax exempt. It was not enough that Bill Gates would pass his kids $35 billion, he had to go to $70 billion.

We are not arguing with helping people who are better off in this society and making it easier for people who own the companies to do better in pensions. What we are frustrated by is the failure to support the chairman and the gentleman from Massachusetts by reaching out to the poorest of the poor, to working poor people; making sure that those who have the least in this society get a little bit of assistance.

For a long time the Reagan-Bush deficits prevented us from having the resources to do that job. Now, with the fiscal situation we are in today, we have some resources. Yes, we ought to use some of those for upper-income people, to give them a break, but why can we never seem to have enough money at the table to take care of women, who are working often in places without pensions; why can we not provide some assistance to the smallest businesses to provide pensions for the poorest people, to make sure those who are at the bottom of the economic ladder get some benefit out of this society?

It seems to me to be clear that the gentleman from Massachusetts and the ranking member, soon hopefully to be chairman of this committee, offer an opportunity to make sure that we take care of average people and working people to some small degree.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, we do not object to the legislation necessarily that has been proposed here. We believe that the amendment that we have offered can actually strengthen this legislation.

I think the gentleman from Connecticut (Mr. GEJDENSON) adequately summed up the arguments that we offer. If an individual is willing to go to work in America, they ought to be in a pension system. That is precisely what our legislation, my amendment, proposes to do.

This is a decent start that has been offered here today. We can improve this legislation, thereby providing an opportunity for people who do get out of bed every morning and go to work to have pension rights.

It is our argument today, based upon the evidence in front of us, that the legislation as proposed does not go far enough. We speak to those in the middle-income range, we speak to those in the lower-income range based upon the notion that if an individual goes to work, they ought to have pension rights. In the end, that is what our proposal is all about. That is what our substitute stands for.

We have had a good debate today; a clarifying debate. We think our substitute stands up under the magnifying glass. While we believe the legislation proposed is a good start, it is simply not enough.

Mr. Speaker, I yield back the balance of my time.

Mr. PORTMAN. Mr. Speaker, I yield myself the balance of my time.

I would like to start by thanking the gentleman from Massachusetts for a good debate today and thank him for his support of the process and saying a moment ago that he thinks the underlying legislation is a good start and that he does not necessarily oppose it. He would like to add to it.

I want to tell him that I share his concern about those lower- and middle-income workers who are not saving enough for their retirement. We think we address that here.

The previous speaker from Connecticut talked about how we are trying to help Bill Gates. Let me tell my colleagues who we are trying to help. Seventy-seven percent of pension plan participants make less than $50,000 a year. Seventy-seven percent of them. The average salary of someone who contributes to an IRA is less than $30,000 a year.

Those are precisely the people who are going to be helped most by this legislation; workers making between $15,000 and $50,000 a year benefit most from pension plans. They get two-thirds of pension accruals, even though they pay only about one-third of Federal taxes. These are the folks we are going to help with this underlying legislation.

Now, the substitute is before us. And again I share the concern that the gentleman has addressed. We think we address the problem that he states. But let us look at the substitute, because we do not know much about it yet. It came at the committee markup level, it has been changed a little, and now it is on the floor. We know it doubles the cost of this legislation.

It is interesting, as a Republican, for me to be talking about the cost of tax provisions, because the Democrats have been saying all year, these tax relief proposals are too costly. We cannot afford to do it because we have to save Medicare, Social Security, and so on. But here they are doubling the cost of a tax bill. But my more fundamental concern with it is we just do not know how it would work.

Let me give an example, and it has been talked about a little today. If an individual was to take advantage of this new government program and have the government contribute a 100 percent match into that plan, then that individual could take that money out the next year. And we do not know that there is a mechanism to keep that person from doing that; or, if there is, how it could be administered by the Internal Revenue Service.

We talked about the fraud in existing refundable tax credit programs. We have a concern about that. Is it administrable? It is something I would love to sit down with the gentleman and work out with him. I would love to sit with the Treasury Department and work on it. This has not been vetted.

In contrast, the underlying bill before us has gone through a 3-year bipartisan process, reaching out across the spectrum from labor unions to small businesses to put together something that is really going to work in the real world to expand pension coverage and IRA coverage for those middle-income and lower-income workers we talked about a moment ago. Those are precisely the people who will benefit from this.

Yes, it is important to backstop Social Security. Yes, it is important to increase the savings rate in this country that is at an all-time low. But it is most important of all to give American workers, particularly those baby boomers who have not saved enough, more security in their retirement. This underlying legislation does it. It provides for that comfort level in retirement; that peace of mind in retirement.

I ask my colleagues to oppose the Democrat substitute; to stick to the real thing, and vote for H.R. 1102.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise today in support of the Democratic substitute to the underlying bill.

I want to commend the hard work and efforts of the authors of the bill we have before us today.

I also want to thank the authors of the Democratic substitute, and the ranking member of the committee, Mr. RANGEL, a champion for retirement security and the preservation of our Social Security system.

It is no secret that many families have great difficulties setting aside even nominal amounts in savings accounts or other means of asset development. Most families are living paycheck to paycheck and at the same time that many families are struggling, there is a high correlation between income levels and the ability to save.

Reports show that fifty percent of American households have total financial assets of $1000 or less; and that half of American families have less than two percent of America's net financial assets.

The Congressional Research Service notes that 60 percent of Americans have no other retirement plan than Social Security.

Today, I would have liked to offer an amendment to the bill, providing the support of the Congress for increasing individual savings and investment, with specific notice given to the needs of lower income families, and the support of the Congress for moving forward legislation that will encourage education and opportunity in the area of personal savings and investment.

Unfortunately, under the closed rule that we were given, I did not have an opportunity to offer this amendment, but the Democratic substitute that we are debating allows for a vote of these principals.

The Democratic substitute provides assistance to low and middle income workers and gives small business employees eligibility for credits on their retirement plans.

This would help level the playing field in the area of retirement security.

This is important because, in the last decade years we have witnessed the emergence of a new wealth gap in America which threatens our sense of fairness and our fundamental tradition of equal economic opportunity. The division is largely between those who have savings and investment and those who don't.

The Retirement Savings Account proposal that was included in the substitute, is designed to provide incentives for low and middle income workers to save or add additional money to their investment plans. In addition to this very necessary effort, we need to move forward with further legislation that will address the special need to close the income gap through facilitation and education on personal savings and investment.

The American Dream for many families revolves around the future of their children. They want their children to be able to receive higher education, own a home or a business, and certainly have retirement security. Yet, this creates a dilemma, because while meaningful savings are required to attain the American Dream, as many as two out of three Americans are shut out from this opportunity.

One way to make the American Dream more accessible is to increase wages and assure livable incomes. That is why I so strongly support our public schools and education reform. But this will get us only part of the way.

I strongly believe that we need to pass an equity and assert rights act that is modeled after the Full Employment Act of 1946. After World War II, Congress understood that we needed to create the national opportunity for all Americans to have a decent job. As we head into the 21st Century, we need to understand the importance of savings—so that all Americans can have a stake in the earning power of America's future economic growth.

In short, if we enable families to save and invest, we facilitate the economic freedom that will allow all Americans to afford higher education, buy a home, and have security in their senior years.

I urge all my colleagues to vote for the substitute, which ensures that all Americans are given a chance at greater retirement security.

Mr. PORTMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to House Resolution 557, the previous question is ordered on the bill and on the amendment, as modified, offered by the gentleman from Massachusetts (Mr. NEAL).

The question is on the amendment in the nature of a substitute, as modified, offered by the gentleman from Massachusetts (Mr. NEAL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. NEAL of Massachusetts. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 200, nays 221, not voting 13, as follows:

[Roll No. 410]

YEAS—200

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Wise
Woolsey
Wu
Wynn

NAYS—221

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanders
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—13

Baca
Barton
Bateman
Boswell
Campbell
Kennedy
Klink
Martinez
McIntosh
Smith (WA)
Vento
Weldon (PA)
Weygand

□ 1319

Mr. PITTS and Mr. HOBSON changed their vote from ''yea'' to ''nay.''

Mr. BERRY, Mr. DOOLEY of California, Ms. BROWN of Florida, and Mr. INSLEE changed their vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute, as modified, was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. KENNEDY of Rhode Island. Mr. Speaker, today I was accompanying President Clinton to a funeral in the First District of Rhode Island and consequently I missed one vote. Had I been here I would have voted "yes" on rollcall No. 410, the Neal amendment.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. NEAL OF MASSACHUSETTS

Mr. NEAL of Massachusetts. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. NEAL of Massachusetts. I am opposed to the bill in its current form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. NEAL of Massachusetts moves to recommit the bill H.R. 1102 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Add at the end of the bill the following new title:

TITLE VIII—CONTINGENCY BASED ON MEDICARE PRESCRIPTION DRUG BENEFIT AND NO ON-BUDGET DEFICIT

SEC. 801. CONTINGENCY BASED ON MEDICARE PRESCRIPTION DRUG BENEFIT AND NO ON-BUDGET DEFICIT.

(a) IN GENERAL.—Subpart A of part 1 of subchapter D of chapter 1 is amended by adding at the end the following new section:

''SEC. 409A. CONTINGENCY BASED ON MEDICARE PRESCRIPTION DRUG BENEFIT AND NO ON-BUDGET DEFICIT.

''(a) COMPREHENSIVE RETIREMENT SECURITY AND PENSION REFORM ACT OF 2000 TO APPLY IF CERTAIN CONDITIONS MET.—The Comprehensive Retirement Security and Pension Reform Act of 2000 and the amendments made by such Act shall apply to any taxable year beginning in a calendar year after 2000 only if the Secretary of the Treasury certifies (before the close of such calendar year) that each of the conditions specified in subsection (b) are met with respect to such calendar year.

''(b) CONDITIONS.—For purposes of subsection (a), the conditions specified in this subsection for any calendar year are the following:

''(1) NO ON-BUDGET DEFICIT.—Allowing subsection (a) to be effective for taxable years beginning in the calendar year, when added to the cost of the coverage described in paragraph (2), would not create or increase an on-budget deficit (determined by excluding the receipts and disbursements of part A of the medicare program) for the fiscal year beginning in such calendar year.

''(2) PRESCRIPTION DRUG COVERAGE.—Coverage for outpatient prescription drugs is provided for Medicare beneficiaries under the Medicare Program on a voluntary basis at all times during the calendar year with—

''(A) the premium for such coverage being not more than $25 per month (adjusted for cost increases after 2003) with low-income assistance for Medicare beneficiaries having incomes below 135 percent of the Federal poverty level and phasing out for such beneficiaries having incomes between 135 percent and 150 percent of the Federal poverty level,

''(B) no deductible required before such coverage is provided,

''(C) the amount of the benefit being at least 50 percent of prescription drug expenses not in excess of the coverage limit (as defined in subsection (c)),

''(D) a $4,000 limitation (adjusted for cost increases after 2003) on out-of-pocket prescription drug expenses of electing Medicare beneficiaries, and

''(E) all Medicare beneficiaries entitled to receive the discounts (otherwise available to large prescription drug purchasers) on their purchases of prescription drugs.

''(c) COVERAGE LIMIT.—The coverage limit is $2,000 for calendar years 2003 and 2004, $3,000 for calendar years 2005 and 2006, $4,000 for calendar years 2007 and 2008, and $5,000 for calendar year 2009 and thereafter (with adjustments for cost increases).

''(d) TRANSITION RULE.—For calendar years 2001 and 2002, the conditions specified in subsection (b)(2) shall be treated as met if the Secretary of the Treasury certifies that coverage described in such subsection will be available as of January 1, 2003.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part 1 of subchapter D of chapter 1 is amended by adding after the item relating to section 409 the following new item:

''SEC. 409A. Contingency based on medicare prescription drug benefit and no on-budget deficit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Mr. NEAL of Massachusetts (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts (Mr. NEAL) is recognized for 5 minutes in support of his motion.

Mr. NEAL of Massachusetts. Mr. Speaker, for the last 3 hours, we have had an opportunity to clarify many differences about the legislation that is in front of us. I think all of us would acknowledge that the work that the gentleman from Maryland (Mr. CARDIN) and the gentleman from Ohio (Mr. PORTMAN) have done on this legislation has been a decent start. In fact, we believe that the substitute we offered was Cardin-Portman improved. Cardin-Portman plus. We also would argue, I think, that the substitute that we offered spoke to the issue that the gentleman from Ohio (Mr. PORTMAN) acknowledged about doing more for middle-income and lower-income wage earners in America.

What is important about this discussion, I think, is simply this. Some of the people that have spoken today on this legislation have suggested that there is some doubt as to whether or not the President will veto this legislation in its current form. Let me reiterate as I did an hour ago. Secretary Summers has told me in a phone conversation he will recommend to the President that this legislation in its current form be vetoed. We have an opportunity to fix this legislation, acknowledging a good start but an improved opportunity.

Let me speak specifically, if I can, to the motion to recommit that is in front of this body. We all acknowledge that there is a desire for tax cuts based upon the current surplus projections. But the question before us now is whether or not those tax cuts leave sufficient resources for other priorities. This motion to recommit provides that the tax reductions proposed will not go into effect unless the Secretary of the Treasury certifies the following: that the bill will not invade the portion of existing surpluses dedicated to Medicare and Social Security programs, and—and the most important part of this motion to recommit—a meaningful Medicare prescription medicine benefit be enacted.

The motion to recommit is also required because of a Republican strategy of considering separate tax bills without taking into account their overall cost. Voting against the motion to recommit is a vote for placing these tax reductions ahead of Social Security and Medicare solvency and a meaningful Medicare prescription drug benefit.

It is simple; it is clarifying. I am not intending to belabor the point. What we have now in front of us is a very simple measure, whether or not we will proceed with these cuts or we will proceed with a healthy discussion about a Medicare prescription drug benefit. This is not the end of the debate by any stretch of the imagination. When we come back in September because of the President's veto pen, we are going to have a chance to improve this legislation.

I hope that my colleagues will vote ''no'' on the measure in front of us after we vote for the motion to recommit.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Is the gentleman from Ohio (Mr. PORTMAN) opposed to the motion?

Mr. PORTMAN. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes in opposition to the motion.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. THOMAS), the chairman of the Subcommittee on Health.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding me this time.

Bear with me, folks. Let us take a look at this motion to recommit. Let us find out exactly what it says. Less than 5 minutes ago, the Democrats offered their substitute which was double the Portman-Cardin bill. You would think that they had enough pride in authorship to require their substitute to be in this motion to recommit. Well, that is not true. The Portman-Cardin bill is in this motion to recommit. The only problem is, how do you get to this new pension relief in the Portman-Cardin bill? The motion to recommit says you have to do two things, because it says Comprehensive Retirement Security and Pension Reform Act of 2000, Portman-Cardin legislation, to apply if certain conditions are met.

Now, what are those certain conditions? Number one, you have a zero budget deficit. Number two, we have to pass and make law the Democrats' prescription drug proposal which was defeated in the House 2 weeks ago. So, one, they do not even have pride in authorship, including their Democrat substitute in the motion to recommit. Secondly, they frankly in my opinion lower the level of this debate to say, one, if you really want this, you have to do these two other things, but here is the insidious part about this motion to recommit: because it is conditional, because we will not get the Portman-Cardin bill unless these other two conditions are met, the Joint Committee on Taxation says this has a zero score.

What does it mean? If you vote for the motion to recommit, you defeat, not that you are cute about it, you defeat the Portman-Cardin legislation. Frankly, the gentleman from Ohio and the gentleman from Maryland deserve a better motion to recommit than this. This is not the kind of motion that lends the kind of sobriety to the debate that we have. What we need to do is hopefully not have a recorded vote on this motion to recommit and move rapidly to the passage of much-needed pension reform, the Portman-Cardin bill.

☐ 1330

Mr. PORTMAN. Mr. Speaker, I yield myself such time as I may consume.

This has been a refreshing debate on the House floor today, because it has been an honest discussion of some differences and how we would approach IRAs and pension expansion, but in the end, as the gentleman from Massachusetts (Mr. NEAL) said, Democrat opposition to the underlying legislation has really not surfaced, in the sense that the gentleman from Massachusetts (Mr. NEAL) has said this is a good start.

I applaud the gentleman for this motion to recommit, because it essentially says that the Portman-Cardin legislation, H.R. 1102, that over 200 Members of this House have cosponsored, about half Democrats, about half Republicans, ought to become law. It is just that the motion says there ought to be a couple of things that happen in between; one, we have to be sure we have a surplus; the second is we offer prescription drug coverage.

Unfortunately, the prescription drug coverage that is being suggested here that would have to be enacted into law is not precisely what this House just voted on in terms of prescription drug coverage. It is much different.

I want to thank the gentleman from Massachusetts (Mr. NEAL) for implicitly supporting Portman-Cardin. I want to thank all of the Members of this House who have played such an important role in getting us to this point. This has been a 3-year bipartisan process where we have done precisely what so many of us talk about around here, which is engage in a bipartisan consultative process with the people who are most affected, that is, small businesses, labor unions, individuals who are trying to save more in their IRAs, workers who are trying to save more in their 401(k) plans and other pension plans.

This legislation is going to help precisely those lower income and middle income workers out there who we talked about earlier today as needing to save more for retirement.

We would not be here today but for the help of the gentleman from Maryland (Mr. CARDIN), who has been my partner in this for the last 3 years, also but for the help of the gentleman from Texas (Mr. ARCHER), who has spent a career coming up with ways to expand savings options for Americans and got

this through the committee and to the floor today.

Ladies and gentleman, I urge a no on this motion to recommit. Again, I thank the authors of it for the implicit support of the underlying legislation, and I strongly urge Members on both sides of the aisle to vote yes on final passage, to send a strong message to the United States Senate, a strong message to the President of the United States that we, on a bipartisan basis, want to provide for retirement security for all Americans, and we want to do it this year.

Mr. Speaker, many have dubbed this as a partisan, political year, we want to show the American people we can get something done together. Let us continue this 3-year bipartisan process. Let us vote yes on final passage and let us help all of our constituents have more financial security in their retirement.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. NEAL of Massachusetts. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 185, nays 239, not voting 10, as follows:

[Roll No. 411]

YEAS—185

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Baldwin
Barrett (WI)
Becerra
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Tanner
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Wise
Woolsey
Wu
Wynn

NAYS—239

Aderholt
Archer
Armey
Bachus
Baird
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bentsen
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Luther
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Minge
Moore
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—10

Baca
Barton
Boswell
Campbell
Klink
Martinez
McIntosh
Smith (WA)
Vento
Weygand

□ 1351

Mr. MINGE and Mr. LUTHER changed their vote from ''yea'' to ''nay.''

So the motion to instruct was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PORTMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 401, noes 25, not voting 9, as follows:

[Roll No. 412]

AYES—401

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger

Green (TX)
Green (WI)
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—25

Becerra
Bonior
Brown (OH)
Clay
Conyers
Filner
Frank (MA)
Gephardt
Gutknecht
Hinchey
Jackson (IL)
Kennedy
Lee
Markey
Matsui
McDermott
Neal
Olver
Rangel
Roybal-Allard
Sabo
Sanders
Serrano
Stark
Visclosky

NOT VOTING—9

Baca
Barton
Boswell
Campbell
Klink
Martinez
McIntosh
Smith (WA)
Vento

□ 1359

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□

GENERAL LEAVE

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1102, the bill just passed.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from Ohio?

There was no objection.

□

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4576, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2001

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 554 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 554

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4576) making appropriations for the Department of Defense for the fiscal year ending September 30, 2001, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Yesterday, the Committee on Rules met and granted a normal conference report rule for H.R. 4576, the Fiscal Year 2001 Department of Defense Appropriations Act. The rule waives all points of order against the conference report and against its consideration. The rule also provides that the conference report shall be considered as read.

Mr. Speaker, H. Res. 554 is a noncontroversial rule for a strong bipartisan bill. In fact, the Committee on Appropriations approved this bill in late May by voice vote and without an amendment.

I have always admired the patriotism and dedication of our military personnel, especially given the poor quality of military life for our enlisted men and women. But today, we are doing something to improve military pay, housing and benefits.

Mr. Speaker, we are helping to take some of our enlisted men off food stamps by giving them a 3.7 percent pay raise and we are boosting their enlistment and re-enlistment bonuses. To follow through on our health care promises to our servicemen and women, we are increasing funding for the Department of Defense Health Program by $963 million this year. A good portion of these funds will go to improving care for our military retirees who have never been given the treatment that they deserve.

At the same time, we are increasing the basic allowance for housing so that our military families do not have to pay as much out of their own pockets. Along with personnel, we have to take care of our military readiness. We live in a dangerous world and Congress is working to protect our friends and families back home from our enemies abroad.

We are providing for our national missile defense system so that we can stop a warhead from places like China or North Korea, if that day ever comes; and we are boosting the military's budget for weapons and ammunition. We are providing $41 billion for research and development so that our forces will have top of the line equipment to do their job.

Mr. Speaker, I urge my colleagues to support this rule and to support the underlying bill because now, more than ever, we must improve our national security.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this rule and the conference report to accompany fiscal year 2001 Department of Defense Appropriations. This important appropriations bill provides the funding for the security and defense of the United States and ensures that our military strength remain second to none. This conference agreement will provide $288 billion for the programs of the Defense Department, and includes a 3.7 percent pay raise for our military personnel, an increase of nearly $1 billion over fiscal year 2000 for military health care.

Mr. Speaker, this is a good bill and deserves the support of this House. This rule is the standard rule for the consideration of conference reports in the House, and it waives all points of order against the consideration of the conference report. This rule is noncontroversial, and I urge Members to support it.

I also urge Members to support this conference report. The pay raise provided to our Armed Forces is of great importance, especially for younger military members with families, and for those mid-career personnel who are considering abandoning the military

for the civilian world. The bill also addresses an important need for those who have served and are now retired by funding the Expanded Pharmacy Access Program that was part of the National Defense Authorization Act.

These are important benefits for active duty and retired personnel, and I urge Members to support them.

I am particularly pleased that the conference agreement contains $3.9 billion for overseas contingency operations in Bosnia, Kosovo, and southwest Asia. While many Members may disagree with these operations, it would be irresponsible for the Congress to withhold the funds necessary to maintain them, unless and until the Congress decides to end them in an orderly fashion. The conference report also provides $1.1 billion for the acquisition of 16 V–22 tiltrotor aircraft and $122 million for the acquisition of four F–16s. These are important procurements for the Marine Corps and the Air Force.

In addition, the conference report fully funds the F–22 Raptor jet fighter program with $2.1 billion for 10 aircraft, $396 million for advanced procurement, and $1.4 billion for research and development. Fully funding this stage of the procurement of this important addition to our Nation's arsenal is key to ensuring our continued air superiority well into this new century.

Mr. Speaker, this is a very good conference agreement, and I urge Members to support it.

Mr. Speaker, I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 4576, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□

CONFERENCE REPORT ON H.R. 4576, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2001

Mr. LEWIS of California. Mr. Speaker, pursuant to House Resolution 554, I call up the conference report on the bill (H.R. 4576), making appropriations for the Department of Defense for the fiscal year ending September 30, 2001, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 554, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 17, 2000 at page H6102.)

The SPEAKER pro tempore. The gentleman from California (Mr. LEWIS) and the gentleman from Pennsylvania (Mr. MURTHA) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. LEWIS).

(Mr. LEWIS of California asked and was given permission to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I may consume.

First, let me say that this conference report is, in my judgment, a fabulous piece of work. It provides funding for fiscal year 2001 at levels that reflect very much the legislation that was passed by the House only a few weeks ago. Indeed, as the Members may know, I was somewhat disconcerted by the supplemental bill that we passed some weeks ago, because it was my view that that legislation, while significant, failed to fully address certain critical areas of interest, such as our readiness needs, the contingency operations funding challenges that exist around the world, all the outstanding needs, military medical system, et cetera. We made up for much of that in an emergency funding title in their conference report.

Indeed, in working with the other side of the aisle, we have had truly a hallmark year, in terms of laying the foundation for our future national defense. We need to make sure that America continues to lead the world as the strongest among the countries of the world and continue to play our role on behalf of freedom.

Mr. Speaker, let me say that I would like to express to the Members my deepest appreciation for the work done with my colleague, the gentleman from Pennsylvania (Mr. MURTHA); indeed, the cooperation of the ranking member of the full committee has been extremely helpful as well. I must say that the staff on both sides of the aisle, Kevin Roper and his gang of, it looks like 112 staff people, but it is actually only 13 women and men doing three dozen people's work.

Beyond that, Mr. Speaker, let me say that the cooperation on the Senate side, in the other body's committee has been extremely valuable as well. The work of that staff, led by Steve Coatese, as well as Senator STEVENS and the ranking member Senator INOUYE, are very much appreciated.

At this point I would like to insert for the RECORD a summary of the funding levels agreed to in the conference agreement.

H.R. 4576 - DEFENSE APPROPRIATIONS, 2001

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
TITLE I						
MILITARY PERSONNEL						
Military Personnel, Army	22,006,361	22,198,457	22,242,457	22,173,929	22,175,357	+168,996
Military Personnel, Navy	17,258,823	17,742,897	17,799,297	17,877,215	17,772,297	+513,474
Military Personnel, Marine Corps	6,555,403	6,822,300	6,818,300	6,831,373	6,833,100	+277,697
Military Personnel, Air Force	17,861,803	18,282,834	18,238,234	18,110,764	18,174,284	+312,481
Reserve Personnel, Army	2,289,996	2,433,880	2,463,320	2,458,961	2,473,001	+183,005
Reserve Personnel, Navy	1,473,388	1,528,385	1,566,095	1,539,490	1,576,174	+102,786
Reserve Personnel, Marine Corps	412,650	436,386	440,886	446,586	448,886	+36,236
Reserve Personnel, Air Force	892,594	981,710	980,610	963,752	971,024	+78,430
National Guard Personnel, Army	3,610,479	3,747,636	3,719,336	3,781,236	3,782,536	+172,057
National Guard Personnel, Air Force	1,533,196	1,627,181	1,635,681	1,634,181	1,641,081	+107,885
Total, title I, Military Personnel	73,894,693	75,801,666	75,904,216	75,817,487	75,847,740	+1,953,047
TITLE II						
OPERATION AND MAINTENANCE						
Operation and Maintenance, Army	19,256,152	19,073,731	19,386,843	19,049,881	19,144,431	-111,721
(By transfer - National Defense Stockpile)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	.....
Operation and Maintenance, Navy	22,958,784	23,250,154	23,426,830	23,398,254	23,419,360	+460,576
(By transfer - National Defense Stockpile)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	.....
Operation and Maintenance, Marine Corps	2,808,354	2,705,658	2,813,091	2,729,758	2,778,758	-29,596
Operation and Maintenance, Air Force 2/	20,896,959	22,296,977	22,316,797	22,268,977	22,383,521	+1,486,562
(By transfer - National Defense Stockpile)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	.....
Operation and Maintenance, Defense-Wide	11,489,483	11,920,069	11,803,743	11,991,688	11,844,480	+354,997
Operation and Maintenance, Army Reserve	1,469,176	1,521,418	1,596,418	1,529,418	1,562,118	+92,942
Operation and Maintenance, Navy Reserve	958,978	960,946	992,646	968,946	978,946	+19,968
Operation and Maintenance, Marine Corps Reserve	138,911	133,959	145,959	141,159	145,959	+7,048
Operation and Maintenance, Air Force Reserve	1,782,591	1,885,859	1,921,659	1,893,859	1,903,659	+121,068
Operation and Maintenance, Army National Guard	3,161,378	3,182,335	3,263,235	3,330,535	3,333,835	+172,457
Operation and Maintenance, Air National Guard	3,241,138	3,446,375	3,480,375	3,481,775	3,474,375	+233,237
Overseas Contingency Operations Transfer Fund	1,722,600	4,100,577	4,100,577	4,100,577	3,938,777	+2,216,177
United States Court of Appeals for the Armed Forces	7,621	8,574	8,574	8,574	8,574	+953
Environmental Restoration, Army	378,170	389,932	389,932	389,932	389,932	+11,762
Environmental Restoration, Navy	284,000	294,038	294,038	294,038	294,038	+10,038
Environmental Restoration, Air Force	376,800	376,300	376,300	376,300	376,300	-500
Environmental Restoration, Defense-Wide	25,370	23,412	23,412	21,412	21,412	-3,958
Environmental Restoration, Formerly Used Defense Sites	239,214	186,499	196,499	231,499	231,499	-7,715
Overseas Humanitarian, Disaster, and Civic Aid	55,800	64,900	56,900	55,900	55,900	+100
Former Soviet Union Threat Reduction	460,500	458,400	433,400	458,400	443,400	-17,100
Pentagon Renovation Transfer Fund	222,800	.....	.....	.....	.....	-222,800
Quality of Life Enhancements, Defense	300,000	.....	480,000	.....	160,500	-139,500
Total, title II, Operation and maintenance	92,234,779	96,280,113	97,507,228	96,720,882	96,889,774	+4,654,995
(By transfer)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	.....
TITLE III						
PROCUREMENT						
Aircraft Procurement, Army	1,451,688	1,323,262	1,547,082	1,532,862	1,571,812	+120,124
Missile Procurement, Army	1,322,305	1,295,728	1,240,347	1,329,781	1,320,681	-1,624
Procurement of Weapons and Tracked Combat Vehicles, Army	1,586,490	1,874,638	2,634,786	2,166,574	2,472,524	+886,034
Procurement of Ammunition, Army	1,204,120	1,131,323	1,227,386	1,212,149	1,220,516	+16,396
Other Procurement, Army	3,738,934	3,795,870	4,254,564	4,060,728	4,497,009	+758,075
Aircraft Procurement, Navy	8,662,655	7,963,858	8,179,564	8,426,499	8,477,138	-185,517
Weapons Procurement, Navy	1,383,413	1,434,250	1,372,112	1,571,650	1,461,600	+78,187
Procurement of Ammunition, Navy and Marine Corps	525,200	429,649	491,749	471,749	498,349	-26,851
Shipbuilding and Conversion, Navy	7,053,454	12,296,919	12,266,919	11,612,090	11,614,633	+4,561,179
Other Procurement, Navy	4,320,238	3,334,611	3,433,063	3,400,180	3,557,380	-762,858
Procurement, Marine Corps	1,300,920	1,171,935	1,229,605	1,196,368	1,233,268	-67,652
Aircraft Procurement, Air Force	8,228,630	9,539,602	10,064,032	7,289,934	7,583,345	-645,285
Missile Procurement, Air Force 3/	2,211,407	3,031,346	2,893,529	2,920,815	2,863,778	+652,371
Procurement of Ammunition, Air Force	442,537	638,808	638,808	654,808	647,808	+205,271
Other Procurement, Air Force	7,146,157	7,699,127	7,778,997	7,605,027	7,763,747	+617,590
Procurement, Defense-Wide	2,249,566	2,275,308	2,303,136	2,294,908	2,346,258	+96,692
Defense Production Act Purchases	3,000	.....	3,000	.....	3,000	.....
National Guard and Reserve Equipment	150,000	.....	.....	150,000	100,000	-50,000
Total, title III, Procurement	52,980,714	59,236,234	61,558,679	57,896,122	59,232,846	+6,252,132

H.R. 4576 - DEFENSE APPROPRIATIONS, 2001 — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
TITLE IV						
RESEARCH, DEVELOPMENT, TEST AND EVALUATION						
Research, Development, Test and Evaluation, Army	5,266,601	5,260,346	6,025,057	5,683,675	6,342,552	+1,075,951
Research, Development, Test and Evaluation, Navy	9,110,326	8,476,677	9,222,927	8,812,070	9,494,374	+384,048
Research, Development, Test and Evaluation, Air Force 3/	13,674,537	13,696,359	13,760,689	13,931,145	14,138,244	+463,707
Research, Development, Test and Evaluation, Defense-Wide	9,256,705	10,238,242	10,918,997	10,952,039	11,157,375	+1,900,670
Developmental Test and Evaluation, Defense	265,957	.....	.....	.....	.....	-265,957
Operational Test and Evaluation, Defense	31,434	201,560	242,560	218,560	227,060	+195,626
Total, title IV, Research, Development, Test and Evaluation	37,605,560	37,873,184	40,170,230	39,597,489	41,359,605	+3,754,045
TITLE V						
REVOLVING AND MANAGEMENT FUNDS						
Defense Working Capital Funds	90,344	916,276	916,276	916,276	916,276	+825,932
National Defense Sealift Fund:						
Ready Reserve Force	257,000	258,000	270,500	258,000	270,500	+13,500
Acquisition	460,200	130,158	130,158	130,158	130,158	-330,042
Subtotal	717,200	388,158	400,658	388,158	400,658	-316,542
National Defense Airlift:						
Airlift Fleet Support	.....	.....	.....	2,478,723	.....	.....
Acquisition	.....	.....	.....	412,200	.....	.....
C-17	.....	.....	.....	.....	2,170,923	+2,170,923
C-17 advance procurement	.....	.....	.....	.....	257,800	+257,800
C-17 ICS	.....	.....	.....	.....	412,200	+412,200
Subtotal	.....	.....	.....	2,890,923	2,840,923	+2,840,923
Total, title V, Revolving and Management Funds	807,544	1,304,434	1,316,934	4,195,357	4,157,857	+3,350,313
TITLE VI						
OTHER DEPARTMENT OF DEFENSE PROGRAMS						
Defense Health Program:						
Operation and maintenance	10,522,647	11,244,543	11,525,143	11,437,293	11,414,393	+891,746
Procurement	356,970	290,006	290,006	290,006	290,006	-66,964
Research and development	275,000	65,880	327,880	402,880	413,380	+138,380
Total, Defense Health Program	11,154,617	11,600,429	12,143,029	12,130,179	12,117,779	+963,162
Chemical Agents & Munitions Destruction, Army: 1/						
Operation and maintenance	543,500	607,200	607,200	600,000	600,000	+56,500
Procurement	191,500	121,900	105,700	105,000	105,700	-85,800
Research, development, test, and evaluation	294,000	274,400	214,200	274,400	274,400	-19,600
Total, Chemical Agents	1,029,000	1,003,500	927,100	979,400	980,100	-48,900
Drug Interdiction and Counter-Drug Activities, Defense	847,800	836,300	812,200	933,700	869,000	+21,200
Office of the Inspector General	137,544	147,545	147,545	147,545	147,545	+10,001
Total, title VI, Other Department of Defense Programs	13,168,961	13,587,774	14,029,874	14,190,824	14,114,424	+945,463
TITLE VII						
RELATED AGENCIES						
Central Intelligence Agency Retirement and Disability System Fund	209,100	216,000	216,000	216,000	216,000	+6,900
Intelligence Community Management Account	158,015	137,631	224,181	177,331	148,631	-9,384
Transfer to Dept of Justice	(27,000)	(27,000)	(33,100)	(27,000)	(34,100)	(+7,100)
Payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund	35,000	25,000	25,000	60,000	60,000	+25,000
National Security Education Trust Fund	8,000	6,950	6,950	6,950	6,950	-1,050
Total, title VII, Related agencies	410,115	385,581	472,131	460,281	431,581	+21,466

H.R. 4576 - DEFENSE APPROPRIATIONS, 2001 — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
TITLE VIII						
GENERAL PROVISIONS						
Ship Transfers (FY99 with FY2000 carryover)	-170,000					+170,000
Additional transfer authority (Sec. 8005)	(1,600,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(+400,000)
Indian Financing Act incentives (Sec. 8022)	8,000		8,000	8,000	8,000	
Disposal & lease of DOD real property (Sec. 8038)	32,200	24,000	24,000	24,000	24,000	-8,200
Overseas Military Fac Investment Recovery (Sec. 8041)	4,300	3,000	3,000	3,000	3,000	-1,300
Rescissions (Sec. 8055)	-350,180		-690,492	-169,300	-546,980	-196,800
FY 1999 Economic Adjustment (rescission)	-452,100					+452,100
Women in Service for America Memorial	5,000					-5,000
Civilian personnel under execution	-123,200			-56,200		+123,200
Foreign Currency Rev Economic Assumptions (Sec. 8094)	-171,000		-537,600	-789,700	-856,900	-685,900
A-76 Studies	-100,000					+100,000
WMD consequence management	35,000					-35,000
Travel Cards (Sec. 8101)	5,000	5,000	5,000	5,000	5,000	
Recovery of DoD admin expenses from FMS	-87,000					+87,000
Advance pay appropriation	-1,838,426					+1,838,426
Transfer to Department of Transportation (Sec. 8109)	(5,000)			(10,000)	(10,000)	(+5,000)
Aircraft leasing	19,000			5,000		-19,000
Munitions/Readiness	-100,000					+100,000
American Red Cross (Sec. 8141)	5,000				5,000	
United Service Organizations (Sec. 8112)	5,000			10,000	7,500	+2,500
F-22 Program Transfer Account	1,000,000					-1,000,000
F-22 Program Termination Liability	300,000					-300,000
Performance Based Academic Model (Sec. 8114)	5,500		5,000		5,000	-500
Seattle Conveyance	1,000					-1,000
Eisenhower Memorial Commission	300					-300
Rome Labs	13,000					-13,000
Aviation Support Facility	10,000					-10,000
Depot Maintenance	-400,000					+400,000
Spares	-550,000					+550,000
Base Operations	-100,000					+100,000
Munitions	-356,400					+356,400
O&M general reduction	-7,200,000					+7,200,000
O&M contingent emergency	7,200,000					-7,200,000
Working Capital Fund Cash Balances (Sec. 8085)			-800,000		-800,000	-800,000
Foreign Currency Cash Balance Stabilization			-463,400			
Preservation of Democracy (Sec. 8129)				20,000	20,000	+20,000
Quarantine benefits (Sec. 8132)				1,000	1,000	+1,000
National D-Day Museum (Sec. 8134)				2,100	2,100	+2,100
Inflation rescission - Procurement				-173,711		
Inflation rescission - RDT&E				-145,977		
BMDO Support reduction management (Sec. 8126)				-26,154	-14,000	-14,000
Ship scrapping initiative (Sec. 8136)				10,000	10,000	+10,000
Chicago Military Academy (Sec. 8135)				5,000	5,000	+5,000
Joint information technology center				20,000		
San Bernardino (Newmark) (Sec. 8156)					10,000	+10,000
CAAS/Contract Growth (Sec. 8163)					-71,367	-71,367
Excess Funded Carryover (Sec. 8164)					-92,700	-92,700
Headquarters and Administration (Sec. 8165)					-159,076	-159,076
Gulf War illness (Sec. 8154)					1,650	+1,650
U.S./China Security Review Commission (Sec. 8148)					3,000	+3,000
Fisher House (Sec. 8158)					2,000	+2,000
Zero emission steam technology demo (Sec. 8161)					2,000	+2,000
Oakland military academy (Sec. 8155)					2,000	+2,000
Brownfield site (Sec. 8157)					2,000	+2,000
FY01 economic adjustment general reduction (Sec. 8086)					-705,000	-705,000
Overseas Contingency Oper Transfer Fund (Sec. 8166)					-1,100,000	-1,100,000
Total, title VIII	-3,350,006	32,000	-2,446,492	-1,247,942	-4,227,773	-877,767
TITLE IX - ADDITIONAL FY 2000 EMERGENCY SUPPLEMENTAL APPROPRIATIONS						
Operation and Maintenance: Overseas Contingency Operations Transfer Fund (contingent emergency)					1,100,000	+1,100,000
Contingent emergency (sec. 9001)					679,000	+679,000
Total, title IX, FY 2000 Supplemental					1,779,000	+1,779,000
Grand total, FY 2001 bill	267,752,360	284,500,986	288,512,800	287,630,500	287,806,054	+20,053,694
FY 2000 supplemental					1,779,000	+1,779,000

H.R. 4576 - DEFENSE APPROPRIATIONS, 2001 — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
OTHER APPROPRIATIONS						
Waiver of certain sanctions against India and Pakistan	43,000					-43,000
P.L. 106-113:						
Title II - O&M, Army	100,000					-100,000
Title VI - 1994 Friendly Fire Settlement	2,000					-2,000
Title III - Across the board cut (0.38%)	-1,028,000					+1,028,000
Division B - H.R. 4425:						
Title I - Kosovo and other national security matters (net)	6,452,103					-6,452,103
Title III - Counternarcotics	184,059					-184,059
Total, other appropriations	5,753,162					-5,753,162
Adjusted total (incl other appropriations)	273,505,522	284,500,986	288,512,800	287,630,500	289,585,054	+16,079,532
CONGRESSIONAL BUDGET RECAP						
Scorekeeping adjustments:						
Adjustment for unapprop'd balance transfer (Stockpile)	150,000	150,000	150,000	150,000	150,000	
Stockpile collections (unappropriated)	-150,000	-150,000	-150,000	-150,000	-150,000	
Spectrum	-2,600,000					+2,600,000
O&M, Army transfer to National Park Service:						
Defense function			-6,000		-5,000	-5,000
Nondefense function			6,000		5,000	+5,000
O&M, AF transfer to Dept of Transportation:						
Defense function				-10,000	-10,000	-10,000
Nondefense function				10,000	10,000	+10,000
Subtotal	-2,600,000					+2,600,000
Advance pay appropriation (P.L. 106-31)	1,838,426					-1,838,426
FY 2000 emergency supplemental					-1,779,000	-1,779,000
Total adjustments	-761,574				-1,779,000	-1,017,426
Adjusted total (incl scorekeeping adjustments)	273,505,522	284,500,986	288,512,800	287,630,500	289,585,054	+16,079,532
Appropriations	(274,307,802)	(284,500,986)	(289,203,292)	(287,799,800)	(290,132,034)	(+15,824,232)
Rescissions	(-802,280)		(-690,492)	(-169,300)	(-546,980)	(+255,300)
Total mandatory and discretionary	273,505,522	284,500,986	288,512,800	287,630,500	289,585,054	+16,079,532
Mandatory	209,100	216,000	216,000	216,000	216,000	+6,900
Discretionary	273,296,422	284,284,986	288,296,800	287,414,500	289,369,054	+16,072,632
RECAPITULATION						
Title I - Military Personnel	73,894,693	75,801,666	75,904,216	75,817,487	75,847,740	+1,953,047
Title II - Operation and Maintenance	92,234,779	96,280,113	97,507,228	96,720,882	96,889,774	+4,654,995
(By transfer)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	
Title III - Procurement	52,980,714	59,236,234	61,558,679	57,896,122	59,232,846	+6,252,132
Title IV - Research, Development, Test and Evaluation	37,605,560	37,873,184	40,170,230	39,597,489	41,359,605	+3,754,045
Title V - Revolving and Management Funds	807,544	1,304,434	1,316,934	4,195,357	4,157,857	+3,350,313
Title VI - Other Department of Defense Programs	13,168,961	13,587,774	14,029,874	14,190,824	14,114,424	+945,463
Title VII - Related agencies	410,115	385,581	472,131	460,281	431,581	+21,466
Title VIII - General provisions	-3,350,006	32,000	-2,446,492	-1,247,942	-4,227,773	-877,767
Total, Department of Defense (in this bill)	267,752,360	284,500,986	288,512,800	287,630,500	287,806,054	+20,053,694
Funds provided in Supplemental Acts	1,838,426					-1,838,426
Other appropriations	5,753,162					-5,753,162
Total DoD funding available	275,343,948	284,500,986	288,512,800	287,630,500	287,806,054	+12,462,106
Other scorekeeping adjustments	-2,600,000					+2,600,000
Total mandatory and discretionary	272,743,948	284,500,986	288,512,800	287,630,500	287,806,054	+15,062,106
Title IX - FY 2000 Emergency supplemental					1,779,000	+1,779,000

1/ Included in Budget under Procurement title.

2/ O&M, AF request reduced by $300,000 by a technical correction budget amendment (H. Doc. 106-222).

3/ A budget amendment reduced MPAF by $30,369,000 and increased R&D, AF by $10,783,000 for the Global Positioning System (H. Doc. 106-240).

Mr. Speaker, I reserve the balance of my time.

Mr. MURTHA. Mr. Speaker, this is basically the same bill that we passed in the House.

I yield such time as he may consume to the gentleman from Ohio (Mr. KUCINICH).

(Mr. KUCINICH asked and was given permission to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, I will include in the RECORD at this point materials relevant to this debate.

I object to the passage of the conference report because it contains billions of dollars for the inception of a failed missile program which has already cost the taxpayers of the United States over $60 billion in its previous presentations. I ask my colleagues to review the record of failures and also to review the anti-democratic lengths to which the Department of Defense is going to try to cover-up the failures of the system.

NATIONAL MISSILE DEFENSE

HOW IT IS SUPPOSED TO WORK

The ground-based anti-missile system would track warheads using ground-based radars and satellite-based infrared sensors, and the kill vehicles would use infrared sensors to home in on their targets.

An intercontinental missile when it is launched starts out early in its trajectory as a large missile, hot (because the rocket engine is still burning) and slow. This is called the boost phase. It would take approximately 30 minutes for a missile to reach its farthest point of 6,000 miles. The boost phase lasts 5 minutes.

When the boost phase ends and there is about 300 miles left before impact, only the warhead is left, leaving a small, cold (and therefor hard for infra-red sensors to see) and fast. This makes the warhead a much more difficult target. At this point the war head is traveling at a few miles per second.

So, this small, fast and hard to track warhead must be hit by an anti-missile traveling at a faster speed. This is how the system has received the analogy of trying to hit a ''bullet with a bullet''. It is practically impossible to do now, under controlled conditions.

TECHNOLOGICAL FAILURE

Before the decision is made, three exo-atmospheric intercept tests have been scheduled to determine the system success rate and reliability to deploy the system. The one of two tests failed. And the third test has been put off twice because it was not ready for testing. Three tests can not define the technical readiness of the system and serve the basis for deploying a national missile defense.

With only two of 19 tests conducted, it has yet to work under real-world conditions. According to a report by The Coalition to Reduce Nuclear Dangers and the Council for a Livable World Education Fund other anti-missile systems have been put through far more rigorous testing. The ''Safeguard'' missile defense system, deployed in 1975 and canceled after one day of operation, was put through 165 missile flight tests. The ''Patriot'' theater missile defense system was tested 114 times.

According to testimony taken from Dr. David Wright of the Union of Concerned Scientists before the US Senate Committee on Foreign Relations in 1998:

''. . . Since 1982 the US has conducted 16 intercept tests of exo-atmospheric hit-to-kill interceptors, which operate in a similar manner to the planned NMD interceptor. To date, the test record of such interceptors has been abysmal. Only 2 of these 16 intercept tests scored hits, for a 13 percent success rate. And the test record is not getting better with time: the most recent successful high-altitude test occurred in January 1991 and the last 11 such intercept tests have been failures.''

FRAUD DECEPTION AND MANIPULATED TESTS—NMD IS A TECHNOLOGICAL FAILURE

The Department of Defense recently ''classified'' a public letter and attachments from an MIT scientist, Dr. Ted Postol, containing devastating information about the failure of the national missile defense system, its inherent inability ever to protect the United States, and the fraud used to cover up these facts. Dr. Postol is a missile expert who worked in the Reagan Administration and has done analysis of weapons systems for the government.

According to Dr. Postol, the system failed those tests. The New York Times states that, ''The Pentagon hailed the first intercept try as success but later conceded that the interceptor had initially drifted off course and picked out the decoy balloon rather than the warhead.''

That is because, according to the Times, the system cannot tell the difference between warheads and decoys. Experiments with he National Missile Defense system have revealed that the system is''inherently unable to make the distinction [between target warhead and decoys].''

The Times characterized the MIT scientist as saying that the signals ''from the mock warhead and decoys . . . 'fluctuated in a varied and totally unpredictable way,' revealing no feature 'that could be used to distinguish one object from the other.'" Indeed, the Times reported, ''the test showed that warheads and decoys are so similar that sensors might never be able to tell them apart.'' In other words, national missile defense does not work and cannot work because it's inherently unable to tell the difference between warheads and decoys.

Not only is the national missile defense system incapable of working, but, according to the Times, contractors and the Pentagon have purposely altered data to create a different appearance. The Times reported that the ''Pentagon and its contractors had tried to hide this failure'' and that the MIT professor ''says the Pentagon conspired to cover up this sensor problem.''

The Times, quoting from the classified letter and analysis, goes on to say, ''the analytical team arbitrarily rejected and selected data to create an 'elaborate hoax' that was then hidden in reports by the use of 'misleading, confusion, and self-contradictory language.'" According to the Times, ''the coverup, [MIT scientist] said, was 'like rolling a pair of dice and throwing away all outcomes that did not give snake eyes.''

TRW, Inc. One of the major contractors for this system has had allegations of fraud made against it by a former senior engineer from TRW, Dr. Nira Schwartz. She has provided information challenging the claims the company made about the weapons ability to distinguishing decoys from actual warheads.

I have written to FBI Director, Louis Freeh, to investigate these allegations of fraud and cover-up of this program by Dr. Postol. The American people need an independent investigation of this matter to determine these serious allegations.

Moreover, according to Postol, all the data used for his analysis was unclassified when he used it. All his supporting information that he sent to the White House was also designated as unclassified. The DoD has classified allegations and evidence of fraud made from information that was unclassified by the Department. This could be in violation of Executive Order 12958. And I have included this in the letter to Mr. Freeh.

The Executive Order prohibits the use of the classification system to hide fraud or other wrongdoing. Subsection 1.8(a) states ''In no case shall information be classified in order to: (1) conceal violations of law, inefficiency, or administrative error; (2) prevent embarrassment to a person, organization, or agency; (3) restrain competition; or (4) prevent or delay the release of information that does not require protection in the interest of national security.'' Furthermore, the Executive Order states at 1.8(c): ''Information may not be reclassified after it has been declassified and released to the public under proper authority.'' Needless to say, the public deserve to expect that the laws of the nation, including Executive Order 12958, be upheld and enforced.

COUNTERMEASURES

The 1999 National Intelligence Estimate on the ballistic missile threat to the United States—a document prepared by the US intelligence community—stated that countermeasures would be available to emerging missile states.

According to the Union for Concerned Scientist, countermeasures could be deployed more rapidly and would be available to potential attackers before the United States could deploy even the much less capable first phase of the system.

A report by the Union of Concerned Scientist details how easily countermeasures could be used against this system. And it would not have to use new technology or new materials.

For example, it states that biological or chemical weapons can be divided into many small warheads called ''submunitions.'' Such submunitions, released shortly after boost phase, would overwhelm the planned defense. Any long-range missile attack with biological or chemical agents would almost certainly be delivered by submunitions, and that the NMD system could not defend against such an attack.

Also, you have heard about the past tests have used balloons as decoys, to see whether the missile can discriminate between the real war head and the missile. What could happen is that an attacker can deploy its nuclear weapons inside balloons along with many other empty balloons. So, the real warhead is indistinguishable from the decoys, therefore tricking the infra-red sensors. Nuclear warheads could also be with cooled materials that would prevent the kill vehicles from detecting and hitting the warhead.

COST ESTIMATES

The Congressional Budget Office has estimated that the system will cost $60 billion to build and deploy. Congress intends to spend $12 billion in the next 6 years.

The SDI/Star Wars system has cost the taxpayer more than $60 billion and it estimated that this system, though less far reaching than Star Wars will cost more.

We have spent more than $122 billion dollars on various missile defense systems. We need to reorganize our priorities and look at how we could better use these funds for programs, that benefit the poor, seniors and our nation's children.

ALTERNATIVES

We are the ONLY superpower in the world. The deterrent that we currently have is sufficient. We have thousands of missiles on hand that act as a deterrent. Any attack by another state would not be massive and would not be able to completely destroy our country or our nuclear arsenals. So any attack would leave the U.S. and its armed

forces intact. Our deterrent is impaired only if another state had enough missiles to knock off ours before they launched. The Star Wars system in the 80's assumed that Russia had enough missiles to destroy our missiles before they could launch, that is why we spent $69 billion dollars searching for way to stop incoming missiles. but that has changed and now we have full diplomatic relations with Russia.

We could use much cheaper measures to secure our national security. For example, preventative measures. Why not increase funding for our State Department to boost our diplomatic arms with these so-called rogue states? We know that strengthening diplomatic relations with nations ensures national security.

For example, France and Britain both have Submarine-Launched Ballistic missiles (64 and 48 respectively) or sea based missiles. But they have never attacked us or have never indicated that they will attack the United States. Why? Because we are allies. Because we have close economic and diplomatic ties. Israel has long ranged nuclear capabilities, but will they ever attack the United States, no? Why, because we are allies. Diplomacy is key. What makes these countries different than say North Korea or Iran? Our historical diplomatic relationship.

WHO WILL BENEFIT FROM THE NATIONAL MISSILE DEFENSE SYSTEM?

The national missile defense system will simply line the pockets of major weapons contractors, spending billions of dollars for a system that doesn't work and doesn't protect against real threats, we will undermine legitimate military expenditures, and erode readiness of our forces. So who's benefitting from having a national missile defense system? According to the Washington Post, Boeing in 1998 already obtained a three year contract for $1.6 billion dollars to assemble a basic system, before the President has even decided to deploy the system. The Post states that TRW has contracts for ''virtually every type of missile defense program.''

The military industry has the most to gain from a National Missile Defense system. According to the Washington Post, Lockheed Martin is the major contractor on theater missile defense, ''with its upgraded version of the Patriot missile and the Army's $14 billion Theater High Altitude Area Defense system.

According to Common Cause the defense industry as a whole supplied more than $2.3 million dollars in soft money to major campaigns last year.

NMD EFFECT ON NUCLEAR NON-PROLIFERATION AND INTERNATIONAL RELATIONS

Deploying a national missile defense system could politically succeed in setting the stage for a world-wide arms race and dismantle past arms treaties. The NMD violates the central principle of the ABM Treaty, which is a ban on the deployment of strategic missile defenses. It will undermine the Nuclear Non-Proliferation Treaty. It will frustrate SALT II and SALT III.

It will lead directly to proliferation by the nuclear nations. It will lead to transitions toward nuclear arms by the non-nuclear nations. It will make the world less safe. It will lead to the impoverishment of the people of many nations as budgets are re-fashioned for nuclear arms expenditures. That the United States would be willing to risk a showdown with Russia or China and the rest of the world over the unlikely possibility that North Korea may one day have a missile which can touch the continental United States—argues for talks with North Korea, not the beginning of a new world-wide arms race.

CIA officials realize that deploying a national missile defense system would cause world wide instability and endanger relations with our allies in Europe. The LA Times recently reported that officials are writing a secret report outline their thoughts on the devastating impact that this system will have throughout the world.

Russia and the US signed agreements (1) establishing a permanent joint early-warning center in Moscow to prevent miscalculations about missile launches, and (2) to reduce their stockpiles of military-grade plutonium by 34 tons each. This is a great sign. I think that dialogue is the step in the right direction, but nothing was resolved regarding the proposal of the ABM Treaty. I think it is a bad idea and it could upset our relationship with our allies to the east.

Even if Russia does agree to changing the ABM Treaty, we will most likely see Russia and China build up their nuclear arsenal risking opportunities to bring them and other nuclear countries into the arms control process.

(NOTE: According to law, any substantive change to a bilateral treaty must be agreed to by the Senate. Therefore, any changes to the ABM Treaty must be ratified by the Senate. The Clinton Administration urged Russia to include a protocol to their ratified ABM Treaty that makes Russia, Ukraine, Belarus and Kazakhstan the four ABM Successors. If the Senate wants to move forward with START II it must first agree to make these four states successors to the ABM Treaty.)

Russia has consistently made statements that deploying a National Missile Defense system would be interpreted by them as a threat to their national security. So, there is a great likelihood that deploying such a system could spark another arms race. For example, Gregory Berdennikov, the director of the Russian Foreign Ministry's Security and Disarmament Department warned that if the United States deploys a missile defense system,

''Russia will be forced to raise the effectiveness of its strategic nuclear armed forces and carry out several other military and political steps to guarantee its national security under new strategic conditions . . . We see no variants which would allow the United States to set up a national ABM system and still preserve the ABM treaty and strategic stability in the world.''

I would like to quote Col. General Vladimir Yakovlev, commander of Russia's strategic rocket forces. ''Problems have cropped up now with Russian-American 1972 AMB treaty; for this reason, we are forced to build in into our new missiles a capability for penetrating anti-missile defenses.'' 1999 (Isvestia)

Deploying National Missile Defense is the wrong approach. The United States needs to be in active engagement with Russia about disarmament and reducing nuclear proliferation. We need to continue a dialogue based not on fear but on cooperation.

UN Secretary—General Kofi Annan recently said that deploying a missile defense system would create a large arms race world wide.

THE THREAT FROM OTHER ''ROGUE'' NO . . . . ''STATES OF CONCERN'' NATIONS

First of all, any nation with ICBM technology does not have enough missiles to seriously combat the United States. Even if a ''rogue'' state launches one missile, they would not be able to retaliate because the US could easily bomb them with the thousands of nuclear bombs we have in our arsenal. So it would not make sense.

Also, the deterrent that we currently have is sufficient. We have thousands of missiles on hand that act as a deterrent. Our deterrent is impaired only if another state had enough missiles to knock off ours before they launched. The Star Wars system in the 80's assumed that Russia had enough missiles to destroy our missiles before they could launch, that is why we spent $69 billion dollars searching for a way to stop incoming missiles. But that has changed and now we have full diplomatic relations with Russia.

I think that no state will challenge the United States in a nuclear face-off. You will need to assume that the state is willing to face the consequences of their launch which would mean total annihilation by US nuclear forces. No state is ready to commit suicide. As I stated earlier, there are nuclear capable nations that would never deploy or launch a nuclear weapon against the United States because there simply is not match. Diplomacy is key. What makes our allies with nuclear weapons different than these ''rogue'' states? Our diplomatic relationship. Lets dialogue, lets establish diplomatic ties and maintain our national security. And if that doesn't work, we always have the deterrent of our vastly superior, well-stocked nuclear weapons supply.

We also have satellite technology that can pinpoint the origin of incoming missiles, thus resulting in a massive attack by the United States. A country would be suicidal to launch a missile against the United States.

I think the real threat is the risk from Russian missiles being launched accidentally. Russia has about 2000 (out of a total of 6000) nuclear warheads on high alert, all of which is able to destroy the United States in under an hour. The Russian economy has not allowed the government to adequately maintain their nuclear arsenals. I think that we need to first take our missiles off hair-trigger alert to secure against an accidental nuclear launch from Russia.

Keeping nuclear arsenals on hair-trigger alert increases the risk of an accidental nuclear launch caused by a technical either failure or human error. This nearly happened in 1995, when an American weather rocket launched from Norway was misconstrued by the Russians as nuclear attack. The mistake was caught at the last minute. But a human error nearly caused nuclear war. When missiles are at hair-trigger alert, a nuclear war is just an error away. We need to work with Russia through various programs to ensure that this does not happen again.

THE TESTS CONDUCTED THUS FAR ARE FRAUDULENT

IFA–1A Test—This test was the first test where it was discovered that the system did not work. The objective was to understand how objects looked by the sensors. And what they discovered is that the sensor could not distinguish between real warheads and decoys. These senors locate a target based on its infrared radiation that the target emits. There are three main factors that influences a sensor's ability to locate objects. The first is the infrared rays emitted by the earth, also known as earth shine, which illuminated the object from below. Secondly, there are strong infrared rays from the sun. So, the object has strong infrared rays surrounding it. Third, the infrared rays emitted by the object itself which varies based on temperature. The test put various objects in space to figure out what could and could not be seen. It turns out that the system could not tell the difference between various objects. So, yes the test was successful in achieving its intended objective of gathering information about what could be seen. But the result of this data indicates that the sensor could not distinguish between warheads and decoys.

IFT–2—This test was exactly the same as the first test, except a different kill (Raytheon) vehicle was used. However, this

fact does change the fact that the decoys and warheads are indistinguishable. Kill vehicle technology is almost identical from one company to another. It's like using two different brands of binoculars. They both do the same thing, and the differences are minimal.

IFT–3—This test was designed to see whether the missile could hit a warhead. The missile hit the warhead, but with a little help from the designers. However, the test was modified to hit the * * *

[Attachment 1]

DAVID W. AFFELD,
Los Angeles, CA, July 12, 2000.

Re: U.S. ex rel Schwartz. v. TRW, Inc., U.S.D.C. Case No. CV 96–3065 RAP (RMCx).

Letter from David Affeld to Theodore A. Postol regarding Defense Security Service claims about the release of classified information.

Prof. THEODORE A. POSTOL,
Department of Arms Control Studies,
Massachusetts Institute of Technology,
Cambridge, MA

DEAR PROF. POSTOL: I represent Dr. Nira Schwartz in the above-referenced qui tam lawsuit. In connection with that case, Dennis Egan of the Department of Justice and Lt. Col. Bill Groves of the Ballistic Missile Defense Organization (''BMDO'') spoke to me two days ago and yesterday, respectively, stating that the BMDO believes Dr. Schwartz improperly disclosed classified information to unauthorized persons over the past few months. In particular, Mr. Egan asserted that Dr. Schwartz had disclosed classified portions of a POET report to you.

Mr. Egan and Lt. Col. Groves also told me that agents of BMDO, the Defense Criminal Investigative Service and the U.S. Attorney's office want to question Dr. Schwartz regarding these allegations.

These allegations appear to be spurious. However, I am trying to determine whether there is any merit to them. I would appreciate it if you could give me your reaction to the above. For your reference, enclosed please find a copy of a letter regarding this matter which I sent to Mr. Egan and Lt. Col. Groves yesterday, July 11, 2000.

Very truly yours,

DAVID W. AFFELD.

[Attachment 2]

DAVID W. AFFELD,
Los Angeles, CA, July 11, 2000.

Re: U.S. ex rel Schwartz v. TRW, Inc., U.S.D.C. Case No. CV 96–3065 RAP (RMCx).

Letter from David Affeld to Lt. Col. Groves regarding false allegations of criminality against Dr. Schwartz.

Lt. Col. BILL GROVES,
BMDO General Counsel,
Washington DC.

DEAR LT. COL. GROVES: As you know, I represent Dr. Nira Schwartz in the above-referenced qui tam lawsuit. This letter is to confirm pertinent portions of our telephone conversation of today. July 11, 2000, regarding the case. It also confirms pertinent portions of the telephone conversation I had last night with Dennis Egan of the Department of Justice, which you apparently had discussed with Mr. Egan before you and I spoke.

I contacted both you and Mr. Egan yesterday in my quest to obtain a security clearance for classified information needed to prosecute the case. You both provided helpful suggestions regarding how a security clearance might be obtained. However, I am very concerned about another matter you both raised.

Last night Mr. Egan told me that agents of the Defense Security Service (''DSS'') and the Defense Criminal Investigative Service (''DCIS'') will be contacting Dr. Schwartz shortly, to question her regarding supposedly classified information which she allegedly disclosed to unauthorized persons over the past several months. He also said that someone from the U.S. Attorney's office would be involved. You confirmed to me today that such an investigation is indeed imminent, and that the Ballistic Missile Defense Organization (''BMDO''), to which your office is legal counsel, requires the investigation. You also stated that in making the alleged improper disclosures, Dr. Schwartz supposedly violated a protective order entered in the case.

I asked each of you to identify what this supposedly classified information was, so I could determine whether there is any truth to the charges. Mr. Egan vaguely referred to the POET report apparently relied upon by MIT Professor Theodore A. Postol in some of his criticisms of the current missile defense system. However, that document consists solely of non-classified portions of the report publicly available from the court docket in the above-referenced case. You, on the other hand, told me that you were ''duty-bound'' not to tell me what the supposedly classified information is, because I do not have a security clearance. You also did not identify any persons to whom the information was supposedly disclosed, the dates of any supposed disclosures, or any disclosure events. I am thus posed with a Catch-22. It is obviously impossible to respond to charges that you refuse to articulate.

Just in case you were referring to the materials Dr. Schwartz filed with the Court late last year, I have confirmed yet again that none of it was classified. I am not aware of any other ''disclosures'' by Dr. Schwartz. It appears that the charges—the unarticulated charges—by BMDO are false.

I am also concerned about what is motivating this ''investigation''. It comes at a time when the current missile defense program is the subject of heated national debate and intense media scrutiny. It also comes on the heels of the spectacular failure of the system last Friday, July 7, 2000. I am concerned that the ''investigation'' of Dr. Schwartz is motivated not to preserve national security, but rather to intimidate an outspoken critic of the program, at a time when the White House is deliberating over whether to continue funding the program.

I certainly want to be cooperative, particularly since you intimated that my security clearance might depend on it. However, I must ask that you identify the particular individuals at BMDO who initiated this ''investigation'', and what specific classified information was supposedly disclosed, to whom, and when. If such disclosures have indeed been made, the information is now in the public domain, and no harm can come form advising Dr. Schwartz's legal counsel what that now-public information is. Fairness and due process require no less. On the other hand, if you decline to provide these specifics, I can only conclude that there is no basis for the charges, and that the BMDO has raised the specter of a criminal investigation purely to scare Dr. Schwartz. Dr. Schwartz obviously will not be a party to such an agenda.

Very truly yours,

DAVID W. AFFELD.

[Attachment 3]

COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE, ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, June 23, 2000.

Letter from Arthur L. Money to Theodore A. Postol making non-credible claims about the routine nature of Defense Security Service actions.

Dr. THEODORE A. POSTOL,
Professor of Science, Technology and National Security Policy, Security Studies Program, Massachusetts Institute of Technology, Cambridge, MA

DEAR DR. POSTOL: I regret any confusion surrounding the recent visit of representatives of the Defense Security Service (DSS) to you at your office. I have been asked to write to clarify the purpose of that visit.

The DSS representatives who met with you on June 21 were Industrial Security Specialists, who are usually called IS Representatives, DSS IS Representatives routinely meet with contractors and contractor employees who hold security clearances to discuss security issues, such as a potential unauthorized release of classified information. Their purpose in visiting you was to obtain information you might have about the source of possibly classified information contained in attachments to your letter dated May 11, 2000. I understand that you discussed the source of these attachments with the IS Representatives and provided information they sought; I appreciate your willingness to do so.

I want to assure you that you are not under investigation, and I regret any misunderstanding about the purpose of this visit. I hope DSS will have your cooperation as they continue to review this matter.

Arthur L. Money.

GOVERNMENT OVERSIGHT,
SECURITY STUDIES PROGRAM,
Washington, DC, July 13, 2000.

DAVID W. AFFELD,
Attorney at Law,
Los Angeles, CA

DEAR MR. AFFELD: I am writing you in response to your letter and our phone discussion of 12 July about threats of criminal prosecution against your client Nira Schwartz for the release of classified information to me. I understand that these threats were made by Mr. Dennis Egan and Lt. Col. William Groves—lawyers working respectively for the Department of Justice and Defense. As I explained to you yesterday, it is clear that when these threats were made both Mr. Egan and Lt. Col. Groves knew, or should have known, that Dr. Schwartz had done nothing improper. It therefore appears that Mr. Egan and Lt. Col. Groves are involved in improper attempts to intimidate a witness in a qui tam lawsuit alleging fraud in the development of a weapons system that is supposed to defend the United States from nuclear attack. Furthermore, I was astounded to also find out that they attempted to interfere with the privileged relationship between an attorney and a client by falsely claiming that a security clearance you will need to work on the qui tam case would be contingent on your cooperating with them in their illegal efforts at intimidation.

The title of the document released to me that is being used as a vehicle for trying to intimidate Dr. Schwartz is ''Independent Review of TRW Discrimination Techniques Final Report, (POET Study 1998–5).'' This study is part of a scientific fraud that was designed to conceal the fact that the currently under development National Missile Defense system cannot tell the difference between warheads and decoys. The study was

performed by contractors for the Department of Defense and with full knowledge of high-level Department of Defense officials.

In particular, I have talked with Mr. Sam Reed, the Defense Criminal Investigation Service leader of the Department of Defense Inspector General's investigation of allegations of fraud at TRW. he told me that he sanitized the document in question with the knowledge of his supervisors during the course of pursuing this earlier investigation. Furthermore, he told me that he had explained to Mr. Egan how Dr. Schwartz had properly obtained this declassified document. In addition, Mr. Reed told me that the Defense Security Service was informed of these facts. I therefore conclude that the actions of Egan and Groves are part of an ongoing effort by Department of Defense officials, and possibly other agencies, to intimidate witnesses in a continuing effort to hide acts of fraud with regard to the development of the National Missile Defense.

It is equally clear that officials at the highest levels of the Department of Defense are in some way involved in these illegal activities of their agents. In particular, the Assistant Secretary of Defense for C^3I, Arthur Money, has been informed multiple times of these activities. I spoke with him by phone about a failed attempt to entrap and intimidate me by his agents on 21 June, after receiving a letter from him on 26 June via Express Mail. In that conversation he claimed ignorance of the details surrounding this event. I made it clear to him that I did not find his excuses credible and that I expected a better explanation of his involvement in the matter. In particular, I made it clear that if in fact he was ignorant of what was attempted by his agents he was culpable for not knowing what the agency under his control was doing, and if he was not ignorant, he was culpable for lying to me.

It is also of concern that these illegal actions are possibly being taken with the knowledge of members of the White House staff. The White House Chief of Staff, John Podesta, the President's Advisor on Arms Control, Hans Binnendijk, and the Vice President's National Security Advisor, Leon Fuerth, have all been provided with detailed evidence of fraud in the National Missile Defense Program as well as misconduct in the Pentagon's Defense Security Service in letters sent to them dated 11 May, 19 May, 21 June, and 6 July. There is as yet no visible evidence that anyone in the White House has taken a serious action to address the numerous issues raised in these letters, and it is hard to believe that no one in the White House is aware of the marauding and out of control activities of the Defense Security Service.

It is now clear that a series of questions will eventually need to be answered in an investigation that should include interviews with White House staff, the Defense Security Service, the Department of Defense Inspector General's Office, and the Department of Justice.

These questions are as follows:

1. Who at the Department of Justice, in addition to Mr. Egan, knew and approved of his knowingly making false allegations of criminality against Dr. Schwartz?

2. Who at the Department of Defense, in addition to Mr. Money, knew and/or approved of Lt. Col. Groves' involvement in this affair?

3. What is Assistant Secretary Money's repeated role in these matters? Who else above him at the Pentagon knows of his activities?

4. What was the nature of the SECRET classified information that was presented to me in the unannounced meeting at my MIT office with three agents of the Defense Security Service?

5. Who was responsible for initiating the use of SECRET letters to deal with matters that could simply be investigated in terms of chain of custody?

6. Is the Department of Defense Inspector General's (IG) Office aware of these attempts at intimidation and entrapment? If so, why has the IG not taken steps to investigate these improper actions?

7. Given the substantial amount of information over a two-month period provided by my letters to the White House, what did the White House know of these activities aimed at intimidation and entrapment? If any staff knew of these activities, what did they know and what was their role in the process? If staff did not know of these activities, why did they not know?

At a minimum the responsible U.S. government agencies have so far conducted themselves in a manner like that of a fictitious banana republic. Of greater concern to me is that the White House and other elements of our government, either by intent or negligence, are allowing, or worst yet, encouraging, Department of Defense officials to conduct business like Soviet style thugs.

In any case, it is clear that the document ''POET Study 1998–5'' was properly sanitized before it was released to Dr. Schwartz. If I were in Dr. Schwartz's position, I would not talk to the Defense Security Services. I suggest instead that if they approach her she simply ask them to write a letter to her explaining what they want to know from her, why they want to know this, and who, by name, is asking for the information. If the information is the letter is credible, she should respond in writing.

Sincerely,

THEODORE A. POSTOL,

Professor of Science, Technology, and National Security Policy, Security Studies Program and Program in Science, Technology, and Society.

Mr. MURTHA. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Let me say that I recognize all the hard work that went into putting this bill together, and I regret that I cannot vote for it, and let me explain why.

Number one, this bill does not respond to what the Congress always claims the problem is. Every year, when the President sends his budget down, we are then told by the majority that somehow the President is not responding sufficiently to the issue of readiness, and then, when we take a look at what Congress finally does, Congress responds, but it responds in a way which puts other items at a higher priority than a number of the readiness-related accounts.

For example, if we take a look at this budget or at this bill being presented today, the public will be told that for operation and maintenance, which is a key factor in readiness, that it is about $600 million above the President. But if we take a look at the adjustments that are then made by the committee in overseas contingency operations, in foreign currency reestimates, in working capital funds, in headquarters administration accounts, we will see that, in fact, the committee cuts those readiness-related items by about $3 billion. So this Congress, having attacked the President for not having enough in the budget to deal with readiness-related accounts, in fact, will have produced a bill which is about $2.4 billion below the President's request for those accounts. That money has been moved largely into procurement and into research and development.

□ 1415

It is just by accident, I suppose, that a good many of the congressionally earmarked projects are found in those areas.

I do not suggest that all of those projects are bad. They are not. Some of them are very deserving. All I do suggest is that this Congress should not pretend that it has strengthened the President's budget for readiness, because in fact it has made a number of reductions in this bill which produce readiness-related account funding levels lower than that recommended by the President.

Secondly, I would simply say that the President's budget as he submitted it to us had a very large increase, but that was presented in the context of also providing increases for education, for health care, for agriculture, for land acquisition, items like that.

This bill is presented to us in a far different context. This bill increases the military spending of the country by $20.9 billion, when we discount all the gimmicks. Just the increase in this bill is larger than the entire foreign aid bill. It is larger than the entire Interior appropriation bill.

If we take a look at where it goes, a lot of it goes, in my judgment, not on the basis of where it is needed militarily but where it is produced economically. I think the country needs to understand that, as well.

Secondly, I would say that we need to put in context what threat it is responding to. This chart demonstrates what our defense budget is versus the rest of the world, or certainly at least our adversaries and our allies.

The United States spends about $266 billion, as represented by this bar. That is far more than the combined total of Russia, China, Iran, North Korea, Libya, our major opponents. That does not count the allies, our NATO allies, which last time I looked were on our side. They spent $227 billion. So again, we dwarf the amount of money which is spent on military accounts worldwide.

If we are going to do that, it seems to me that we have an obligation both to take care of our other national priorities and to make certain that our budget has an accounting which is at least as forthright as that provided by the administration. I do not believe it is.

Mr. Speaker, for those reasons, and for others, I will be constrained to vote against the bill when the time comes.

Mr. MURTHA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope the military will not misconstrue that chart to think that I like charts.

Mr. Speaker, I yield back the balance of my time.

Mr. LEWIS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG), the chairman of the full committee.

Mr. YOUNG of Florida. Mr. Speaker, I rise in support of this bill. It is a good bill. The chairman and the ranking member and all the members of the subcommittee have done an outstanding job in bringing it to us originally, and bringing it to us from the conference committee.

There has already been more than enough debate on this issue of our Nation's security on this particular bill. I urge the Members to support it very strongly.

Mrs. MALONEY of New York. Mr. Speaker, I rise in support of the conference report for H.R. 4576, the Defense Appropriations Act for FY 2001. In addition to supporting defense projects, this bill provides critical funding for important health research programs.

I am pleased that the conference has included $15 million for the Neurotoxin Exposure Treatment Research Project in the search for answers to the mystery of Parkinson's disease.

Parkinson's Disease is a chronic, progressive disorder affecting one million Americans. In its final stages, the disease robs individuals of the ability to speak or move. Of the many things we know about Parkinson's, we know that there appears to be a disproportionate number of veterans who are afflicted with Parkinson's disease.

This breakthrough research will study the links between Parkinson's and environmental stress exposure factors encountered in military operations. The data will advance preventive measures and treatment interventions against the effects of military threats and operation hazards.

I am also pleased that the bill contains $12 million for ovarian cancer research, $100 million for basic and clinical prostate cancer research, and $175 million for the Peer-Reviewed Breast Cancer Research Program (BCRP). Breast cancer is the most common cancer among women; and one out of every eight women will be afflicted with the disease in her lifetime. Our best hope today is early detection and more research.

In just six years, the Breast Cancer Research Program has matured from an isolated research program to a well-respected resource in the cancer community. It is overseen by a group of distinguished scientists and activists, as recommended by the Institute of Medicine. 90% of the funds go directly to research grants, and consumer advocates are included at every level.

I thank the conferees for recognizing the importance of this program.

Mr. BLUMENAUER. Mr. Speaker, I will oppose the defense appropriations conference report before us because, at $288 billion, it spends too much money and spends it inefficiently. The $1.9 billion it contains for national missile defense is but the most glaring example. That is an amount even greater than the House voted for national missile defense last month.

President Clinton has said that later this year he will decide whether to deploy a national missile defense system. In light of the failure of the last two tests of this system, no decision to deploy should be made.

The President has said his decision will be based on four criteria: the technology, the cost, the threat, and the impact on arms control. For each, the case for deployment is weak at best.

On the technology, the recent test failures demonstrate just how hard effective missile defense is. It is impossible to know whether the system will work until realistic tests are done, and that will not happen for years, if ever. We should not risk American lives on a bet that missile defense will work.

On cost, since the late '50s, the U.S. has spent over $120 billion on missile defense, with almost nothing to show for it. The Congressional Budget Office estimates that the Pentagon's current proposal will cost $60 billion. This is pouring more money into a hole in the ground.

On threat, it is far better to pursue such endeavors as the ongoing talks with North Korea on ending its emerging missile program rather than attempting to build a defense against non-existent missiles.

On arms control, a U.S. national missile defense is likely to push countries that already have nuclear weapons, Russia and China, to maintain or expand their arsenals, and risks destroying the entire nonproliferation regime that the U.S. has tirelessly built over the last 50 years.

A missile defense that does not work while exacerbating tensions with potential adversaries is far worse than no defense at all. We should spend our money on more useful things.

Mr. WATTS of Oklahoma. Mr. Speaker, today the House passed the FY 2001 Defense Appropriation Bill. Included in this important legislation was the funding for the Crusader Program at the level requested by the President. The President's Budget requests includes $355.5 million for the continued development of the Crusader advanced field artillery system.

Artillery is the one combat capability where the United States significantly lags behind its allies and potential adversaries. Without Crusader this unacceptable situation will worsen and endanger our military personnel who are sent in harm's way. Furthermore, the major reason the Army felt it could accept the risk of the 1996 decision to reduce the combat power of its heavy divisions was that Crusader would be fielded with its increased capabilities.

The Army leadership staunchly supports the need for this system and the unified commanders have likewise voiced their support. The Army has restructured the program to ensure it fits within the overall transformation effort of the operational forces. The number of howitzers intended to be procured is 480. The Crusader is being modified to support the Army's transition initiatives and Objective Force across the full spectrum of missions. Crusader is the cannon system for the Army's one remaining counterattack corps. It will be providing continuous, all-weather fire support to the corps well into the fourth decade of the new century, a time when the corps transitions to the Objective Force.

Also, Crusader is being redesigned to increase its global strategic deployability while retaining all of its Key Performance Parameters (range, rate-of-fire, mobility, and resupply). Important features of the redesigned Crusader are lower weight (38 to 42 tons), smaller size (2 howitzers or a complete system transportable on a single C–5 or C–17 sortie), and a change in resupply vehicle philosophy.

This $355 million in research and development funds will be used to help secure our nation's future.

Mr. LEWIS of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 367, nays 58, not voting 9, as follows:

[Roll No. 413]

YEAS—367

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent

Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Regula
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Scott
Serrano
Sessions
Shadegg
Shaw
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Toomey
Towns
Traficant
Turner
Udall (NM)
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—58

Baldwin
Barrett (WI)
Blumenauer
Brown (OH)
Capuano
Conyers
Coyne
Davis (IL)
DeFazio
DeGette
Delahunt
Doggett
Duncan
Ehlers
Eshoo
Filner
Frank (MA)
Ganske
Gutierrez
Hooley
Jackson (IL)
Kucinich
Lee
Lofgren
Luther
Markey
McDermott
McGovern
McKinney
Meeks (NY)
Metcalf
Miller, George
Minge
Nadler
Oberstar
Obey
Owens
Paul
Payne
Peterson (MN)
Ramstad
Rangel
Rivers
Rush
Sanders
Sanford
Schakowsky
Sensenbrenner
Shays
Stark
Tierney
Udall (CO)
Upton
Velazquez
Waters
Watt (NC)
Waxman
Weiner

NOT VOTING—9

Baca
Barton
Boswell
Campbell
Klink
McIntosh
Smith (WA)
Souder
Vento

□ 1445

Messrs. JACKSON of Illinois, OWENS, MCDERMOTT, RANGEL and MEEKS of New York changed their vote from ''yea'' to ''nay.''

Ms. GRANGER changed her vote from ''nay'' to ''yea.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□

EXPRESSING SORROW OF THE HOUSE AT THE DEATH OF THE HONORABLE PAUL COVERDELL, SENATOR FROM THE STATE OF GEORGIA

Mr. LEWIS of Georgia. Mr. Speaker, I offer a privileged resolution (H. Res. 558) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 558

Resolved, That the House has heard with profound sorrow of the death of the Honorable Paul Coverdell, a Senator from the State of Georgia.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That a committee be appointed on the part of the House to join a committee appointed on the part of the Senate to attend the funeral.

Resolved, That when the House adjourns today, it adjourn as a further mark of respect to the memory of the deceased Senator.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman from Georgia (Mr. LEWIS) is recognized for 1 hour.

Mr. LEWIS of Georgia. Mr. Speaker, I yield myself such time as I may consume.

It is with profound sadness that I rise today to offer a resolution of condolences on the passing of Senator PAUL COVERDELL. PAUL COVERDELL was the senior Senator from the State of Georgia and, more importantly, he was a dear friend.

It is with deep sadness that we say good-bye to our good friend, our colleague and our brother, PAUL COVERDELL. PAUL COVERDELL's unexpected death is so sad and so hard. I have known him for many years, almost 30 years. As young men, we both campaigned for an open congressional seat in 1977. Later, we both came here to Washington to represent the people of Georgia.

Over the years, we shared many rides together back and forth to Washington. We would often see each other here and in Georgia, and we spent a lot of time talking about life and about what is good for the people of Georgia and for the people of our Nation.

PAUL was not just another colleague. He was like family to me and to so many of our colleagues. His passing, his death, hurts. It is painful. It is more than sad. We have not just lost a friend, but we have lost a member of our family.

PAUL COVERDELL's intelligence, commitment, ethics and leadership stood out. He was a friendly, peaceful man. He cared for his colleagues, his friends, the people who elected him, and even people he did not know. He was wonderful to work with, to be with, to travel with. He was good to be around. A wonderful man. One of the good guys. He was my friend, Mr. Speaker. He was my brother.

We occupied different sides of the aisle, and we did not always agree, but always had the utmost respect and admiration for this man. For three decades, as a Georgia lawmaker, Peace Corps director, United States Senator, PAUL COVERDELL was a man who could be trusted to get the job done. He focused on the war on drugs, worked to improve education, and fought for the farmers and small business people of Georgia. He was always prepared to help out and take on any task that was required.

But PAUL COVERDELL never sought out the limelight. He never sought the headline. He would never grandstand. He worked hard behind the scenes without seeking any recognition. In today's political climate, PAUL COVERDELL was an unusual and extraordinary man who will be forever missed from among our midst.

When PAUL was director of the Peace Corps, he would come in to see me from time to time after he had just come back from a trip abroad. He was so enthused about what he saw and what the Peace Corps was doing, whether in Africa, Eastern Europe, Asia, Central America or South America, that his enthusiasm rubbed off on me during those meetings. I looked forward to talking with him and working with him on those concerns. He wanted to help people meet their basic needs, food, water, shelter, and he wanted to stop them from having to struggle. I admired his commitment and his work with the Peace Corps. PAUL COVERDELL will be remembered not just as a citizen of Georgia, an American, but as a citizen of the world.

Mr. Speaker, his death is a tremendous loss for the members of the Georgia delegation, for the people of Georgia, and a personal loss for me. We are all very sad, not just the people of Georgia, but all of his colleagues in the Senate and in the House. He will be deeply missed.

My heart and prayers go out to PAUL's wife, Nancy, to the other members of the Coverdell family, and his staff here in Washington and in Georgia.

Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. LINDER), a member of our delegation from the State of Georgia.

Mr. LINDER. Mr. Speaker, I thank the gentleman for yielding me this time and for bringing this proposal to the floor.

Mr. Speaker, I met PAUL COVERDELL in 1972. He was one of 22 or 23 members of the State Senate who were Republicans, out of 56 members, and 3 years later I was one of 19 members, I believe it was, out of 180 members in the Georgia House who were Republicans. And PAUL never stopped a moment from trying to build a party, to be competitive, not because he thought Republicans were better than Democrats, but he thought more Republicans would make the Democrats better.

PAUL had an unbelievable appetite for work, and those who worked with him understand that he had one failing in that appetite, and that was that he always wanted to have meetings. Whatever he came up with, he called a meeting. I recall helping him in 1977 in the race the gentleman from Georgia (Mr. LEWIS) referred to, a special election. I said, PAUL, how can I help you? He said, we are having a meeting at 5:30. I showed up at his office and we talked strategy for an hour; and then I said, I have to get going and distribute some of this literature. And he said, well, we are going to have another meeting tomorrow at 5:30. I said, No, you, are going to have a meeting at 5:30; I am going to be out doing work.

He did that because he did not want to go off on his own on any issue and he wanted to talk things through. It was not uncommon to hear the phone ring at 11:30 at night, and when I answered it, it would be, JOHN, PAUL, I have to talk to you about something; and he would talk for a long time.

I would play tennis, he would study politics and policy. To him they were exactly the same. Politics and policy were not separate issues. He cared about them both and he cared nothing about attention for his successes. There is a reason why we did not see him on TV a lot because he preferred to work very quietly, very much behind the scenes, bringing people together, building coalitions as no one has in my lifetime.

I woke up this morning and thought there is a huge hole in my life, because PAUL has been a large part of it for 25 years; and he will be missed. I am sad that most of America will not know how much he is missed because his work was so quiet and so behind the scenes.

I thought a little while ago, when I was talking to a reporter about this, that I cannot think of a single former friend of PAUL COVERDELL's, not a single friend, who ever left his side in anger, because he was such a decent and gentle man. He has people working for him today in volunteer capacities who have been with him since 1970. They are still there because he was such a decent and gentle man, and he included them, gave them opportunities to excel, gave them their head and let them achieve, and then let them get the credit. They are all there, too, to this day. His loyalty to the people around him got that loyalty back from them.

I am sad beyond words. There is little left that we can do but to say to Nancy and his mother and loved ones and staff that we offer ourselves as poor substitutes for their beloved PAUL, and urge upon them the words of the Psalmist, who, feeling the pain that we here today feel, was moved to write ''The Lord is close to the brokenhearted, and those who are crushed in spirit, he saves.''

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Speaker, I thank the gentleman from Georgia (Mr. LEWIS) for yielding me this time. I am deeply saddened today by the loss of our friend and colleague, PAUL COVERDELL. His passing is not only a great loss for Georgia and our Nation, it is indeed a personal loss for me.

I first met Senator COVERDELL in 1974, when he came to Columbus, Georgia, where I lived, and he did his best to recruit me to run as a Republican for the State Senate. Senator COVERDELL was not successful in that endeavor, but he impressed upon me his commitment to integrity in government and his commitment to our two-party system.

I eventually ran for the legislature 2 years later as a Democrat, and I have served with PAUL, I guess now for nearly 20 years, both as a member of the General Assembly and as a member of our State's delegation here in Congress. He and I worked together on a number of issues over the years, and he was an extraordinary leader whose flexibility, his ability and commitment, and his integrity were recognized by anyone who knew him and had the opportunity to work with him. He was a thoughtful and soft-spoken man, but he was a tenacious fighter for all of the causes that he believed in.

Shakespeare wrote, ''All the world's a stage, and all the men and women merely players: They have their exits and their entrances; one man in his time plays many parts . . .''

So it was with PAUL. He was a soldier, having served in the Army in Korea and the Republic of China. He was a legislator, and emerged as one of the most ardent defenders of our American freedoms and our democracy, as a real true fighter for our two-party system. He was a Senator. He was elected by his colleagues to leadership in the U.S. Senate where he served as adviser, counselor, supporter, confidant for the Republican Party, and he gave an important voice to how our government conducts its business.

As a humanitarian, PAUL dedicated a segment of his life to leading the Peace Corps, an organization that needs no accolades in its efforts to lift the untouchables to places of respectability and to bring life and quality of life to people all across the world.

□ 1500

That was PAUL COVERDELL's commitment. He made numerous contributions in the Peace Corps, such as redesigning the agency's mission to serve the emerging democracies in Europe.

PAUL was a family man. He loved Nancy and his family, and he always held them dear. But PAUL was also a statesman; and everything that he did, he did it with dignity and with respect and with courtesy.

I have two personal stories or recollections and memories of PAUL. I have shared one, and that was his efforts in our conversations as he worked to try to recruit me as a Republican candidate for the State Senate in 1974.

But even more important than that was the kind of individual that PAUL was, the kind of integrity that he had. He was a man who was committed to integrity, who was committed to fairness, and who was committed to that which was right.

My colleagues may remember that former State Senator Julian Bond had been a member of the Georgia State House of Representatives and had made some statements regarding the Vietnam War which angered his colleagues in the Georgia House. They got together, passed a resolution, and expelled him from membership in the Georgia House. So he could not take his seat.

Then Representative Bond filed a lawsuit, took it all the way to the Supreme Court; and the Supreme Court had to order the State House to grant him his seat to represent his constituents.

Shortly thereafter, Julian Bond ran for the State Senate and was elected overwhelmingly and became a member of that august body. But the hostility was so great in the Georgia House because of the resentment for Senator Bond and what he stood for that any piece of legislation that he offered that passed the Senate, even if it passed unanimously, once it got to the House it was doomed to a certain death, a certain death.

So PAUL and Julian were friends. Anything that Julian felt so strongly about that he wanted it to be passed he discussed with his friend, PAUL COVERDELL. PAUL would take Julian's ghost-written legislation and he would offer it under his name; and when it got to the House, it would secure the usual passage.

PAUL did that not because he wanted the limelight, not because he wanted the credit, but because he believed in doing that which was right; and if it was a good piece of legislation, he felt that it did not matter who wrote the bill. What was important was the result.

PAUL COVERDELL set an example for all of us in elective office to follow. It is not important that we be concerned about the partisanship as it is that we be concerned about the policy.

Yes, all the world is a stage and all the men and women merely players. Each has his entrance and his exit. One man in his time may play many parts.

And so to Nancy and to the Coverdell family, our prayers go out to you; and we will wrap our arms around you, and we urge the Almighty to grant you the peace of spirit that only he can grant at a time like this.

PAUL was our friend, PAUL was a statesman, and we will miss him very deeply.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. CHAMBLISS).

Mr. CHAMBLISS. Mr. Speaker, I thank the gentleman from Georgia (Mr. LEWIS) very much as the dean of our delegation for bringing this resolution to the floor.

Normally, we come down here to the well of the House to debate bills; and while we are sometimes loud and in heated debate, we are always having fun down here. This is one of those times where we are not necessarily here having fun, although I cannot help but think about PAUL COVERDELL and some of the fun times we had together and some of his traits that have been coming back to me over the last couple of days.

I am reminded particularly about the fact that, I do not care where you saw PAUL, he always had that same white shirt and tie on. I have the great pleasure of representing the Okefenokee Swamp. We were down at the Okefenokee a couple years ago, and some of my colleagues were down there, and we were doing a press event. It was as hot as blazes. We were out there in the middle of the swamp, and all of us were dressed in our golf shirts and our khaki pants. Just as the news conference starts, here comes PAUL driving up with his white shirt, his suit pants, and his tie on. What a classy guy.

Two years ago I was doing an event for him, and I remember it was a farm event and we were over in Terrell County. And again, it was in August. August in Georgia, my colleagues, particularly south Georgia, is hot. We were out in the middle of a field looking at some peanuts out there. And again I am in my golf shirt and my khakis, and PAUL is out there just as cool as he can be in that white shirt and that tie.

As we sat under the shade tree that day talking to a group of farmers, he was just so impressive, not just in what he was saying but in the way he looked and in the way he carried himself. That is the PAUL COVERDELL that I am going to remember.

PAUL and I had a habit of talking to each other about once a week over the last couple years just about things in general. We did not always get a chance to sit down face to face. Sometimes we missed a phone call. But the guy had more political insight, not just partisan political insight, but political insight about things in this country.

I will always remember the fact that if I called him and talked to him about an ag issue, which I did on a regular basis, we talked about whatever it was; but then PAUL with get off and he would, SAXBY, let me tell you what we are doing with the Straight A's bill, this education bill that is going to mean so much to the children that your wife teaches and to other children all across this country.

And you would be talking to him about a defense issue, again which we do on a regular basis; and we talk about our 130s or our F–22 problem, whatever it was, and PAUL would say, Well, let me tell you about one other thing that I am working on, this drug issue with the Colombian drug bill that we are working on. Let me tell you what that is going to do for America. Let me tell you what a difference that is going to make to people all across this country.

That is the PAUL COVERDELL that I am going to remember.

He was a very unique individual, a person who had the ability to take difficult issues, to deal with difficult people with difficult issues and bring common sense and political responsibility to the forefront.

PAUL COVERDELL was truly a unique Member of the United States Senate. He was a great colleague of all of ours, whether you are Republican or Democrat; and that is evidenced by the fact that this is being done in a bipartisan way. Yesterday, on the floor of this House, it was evidenced in a bipartisan way that there was tremendous respect for PAUL COVERDELL.

We will miss him very much. We certainly wish the best for him and his family. His staff are just great people that my staff has had the pleasure of working with every single day that I have been a Member of this House.

PAUL COVERDELL had gotten so political in his thoughts that he probably designed his death to take place on the day of the Georgia primary, which happened to be yesterday. And I am betting you when he got to the pearly gates last night, the first thing he asked St. Peter was for a copy of the Republican election results from yesterday. That is the kind of guy that he was.

He was a great friend, a great individual. This country will miss PAUL COVERDELL.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Georgia (Ms. MCKINNEY).

Ms. MCKINNEY. Mr. Speaker, I guess it is not a secret, PAUL COVERDELL and I were about as different as night and day. But vastly different paths in life led us both to serve in the Georgia legislature and then on to Congress so that we could work together on behalf of the people of the great State of Georgia. And when it came to the interests of the people of Georgia, we often saw eye to eye.

I want to send all of my deepest and most heartfelt condolences to the Coverdell family and to all the people who knew and loved PAUL COVERDELL.

Immediately after the 1996 election, when I had been redistricted and had a vastly changed district and we were able to pull out a victory in a very close race, PAUL COVERDELL and I got together and decided that we needed to build bridges with each other so that we could do the work that the people of Georgia sent us both to do.

Our first project together resulted in about $20 million being protected on the Senate side for my constituents who live in and about the environs of Peach Tree De Kalb Airport.

PAUL COVERDELL's latest project that we all were working on was a veterans cemetery for our Georgia veterans.

But more than anything else, I have to say that I am struck by the finality of death and the incomplete way many of us in public life lead our lives. We are so busy, we are rushing here and rushing there and going to meetings and going here and going there and always, always, always in a rush and too busy to appreciate the people around us, too busy to stop and say ''I love you,'' too busy to stop and say ''I thank you'' to the people who make a difference in our lives.

This past weekend, I was looking at the Coverdell report on television; and now I am standing here today sending condolences to PAUL COVERDELL's family.

I want to thank the gentleman from Georgia (Mr. LEWIS), the dean of our delegation, for providing us this resolution so that we can pay our respects to our senior Senator. I want to thank all of the people who are responsible for all of us being here serving our people of our State.

I would like to thank my colleagues, who, through difficult times, have stood beside me in particular. And perhaps I have not said thank you appropriately enough, but I want to say thank you today. I want to say thank you to my Georgia delegation members. Because we do not see eye to eye on a lot of issues and we do not even meet as often as we probably should, but I do not think there is a single issue that will benefit the people of our State that we do not come together and work on.

And then finally, I would like to thank the Coverdell family for sharing their leader with the people of our State and the people of our country for about 30 years of public service.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. DEAL).

Mr. DEAL of Georgia. Mr. Speaker, I thank the gentleman from Georgia (Mr. LEWIS) for bringing this resolution to the floor.

This is a sad day for all of us, and I am dearly impressed with the eloquence of my colleagues who have already spoken.

PAUL COVERDELL was indeed a good friend of ours. And it is difficult on occasions like this to say anything that lends full value to the life that he shared with all of us. I realize that labels and slogans themselves are often inadequate. But I will be very brief, and I have a few labels that I would like to put on PAUL COVERDELL.

The first is that he was a defender of democracy. That may seem to be a very bland statement, but he truly believed in this Republic that we have here as a country.

He believed that one of the great things that it embodied was the free enterprise system. And he, as a small businessman, grew his business to a

successful national enterprise. So he was indeed a defender of democracy.

And he was a proponent of peace. We have heard the statements about his service as the Director of the United States Peace Corps. But in all of his dealings, both politically and personally, he was indeed a man of peace.

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And he was, of course, a patriot with passion. You have heard of his service as a captain in the United States Army overseas. But he also brought that same degree of passion and patriotism to his public service, having been recognized by educational institutions and by other public institutions for his service both at the State level and here in Washington. And he was a statesman with stature.

Like many of my colleagues, we served with PAUL at the State legislative level. PAUL was in the State Senate when I arrived in 1981, and even though he was in the minority in that body, he was respected, because he displayed the kind of dedication to public service that all of us would like to have.

I recall that he was on the retirement committee. I want to tell you, folks, when you get assigned to the retirement committee in the Georgia legislature, you really do not aspire to that position. But he was one of those individuals that everybody, regardless of political party, would go to to ask about those intricate, detailed, often boring and mundane issues relating to retirement, and PAUL always knew what the answer was, because he was willing to do his homework. He was willing to work on the things that other people would want to cast aside because there was not enough public attention given to the subject. But PAUL knew how important things like that were; and that is, of course, what distinguished him here as well and made him a statesman with stature.

He was also and lastly a friend without reservation. He was somebody that you could talk with on a personal and intimate basis. You could rely on his judgment. You could trust the fact that he would keep confidences and he would give you the best and sound advice that he possibly could, both politically and personally.

Lastly, I would simply like to say that PAUL COVERDELL was a quiet man of courage, and he will be deeply missed.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS. I thank the gentleman from Georgia (Mr. LEWIS) for yielding me this time.

Mr. Speaker, PAUL COVERDELL's passing is a great loss to the United States, to the other Chamber, to Georgia, to his wife, Nancy, and his family. He was a hardworking, thoughtful legislator who possessed the rare gift of leadership and the even rarer gift of being a good man. The news of his death hit me hard, because I saw PAUL as more than a colleague. I saw him as a true friend, and more than that as a mentor.

When I was first elected to the Georgia Senate, he and I took a walk through his neighborhood to talk about the job that I would be facing. That was his style, quiet and purposeful. He was a teacher who was less concerned about who received the credit than he was of getting the job done.

Mr. Speaker, many others in Georgia's Third Congressional District feel the loss of PAUL COVERDELL. I spoke with several this morning who worked with PAUL to build the Republican Party in Georgia or who served with him in the Georgia legislature, people like Barbara Scruggs, chairperson of the Third Congressional District Republican Party. She said, ''I've known PAUL since the first election he ran. I always admired how hard he worked for us. He was always quiet and unassuming and a great leader of the State of Georgia.''

Former Congressman Bo Callaway said this morning, ''This is such a shock to have PAUL in his prime of life so suddenly taken from us. I really think the people of Georgia and America will never know how much we have lost, for PAUL COVERDELL was really on the way to becoming one of our great leaders. It will be hard to imagine going on without him.''

Ted Land, who served in Georgia's Senate with PAUL, said, ''PAUL COVERDELL was a man of highest integrity. I never in my 10 years with PAUL ever heard him speak a mean-spirited word about anyone on either side of the aisle. A man of boundless energy, he was totally dedicated to serving his State and his party. The void created by his death will be extremely difficult to fill.''

Former State Senator Arthur ''Skin'' Edge summed up PAUL in one word: patriot. He said that as he heard of the death of PAUL last night, the one thing that kept coming back to his mind is that PAUL COVERDELL is a 21st-century patriot. He stood for the principles that this country was founded on and fought for them all of his life.

Mr. Speaker, on behalf of Georgia's Third District, we mourn PAUL COVERDELL's death, and we cherish the memories of his friendship.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Speaker, I thank the gentleman from Georgia (Mr. LEWIS) as dean of our delegation for bringing this resolution today.

Mr. Speaker, PAUL COVERDELL was a sterling example of what a United States Senator should be all about. He provided the kind of leadership for Georgia, America, and the world that will be sorely missed. PAUL COVERDELL was unshakeable in his resolve to support the right policies for Georgia and America. Yet in 6 years of serving with him in Congress, I never heard him utter an unkind word toward any opponent. He was a man of reason, of principle, and provided a shining example of civility in action in the arena of public debate. That is unusual to find a man such as that.

He never to my knowledge backed down on principle; yet he held his ground with dignity and respect for the position of those who disagreed. And he never gave up.

Since coming to Washington in 1993, Senator COVERDELL fought to improve the education of America's children. That fight continues today. But because of his effort, I believe that fight will eventually be won because of his enthusiasm and his sincere belief that we could make it better. When it is, the final product will have the fingerprints of PAUL COVERDELL on every page.

Senator COVERDELL was likewise a champion of those who served this country in our Armed Forces. When Congress forgot the promises made to our veterans, PAUL COVERDELL reminded us all of those commitments. His legislation to restore those promises is still pending in both Chambers, and the finest tribute I think we could all pay to this true statesman would be to pass that measure into law before this session ends. Today, I recommit myself to helping make that happen.

There are far too many issues to mention in which Senator COVERDELL played a decisive role. But we need to reflect on PAUL COVERDELL's public service before he became a Senator, I think, because it reflects a lifetime of public service.

He began adult life, of course, by serving America in the U.S. Army in Korea and the Republic of China. He served his State in the Georgia Senate for nearly 2 decades. He served America and the world as the director of the Peace Corps, as we have heard, where his leadership in building democracy was vital in reclaiming much of Eastern Europe from the dictatorship of Communism.

Our hearts go out to Nancy Coverdell and the entire Coverdell family. They should be and are remembered in the prayers of this Nation in their hour of loss. And we should remember the loyal staff of Senator COVERDELL. Perhaps the strongest confirmation of the basic decency of a Member of Congress can be found in the affection of those who work with him every day, many times under the most trying circumstances. From the true grief that I personally know his staff to be feeling today, the decency of this great American is affirmed in full measure.

That slender thread of life by which we were tied to PAUL COVERDELL is now broken. But the wisdom, the generosity, the civility, the patriotism, and the dedication which he brought to this Congress will never die. The leadership of PAUL COVERDELL will continue to live in the legislation he has enacted and has sponsored. We can best

honor his memory by seeing the mission through, from giving our children a choice in education to restoring the health care of the defenders of America.

Mr. Speaker, let us pay tribute to a great leader by picking up the fallen banner of Senator PAUL COVERDELL and carrying it through to victory. I personally feel a great loss for a dear friend; indeed, we all do, a man that we have all become very close to and loved, a quiet, gentle giant in the Government of America.

Today we pray for PAUL's soul and pray God will give comfort to Nancy and the Coverdell family.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. BARR).

Mr. BARR of Georgia. Mr. Speaker, I am proud to rise today in support of the resolution authored by the dean of the Georgia delegation, the distinguished gentleman from Georgia (Mr. LEWIS).

Let me first say to PAUL's lovely bride, Nancy, you have the love, the affection, and the prayers of this entire body on both sides of the aisle, on both sides of the Rotunda. We pay tribute today to the hardest-working man in the U.S. Senate. Although his venue has changed, the job description has not. PAUL COVERDELL is now the hardest-working man in heaven. I can hear him already, sleeves rolled up, white sleeves, of course, tie impeccable, saying, There must be some unfinished work up here in heaven, Lord. Point me in the right direction. I'm ready to work.

While PAUL COVERDELL never spoke from this well, but rather from the well on the other side of the Rotunda in the United States Senate, you could often hear his voice here, in front of this American flag that he loved and the country that it represents that he loved so deeply and so passionately. You could hear PAUL COVERDELL whenever we debated such issues of fundamental importance to the American people as those he had championed and loved: education, national defense, and always the needs, wishes, hopes, and desires of our citizens of his and our beloved State of Georgia. You could hear the passion, the conviction, and the patriotism always of PAUL D. COVERDELL. Those words, that passion, that commitment will echo out now forever across the ages as part of what former President Ronald Reagan called in his second inaugural address, the American sound. PAUL COVERDELL is now part of that American sound that President Reagan identified as the sound of love, decency and compassion that has always echoed out across America and through the halls of its leadership and around the world, representing the very best of mankind.

PAUL COVERDELL is a friend. Though we briefly found ourselves, he and I, in a competitive race in the primary, in the primary runoff in 1992, we were friends before that race. Indeed, PAUL was my very first political friend when I moved to Georgia in the 1970s.

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I was referred to him by our mutual friend and my former boss at the CIA, George Bush. We remained friends throughout those two races in 1992, and we remained ever closer friends both immediately after and in the years since PAUL was elected with honor and dignity to the United States Senate in 1992.

I am reminded today in closing, as a man of God, I know the gentleman from Georgia (Mr. LEWIS) is, too, of Matthew who tells us in chapter 5 in those words that are so familiar to all that there Beatitudes, blessed are the peacemakers for they shall be called the children of God.

PAUL COVERDELL was a peacemaker. PAUL COVERDELL is a child of God, now and for the ages. I thank the gentleman from Georgia (Mr. LEWIS) and God bless PAUL D. COVERDELL and his family.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. ISAKSON).

Mr. ISAKSON. Mr. Speaker, I thank the gentleman from Georgia (Mr. LEWIS) for bringing this resolution to the floor today. Mr. Speaker, I thank each of my colleagues from Georgia for paying tribute today to our dear friend, and I hope everyone in this room and I hope everyone listening recognizes that 11 Georgians, Democrat and Republican alike, sit today under this symbol and in this room and pay tribute to a man who transcends politics and who in our State, as we have heard from each speaker, through example after example, changed lives and made them better.

Mr. Speaker, rather than repeat everything that has been said, I would just say this to those of us who are not from Georgia; if you have ever flown through Hartsfield International Airport, PAUL COVERDELL touched your life. If you ever came into Atlanta and rode on its rapid transit, PAUL COVERDELL touched your life. If you are a Georgia citizen whose life or the life of a loved one was saved because of a seat belt, PAUL COVERDELL touched your life.

While so many politicians talk a good game, PAUL COVERDELL lived one; but, you know, at a time like this when a contemporary of all of ours dies, it puts life into perspective.

It makes us think for just a minute what if I die. But for those of you who did not know him, let me just tell you this, PAUL did it all. He did it with dignity and with grace. He did it with passion and with understanding, and he did it with not a single evil touch to anything he ever did. He did it for the best of the United States of America and for the people of Georgia.

In my Sunday school class, in Marietta, Georgia in the Methodist church, we have a little book called Leaves of Gold, and in it there is a poem, and I cannot remember, but twice before that poem has been recalled to me in paying tribute to an individual, but it just seems to fit the life and the legacy and the lasting memory of PAUL COVERDELL.

I hope I can get through it, but it goes a little bit like this: I would rather see a good person than hear about one any day. And I would rather have a good person walk with me than merely point the way. For my eyes are better pupils and more willing than my ear, and fine counsel is confusing but examples crystal clear. And the best of all the people are the ones that live their creeds, for to see the good in action is what everybody needs. Oh, I will be very glad to do it if you let me see it done, but your tongue too fast sometimes may run. And the lectures you deliver may be very wise and very true, but I would rather get my lecture by observing what you do. For I may misunderstand you and the high advice you give, but I will never misunderstand the way you act and the way you live.

Mr. Speaker, I associate myself with all of my colleagues to pay tribute to a man who acted and lived a life exemplary of the finest in public service, the finest in commitment to his wife and to his family and in the finest tradition of public service.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding me the time.

Nancy Coverdell has lost a great husband, as has the Coverdell family lost a great member. The United States of America has lost a great Senator. Georgia has lost a great leader and the Republican party in Georgia has lost the father of our party.

PAUL COVERDELL was the minority leader in the State Senate. He was the State Republican party chairman. He was the official Georgia connection to the Bush White House. He was the director of the Peace Corps. He was the United States Senator, and then also in the great Bush-Coverdell legacy, the official contact for the George W. Bush campaign.

He put our party on the map, and the reason I underscore that is, I believe the State and its citizens are better for it. I believe that having two parties gives our voters every day a choice, and I believe I am a better Republican because of Democrat opposition. I hope that our Democrat counterparts, and I am sure they will agree, they would say they are better Democrats because of Republican opposition.

The State, indeed, is the winner. PAUL COVERDELL was a great strategist. I remember in 1974 my mother, who is a great newspaper clipper, sent me an article called the Gospel According to PAUL. And it was talking about

this young guy running for the State Senate in Atlanta, who was doing strange things, like going door to door and having living room coffees and roadside sign wavings. And he was struggling in an uphill battle in a Democrat-controlled State to win, but he did win. I believe, as the gentleman from Georgia (Mr. LINDER) has already said, there were only three Republican Members in the Senate at the time. I know by the time I got to the State House, there were a whopping nine Senators.

COVERDELL was the minority leader. But while he did not have numerical superiority, he did not let that keep him out of the ideas arena. And he was very competitive on ideas. At that time, Governor Joe Frank Harris was introducing a number of DUI laws.

The gentleman from Georgia (Mr. ISAKSON) will remember COVERDELL passed and sponsored a bill in the Senate that said, you know, it is not just enough to give somebody a heftier DUI penalty, what we have found through research is a lot of these people are addicted to alcohol. We need to put in a component of mandatory assessment to see if they are addicted, and then we cannot just leave them addicted to alcohol, we need to have mandatory or at least optional treatment. This was a solid idea.

Mr. Speaker, I remember being on the Motor Vehicles Committee as he pushed that. PAUL COVERDELL was an ideas man. He also had a great world view. As director of the Peace Corps, he did not just use this, okay, this is my political plumb for helping President Bush along the campaign trail. He used it to promote farming in Third World countries, economic growth and development, medical help. Indeed, he saw the formula for world prosperity meant world peace, and it was great and important for the United States of America to be there leading the way.

PAUL COVERDELL was a sobby-eyed patriot in many ways. I remember when he was running for the U.S. Senate and I had him in my living room for a coffee, and at that time all of these people came, and they were asking very lofty intellectual questions about the world situation. PAUL was hanging in there with the best of them. In the middle of this, my small daughter, Ann, 4 years old at the time, had left the playground where all of these kids were, came running into the living room, crashed through the circle of adults to the middle of where this dignified U.S. senatorial candidate was speaking, and said, Daddy, it was my turn in line to go down the slide and they pushed me down the slide and I fell down and hurt my heinie to which the whole audience starting laughing.

Senator COVERDELL was there, acknowledged the little girl and her plight and went on with his speech. And I thought it was so cute because he did not lose control, he kept that COVERDELL dignity through the whole thing. And, indeed, he carried that dignity and that gentleman manner with him everywhere he went.

As the gentleman from Georgia (Mr. CHAMBLISS) has already said, he was a great organizer and a communicator. I remember in the 1992 campaign during the runoff one day, he was at Georgia Southern University, all kinds of people there, and he had done a TV and a radio interview, and he turned on his watch and he said, Jack, we have to go to this event. I said, PAUL, the game has not started. He said, well, we have got a schedule. I said but, PAUL, all of these people are here. He said, well, we really need to get to Savannah and keep our schedule. Indeed, we did leave and go to Savannah.

I was totally amazed and a little bit irritated by this, and only later did I realize the importance of him in terms of strategy; it meant everything, and that is why he could accomplish all of the things that he did accomplish. In our area, he fought as, the gentleman from Georgia (Mr. NORWOOD) said, for the veterans, the active soldiers at Fort Stewart, but the veterans in our area.

Agriculture, we all know in south Georgia good old ''Senator Cloverdale.'' That is what the farmers would always call him. Well, let us just go ask Cloverdale. And they loved Mr. Cloverdale.

Education, if I go to talk to the teachers about educational savings acts, they like that idea. If I talk to seniors about Social Security and lockbox ideas, they like that idea.

PAUL COVERDELL had the uncanny ability, not just to have an opinion on every issue, but have a thought on every issue and a consequential action. He was a man of action.

His civility, as the gentleman from Georgia (Mr. BISHOP) knows, he worked with him very closely on passing the C.B. King Courthouse in Albany, Georgia. I remember, the gentleman from Georgia (Mr. LEWIS) knows, he was friends of Mr. Bond. When Mr. Bond left the State Senate to run for the congressional seat, which the gentleman was successful in obtaining, PAUL COVERDELL was one of the men in the Georgia Senate who stood up and gave a great farewell speech for Julian Bond.

I remember watching that and saying here is a liberal Democrat and the conservative Republican leader of the State. What is he doing? I said there is a lesson here. Bipartisanship and civility is important, and you should never let politics rule over policy.

A week ago, he called me at my home on Sunday. We had an issue in our area with the Federal Law Enforcement Training Center, and we kind of got off path. He said, Jack, I think we are a little out of sync here. I just want to make sure that you and I are okay on this.

It was typical of COVERDELL, because I think so many of us, including me, and especially me, would have said, all right, you are way off base, I am right and you are wrong; not PAUL, he made it so that it was just so easy to get along.

He also told me a couple of weeks ago in a private conversation about committing to the team, when you are a Member of Congress, when you are a Member of an issue and you are associated with that issue, commit to your team and be proud to be on that team, even if the vote is an uncomfortable one.

He talked to me about Nancy. He said, you know, we are doing a little bit with real estate. I have to tell you Nancy is better at real estate than I am. She is real good at it. I will tell you what, you men know. It is a rare man who really privately one on one takes time to brag about his wife to another man, and that is a sign of a great marriage and a great husband and true love.

PAUL COVERDELL was a good Republican, a great strategist, a great ideas man, had a world view, had civility and integrity, a great organizer. He was energetic. He was a great communicator and a loyalist.

In short, PAUL COVERDELL was a statesman. Years ago, there was another Paul on this earth, and he tells us in a scripture that it is better to wear out than rust out. I would not submit to you that PAUL COVERDELL wore out, but I would also say he certainly did not wear out, and maybe in this institution which he loves so dearly we could say, and he would agree, the gentleman's time expired. But while the gentleman's time has expired, I also think we could evoke the words of St. Paul, one more time and say, well done, that good and faithful servant.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Florida, (Mrs. FOWLER), formerly from the State of Georgia.

Mrs. FOWLER. Mr. Speaker, I did grow up in the State of Georgia, and it was with a really heavy heart yesterday when I learned of the loss of PAUL COVERDELL. PAUL and my dad served together in the Georgia State legislature, and though they were in different parties, they became good friends, and shared many funny stories together as they served.

When I came to the U.S. Congress 8 years ago, PAUL sort of took me under his wing and was such a dear friend to me and a mentor, and I could always go to him for advice and know I could always rely on it. He was such an outstanding man. We have been hearing people talk today about all the wonderful qualities that PAUL had, and when I think of PAUL, I think of someone who lived life with zest and enthusiasm, who loved his family, who loved his country, who loved serving the people.

He was the finest example of a public servant that I have ever known, a decent, honorable man, such deep integrity, who loved people so much and loved doing for them. I look back when

he was director of the Peace Corps and all he did to guide and mentor those young people that were serving all around the world.

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So really today, as we all have very heavy hearts because we will all miss PAUL deeply, miss his friendship, miss his service, miss his strength that he brought to the representation of the State of Georgia in the United States Senate but most of all, PAUL, we are going to really miss you.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Georgia (Mr. LEWIS) for yielding me this time.

Mr. Speaker, I want to thank the gentleman from Georgia (Mr. LEWIS) for bringing this resolution to the floor at this time. It is with deep regret that I rise to join my colleagues in mourning the loss of the remarkable public servant, Senator PAUL COVERDELL of Georgia. As chairman of the Senate Foreign Relations Western Hemisphere Subcommittee, Senator PAUL COVERDELL was dedicated to fostering good relations with our neighbors in the Americas.

Among his many contributions, PAUL actively and ably cochaired our interparliamentary meeting with the Mexican Congress, and I was pleased to have had a personal relationship with PAUL in relation to his work on the Senate Foreign Relations Committee.

Last year, Senator COVERDELL was extremely proud to be able to host our Mexican colleagues in Savannah, Georgia. PAUL went to great lengths to make all of us feel welcome, including delivering a substantial portion of his opening address in Spanish, and I recall PAUL and Nancy guiding Georgia and I through his hometown and pointing out where they lived and pointing out his offices. He had a great deal of pride in his city. It was certainly one of the most productive and pleasant interparliamentary meetings we held in Savannah.

Fortunately, PAUL was able to see the Mexican people secure full democracy for themselves through their recent elections on July 2, something that PAUL was strongly supportive of.

It was my privilege to work with Senator COVERDELL on a number of important regional issues. He was dedicated to defining and defending American interests abroad, and when it came time to stand up to support our efforts in our fight against illicit drugs, PAUL COVERDELL never failed the American people; always taking the lead in galvanizing support in the Senate for moving a substantial, meaningful aid package to help our troubled neighborhoods in the Andean region of South America and more recently particularly in Colombia.

Just last week, President Clinton signed into law a bipartisan emergency supplemental aid package for Colombia, and it was gratifying that PAUL was able to see the consummation of his extraordinary efforts to help our neighbors to the south.

Senator COVERDELL was a principled man. He was a leading voice in the Congress, calling for a firm response to the undermining of democratic institutions through the illegitimate elections in Peru; and we should honor Senator COVERDELL's leadership by strongly supporting his respect for democracy in Peru.

My spouse, Georgia, joins with me in extending our deepest condolences to PAUL's widow, Nancy. PAUL and Nancy were loved by many. We extend our sympathy, too, to the many people in Georgia and elsewhere who admired and followed this remarkable public leader.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER).

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I thank the dean of the Georgia delegation for yielding me this time.

Mr. Speaker, I am honored to be here with my colleagues from Georgia and other parts of the country to talk about our friend PAUL COVERDELL. No one could ask for a better friend than PAUL COVERDELL. I first met him when he was appointed director of the Peace Corps in the late 1980s, and at that time the attention in this House and around the world was focused on the emerging democracies of Eastern and Central Europe. In several meetings that we had in my office, PAUL COVERDELL was talking with such enthusiasm about creative ways in which we could help the people of Czechoslovakia, Hungary, Poland, Romania, and other countries that were starting to get that first taste of freedom.

I was so struck with the dedication that this man showed that I made a decision early on that I wanted to do anything that I possibly could to help him. So he took me up on that. He took me up on it when in 1992 he called me and told me that he was going to run for the United States Senate. I thought, what a great idea. He asked me to help him, so I did; and I will never forget the day that I was flying to Atlanta from what is now, and I see Mr. BARR here, affectionately referred to as Ronald Reagan National Airport; and I was standing in the terminal with a former colleague of ours from the other side of the aisle, and he said, Well, why are you flying to Atlanta?

I said I am flying down to help PAUL COVERDELL win his election to the United States Senate.

Well, this former colleague of ours from the other side of the aisle laughed hysterically because he did not believe that PAUL had much of a chance to win, and there were a lot of people who did not think PAUL had a great chance to win. In fact, I suspected that this former colleague of ours from the other side of the aisle kind of thought that PAUL had about as much chance of winning as he did of losing.

So the fact of the matter is, we saw in PAUL COVERDELL a stick-to-itiveness that was very, very impressive. He was dedicated to his work.

I spent time traveling in Georgia with him, and he had a couple of events. There were a few people who attended a number of those events. I assumed it was because they had announced that I was going to be there. But the fact of the matter was, this guy never gave up. He was a real fighter.

One of the things that we have so often found in these Members who worked with him closely in Georgia for decades know that whenever someone wanted a job to be done, the person to whom they would look was PAUL COVERDELL because when this guy said that he was going to take on a job and do it, he did it.

We so often hear the juxtaposition between work horses and show horses in this place, and we all know that PAUL COVERDELL epitomized the work horse. He was a guy who was extremely dedicated.

I am so happy that the chairman of the Committee on International Relations reminded us of his having hosted the Mexican Interparliamentary Conference along with, I remember the gentleman from Georgia (Mr. KINGSTON) was there with us when we held that meeting and PAUL was so proud of the opportunity to host that very important meeting.

I served with him as a cochairman of the Republican House-Senate Dinner. Boy, that guy was absolutely relentless when it came to our goal of building a strong Republican Party, and as has been said by our colleagues from the other side of the aisle, he, working for a strong Republican Party, knew that ultimately working in a bipartisan way was the only way that we could actually get things accomplished.

My thoughts and prayers go to Nancy and other members of the family, and I cannot say what a shocking and devastating loss this is, not only for this great institution of ours but for the Nation as a whole.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The Chair advises that the time of the gentleman from Georgia (Mr. LEWIS) has expired.

Pursuant to clause 2 of rule XVII, the gentleman from Georgia (Mr. KINGSTON) is recognized for 1 hour on the resolution.

Mr. KINGSTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. WAMP).

Mr. WAMP. Mr. Speaker, I thank the gentleman from Georgia (Mr. KINGSTON) for yielding me this time.

Mr. Speaker, I believe for the ages Senator PAUL COVERDELL will be remembered as one of the most thoughtful, diligent, and detail-oriented Members in the history of the United States Senate. Who would have ever thought this time last week that we would be here today paying tribute to the memory of Senator COVERDELL?

There are times here where everything seems to stand still, and this is one of those days where we come together at the water's edge, as people, as God's children, no differences, to pay the proper tribute to a truly great public servant. A lot of political people skim the surface, stay on the surface from fear of the details, from fear of the slip of the tongue, from fear of incompetency on very complicated matters of the day, but not Senator COVERDELL.

My experience with him was a fearless master of details and complexity, never worrying about how far deep he would swim into issues, about whether he could comprehend them or always carry a host of things going on at the same time. Unbelievable, really, in his capacity to carry all of the different issues with him and stay that intricately involved. It really bodes well for public service in America that people like PAUL would dedicate his life to others through public service.

As a Tennessean who was born in Georgia when my dad was on active duty at Fort Benning, my dad always said that it cost $12 for me to be born at Fort Benning, and he still wonders if he got his money's worth; but that is my Georgia roots, and I am a Southerner. Georgia mourns the loss today of a truly great United States Senator, but the South has lost one of its greatest leaders as well.

I come as a Southerner today to say, Nancy, we are sorry; to the Georgia delegation, we are sorry that they have lost their friend and lifetime companion in the flesh.

Last October I was coming to the Chattanooga Airport to leave right after Payne Stewart had died tragically at the height of his career, and you think about PAUL at 61 years old, he is really politically at the height of his career and he is gone in the flesh, right at the height of his ability to effectively carry out the responsibilities as a United States Senator and he is gone.

I said to R.V. Brown, a pastor who I know who I ran into at the airport, Reverend R.V. Brown is that not unbelievable that Payne Stewart just vanished like that in the flesh? And here is what he said, and it was a great comfort to me, and I hope it is great comfort to Nancy and others who mourn the loss of PAUL COVERDELL. He said sometimes the Lord picks the ripest fruit to have the greatest impact on everyone around that individual.

I believe that the United States Senate, the United States House, the State of Georgia, the South, the United States of America, mankind at large can come closer together and truly appreciate each other more because of this moment when we forever and ever memorialize a fine person and a great public servant, Senator PAUL COVERDELL. Good-bye, sir.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from Tennessee (Mr. WAMP), the chairman of the Morning Prayer Breakfast each Thursday, for his remarks.

Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. BLUNT), the deputy whip.

Mr. BLUNT. Mr. Speaker, I thank the gentleman from Georgia (Mr. KINGSTON) for yielding the floor to me.

Mr. Speaker, just yesterday some of us took the floor in an unanticipated moment to wish the very best and to extend our thoughts and our prayers to Senator COVERDELL, his wife, Nancy, and to their family, as they struggled with this unanticipated challenge. Today, just a few hours beyond, almost exactly 24 hours beyond, the time that we were so hopeful in those last moments of PAUL COVERDELL's life that he would continue to be with us, beyond the time when we thought that if anybody could come back from any challenge it would be PAUL COVERDELL, beyond the time when we thought that if anybody else could do this, could be back in a year, he could be back in a few months, we are here today with a person who has been so important in this building to both the House and the Senate and so important to the country, gone from us.

I was moved by the observation that our friend, the gentleman from Tennessee (Mr. WAMP), just made about how the Lord may take someone at such an inopportune time in their life to challenge the rest of us to meet a new standard in our life, a new standard with each other, a new standard of public service, a new standard of being able to reach out as PAUL was famous for to others and say, gee, you have got a lot to do here, can I help you? At the same time, we know that PAUL every time he was saying that it seemed that when you would think about it that he surely had more to do than the person he was offering to reach out and help, but his predisposition in life was to help other people.

I did not know PAUL COVERDELL when I came to Congress 3½ years ago. In fact, I did not really know him except to speak to him in the hallways of the House and the Senate where he was always friendly to me until about a year and a half ago when he and I were both asked to be on the exploratory committee for Governor Bush. That was a 10-person committee. Our jobs were to represent the governor with the House and the Senate in that year and a half. There was not a week that we did not talk on the phone, and many weeks that we saw each other, just to compare notes, just to talk about what was happening.

□ 1600

Even in that relationship, he would often say, well, you have 200 people over there that you are talking to and dealing with and I only have about 55 over here. Can I help you do anything to make your job in the House easier? I usually observed that probably it was easier to deal with a couple of hundred House Members than 55 people from the other body. He would always smile.

Mr. Speaker, I told somebody not too long ago that there were many good reasons to do that particular job, as the liaison for the Bush Committee, but I would have done it knowing what I knew then, and this was 2 or 3 months ago with no anticipation of this moment, certainly. I would have done it all just to have the chance to work with PAUL COVERDELL. He was that kind of person. He was the kind of person that all of us who got a chance to work with him I am sure were looking forward to a couple more decades of that relationship, not thinking that each time we saw him might be the last time we saw him; but thinking, now, I wonder what it is that we can next do that allows us to work together, because it was such a joy and a privilege to work together with him.

I told someone earlier today that one of the things that one really noticed when one dealt with our friends on the other side of the Capitol was the interesting oil that PAUL COVERDELL added to the process just to make things work that otherwise you did not quite know during a meeting how they might have worked if Senator COVERDELL had not been there. Of course now we are challenged to know how they would work, but we do know the example he set of making things work, the example he set of being willing to reach out to other people, the example he set of always trying his best to appear to be the most humble guy in the room, the person who would be the most likely to take the most difficult assignment, the person who would never show any sense that there was any job that needed to be done that was below or beneath him as an individual. It is a standard that is hard to achieve, frankly, in politics and government, and even hard to achieve in this building; but it is one that he established so well that he made serving others and doing the most menial job seem like that, somehow, that was the most important thing to do.

Mr. Speaker, we will miss him in this building. We will miss him in our relationships between this House and our friends on the other side of the Capitol. We will miss his willingness to work, his capacity, his insight. But as the gentleman from Tennessee (Mr. WAMP) observed earlier, maybe there is a challenge here. There is a purpose in most things in life; and if we search for the purpose of this, one of the purposes might be to emulate some of the things that are so easy to say about PAUL COVERDELL.

Mr. Speaker, it is written somewhere, we will miss him tomorrow and tomorrow and tomorrow.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from Missouri.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. GOSS), the chairman of the House Permanent Select Committee on Intelligence.

Mr. GOSS. Mr. Speaker, I appreciate very much the distinguished gentleman from Georgia, the honorable JOHN LEWIS, the dean of the delegation, and the gentleman from Georgia (Mr. KINGSTON) and the other members of the Georgia delegation, affording us this time to speak about Senator PAUL COVERDELL. The Rules of the House do not permit us to refer to the other body or Members of the other body, and we seldom do speak about them. This is exceptional, because PAUL COVERDELL was really an exceptional person. I think he did touch our lives. Certainly those of us who live in Florida who have to fly through Atlanta understand very well the meaning of having the Atlanta airport there.

What I wanted to talk a little bit about today is the loss to Nancy and his family, to the State of Georgia, and to our country. I think it is pretty much of an incalculable loss, and it is obviously very painful if we have listened to the speakers who have gone before.

We are going to miss PAUL COVERDELL deeply, and we are going to miss him for a very long time to come, not only as a person, but for the skills he brought to the art and science of crafting legislation and people persuasion here in these hallowed halls of the United States Congress.

To me, he had several distinctive hallmarks. They were honor and decency, things that count for a lot here. And effectiveness and accomplishment, of course, the way we are measured. Those of us who were privileged to work with him knew of this literally unrelenting energy. He was a man who could tire out the most hard working of us. He certainly had the intellect to challenge us as well. We all admired his ability, as we have heard testimony to, to find common sense solutions that seemed to work for all sides in a given debate. Those are wonderful people skills. As the gentleman from Georgia (Mr. BISHOP) said in his testimony on the floor, that unquestioning integrity was also another PAUL COVERDELL trademark. That is very high praise.

I well recall his commitment to fighting the war on drugs, just one of the many things he did here, and to his finding a way to get the money to pay for fighting the war on drugs, which is the harder part. His contribution to that was characteristically second to none; and more importantly, he was successful. And that success is now being employed on the front lines in Colombia and in other meaningful ways, and that will affect America as well and those who are concerned about the scourge of drugs on our youth and on our quality of life in this country.

So, Mr. Speaker, I would like to say for my wife and myself and other neighbors in the neighboring State of Florida, we send our condolences, our keen sympathy, and our love to Nancy and the people of Georgia. PAUL COVERDELL was a man who gave so much. He was taken too soon.

Mr. SOUDER. Mr. Speaker, I rise today to express my condolences to the family and staff of Senator PAUL COVERDELL.

I admired and appreciated Senator COVERDELL's commitment to stopping the flow of illegal drugs across our borders and his tireless efforts to expand educational opportunity in America. Senator COVERDELL demonstrated the effectiveness of quiet, but persistent, leadership. He has been hailed as a workhorse and, indeed, his dedication to public service is an example to every official at every level of Government who works for the public good.

My former chief of staff, Ziad Ojakli, is the chief of staff in the Senator's leadership office. On behalf of all of us who are friends of Z and have worked with him over the years, I wish to convey our deepest sympathy to the family, friends and staff of Senator PAUL COVERDELL. They are in our prayers.

Mr. KINGSTON. Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, on behalf of my colleagues in the Georgia delegation, Mr. LEWIS, Mr. NORWOOD, Mr. ISAKSON, Ms. MCKINNEY, Mr. LINDER, Mr. BISHOP, Mr. BARR, Mr. CHAMBLISS, Mr. DEAL and Mr. COLLINS, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agree to.

A motion to reconsider was laid on the table.

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GENERAL LEAVE

Mr. KINGSTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 558, the resolution just adopted.

The SPEAKER pro tempore (Mr. FOSSELLA Is there objection to the request of the gentleman from Georgia?

There was no objection.

□

RUSSIAN-AMERICAN TRUST AND COOPERATION ACT OF 2000

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 555 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 555

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 4118) to prohibit the rescheduling or forgiveness of any outstanding bilateral debt owed to the United States by the Government of the Russian Federation until the President certifies to the Congress that the Government of the Russian Federation has ceased all its operations at, removed all personnel from, and permanently closed the intelligence facility at Lourdes, Cuba. The bill shall be considered as read for amendment. The amendment recommended by the Committee on International Relations now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations; (2) an amendment in the nature of a substitute printed in the Congressional Record pursuant to clause 8 of rule XVIII, if offered by Representative Gejdenson of Connecticut or his designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Florida (Mr. GOSS) is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the distinguished gentleman from Massachusetts (Mr. MOAKLEY), my colleague and friend, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate on this subject only.

Mr. Speaker, H. Res. 555 provides for House consideration of H.R. 4118, The Russian-American Trust Cooperation Act. The modified closed rule provides 1 hour of general debate, equally divided between the chairman and ranking member of the Committee on International Relations. In addition, the rule makes in order a minority substitute and one motion to recommit, with or without instructions; in other words, 2 bites at the apple. I am aware of no Members who sought to offer amendments to the bill. Indeed, the only amendment offered during committee consideration that I know of has been actually incorporated into the bill.

Recognizing the time constraints in the floor calendar during this time of year and the relative simplicity of this bill, this is a fair and balanced rule, in my view, and I urge its support.

Mr. Speaker, H.R. 4118 is relatively straightforward as a piece of legislation, but it is enormously important from a national security perspective. Let me explain. Mr. Speaker, H.R. 4118 prohibits the U.S. Government from restructuring or rescheduling any of Russia's debt with the United States until the President certifies that the Russian government has ceased operating its intelligence eavesdropping facility which happens to be located nearby in Lourdes, Cuba.

I know that many Members have passionate feelings about Cuba; but to me, this has little to do with U.S. policy towards Cuba; it has everything to do with protecting American citizens and our national security. It is absolutely inconceivable to me, and I think to most Americans, that the United States would provide aid and loans to Russia at a time when, according to press reports, the Russian government pays Cuba hundreds of millions of dollars a year to operate a facility it uses

to eavesdrop on the United States and on our business and what is going on here.

For years now, the defense and intelligence community has been pointing out the danger posed by the Lourdes' listening facility. Relying solely on open-source information and press reporting, and I want to reiterate that point, all of this is based on open-source and media reports, the site at Lourdes is of concern for the following reasons: first, the Russian government allegedly pays up to $300 million each year in rent to the Cuban government for the facility. Second, the Russian government has reportedly invested over $3 billion, that is B, billion, for the operation and modernization of this huge intelligence base. Third, the Russian government, following the collapse of the Soviet Union in 1990, has apparently significantly stepped up its intelligence collection activities against the United States from its Lourdes base, and this is, of course, before the currently elected president of Russia, Mr. Putin, was elected and it is well known that Mr. Putin comes out of the intelligence community as a former KGBer; and I do not know what his view is on the subject of Lourdes, and I suspect it is time we find out.

Reportedly in recent years, Russian intelligence agencies have funded major facility and equipment upgrades and enhancements at the Lourdes site. Finally, the experts familiar with the Lourdes facility, including Russian defectors and former U.S. Government officials, assert that the Lourdes site is being used by the Russian government to collect personal information about American citizens and proprietary information about U.S. corporations.

□ 1615

Clearly, this capability offers the means to conduct cyberwarfare against the United States and its people. That is something most Americans understand and do not want to have happen.

Given the obvious national security implications, I am deeply puzzled by the Clinton-Gore administration's adamant opposition to this bill. It seems we have a very clear case where the Russians, with the assistance from Cuba, are engaged in activity in direct conflict with U.S. national security.

Through the leadership of the gentleman from New York (Mr. GILMAN), the gentlewoman from Florida (Ms. ROS-LEHTINEN) and others, we have found a way to apply real pressure to Russia to cease its activities at Lourdes. Yet, I understand the Clinton-Gore administration is opposed.

I would submit that their opposition to this bill is an example in a very long list that makes the Clinton-Gore administration's disdain for security policy appear again one more time before us, inexplicable as it is.

The Clinton-Gore administration, and in particular, Vice President Gore, who spearheaded administration policy toward Russia through the Gore-Chernomyrdin Commission, has repeatedly claimed that it had achieved a special relationship of trust with Russian, referring to them as partners.

I want to quote from the minority views that accompany this bill, because it contains truly amazing statements from the Clinton and Gore administration and its allies in Congress.

The minority suggest that ''the extent to which Lourdes may target U.S. individual or corporate communications is uncertain.'' We know it is there. We are just not really sure how much they are listening to or what they are getting, I guess is what that means.

Further, the minority suggests that allowing the Russians to eavesdrop on the United States to the Lourdes facility is a way of ''guaranteeing a certain level of political trust between Russia and the United States.

These statements remind me of many times that President Clinton has told the American people that our children could sleep peacefully at night because there were no nuclear missiles pointed at the United States. That is a very nice sentiment, it is a great statement and I wish it were true, but it is not. It gives the American people a false sense of security.

I think likewise the many press reports and the testimony by the Russian defectors and the others contradict the reassurances in the minority reports that the Lourdes site is nothing to be concerned about. I think it is something to be definitely concerned about.

I think the American people deserve better than those kinds of assurances, which cannot be backed up. I encourage my colleagues to support this bill. I think that the Republican government needs to understand and be made accountable that it has to honor its financial obligations, and that the Lourdes site must be shut down if it hopes to truly build a relationship of real trust between our two peoples.

Finally, I encourage my colleagues to send a very strong signal to the Clinton-Gore administration that the American people will no longer stand for their culture of disdain for security, whether it is the State Department laptops, bugging at the State Department, Los Alamos, or the many things we have been reading about. It is clear that lack of good security has been a hallmark of this administration from day one, and it is not acceptable. It is expensive, it is painful, and it is affecting our national security in a negative way.

I encourage my colleagues to support this fair rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill for which this rule provides consideration addresses some very valid security concerns in Cuba. However, Mr. Speaker, I think they could be addressed in a better way.

I believe the best way to engage Cuba is first to lift the food and medicine embargo, and then to open up trade and commercial dialogue. In all likelihood, the approach this bill takes will not adequately address American security concerns. Instead, it will further isolate Cuba, which will make it even more susceptible to outside influences other than ours.

My colleagues say that the way to improve human rights in China is to expand trade, an open dialogue. I say we should do the same in Cuba.

Mr. Speaker, when I was in Cuba just a few months ago our chief of mission, which would be our ambassador if we recognized Cuba, told me that her diplomats never have any face-to-face discussions with Cuban officials. They just do not talk. It is much harder to stay enemies with someone that you actually talk with.

The United States is the last country on Earth that still is not talking to Cuba. I suspect that this adds to our problems greatly, because, Mr. Speaker, as many of my colleagues probably know, the Cold War actually ended 9 years ago. Russia is no longer the Soviet Union. In fact, it is no longer Communist.

The debt restructuring is very important to the stability of Russia. A Russian default could upset any attempt at Russian economic reforms. That is something we want to avoid at all costs, because it could eventually threaten our own national security.

This is not leadership. We are not showing our strengths by withholding debt relief to Russia. We need to stand by our commitments and assist Russia as it works to become a true democracy with a market economy, but strangled by this debt, they will never get there.

This bill holds the debt hostage to our outdated Cold War policy. Mr. Speaker, that could have very, very serious ramifications.

Mr. Speaker, I would be the first one to say that we have to address surveillance issues. The United States communications are sacred. They should be protected. But if we are concerned about the types of security threats coming from Cuba, I think we should talk to people in Cuba the way we talk to everybody else. Why should they be any exception?

There are some who believe we should continue to isolate Cuba. They believe we should refuse food, we should refuse medicine. We should refuse any conversation with our neighbors to the south, regardless of the effect on the Cuban people or American businesses.

Mr. Speaker, we have tried isolating Cuba for 40 years. It is not working. This bill is well-intentioned, but might risk making things worse. Let us open the policy up. Let us send our diplomats in. Let us get talking. That is how we protect ourselves and everyone else. That is how we should protect ourselves here.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would point out that this bill asks Russia to stop renting the facility, and have it shut down that way. So we are dealing and focusing on Russia, not on Cuba in this bill.

Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Florida (Mr. DIAZ-BALART), my colleague and a member of the Committee on Rules.

Mr. DIAZ-BALART. Mr. Speaker, I thank the gentleman from Sanibel, Florida, for yielding time to me.

Mr. Speaker, I rise in strong support of the rule, as well as the underlying legislation. I commend the gentleman from New York (Chairman GILMAN) and the gentleman from Florida (Chairman Goss), and especially my colleague, the gentlewoman from Florida (Ms. ROS-LEHTINEN), the author of the legislation, for their hard work in bringing forth this important bill to prohibit rescheduling of debt to Russia until it removes its intelligence personnel and closes the personnel base, the spying facility, in Cuba.

Almost a decade after the collapse of the Soviet Union, a Communist dictator continues to oppress and brutalize a country only 90 miles from our shores, denying the people of Cuba the most basic freedoms, including the freedom of speech, the right to assemble, the right to democratic elections, the right to participate in political parties and labor unions, the right to a free press; in other words, Mr. Speaker, the right of self-determination and the rule of law.

Cuba is going to be free, it is inevitable. But I think it is without any doubt in the national interests of the United States for Cuba to be free as soon as possible. I think it is important that we touch upon just a few of the reasons why.

We in Congress have the ability to receive research from many so-called think tanks. Obviously, they are institutions of research. One of the most respected, I believe, and certainly well-informed of those research institutes is the William Casey Institute of the Center for Security Policy.

In a recent report, they wrote, ''American advocates of normalization contend that Cuba no longer poses any threats to the United States, and that the U.S. embargo is therefore basically an obsolete and harmful relic of the Cold War. Unfortunately, this view ignores the abiding menacing character of the Cuban dictatorship.

''This is all the more remarkable given the emphasis Secretary of Defense William Cohen, among other Clinton administration officials, has placed on asymmetric threats, the very sort of threats that Castro's Cuba continues to pose to American citizens and interests.''

The Russian intelligence-gathering facilities in Cuba, which is what this legislation is dealing with, specifically, the vast signal intelligence facilities operated near Lourdes by Havana's and Moscow's intelligence services, permit the wholesale collection of sensitive United States military, diplomatic, and commercial data, and the invasion of millions of Americans' privacy.

The Cuban regime, with Russia's help, has the capability to conduct sustained and systematic information warfare against the United States. A stunning example of the potentially devastating consequences of this capability that this legislation is dealing with was recently provided by former Soviet military intelligence Colonel Stanislav Lunev.

As one of the most senior Russian military intelligence officers to come to this country, Lunev revealed that in 1990 the Soviet Union acquired America's most sensitive Desert Storm battle plans, including General Schwarzkopf's famed ''Hail Mary'' flanking maneuver, prior to the launch of the U.S. ground war in the Persian Gulf.

Moscow's penetration of such closely-guarded American military planning via its Cuban facility, which this legislation is dealing with, may have jeopardized the lives of literally thousands of U.S. troops in the event that the intelligence had been forwarded to Saddam Hussein at that time by Soviet premier Gorbachev.

By the way, Moscow pays over $200 million a year to this day to the Castro regime for the intelligence-gathering post, for the Russian intelligence-gathering post 90 miles from the shores of the United States. Even though they get a lot of money from the U.S. taxpayer, Mr. Speaker, the Russians turn around and pay over $200 million a year to Castro for the intelligence facility that the Russians maintain in Cuba.

Recent news reports have brought forth that the same types of concerns that existed during Desert Storm due to the intelligence-gathering operations in Cuba that this legislation is dealing with, the same types of concerns that existed during Desert Storm due to the intelligence-gathering operations in Cuba that the Russians maintain and the intelligence-gathering operations that Castro maintains with the help of the Russians, these same concerns remained during our recent operations in Iraq and in Kosovo.

Drug trafficking, money-laundering, assistance to narcoterrorists in Colombia and elsewhere, harboring murderers and many other fugitives from U.S. justice, those are but a few of the actions of the Cuban dictatorship which point out why a free and democratic Cuba as soon as possible is definitely in the national interests of the United States, as well, obviously, as in the national interests of Cuba.

But the intelligence post that we are dealing with today specifically, and that is the issue today brought forth by the legislation of the gentlewoman from Florida (Ms. ROS-LEHTINEN), is certainly another very key reason.

In conclusion, I urge both the adoption of the rule and the underlying bill, for which I commend my colleagues, and especially the gentlewoman from Florida (Ms. ROS-LEHTINEN) for bringing forward.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me the time.

Mr. Speaker, as the distinguished dean of the Massachusetts delegation noted, H.R. 4118 raises legitimate security issues. However, the bill puts forth the worst possible recommendation on how to deal with these issues.

Mr. Speaker, the Cold War is over. We are now in an era of engagement. Unfortunately, the sponsors of this bill want to link our policy with Russia to the failed U.S. policies towards Cuba. This bill would undermine U.S. leadership on engagement with Russia. It would cripple U.S. leadership in the Paris Club, that negotiates debt forgiveness and rescheduling of debt for Russia. It would place Russia's shaky economy in an even more precarious situation.

Why? Because the sponsors of this bill reject U.S. engagement with Cuba. If we had relations with Cuba, the United States could negotiate directly with the Cubans and the Russians about how to resolve the security issue.

Even worse, this bill will actually create new security problems for the United States. The United States maintains many listening stations around the world. We enjoy a significant advantage over Russia. Why do we want to bring public attention to these intelligence matters?

□ 1630

H.R. 4118 is part of the same effort that would deny Americans the right to travel to Cuba, and that would deny our farmers the ability to finance the sale of food and medicine to the people of Cuba. Sadly, the leadership of this Congress has, in a back room deal, refused to allow this House to work its will on that issue.

It is also part of the effort to block all efforts to pursue a new policy towards Cuba, one that engages the Cuban people, in order to ensure a peaceful transition to democracy.

This bill is a lose-lose proposition for American interests. I urge my colleagues to oppose H.R. 4118.

Mr. GOSS. Mr. Speaker, it is my great honor to yield 2 minutes to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the House Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

Mr. Speaker, I support the adoption of this rule for consideration of H.R.

4118, the Russian-American Trust and Cooperation Act of 2000.

This measure addresses a very serious situation, a situation that confronts our Nation with regard to espionage being conducted against our American Armed Forces, against our citizens, and against our companies from an expansive intelligence facility located in Cuba.

This measure also addresses a very serious situation with regard to the financial support that the Communist regime of Fidel Castro receives from the Russian Federation for the use of that intelligence facility.

In brief, this measure prohibits any further debt relief for the Russian government on the debts it owes to the United States until it closes down that espionage facility in Cuba; but the bill does contain a provision, adopted with bipartisan support in our Committee on International Relations, that grants the President limited waiver authority in the application of the requirements of this bill.

Mr. Speaker, I appreciate the expeditious work done by my colleague and the other members of the Committee on Rules to bring this bill to the floor.

Mr. MOAKLEY. Mr. Speaker, as my colleagues probably know, there is a Democratic Caucus going on, so I do not have any of my speakers here, so I will let the gentleman from Florida (Mr. GOSS) take over.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I am privileged to yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. GOODLING), chairman of the Committee on Education and the Workforce.

(Mr. GOODLING asked and was given permission to revise and extend his remarks.)

Mr. GOODLING. Mr. Speaker, I rise today in support of the rule for H.R. 4118, the Russian-American Trust in Cooperation Act of 2000, introduced by the gentlewoman from Florida (Chairman ROS-LEHTINEN). While the Cold War may have ended 10 years ago, the threat of Russian espionage remains alive and well on the island of Cuba.

Few Americans may know that the Russian government still maintains an agreement with the Castro regime that allows the Russians to operate an intelligence facility at Lourdes, Cuba, the largest espionage complex outside the former Soviet Union. With over 1,500 Russian engineers, technicians and military personnel, the Russian government is able to monitor communications activity in the United States and gather personal information about U.S. citizens. In fact, this facility enabled the Russians to intercept sensitive information about U.S. military operations during the Gulf War.

Now we have received startling news from our own intelligence that the Russian government is increasing its presence at Lourdes. It has been reported that the Russians have spent more than $3 billion to modernize and expand the Lourdes facility.

Our government must respond immediately and forcefully by prohibiting the forgiveness of bilateral debt owed to the U.S. by the Russian Federation and instruct our representative to the Paris Club of official creditors to vote against the rescheduling or forgiving of such debt until the President certifies that the Russian government has stopped all operations, removed all personnel, and permanently closed the Lourdes facility. The bill would provide the President a waiver if he certifies that doing so is in the national interest of the United States and that the Russian government is in compliance with multilateral and bilateral nonproliferation and arms limitation agreements.

Mr. Speaker, I would like to commend the gentleman from New York (Mr. GILMAN), the distinguished chairman of the House Committee on International Relations, for moving this important bill to the floor.

I urge my colleagues to support the efforts of the gentlewoman from Florida (Ms. ROS-LEHTINEN) and the gentleman from New York (Chairman GILMAN).

Mr. GOSS. Mr. Speaker, it is indeed a privilege to yield 3 minutes to the distinguished gentlewoman from Florida (Ms. ROS-LEHTINEN), the chairman of the Subcommittee on International Economic Policy and Trade.

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to thank, first of all, the gentleman from Florida (Chairman GOSS) of the Permanent Select Committee on Intelligence for his support and, indeed, his enthusiasm for this bill. He is a staunch defender of U.S. national security interests and has been an unwavering ally in our efforts to curtail the threat posed by the Russian espionage facility at Lourdes, Cuba.

I would also like to take this opportunity to thank the distinguished gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, for his leadership and assistance in moving this bill through the committee process.

As has been explained, Mr. Speaker, H.R. 4118, a bill that I introduced in March of this year, documents several things. First, it documents the threat that is the Lourdes facility. Secondly, it documents the need for the legislation, and that is that the Russian Federation continues to have contempt for its financial obligations to the U.S. Thirdly, it provides a solution, that is, the prohibition of debt rescheduling and forgiveness.

H.R. 4118 documents the billions of dollars that the Russian Federation has spent and continues to spend in the leasing, the upgrading, and operation of its Lourdes post, providing much-needed financial support to the Castro regime to help keep it afloat. It underscores also the continued relation between the Russian intelligence service and the Castro tyranny by citing reports of a high-ranking Russian military delegation traveling to Cuba in December 1999 to discuss the continuing operation of Lourdes.

It refers to open sources which classify the Lourdes facility as the greatest single overseas asset for Russian intelligence, with 1,500 Russian engineers, technicians, military personnel, as well as tracking dishes and satellite systems, all tasked with intercepting computer communications, telephone calls, and faxes, as well as with the capacity to engage in cyberwarfare against the U.S.

The bill cites reports confirming the use of Lourdes to steal U.S. commercial and trade secrets as well as to collect personal information on American citizens in the private and government sectors.

H.R. 4118 is a focused bill which addresses specific policy issues, and this rule reflects this.

It enjoys the support of the majority leader and the majority whip, who are cosponsors of this measure; of the gentleman from New York (Chairman GILMAN) of the Committee on International Relations; and of the gentleman from Florida (Mr. GOSS), the distinguished chairman of the Permanent Select Committee on Intelligence, who, as we have seen, is managing debate on the rule.

The bill has Democrat cosponsorship and was passed in the committee on a voice vote with minority support. It was reported out as amended by compromised language offered by the gentleman from Connecticut (Mr. GEJDENSON), the ranking member of the Committee on International Relations.

I thank the Committee on Rules for reporting this rule. I ask my colleagues to vote in favor of the rule so that we can move forward with consideration of H.R. 4118, a bill which seeks to utilize the withholding of debt forgiveness and rescheduling to curb Russian behavior running contrary to our U.S. national security concerns.

Mr. MOAKLEY. Mr. Speaker, may I inquire of the gentleman from Florida (Mr. GOSS) if he has any remaining speakers.

Mr. GOSS. Mr. Speaker, I would like to advise the gentleman from Massachusetts, through the Chair, that we have no requests for further speakers. I am going to make a brief closing remark after the gentleman yields back.

Mr. MOAKLEY. Mr. Speaker, I await the remarks of the gentleman from Florida (Mr. GOSS).

Mr. Speaker, I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply would put it this way. If we had an aircraft carrier parked off any part of the United States that was bristling with antennas and flying a foreign flag, people would want to know what was going on.

When there was evidence that that aircraft carrier was being used to obtain information that we regard as private information, our personal communications, our telephone calls, so forth, I know most Americans would want the United States Government to take action. That is not a far cry from the situation we are looking at.

The largest intelligence gathering facility is, in fact, at Lourdes, Cuba; and there is no doubt it is being used. Russians are having a hard time making ends meet. Yet they are still willing to put $300 million a year, or something thereabouts, into renting this facility; so presumably, they are getting at least that much back in their dividend, and that is undoubtedly at our expense.

It is worth noting that this weekend we are going to be renegotiating the debt. The Russians are going to be asking us one more time, could we do them a favor. I do not think most Americans want us to be paying our tax dollars to the Russians to spy on us, to take our secrets. That is what this bill seeks to stop.

My colleagues can remember the uproar we had just last week here when the Xinhua news agency for the People's Republic of China proposed to build a building that had line-of-sight capability on the United States Pentagon, the seat of the defense operations. There was huge uproar. That has been stopped because of the concern of spying.

Well, if we are able to stop something that simple, certainly we ought to make an effort to stop something as meaningful as what is going on at Lourdes. Nobody wants Big Brother reading their mail or looking over their shoulder or spying at them especially when Big Brother is not American; and, as all Americans know, we do not spy on ourselves in this country. So if we are being spied on, it is by somebody else, and we should stop it.

Mr. Speaker, I urge the support of the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. GILMAN. Mr. Speaker, pursuant to House Resolution 555, I call up the bill (H.R. 4118) to prohibit the rescheduling or forgiveness of any outstanding bilateral debt owed to the United States by the government of the Russian Federation until the President certifies to the Congress that the Government of the Russian Federation has ceased all its operations at, removed all the personnel from, and permanently closed the intelligence facility at Lourdes, Cuba, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. FOSSELLA). Pursuant to House Resolution 555, the bill is considered read for amendment.

The text of H.R. 4118 is as follows:

H.R. 4118

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 ''Russian-American Trust and Cooperation Act of 2000''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The Government of the Russian Federation maintains an agreement with the Government of Cuba which allows Russia to operate an intelligence facility at Lourdes, Cuba.

(2) The Secretary of Defense has formally expressed concerns to the Congress regarding the espionage complex at Lourdes, Cuba, and its use as a base for intelligence activities directed against the United States.

(3) The Secretary of Defense, referring to a 1998 Defense Intelligence Agency assessment, has reported that the Russian Federation leases the Lourdes facility for an estimated $100,000,000 to $300,000,000 a year.

(4) It has been reported that the Lourdes facility is the largest such complex operated by the Russian Federation and its intelligence service outside the region of the former Soviet Union.

(5) The Lourdes facility is reported to cover a 28 square-mile area with over 1,500 Russian engineers, technicians, and military personnel working at the base.

(6) Experts familiar with the Lourdes facility have reportedly confirmed that the base has multiple groups of tracking dishes and its own satellite system, with some groups used to intercept telephone calls, faxes, and computer communications, in general, and with other groups used to cover targeted telephones and devices.

(7) News sources have reported that the predecessor regime to the Government of the Russian Federation had obtained sensitive information about United States military operations during Operation Desert Storm through the Lourdes facility.

(8) Academic studies assessing the threat the Lourdes espionage station poses to the United States cite official United States sources affirming that the Lourdes facility is being used to collect personal information about United States citizens in the private and government sectors, and offers the means to engage in cyberwarfare against the United States.

(9) It has been reported that the operational significance of the Lourdes facility has grown dramatically since February 7, 1996, when then Russian President, Boris Yeltsin, issued an order demanding that the Russian intelligence community increase its gathering of United States and other Western economic and trade secrets.

(10) It has been reported that the Government of the Russian Federation is estimated to have spent in excess of $3,000,000,000 in the operation and modernization of the Lourdes facility.

(11) Former United States Government officials have been quoted confirming reports about the Russian Federation's expansion and upgrade of the Lourdes facility.

(12) It was reported in December 1999 that a high-ranking Russian military delegation headed by Deputy Chief of the General Staff Colonel-General Valentin Korabelnikov visited Cuba to discuss the continuing Russian operation of the Lourdes facility.

SEC. 3. PROHIBITION ON BILATERAL DEBT RESCHEDULING AND FORGIVENESS FOR THE RUSSIAN FEDERATION.

Notwithstanding any other provision of law, the President—

(1) shall not reschedule or forgive any outstanding bilateral debt owed to the United States by the Government of the Russian Federation, and

(2) shall instruct the United States representative to the Paris Club of official creditors to use the voice and vote of the United States to oppose rescheduling or forgiveness of any outstanding bilateral debt owed by the Government of the Russian Federation,

until the President certifies to the Congress that the Government of the Russian Federation has ceased all its operations at, removed all personnel from, and permanently closed the intelligence facility at Lourdes, Cuba.

SEC. 4. REPORT ON THE CLOSING OF THE INTELLIGENCE FACILITY AT LOURDES, CUBA.

Not later than 30 days after the date of the enactment of this Act, and every 120 days thereafter until the President makes a certification under section 3, the President shall submit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report (with a classified annex) detailing—

(1) the actions taken by the Government of the Russian Federation to terminate its presence and activities at the intelligence facility at Lourdes, Cuba; and

(2) the efforts by each appropriate Federal department or agency to verify the actions described in paragraph (1).

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 4118, as amended, is as follows:

H.R. 4118

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 ''Russian-American Trust and Cooperation Act of 2000''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The Government of the Russian Federation maintains an agreement with the Government of Cuba which allows Russia to operate an intelligence facility at Lourdes, Cuba.

(2) The Secretary of Defense has formally expressed concerns to the Congress regarding the espionage complex at Lourdes, Cuba, and its use as a base for intelligence activities directed against the United States.

(3) The Secretary of Defense, referring to a 1998 Defense Intelligence Agency assessment, has reported that the Russian Federation leases the Lourdes facility for an estimated $100,000,000 to $300,000,000 a year.

(4) It has been reported that the Lourdes facility is the largest such complex operated by the Russian Federation and its intelligence service outside the region of the former Soviet Union.

(5) The Lourdes facility is reported to cover a 28 square-mile area with over 1,500 Russian engineers, technicians, and military personnel working at the base.

(6) Experts familiar with the Lourdes facility have reportedly confirmed that the base has multiple groups of tracking dishes and its own satellite system, with some groups used to intercept telephone calls, faxes, and computer communications, in general, and with other groups used to cover targeted telephones and devices.

(7) News sources have reported that the predecessor regime to the Government of the Russian Federation had obtained sensitive information about United States military operations during Operation Desert Storm through the Lourdes facility.

(8) Academic studies assessing the threat the Lourdes espionage station poses to the United

States cite official United States sources affirming that the Lourdes facility is being used to collect personal information about United States citizens in the private and government sectors, and offers the means to engage in cyberwarfare against the United States.

(9) It has been reported that the operational significance of the Lourdes facility has grown dramatically since February 7, 1996, when then Russian President, Boris Yeltsin, issued an order demanding that the Russian intelligence community increase its gathering of United States and other Western economic and trade secrets.

(10) It has been reported that the Government of the Russian Federation is estimated to have spent in excess of $3,000,000,000 in the operation and modernization of the Lourdes facility.

(11) Former United States Government officials have been quoted confirming reports about the Russian Federation's expansion and upgrade of the Lourdes facility.

(12) It was reported in December 1999 that a high-ranking Russian military delegation headed by Deputy Chief of the General Staff Colonel-General Valentin Korabelnikov visited Cuba to discuss the continuing Russian operation of the Lourdes facility.

SEC. 3. PROHIBITION ON BILATERAL DEBT RESCHEDULING AND FORGIVENESS FOR THE RUSSIAN FEDERATION.

(a) PROHIBITION.—Notwithstanding any other provision of law, the President—

(1) shall not reschedule or forgive any outstanding bilateral debt owed to the United States by the Government of the Russian Federation, and

(2) shall instruct the United States representative to the Paris Club of official creditors to use the voice and vote of the United States to oppose rescheduling or forgiveness of any outstanding bilateral debt owed by the Government of the Russian Federation,

until the President certifies to the Congress that the Government of the Russian Federation has ceased all its operations at, removed all personnel from, and permanently closed the intelligence facility at Lourdes, Cuba.

(b) WAIVER.—

(1) IN GENERAL.—The President may waive the application of subsection (a)(1) with respect to rescheduling of outstanding bilateral debt if, not less than 10 days before the waiver is to take effect, the President determines and certifies in writing to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that—

(A) such waiver is necessary to the national interests of the United States; and

(B) the Government of the Russian Federation is substantially in compliance with multilateral and bilateral nonproliferation and arms limitation agreements.

(2) ADDITIONAL REQUIREMENT.—If the President waives the application of subsection (a)(1) pursuant to paragraph (1), the President shall include in the written certification under paragraph (1) a detailed description of the facts that support the determination to waive the application of subsection (a)(1).

(3) SUBMISSION IN CLASSIFIED FORM.—If the President considers it appropriate, the written certification under paragraph (1), or appropriate parts thereof, may be submitted in classified form.

(c) PERIODIC REPORTS.—The President shall, every 180 days after the transmission of the written certification under subsection (b)(1), prepare and transmit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report that contains a description of the extent to which the requirements of subparagraphs (A) and (B) of subsection (b)(1) are being met.

SEC. 4. REPORT ON THE CLOSING OF THE INTELLIGENCE FACILITY AT LOURDES, CUBA.

Not later than 30 days after the date of the enactment of this Act, and every 120 days thereafter until the President makes a certification under section 3, the President shall submit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report (with a classified annex) detailing—

(1) the actions taken by the Government of the Russian Federation to terminate its presence and activities at the intelligence facility at Lourdes, Cuba; and

(2) the efforts by each appropriate Federal department or agency to verify the actions described in paragraph (1).

The SPEAKER pro tempore. Pursuant to House Resolution 555, the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4118.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that, at the conclusion of my remarks, the gentlewoman from Florida (Ms. ROS-LEHTINEN), the Chair of the Subcommittee on International Economic Policy and Trade, be permitted to control the balance of the time on this side.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. GILMAN asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. GILMAN. Mr. Speaker, the measure we are considering in the House today, H.R. 4118, the Russian-American Trust and Cooperation Act, speaks to the twin issues of Russian electronic espionage conducted against our United States Armed Forces, against our companies and our citizens, and the Russian government's financial support for the Communist regime of Fidel Castro in Cuba, support that is provided by means of the hundreds of millions of dollars of annual rent paid for the use of a site in Cuba to conduct such espionage against our Nation.

Mr. Speaker, there are at least two fundamental questions that we need to address in this measure: first, why is the Russian government conducting such an expansive campaign of espionage against the United States at a time when we are supposed to be building a new relationship in this post-Cold War world?

Second, how does the Russian government explain that they have the financial means to turn over to the Castro regime every year Russian oil and commodities estimated to be worth as much as $300 million that it could otherwise sell to raise its own revenues, while at the same time Russia is claiming to the United States Government and its other creditors that it cannot afford to pay its debts to them?

□ 1645

Mr. Speaker, I suspect that many of our colleagues are not aware of the Russian track record with regard to meeting its debt obligations of the last 8 years. Permit me to take a moment to suggest a review of our committee's report on this bill, which lays out that track record in some detail, and let me summarize it in this manner:

Where the Russian government felt it could get away with not paying its debts, it did so; and that is particularly true with regard to its private, commercial creditors who, after years of Russian refusal to make payments, were earlier this year forced to write off over $12 billion in Russian debts. Twelve billion dollars as a matter of write-off.

Where the Russian government could not readily ignore its obligations, such as its debts to governments, including the United States, it sought out and won multiple reschedulings. Russia's debts to the United States Government have been rescheduled five times since 1993.

While Russia has manipulated its creditors, private and public, it has found the means to provide an estimated $2 billion in financing every 7 years to pay the Castro regime for the use of its espionage facility in Cuba. Over the past year, Russian officials have begun stating they expect the United States and their other official creditors to simply forgive a large part of their debt.

That is a far cry from the statements of Russian officials in 1992 and in 1993, when they laid claim to the former Soviet regime's assets around the world, embassies, gold stocks, foreign bank accounts, and solemnly vowed to take on the payment of that regime's debts. It now appears that the assets proved welcome but the debts were inconvenient. And as we see in so many other situations, the Russian government now wants to avoid its commitments. My colleagues, I leave it to other Members who are here today to speak to the character of espionage that is conducted by the Russian government from its Cuban facility.

It is a major concern for my colleagues when we learn the following: That sophisticated Russian listening devices have been placed in our State Department headquarters itself; that the number of Russian spies sent to the United States has risen sharply in recent years; and when we hear our FBI Director Louis Freeh state that Russian intelligence agencies present, ''A very formidable, very ominous threat to this country, to the infrastructure and to our economy.''

My colleagues, this measure is quite direct in its intent. If the Russian government wants further debt relief from our Nation, then it should close down its espionage facility in Cuba and stop supplying the hundreds of millions of dollars of support that that facility's operation provides to Fidel Castro.

A bipartisan amendment to the bill adopted by our Committee on International Relations provides the President with the authority to waive that prohibition for purposes of debt rescheduling for the Russian government, but not for any debt forgiveness, if he can certify that that is in the national interest of our Nation.

By passage of this measure, the House will make it clear to our own policymakers that it is time to strongly focus on this issue. If we are to have a new relationship with Russia, and if the Russian government seeks the support of our Nation, such as continued debt relief, then it is time that it hears clearly from our government about those actions that we do not appreciate; that supporting the Castro regime and spying on American citizens and our companies is not appreciated.

Accordingly, Mr. Speaker, I urge my colleagues to support this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Speaker, I yield myself such time as I may consume.

It is interesting that we are now going to drive our Russia policy, a country that has a significant nuclear arsenal, and that we are trying to get to transition to a full democracy, we are going to drive the Russian policy from Havana. If this was the free market, it would be as if we were going to Edsel to design Fords and to Beta to run the Sony business empire.

The Cuba policy has not worked. It does not work today. It leaves us looking foolish. We give PNTR to China; we will not sell food and medicine to Cuba. And now what we are going to try to do for the first time, as I understand it, is we are going to try to tie up our financial relations, in hopes to rebuild a Russia in the post-Soviet era, we are going to tie it all to what happens in Havana. Now, the Bush administration, the previous Republican administration, apparently never saw this facility as an obstacle to either American or multilateral assistance to Russia.

When we take a look at what we have here, we have a process where a delegation in this Congress, that is set on continuing a failed policy, now wants to weld the failed policy against Cuba to a policy of trying to deal with Russia in the post-Soviet era. It seems to me that this is not in America's best interest.

There are clearly debates we can have about the listening facility in Cuba. Some would argue it helps both sides when we have these mutual listening facilities, to make sure that international arms agreements are monitored by the sides, giving people a level of comfort. But even putting that aside, what we want to do here with this legislation is we will prevent the United States from its participation in Paris Club activities because we think this is one more nail in Fidel Castro's coffin. Well, for 40 years we have tried these plots. We have cut off food, we have cut off medicine, we have cut off trade, we have provided embargoes while we have opened up relations with China.

In China, we are told, by the way, that a completely undemocratic system that locks people up even who join exercise clubs, that this new commercial relationship will bring about democratic change and democratic institutions. It is the way to move forward. In Cuba we are told that 40 years of isolation is not enough; that if we can just isolate Cuba a little longer, this policy will work.

Well, my colleagues, it does seem time to bring back Edsel, the car Edsel, and the Beta format for Sony. This policy makes no sense for America's national interest. It is in our interest to make sure that the Russians repay their Soviet-era debt. If the United States uses this legislation to end the rescheduling of debt, what will happen? Well, if the Soviets choose to not repay the debt at that point, what is the damage to Russia? The damage is to America's creditors. We do not get the money back.

So it seems to me that this is bad from an arms control perspective; it is bad from trying to work with Russia to get it through the stage in the post-Soviet era; it seems to make no sense at all to tie a failed Cuban policy to Russia; and it is clearly a mistake for the United States to disrupt our relations in the Paris Club. I would hope, Mr. Speaker, that we would recognize that we need a new policy.

I know, Mr. Speaker, there are a large number of Republicans and Democrats who now see the need for a new policy in trying, frankly, to engage Cuba. Because it seems to me that when we have the better product, and when we show it to the other side, we do not undermine the United States, we undermine Cuba.

I can tell my colleagues that my parents fled the Soviet Union. We came to the United States. And in those early days, when we had the first visits by Soviet leaders, my mother and father said to me, Kruschev probably believes that he is being shown a Potemkin village; that when Kruschev came to the United States and saw grocery stores full of food and nice homes, she was convinced, and she was probably right, that Kruschev probably thought there was this barren wasteland beyond what he was being shown. By the time of Gorbachev, and even Brezhnev before him, they recognized ours was a great success and theirs was a horrendous failure.

Let Americans of Cuban descent and others easily travel to Cuba. Let the Cuban people see what freedom is all about. Let us not fear contact with the Cuban dictatorship. Every time an American in a free America has contact with Cuba, it undermines totalitarianism. Let us get rid of this policy that has hurt America's interest for 40 years.

And let us take a look for just one more moment to explain how silly some of what happens is. In my district there is a gentleman who exports hardwoods; and at one point several years ago, he shipped a shipment of hardwoods, oak, white oak, from eastern Connecticut to Japan. The Office of Foreign Control Authority grabbed all of his bank accounts. Why? It turned out the Cuban government owned a piece of the holding company in Japan, and we were taking his bank accounts away under the Trading With the Enemies Act.

We have created this insanity which more than isolating Cuba has isolated the United States and the world community. Every one of our democratic governments sees this as a policy that does not work. Let us try something new. Let us find a way to make sure the Cuban people understand that Americans care about the Cuban people; it is the type of government they have that we are against. Let us get rid of the hypocrisy of giving PNTR to China while we will not sell food and medicine to Cubans. Let us not tie our Russia policy to a failed policy in Cuba.

This is not going to change what happens in Cuba; it is not going to change what happens in Russia. It is just one more attempt to try to drive, I guess, all of our foreign policy out of how we see a failed policy in Cuba and continue it elsewhere around the globe. Reject this bill. It will not do much at the end of the day. It is just a bad idea.

Mr. Speaker, I reserve the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the threat posed by Russia's facility at Lourdes is not new. The Freedom Support Act of 1992 clearly underscored the dangers to U.S. national security, as did ensuing legislation.

Secretary of Defense Cohen stated in a May 1998 letter to the Congress, ''I remain concerned about the use of Cuba intelligence activities directed against the United States.'' And he further emphasized his concerns with the signals intelligence facility at Lourdes and what benefits the Cuban government may reap from this facility.

This latter statement sums up the dual threat that the Lourdes facility poses related to Russia's specific actions as well as the financial resources it affords the Cuban dictatorship through its yearly payments of $200 million to $300 million to the Castro regime for Lourdes.

However, after 8 years of talks, 8 years of providing the Russian Federation with billions of dollars in U.S. aid

of one sort or another, 8 years of rescheduling the Russian debt at different intervals, what has happened is that Lourdes remains a serious problem. In fact, evidence suggests that there has been an increase, not a reduction, of the threat posed by the Lourdes facility.

□ 1700

Coinciding with a February 7, 1996, order by then Russian President Yeltsin demanding that the Russian intelligence community increase its gathering of U.S. and other Western economic and trade secrets, multiple open sources confirm that the Russian Federation began a multi-billion dollar upgrade and expansion of the Lourdes facility, which included, according to open sources and public statements by former U.S. officials and Russian and Cuban defectors, the addition of satellite dishes, voice recognition facilities, more sophisticated computers for intercepting specific telephone numbers, faxes, and computer data, and the means by which to engage in cyberwarfare against the United States.

In fact, the ongoing sophisticated and organized cyberattacks that the Pentagon's military computer systems were subjected to in early 1999 came from a company routing through Russian computer addresses. These attacks have been occurring since 1998 and are believed to be stemming from the Lourdes facility.

Other public sources and reports refer to the jamming of U.S. FAA transmissions as an example of how Lourdes is used for cyberwarfare, which directly threatens the lives of all Americans.

On November 5, 1998, a Moscow publication reported that the Lourdes espionage facility provide between 60 and 70 percent of all intelligence data about the United States, including highly sensitive military information about our own Armed Forces. Such a penetration of closely guarded American military planning jeopardizes the lives of thousands of our men and women in uniform.

The use of Lourdes, however, according to academic studies and news reports quoting officials and unofficial sources, is not limited to secret U.S. military operations. Its targets include the interception of sensitive diplomatic, commercial, and economic traffic as well as private U.S. telecommunications. And these targets coincide with the previously mentioned mandate by Russian President Yeltsin that the focus of Russian intelligence had to be commercial and industrial espionage against the U.S. in particular.

According to surveys of the American Society for Industrial Security, commercial espionage bleeds the U.S. economy of at least $24 billion a year. However, nothing is being done to address Russia's active participation in a practice which has such devastating costs for American companies.

The economic traffic intercepted by Lourdes includes Federal Reserve deliberations, planned U.S. mergers and acquisitions, competitive bidding processes, data which could be used to bank-roll Russian global operations to the detriment of American equities.

The disdain for U.S. security extends into the private realm, as revealed by the director of the Defense Intelligence Agency in August 1996, who stated, ''Lourdes is being used to collect personal information about U.S. citizens in the private and government sectors.''

Still, the threat does not end there. Cuban engineers and officials of Cuba's Ministry of the Interior, which is Castro's intelligence service, who have defected to the United States in the last 5 years have stated that information on the U.S. obtained through the Lourdes espionage facility is offered by the Russians as a gift or is sold to regimes in countries such as Iran, Iraq, Libya, and China.

There are daily mail runs between the Lourdes facility and a Cuban intelligence office nearby. These are often used to exchange information and provide the Castro regime with valuable U.S. political and commercial data. According to defectors, this data is used by Cuban spies to target specific individuals and American companies in an attempt to undermine U.S. policy.

As the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations, has stated, the Russians have made a mockery of the debt rescheduling process; and they have ridiculed and scoffed at the United States for our continued willingness in recent years to look the other way, even when there is overwhelming evidence that Russia uses its alleged limited resources to indeed expand its espionage activities against the U.S. and to provide much-needed funds and information to the enemies of our country.

U.S. willingness to reschedule Russian debt while ignoring the threat posed by the Lourdes espionage facility has not only given the Russian Federation the impression that it can undermine U.S. national security with impunity, but it has sent a signal to the Castro regime that a foreign presence in Cuba which threatens the safety of the American people will be tolerated and indeed even encouraged.

For this reason, the Cuban dictatorship is affording China's military and intelligence services the opportunity to build their own listening post near Lourdes. It has engaged with Chinese Government technical experts who are assisting the Castro regime with infomatics and communications. This will assist the Cuban Foreign Service in what Castro officials term their worldwide struggle against the U.S. by increasing their Internet capabilities.

H.R. 4118, Mr. Speaker, a bill which I introduced in March of this year with several of our colleagues is a critical step in addressing the threats posed by Lourdes and sends an unequivocal message to the Russian Federation that here in the United States we will no longer allow ourselves to be manipulated into debt rescheduling for a country which demonstrates a blatant disregard for U.S. security and the safety of our American people.

Russia cannot continue to claim poverty and ask for debt restructuring from the U.S., whether bilaterally through the Paris Club or at the upcoming Economic Summit in Japan, all the while providing $200 million to $300 million a year in rental payments to the Castro regime. The claims by the Russian Federation fall flat in the face of logic.

If Russia has hundreds of millions of dollars for upgrades to the Lourdes espionage facility, if Russia has hundreds of millions of dollars to build an additional espionage base for the Castro regime at Bejucal nearby, then it has funds to cover its Ex-Im Bank exposure of over $2.2 billion or its $1.9 billion in outstanding loan guarantees under the Commodity Credit Corporation of the U.S. Department of Agriculture or any of its debt to the U.S.

This cannot and must not continue. H.R. 4118 affords us the necessary leverage to correct this situation. It holds the Russian government accountable for its actions. It prohibits the forgiveness and rescheduling of Russian debt to the United States until the Russian Federation discontinues its operations and closes its Lourdes facility.

While it does provide for a national security waiver by the President, the waiver applies only to debt forgiveness and requires certification and reporting to us in the Congress.

I ask my colleagues to act. The time is now to protect our secrets, our security, and the American people. I urge my colleagues to vote for H.R. 4118.

Mr. Speaker, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Speaker, before yielding to the gentlewoman from California (Ms. WATERS), I yield myself such time as I may consume to just say that the gentlewoman from Florida (Ms. ROS-LEHTINEN) would make a better case if she argued that the Castro government was a threat to the people of Cuba where they do not have full freedom and they do not have a lot of things that they ought to have.

It is a little hard to convince us that we are somehow threatened in the United States by Castro. And for all the listening the Russians have done from the Cold War to today, the United States is the singular superpower; and that the policy the gentlewoman supports has failed to have an impact on the Castro government for 40 years.

Ms. ROS-LEHTINEN. Mr. Speaker, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentlewoman from Florida.

Ms. ROS-LEHTINEN. Mr. Speaker, I believe that if the gentleman reads the bill, it is very clear. We are talking about the threat that is posed by the

Russian listening post in Cuba. It happens to be stationed in Cuba. It could be stationed anywhere else. It is a threat to the U.S. security, and I am not the only one to say it.

My colleague can ask Secretary Cohen whether he believes that the intelligence facility of the Russians, and that is the topic of concern here, is a threat to the U.S. national security or not.

Mr. GEJDENSON. Mr. Speaker, reclaiming my time, I thank the gentlewoman for her comments. But the reality is what she is trying to do is make our failed Cuba policy control our Russia policy. That is a mistake.

Mr. Speaker, I yield 4 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I appreciate the time that has been allotted to me by the gentleman from Connecticut (Mr. GEJDENSON).

I would continue his discussion and help to point to the fact that we know that the gentlewoman on the opposite side of the aisle and many others will have ongoing criticism of Castro and his policies, and it will surface on every issue possible. We know that this is a single issue with some of our colleagues; and they are determined that, whenever they have the opportunity, they are going to try and use it to once again point to what they would consider the failed policies of the Cuban government.

However, we cannot allow those kind of arguments to get in the way of our Government's ability to provide security for the people of the United States of America. The security of the American people is the first priority in our relationship with Russia.

I would like to just read to my colleagues part of a Statement of Administration Policy that will make this very clear. The administration sent us a document which says:

''We share congressional concerns about the Lourdes facility and its intelligence collection activities. However, this legislation is not likely to be an effective lever on Russian actions. The United States, like Russia, maintains a number of signals intelligence facilities around the world. One important function of such facilities for both countries is to collect information to verify arms control agreements. Successive administrations have steadfastly resisted attempts to define national technical means of verification or to circumscribe the location and use of such systems. Such a hindrance would run counter to fundamental U.S. national security interests and, in particular, to their ability to conduct arms verification. Legislation like this bill may rebound adversely to the United States by inviting Russia and other countries to pursue similar charges against U.S. facilities they characterize as threatening. Additional explanation or information relating to facilities such as Lourdes can be provided in classified briefings.''

Basically what the administration is telling us is to butt out of their ability to negotiate in the best interest of this country.

We all have our peeves. We all have our dislikes. But we cannot create foreign policy on the floor of this Congress one by one based on our own narrow interests.

I will grant my colleagues and I will not try to take away from any Member their feelings about Cuba or any other country that they wish to talk about. But I would ask them to restrain from trying to dictate foreign policy and tie the hands of this Government when it gets before the Paris Club to negotiate debt relief.

I was on the floor of this Congress just a few days ago where we all agreed that we were going to do debt relief. We have given the signal to our Government which direction we want to go in. We are leaders in this world; and we have got to go to the Paris Club, and we have got to negotiate for debt relief, and we have got to have Russia's interest at heart when we do that.

Now, make no mistake about it, yes, we have facilities. God knows where our facilities are. We spy where we have to spy. We look into what we have to look into. And that is why we have such a large intelligence community.

So let us not mix up our dislike for Castro and our effort to want to continue the embargo with this bill that we have before us. This is not in the best interest of this country. I ask my colleagues to vote against it.

Ms. ROS-LEHTINEN. Mr. Speaker, before I yield to my colleague from California, I yield myself such time as I may consume to remind our colleagues on the other side that perhaps they could read the bill, and they would find out that we are not talking about the embargo, we are not talking about trade sanctions. And, yes, we do have many listening facilities, I would say to my friend from California, in the world that we are not asking anyone for debt forgiveness and rescheduling of our debt.

The difference is that in this bill we say Russia wants rescheduling of their debt, and we believe that U.S. taxpayers should have assurances that their monies are being used wisely. I think our national security is a very important consideration, and that is why we are putting these safeguards in any negotiations with the Russians about rescheduling of the debt.

Mr. GEJDENSON. Mr. Speaker, will the gentlewoman yield?

Ms. ROS-LEHTINEN. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Speaker, first of all, we are not talking about forgiveness here as much as rescheduling, which is again in our interest. If they default at some point, that hurts us, the lenders.

Additionally, does the gentlewoman think that our present policy with Cuba has diminished Russian influence there or increased it? It seems to me, if they want to diminish Russian influence in Cuba, bring down the embargo and there will be less room for it.

Ms. ROS-LEHTINEN. Mr. Speaker, reclaiming my time, this bill is not about diminishing any power. This bill says national security is important to us in the United States. This bill also says that Russia owes billions of dollars to the United States, that we have a right to protect U.S. taxpayers' money by putting conditions on the forgiveness. We do have listening posts throughout the world and we are not asking anyone else to forgive our debt.

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Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. ROHRABACHER) who understands that this bill deals with national security and the protection of the U.S. taxpayer.

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of H.R. 4118. I am an original cosponsor of this bill. Let us get down to some basics. I know there is a major attempt by some when discussing this bill to try to refocus the debate on something that has nothing to do with this bill, and, that is, a general policy towards Cuba. We are not discussing a general policy towards Cuba. Any attempt to focus on a general policy towards Cuba is nothing more than an effort to get people not to confront the common sense alternative and the common sense policy that is being advocated in H.R. 4118.

I would ask anyone reading the CONGRESSIONAL RECORD or listening to the debate or my colleagues on either side of the aisle to ponder this question: Does it make sense for us to offer debt relief to a country, to a regime, namely, Russia, if Russia is using the economic resources that we are then making available to them through that debt relief to finance a facility that is aimed at undercutting American security, at a facility that is aimed at gathering intelligence that will put America's military personnel in jeopardy? Does that make sense? Does it make sense for us to do a favor for someone, the Russians, giving them resources so they can spend more money to put American lives in jeopardy?

If that does not make any sense, then you should support H.R. 4118, because it makes no sense to help finance someone who is putting their money into a facility that is aimed at gathering intelligence that puts the lives of American military personnel at risk. That is as simple as it gets. I do not understand how anybody can argue on the other side, except, of course, to try to talk about the general Cuba policy to deflect a reasonable discussion on the issue.

Ms. WATERS. Mr. Speaker, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Speaker, does the gentleman realize that one of the highest priorities of this country is to reduce and control arms in Russia? Does

the gentleman realize that we have spent a considerable amount of time and we have already rescheduled debt in the interest of helping to get rid of dangerous weapons in Russia and making this world a safer place? Does the gentleman realize that is the top priority?

Mr. ROHRABACHER. Reclaiming my time, that may be a stated goal of the administration, but obviously this is the difference between goals and what reality, what comes from those goals and what is a result of the goals, in seeking the goal. Yes, we have a goal of lots of wonderful things for Russia. As long as we act like a bunch of saps, as long as we act like we can be taken advantage of, giving debt restructuring while they are doing things in a belligerent way to the United States, and providing resources for an intelligence facility in Cuba, providing hundreds of millions of dollars of resources to an intelligence facility in Cuba that puts the lives of American military personnel at risk is a belligerent act on the part of the Russian government towards the United States.

We should not reward this type of belligerence by restructuring their debt. There is no moral equivalence between an American intelligence post and that of Russia. There is no moral equivalence between a Communist dictatorship in Cuba and other democratic societies. We should not be restructuring the debt of a country that is belligerent towards us and using their money to put the lives of American military personnel at risk.

Mr. GEJDENSON. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. MENENDEZ) with whom I have some differences on this particular issue, but I am so often together with him that I am very happy to yield to him.

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, I thank the distinguished ranking member of the committee for yielding time, even though I find this one of those occasions where I have to disagree with him.

Mr. Speaker, I know that there are people in the House who would want to paint this bill strictly about U.S.-Cuba relations. They believe it is a good time to do that. They believe it is propitious because of the set of circumstances that exists in the country and it would be easy to do so. But in my mind what this bill is about, it is about ending Cold War investments that Russia is still spending in Cuba.

I know everybody talks about let us end our Cold War mentality. Let Russia end its Cold War mentality. If any people need peace dividends more than even our citizens do, it is the Russian citizens. And clearly, the expenditures of moneys that they expend at the Lourdes spy station is in fact not a peace dividend to the people of Russia but is in fact totally unnecessary for the purposes that they have. The Russian government's continued operation of its intelligence gathering facility at Lourdes, Cuba is used to spy not just against military and political targets but, many observers believe, against commercial and technological interests in America. Public reports reveal that Russia has, in fact, expanded and modernized the Lourdes facility in recent years. So it is not only just having something that it had, it is expanding it. And we continue to assist Russia.

I have been one of those who have believed that in fact we have to assist Russia, and I have cast my votes on behalf of assisting Russia. But, my God, do we have to assist Russia to expand their spy facilities at Lourdes against the national interests of the United States, against the national security of the United States? I think not.

Now, Russian government revenues are estimated to total about $20 billion annually. The $200 million or more in yearly rent paid to the Cuban regime for use of the Lourdes site, therefore, represents a significant amount of the Russian government's annual revenues. And it is an affront to be asked to support yet another rescheduling of Russia's government debt to the United States and other governments or outright forgiveness of all or part of that debt when Russia spends an estimated 1 percent of its budget to spy on American citizens from this facility alone in Cuba, just from this facility alone.

Mr. Speaker, it is long past time that the Russian government close this spy facility which represents a clear threat to the country. I certainly urge support of the gentlewoman's legislation. I believe it is in the national interests of the United States to do so.

Ms. ROS-LEHTINEN. Mr. Speaker, following the very eloquent words of the minority whip, I am honored to yield 5 minutes to another great patriot, the distinguished gentleman from Texas (Mr. DELAY) our majority whip.

Mr. DELAY. Mr. Speaker, I appreciate the gentlewoman from Florida giving me the time, and I congratulate her on bringing this bill to the floor. It is a very meaningful piece of legislation that I hope the American people will pay some attention to.

Mr. Speaker, Members should support this bill and demand accountability in our relations with Russia. The simple fact that American taxpayers are targeted by a Russian intelligence facility on Cuban soil demonstrates the predictable fruits of this administration's flawed and failed foreign policy and its alarming disregard for our national security.

The Vice President has positioned himself as the architect of our relationship with Russia. He brags about it. Those policies have been a dismal failure. Our relations with Russia have fallen to the lowest ebb than at any time since the Cold War.

It is this administration's insane contention that Russian spying from this facility in Cuba enhances our relationship because it fosters trust. The fact that this facility remains open shows this administration's empty commitment to national security. American foreign policy should be negotiated from a position of strength, not the capitulation of appeasement.

This administration has tossed good dollars after bad to prop up failing, inefficient and corrupt institutions in Russia. For years, keeping Boris Yeltsin in office was seemingly our sole goal. The administration propped up Yeltsin at all costs as he and his cronies ransacked the government while they lined their own pockets.

Sound relations with Russia must begin with accountability. Unfortunately, the administration still has not embraced this fundamental concept. Their answer is to blindly pour more money at the problem. Clinton and GORE want to either restructure or forgive billions of dollars that Russia owes the United States.

We cannot forget that Russia's vast potential is not bound up in the destiny of any one man or one faction. Rather, success lies with the growth of those institutions that allow democracy to take root. Without the proper foundation, the Russian people will never know the blessings of a stable democracy.

Until that day comes, we must remain vigilant, and this cutting-edge spy facility is a bad sign. Many Americans will be shocked to learn that at the same time this administration is ready to write off billions of dollars that Russia owes the United States, the Russians are subsidizing Fidel Castro's evil regime with hundreds of millions of dollars.

Russia leases an intelligence gathering facility at Lourdes, Cuba. The committee reports that this annual payment may consume as much as 1 percent of Russia's entire budget. Money, of course, is fungible. Money sent to Russia for a high purpose can be misapplied to fund inappropriate activities. Intelligence gathered from this site may well be shared by Russia with regimes hostile to America. The simple cost of operating this facility alone directly benefits the most dangerous regime in our hemisphere.

We should not ask the American taxpayer to subsidize a hostile facility that is targeting the Nation from the foot of our continent. This is a regime that does evil to its people. The Russian lease for the Lourdes espionage center is an important source of hard currency for Fidel Castro.

It is strongly against our national interests to have an espionage facility actively stealing our vital national secrets, pilfering economic information, and collecting private information about individual Americans. This is simply wrong and we should not be paying for it.

Members should demand that Russia be given no economic support until this facility is out of business. They can do that by supporting this bill.

Mr. GEJDENSON. Mr. Speaker, I yield myself such time as I may consume.

I would just like to say that we need to focus on what we are trying to do here. We are trying to run our Russia policy through Havana. If you want to reduce Russian influence in Cuba, then bring down the embargo. The reason that Cuba does so much with Russia is it does not have other alternatives. Our present Cuba policy has failed for 40 years. The idea that we come down to the floor and make all these great new charges and somehow it is going to make this failed policy work is mindless.

Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time and want to follow along on his comments. As the preceding speaker, the majority whip indicated, this is not really about Russia, it is about Cuba. How I wish we could have an opportunity to discuss the full range of issues about Cuba, because the majority whip has stood singularly to stop this floor from the consideration of overturning the outdated, ineffective sanctions on the sale of food and medicine to Cuba, and he will not even let that proposal come up as proposed by the gentleman from Washington (Mr. NETHERCUTT) for full consideration of the House.

So that part of the Cuba question never comes to the floor. It is only this part, the piling-on part, the continuing of the outdated sanctions part, all inconsistent with this theme, that comes to the floor for consideration.

As to the issue before us, it is very, very bad business. Last week we marked up a foreign operations appropriations bill. The fact of the matter is we know that extension of taxpayer aid to other countries is at an all-time low relative to the size of our economy, at least in the context of recent history. So we have to have private economic opportunity flowing across the world and in the global marketplace. It will be a critical part of bringing developing countries along.

□ 1730

If any action by this Congress would push Russia into defaulting upon its debt, the ramifications would be felt far beyond Russia. They would be felt in countries like Brazil, struggling to get their economic house in order. They would be felt in countries like South Korea and Malaysia and elsewhere, as the market would contract and pull investment capital out of those developing countries.

Mr. Speaker, I cannot really think of a more unfair, unbalanced debate as what this bill introduces today, nor can I think of much that would do more to stop global development in these Third World countries and other developing countries all in the name of misguided Cuban policy.

Ms. ROS-LEHTINEN. Mr. Speaker, may I inquire how much time is remaining?

The SPEAKER pro tempore (Mr. FOSSELLA). The gentlewoman from Florida (Ms. ROS-LEHTINEN) has 3½ minutes remaining, and the gentleman from Connecticut (Mr. GEJDENSON) has 11½ minutes remaining.

Ms. ROS-LEHTINEN. Mr. Speaker, I reserve the balance of my time and encourage the gentleman from Connecticut (Mr. GEJDENSON) to use up his time.

Mr. GEJDENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to point out to my colleagues particularly on the other side of the aisle that the Bush administration, and this facility existed throughout the entire Bush administration, did not try to interfere with international rescheduling of Russian debt or any other actions based on this that I know of and that anybody has been able to present to me.

During the Bush administration, this facility was there. They certainly did not interfere with debt, and the gentlewoman from Florida (Ms. ROS-LEHTINEN), although it is again a bill that I thought made no sense. But the President already has the authority under Helms–Burton to withhold, I think, an equal amount of money from Russia, if the President so chooses. So what we have here again is it is all driven by how do we stop Cuba, how do we stop Cuba.

Ms. ROS-LEHTINEN. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentlewoman from Florida.

Ms. ROS-LEHTINEN. Mr. Speaker, the rescheduling has started since the breakup of the Soviet Union. The Clinton administration has been rescheduling the debt time and time again with no protection for the U.S. taxpayers.

Mr. GEJDENSON. Mr. Speaker, reclaiming my time, in the last 2 years of the Bush administration, they had this same $3.1 billion of Soviet-era debt sitting around. There was several years of end to the Soviet Union. You have Helms–Burton. The fundamental problem is we have a policy that has not worked for 40 years. If we want to reduce Russian influence in Cuba, let Americans in.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind Members that it is not permissible to use wireless telephones or other personal electronic devices on the floor. Such devices should be disabled while in the Chamber.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the distinguished gentlewoman from Florida (Ms. ROS-LEHTINEN) is a colleague and a beloved associate here in this House.

Let me say that I am against oppression and certainly recognize that we need to join together in a bipartisan manner to address many foreign policy issues. But this legislation clearly ties the hand of the President of the United States, the Commander in Chief.

We did not do it for previous administrations, and we should not do it now. Frankly, this is debt created in Russia during Communist times. I am a Member of the Committee on Science, and we realized that the Russian government is part of the international space station.

They could not pay their bill. But we recognized in the interests of international friendship, collegiality and working together on an important initiative that this issue of the space station, we should not penalize Russia because of having fallen on hard times.

This is what this legislative initiative does. It penalizes Russia because it has fallen on hard times, and it penalizes the Commander in Chief who is attempting to create peace. What would anyone say if we passed legislation dealing with peace proceedings that I agree with, and since I am on the floor of the House, I do not know the status of it, that kept the President from acting to develop a Middle East peace agreement because we did something negative to negate those negotiations?

This legislation will negate the negotiations of helping Russia. I believe if we have concerns with the Cuban government, we need to deal with it in a sense of having widespread discussions, working with concern to the issues of those who are for Cuba or against Cuba.

Mr. Speaker, I do not believe this particular legislative initiative does this country well in terms of its national and international responsibility as a world power creating peace and not war, to pass this legislation would undermine our relationships with Russia. We do not solve the problems that I believe my friends are attempting to solve.

Ms. ROS-LEHTINEN. Mr. Speaker, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will close at this point, and just rise to say that in no other part of our society would we continue to press a failed policy. Ford Motor Company dropped Edsel pretty quickly. Sony made a valiant effort to have Beta change the format, but once it was clear it did not work, they abandoned it.

Mr. Speaker, for some reason, we have continued this Cuba policy for 40 years. We have Helms–Burton that isolates us globally, and the President has to continue to waive. In that language, there is already legislation. There is language that would give the President more ability to act if he was so inclined to on this issue.

America's interests are not served by trying to drive all of our foreign policy through Havana. The United States interests in dealing with Russia, with its large nuclear force is far more important to American security than trying to even topple the government of Castro.

I would like to see Castro gone. I would like to see a democracy there. I would like to see the people of Cuba living a better standard of living. I would like to see American farmers selling the food crops and American pharmaceuticals selling them the medicine they need to give their people a better life. I would like to see an end to this policy which for 40 years has only isolated America and not isolated Castro.

Ladies and gentlemen of this Chamber, we know why we are here. This is not about Soviet-era debt and the rescheduling of it at the Paris Club, if America, and this is kind of an esoteric debate for many people, if we fail to fulfill our responsibilities of the Paris Club, if this legislation passes and would go into effect, it would remove our ability to help the poorest of the poor countries, in doing away with their debt and trying to help them alleviate poverty.

There are so many issues that America is involved in. So much of the agenda, what happens in the world, is critical to this country, but yet we continue to try to drive all of that foreign policy, all of our interests through Havana. It has not worked for 40 years, and if you keep it up for another 40, it still is not going to work.

The strongest tool in a democracy's arsenal is contact. The more contact of Cuban-Americas and other Americans with the people in Cuba, the more pressure there would be on Castro for change.

Reject this proposal. Let us start looking for a rational, bipartisan policy and not continue down this path.

Mr. Speaker, I yield back the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. GILMAN), who is the esteemed chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, the gentleman from Connecticut (Mr. GEJDENSON) says what we need is contact; this is the wrong kind of contact. We are talking about Russian espionage, and let me note the nature of Russian espionage that is carried out against our country.

The Sunday Times newspaper of London stated in a report on January 26, 1997 that the Lourdes base, the largest spy facility outside of Russia, is staffed by about 1,500 Russians. Intelligence reports, using satellites and high speed computers, they pick up millions of microwave transmissions every day and communicate with Russian spies operating on the American continent.

Mr. Stanislav Lunev, a former colonel in the Russian GRU military, has said the following, and I quote, ''the strategic significance of the Lourdes facility has grown dramatically since the secret order from Russian Federation President Yeltsin of 7 February 1996 demanding that Russian intelligence community step up the theft of American and other western economic and trade secrets. It currently represents a formidable and ominous threat to the U.S. national security, as well as the American economy and infrastructure.''

Mr. Speaker, one other report is Izvestiya, the Russian newspaper, November 1998, the Russian intelligence facility in Lourdes, Cuba ''provides between 60 percent and 70 percent of all Russian intelligence data about the United States.''

These are the kind of contacts we are concerned about, not the diplomatic contacts. We are concerned about Russian espionage against our Nation.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to close on the bill with the remaining time, and I would like to thank the gentleman from New York (Mr. GILMAN), as well as the gentleman from Connecticut (Mr. GEJDENSON), who has always been very cooperative in our Committee on International Relations, and we have enjoyed bipartisan support on a myriad of issues, including this one, in spite of the tone and tenor and rhetoric of the debate on the floor.

It is a bipartisan bill. This bill is not about the trade embargo. It is not about economic sanctions. It is about Russian espionage. It is about protecting U.S. national security. It helps prevent the theft of political diplomatic and commercial secrets. It protects the American people.

It protects the taxpayers from bearing the burden once and again of Russia's failure to pay its debt, and it upholds congressional priorities regarding fiscal responsibility and exerts congressional oversight over foreign policy priorities.

I will continue to work on my good friend, the gentleman from Connecticut (Mr. GEJDENSON) and have the gentleman see the light about what this bill does, and what, in fact, it does not do.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in support of H.R. 4118, the Russian-American Trust and Cooperation Act of 2000. I am proud to be an original cosponsor of this measure, which was introduced by my good friend from Florida, Representative ROS-LEHTINEN, in March of this year. The point of this bill is clear: United States taxpayers should not have to subsidize espionage activities directed against them, or help to fund the repressive Castro dictatorship.

Right now, more than 1,500 Russian engineers, technicians, and military personnel are stationed at an intelligence base in Lourdes, Cuba where they are using tracking dishes, satellites, and other equipment to intercept telephone calls, faxes, and computer communications within the United States. This espionage facility—the largest operated by Russia outside the former Soviet Union—was used to obtain sensitive military information during Operation Desert Storm, and is now being used to collect personal information about U.S. citizens. The Russian government has spent more than $3 billion to modernize and operate that base.

The Lourdes spy base is also a large source of revenue for the Castro regime. The Government of Russia pays Fidel Castro somewhere between $100 to $300 million per year to lease the facility.

The bill before us today makes clear that the United States does not want to underwrite this highly improper and destructive activity. The bill prohibits the President from forgiving any bilateral debt owed by Russia to the United States until he can certify that Russia has closed down the Lourdes spy base. It also requires that the President report to Congress on actions taken by Russia to terminate its activities at Lourdes, and on U.S. efforts to verify those actions. The bill also grants the President authority to waive the debt forgiveness prohibition if he determines that such waiver is in the national interest of the United States.

If the government of Russia wants the United States to forgive its debts, then it should first stop squandering its limited resources on efforts to spy on U.S. citizens, and to prop up the bankrupt dictatorship in Havana. I urge my colleagues to support this bill.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 555, the previous question is ordered on the bill, as amended.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GEJDENSON

Mr. GEJDENSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman from Connecticut opposed to the bill?

Mr. GEJDENSON. Yes, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GEJDENSON moves to recommit the bill H.R. 4118 to the Committee on International Relations with instructions to establish a bipartisan national commission to study and report to the President on the exercise of the presidential waiver in section 3(b)(2) of the bill with regard to United States national interests in the context of other possible actions (including changes in United States policy toward Cuba) and provide that the restriction contained in section 3(a) of the bill on rescheduling or forgiving debt owed by the Government of the Russian Federation to the United States shall become effective only after the date on which the commission submits such report to the President.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Connecticut (Mr. GEJDENSON) is recognized for 5 minutes in support of his motion to recommit.

Mr. GEJDENSON. Mr. Speaker, I would just say to my colleagues I will not use my entire 5 minutes, but say to the gentlewoman from Florida (Ms. ROS-LEHTINEN), who I get along with very well, and we have worked together on many issues, she said she wanted to let the light in.

Mr. Speaker, I am giving her a chance here with this motion to recommit to let the light in. What this motion simply does it creates a bipartisan commission to take a look at the best way to take care of our interests in this area.

I think it is clear that if we want to diminish Russia's interests in Cuba, if we want to increase America's interests in Cuba, if we want to increase American national security, then we will vote for this commission to give us a chance to examine the policy, to figure out what is really best for the United States. For 40 years we have not made progress, but only to isolate America.

Let us end the isolation. Let us let the light in. Support this motion to recommit. It is a bipartisan study. The leadership of this Congress is Republican. My colleagues have plenty of voice. Let us not keep us in the dark, let America see where the light is and it is in a new Cuba policy.

Ms. ROS-LEHTINEN. Mr. Speaker, I rise to speak against the motion.

Mr. Speaker, this motion, in effect, kills the bill. If my good friend from Connecticut (Mr. GEJDENSON) was so enamored of this amendment, he should have offered it in the committee stage, and he did not.

The gentleman from Connecticut (Mr. GEJDENSON) crafted the waiver he seeks to amend. It is his very language that is in the bill, now he is amending that. This is not a Cuba study commission bill.

The other side wants to hide. They want to ignore. They want to confuse the very real and imminent and growing threat posed by the Lourdes facility, and that is, in fact, what this bill does.

It is not about sanctions. It is not about U.S. Cuba policy. It is about Russian espionage, and it is about protection of the U.S. taxpayer.

□ 1745

A very similar proposal that my good friend, the gentleman from Connecticut (Mr. GEJDENSON), is proposing today was soundly defeated just a few short weeks ago in the Senate, after it became abundantly clear that such a commission is nothing more than a waste of the taxpayers' money; that it would be a waste of time and effort given that it duplicates the role that we exert in the U.S. Congress through hearings, through briefings, through meetings, legislation on this issue.

Ironically, this proposal even infringes upon the existing authority of the President and the executive agencies which on a regular basis make modifications to export controls and other regulations that guide U.S. policy toward any government, especially the Castro regime.

However, what is astonishing about this attempt is the apparent willingness of the minority to appease the brutal tyrant who rules Cuba with an iron grip, the willingness of the minority to sacrifice the safety, the privacy, and security of the American people. I know the minority does not want that. Our constituents expect us to defend their interests, to defend their hard-earned dollars, and we should not be using it for the purpose of appeasing a dictator who is a declared enemy of the United States. It is inconceivable to see my colleagues on the other side go to this extreme.

We have had many blue ribbon committees and commissions studying the issue of U.S.-Cuba relations and other issues. In fact, right now in Havana is a delegation, and they will be reporting back to the Committee on Ways and Means in a few months about lifting sanctions and other issues. The Council on Foreign Relations headed by Bernie Aaronson had this similar proposal just a few months ago. We have had countless commissions and countless task forces and blue ribbon groups studying this ad nauseam, and I do not think that the taxpayers want to see their funds used and manipulated in this way.

Mr. Speaker, I yield the remaining time to the gentleman from New Jersey (Mr. MENENDEZ) to speak on this motion.

Mr. MENENDEZ. Mr. Speaker, I thank the gentlewoman from Florida (Ms. ROS-LEHTINEN) for yielding me this time.

Mr. Speaker, I have to oppose the motion to recommit of the distinguished gentleman from Connecticut (Mr. GEJDENSON), and the reason I do so is I do not believe that this body should delegate to any entity its powers and its rights to have a bipartisan commission on any issue.

We are the representatives elected by the people of the United States to make crucial policy decisions, including decisions in foreign policy; not some unelected group of individuals chosen maybe because of their economic interests in this issue. And the fact of the matter is I do not believe that we should abrogate our powers and our responsibilities as legislators to any unelected commission to determine foreign policy. Let us have a commission on the Middle East; let us have a commission on a whole host of other places in the world. The fact of the matter is that would not be the course of events that we should pursue, and I urge my colleagues to reject the motion to recommit.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield the remaining time to the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman from Florida (Ms. ROS-LEHTINEN) for yielding me this time.

Mr. Speaker, I rise in opposition to the motion to recommit with instructions because I do not believe that it is germane to the underlying bill. This measure addresses a very real threat to American security and privacy posed by the operation of a sophisticated Russian eavesdropping facility in Cuba. These days our papers are filled with articles that debate Internet privacy. I wonder how many Americans are aware that the Russians are operating an electronic spy center in our own backyard violating the very privacy of communications in our Nation each and every day.

I regret that our good friend, the gentleman from Connecticut (Mr. GEJDENSON), has offered this motion which seeks to divert attention to a separate issue, our U.S.-Cuba relations. Let us stick to the subject before us. This bill is about Russian debt relief and Russian espionage. Let us not try to look away from this issue by way of the motion to recommit.

I remind our colleagues this is Russian espionage. Vote against the motion to recommit.

The SPEAKER pro tempore (Mr. FOSSELLA). All time having expired, without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. ROS-LEHTINEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 275, nays 146, not voting 13, as follows:

[Roll No. 414]

YEAS—275

Aderholt	Blunt	Coble
Andrews	Boehlert	Coburn
Archer	Boehner	Collins
Armey	Bonilla	Combest
Bachus	Bono	Condit
Baker	Borski	Cook
Ballenger	Boyd	Cooksey
Barcia	Bryant	Costello
Barr	Burr	Cox
Barrett (NE)	Burton	Crane
Bartlett	Buyer	Crowley
Bass	Callahan	Cubin
Bateman	Calvert	Cunningham
Bentsen	Camp	Danner
Bereuter	Canady	Davis (FL)
Berkley	Cannon	Davis (VA)
Biggert	Capps	Deal
Bilbray	Castle	DeFazio
Bilirakis	Chabot	DeLay
Bishop	Chambliss	DeMint
Bliley	Chenoweth-Hage	Deutsch

Diaz-Balart
Dickey
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kennedy
Kildee
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Lampson
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Martinez
Mascara
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
Menendez
Metcalf
Mica
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Toomey
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Wu
Young (AK)
Young (FL)

NAYS—146

Abercrombie
Ackerman
Allen
Baird
Baldacci
Baldwin
Barrett (WI)
Becerra
Berman
Berry
Blagojevich
Blumenauer
Bonior
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Coyne
Cramer
Cummings
Davis (IL)
DeGette
Delahunt
DeLauro
Dicks
Dingell
Dixon
Doggett
Dooley
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gonzalez
Gutierrez
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Houghton
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lantos
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Matsui
McCarthy (MO)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pastor
Payne
Pelosi
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Snyder
Stark
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Woolsey
Wynn

NOT VOTING—13

Baca
Barton
Boswell
Brady (TX)
Campbell
Hilleary
Lazio
McIntosh
Murtha
Napolitano
Smith (WA)
Spratt
Vento

□ 1810

Ms. SANCHEZ and Mrs. MINK of Hawaii changed their vote from ''yea'' to ''nay.''

Mr. PHELPS and Mr. CROWLEY changed their vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. BRADY of Texas. Mr. Speaker, on roll-call No. 414. I was inadvertently detained and was not recorded. Had I been present, I would have voted ''yea.''

□

APPOINTMENT ON CONFEREES ON H.R. 4577, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

Mr. PORTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4577) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A motion to reconsider was laid on the table.

MOTION TO INSTRUCT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion to instruct conferees.

The SPEAKER pro tempore (Mr. FOSSELLA). The Clerk will report the motion.

The Clerk read as follows:

Mr. OBEY moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 4577, be instructed to insist on no less than the $42,674,645,000 in the Senate amendment for the Department of Education which provides an increase of $179,999,000 over the President's budget request; no less than $7,353,141,000 in the Senate amendment for the Individuals with Disabilities Act to help fulfill the commitment the House of Representatives made on May 3, 2000 in adopting H.R. 4055, the IDEA Full Funding Act of 2000; no less than $8,692,000,000 in the Senate amendment for the Pell Grant Program to provide a maximum Pell grant award of $3,650; no less than $6,267,000,000 in the Senate amendment for the Head Start Program which provides the President's budget request; no less than $817,328,000 in the Senate amendment for the Child Care Development Block Grant which provides the President's budget request for fiscal year 2001; and no less than $20,512,735,000 in the Senate amendment for the National Institutes of Health which provides an increase of $2,723,399,000 over the President's budget request; and to insist on disagreeing with provisions in the Senate amendment which deny the President's request for dedicated resources to reduce class sizes in the early grades and for local school construction and, instead, broadly expands the Title VI Education Block Grant with limited accountability in the use of funds.

Mr. OBEY (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 1815

The SPEAKER pro tempore (Mr. FOSSELLA). The gentleman from Wisconsin (Mr. OBEY) and the gentleman from Illinois (Mr. PORTER) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this motion to instruct is very simple. It says that the conferees should bring back a Labor-HHS-Education conference report that provides the increased funding in the Senate bill for the Department of Education in total and for several key programs such as special education, Pell grants, Head Start, child care, the National Institutes of Health.

The Senate provides a total of $42.6 billion for the Department of Education. That is $3.1 billion over the bill passed by the House. This motion instructs the conferees to provide at least every single one of the dollars that the Senate has added.

Included within the overall total is $7.3 billion for special education authorized under the Individuals With Disabilities Education Act.

Mr. Speaker, let me simply say that this motion to instruct with respect to special education would result in an increase of $803 million in additional spending over the House bill for that item.

I would point out when the House adopted on May 3 of this year H.R. 4055, the IDEA Full Funding Act of 2000, it promised to provide an increase of $2

billion over last year for IDEA. Just about a month later, the Labor-HHS-Education bill adopted by the majority failed to keep that promise, and provided an increase of only $513 million over last year. We think that we ought to provide the full amount.

The Senate bill also does not fully meet the promise that we made, but it would provide $1.3 billion over last year for IDEA to help reach the goal of a $2 billion increase in the Federal contribution toward the additional cost of educating children with disabilities. Every Member who voted for the IDEA Full Funding Act to increase funding for special education ought to support this motion to instruct.

The Senate bill also provides, Mr. Speaker, $8.3 billion to fund the maximum Pell grant of at least $3,650, an increase of $384 million over the House bill. This motion also instructs the conferees to agree with that increase.

The Senate bill provides $6.26 billion for Head Start, which is the President's request, and $600 million over the House bill. With these additional resources, more than 53,000 disadvantaged children would benefit from early learning opportunities to get a good start in life.

The Senate bill also provides the President's request for $817 million in additional funding for the child care block grant in fiscal year 2001, while the House bill cuts the request only $400 million. This motion would go to the full Senate amount and would provide extra resources for an additional 80,000 low-income children.

The motion would also instruct the conferees to adopt the Senate funding levels for NIH, which provide an additional $1.7 billion in real dollars for NIH research, unlike the House bill, which pretended to provide this increase in the front of the bill, but then took it away in the back of the bill.

Mr. Speaker, my motion also instructs the conferees to insist on disagreeing to the Senate's provision concerning class size reduction and school construction. The Senate bill denies two of the President's highest education priorities by merging the funding requested for the class size and school construction initiatives into the title VI education block grant.

Fundamentally, block grants are little more than revenue-sharing programs with little accountability for addressing Federal needs.

Mr. Speaker, if we are going to provide funding for class size initiative, we really need to actually provide it for that initiative, rather than to have a ''let's pretend'' initiative which in fact allows money to be spent for something else.

A large majority, 61 percent, feel that the Federal government spends too little on education. They support targeted Federal investments to hire new teachers, to reduce class size, and to repair and modernize our schools.

So what we are asking in this motion is that we reject the Senate language, which prevents or which denies the President's request for dedicating those resources to reduce class size in the early grades and for local school construction, and instead, broadly expands the title VI education block grant with limited accountability in the use of those funds. This motion to instruct would ask the conferees to in fact reject that portion of the Senate action.

I might point out that in the past, if we take a look at some of the uses that this money was put to by States or local districts, we will see that in the past some of this money was used for unnecessary State bureaucracy. It was used by one State or by one district to hire a mariachi band when we had the old Chapter II program in effect. Personal computers were bought for boards of education. Printing bills for a district were paid, the entire printing bill for one district was paid. Entertainment costs were paid. We think that there ought to be very specific targeting for these funds.

MODIFICATION TO MOTION TO INSTRUCT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I ask unanimous consent to amend the motion to instruct to correctly reflect that the increase provided in the Senate amendment for NIH is $1.7 billion, rather than $2.7 billion over the Senate request.

There is a typo in the amendment before us.

The SPEAKER pro tempore (Mr. FOSSELLA). The Clerk will report the modification.

The Clerk read as follows:

Modification to motion to instruct offered by Mr. Obey:

Strike out ''$2,732,399,000'' and insert ''$1,700,000,000''.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The motion to instruct is modified.

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply want to explain, it simply corrects the typo to make clear that the increase of the Senate over the President's budget request for the National Institutes of Health was $1.7 rather than $2.7 billion.

Mr. Speaker, I reserve the balance of my time.

Mr. PORTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Wisconsin well knows, I did not support the budget resolution that passed the House of Representatives early this year because I felt it would not provide adequate funding levels for many of the priorities which are reflected in this motion.

So when the gentleman proposes that we yield to the higher number in each case in the Senate bill for important national priorities, I do not disagree with that. We have consistently attempted, when we have had a good budget allocation, to be at or ahead of the President for the Department of Education because we place education at the very highest priority, and have funded it at the maximum number whenever we have had adequate fund to do so.

Certainly no one has been a stronger advocate than our own chairman, the gentleman from Pennsylvania (Mr. GOODLING), in increasing funding for special education under the IDEA program, and during the last 6 years funding has been more than doubled, from 6 percent to 13 percent of the amount that we need to provide full funding at 40 percent for the IDEA program. So we certainly agree that this account should be plussed up, and we will support that higher figure.

The Pell Grant program we have consistently increased at a higher number than the President, and I would again agree that this is a very high priority for our country, and $3,650 is a proper figure to accede to in conference.

Head Start has been a high priority, and we agree that the number ought to be the Senate number rather than the House number, since the House was forced to mark up at a far smaller overall number than the Senate. Child care is, of course, also a very high priority. We support the higher Senate number as well.

Finally, on the number side, if we look at the National Institutes of Health, we have done everything possible to double funding for the National Institutes of Health over 5 years, and for the last 2 years have provided 15 percent increases in each of those 2 years.

If we provide a 15 percent increase this year, in the last 6 years we will have increased NIH by 82 percent, and we will, if 2 more years are added, have increased NIH from $11 billion in fiscal year 1996 to $27 billion by fiscal year 2003.

Now, I might add to my colleague, the gentleman from Wisconsin, during that time the President of the United States has vastly underfunded this account, in some years providing an increase in his budget as low as 1 percent. Thank goodness this past year the increase he suggested was at 4.5 percent. That is some improvement. But we have been consistent in our support for a 15 percent increase for biomedical research through the National Institutes of Health, and certainly would support the higher number in conference.

Where the gentleman loses me on his motion to instruct is with the last few sentences that say, ''and to insist on disagreeing with the provisions of the Senate bill which deny the President's request for dedicated resources to reduce class sizes in the early grades and for local school construction, and instead, broadly expands the title VI education block grant with limited accountability in the use of funds.''

□ 1830

Mr. Speaker, here is where we get into a very clear philosophical difference. We believe very strongly that all the wisdom does not reside in Washington at the Department of Education, and that the best decisions are made by those responsible for primary and secondary education in America. It is not the Government in Washington. It is the States and the local school districts. They can make the decision best as to how these funds can be spent, whether they are needed for more teachers, whether they are needed for teacher training, whether they are needed to equip classrooms for computers, whether they are needed for construction. Those decisions should not be made by Washington mandate. We should give our local school districts maximum flexibility to make those decisions for themselves.

So while I can agree with the gentleman on the higher funding levels reflected in the Senate bill that had a little bit more than $5 billion more than the House in its allocation, I certainly disagree with the gentleman in terms of giving less flexibility to the local school districts, less flexibility to the States, more control to Washington over education. There I think the gentleman is wrong, and I would oppose the motion to instruct for that reason.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me simply take a minute to respond to the gentleman from Illinois (Mr. PORTER); and if he is inclined, I will then yield back my time, and we can have a vote.

Mr. Speaker, I think it is important that this motion to instruct include the language to which the gentleman from Illinois (Mr. PORTER) objects. I want to be very clear about this. This motion, in addition to requiring the higher numbers for special education, Pell Grants, Head Start, child care, and the National Institutes of Health, it would also instruct the conferees to insist on disagreeing to the Senate provisions concerning class size reduction and school construction.

The Senate bill purports to provide funding for the President's initiatives for class size and school modernization; and, yet, in reality, it denies the President's highest education priorities by merging the funding requested for class size and school construction initiatives into the title VI education block grant.

As I tried to indicate earlier on the floor, fundamentally, in my view, block grants are little more than revenue sharing programs with little accountability for addressing Federal needs.

The gentleman from Illinois refers to the need of local school districts and school officials to have flexibility. I certainly agree they need a significant amount of flexibility, but I think that when it comes to spending taxpayers money, we also need accountability.

I did not come here to simply be the tax collector for some other level of government. I came here to try to help identify legitimate national priorities and direct hard-earned taxpayers funds to those priorities. That is why the motion to instruct is structured as it is.

Mr. Speaker, I yield back the balance of my time.

Mr. PORTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FOSSELLA). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The SPEAKER pro tempore. The Chair announces that he will reduce to 5 minutes the vote by electronic device on the motion to suspend the rules on which the yeas and nays were postponed yesterday. That vote will immediately follow the vote on the pending motion to instruct conferees.

The vote was taken by electronic device, and there were—yeas 207, nays 212, not voting 15, as follows:

[Roll No. 415]

YEAS—207

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bilbray
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Fletcher
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Quinn
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NAYS—212

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weller

Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—15

Baca
Barton
Boswell
Campbell
Clay
Greenwood
Johnson (CT)
Lazio
McIntosh
Murtha
Pryce (OH)
Smith (MI)
Smith (WA)
Vento
Weldon (PA)

□ 1854

Messrs. GOODLING, KINGSTON, CALVERT, CHAMBLISS, NORWOOD, WHITFIELD, SIMPSON, LINDER and COX changed their vote from ''yea'' to ''nay.''

Mr. RODRIGUEZ and Ms. WOOLSEY changed their vote from ''nay'' to ''yea.''

So the motion to instruct was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. SMITH of Michigan. Mr. Speaker, on rollcall No. 415 I put my card in the voting box but it failed to register. I would have voted "nay."

The SPEAKER pro tempore (Mr. FOSSELLA). Without objection, the Chair appoints the following conferees: Messrs. PORTER, Young of Florida, BONILLA, ISTOOK, MILLER of Florida, DICKEY, WICKER, Mrs. NORTHUP, Messrs. CUNNINGHAM, OBEY, HOYER, Ms. PELOSI, Mrs. LOWEY, Ms. DELAURO, and Mr. JACKSON of Illinois.

There was no objection.

□

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 8 of rule XX, the Chair will now put the question on the motion to suspend the rules on which further proceedings were postponed yesterday.

□

DRUG ADDICTION TREATMENT ACT OF 2000

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 2634, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the bill, H.R. 2634, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 412, nays 1, not voting 21, as follows:

[Roll No. 416]

YEAS—412

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Payne
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Sanford

NOT VOTING—21

Baca
Barton
Boswell
Campbell
Cannon
Clay
Greenwood
Kolbe
Lazio
McIntosh
Murtha
Pelosi
Roemer
Rush
Salmon
Sisisky
Smith (WA)
Sweeney
Vento
Waters
Wicker

□ 1904

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read:

''A bill to amend the Controlled Substances Act with respect to registration requirements for practitioners who dispense narcotic drugs in schedule III, IV, or V for maintenance treatment or detoxification treatment.''.

A motion to reconsider was laid on the table.

□

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. FOSSELLA). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

□

PIPELINE SAFETY REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, on June 10, 1999, a liquid gasoline pipeline owned by the Olympic Pipeline Company ruptured and spilled over 200,000 gallons of gasoline at Whatcom Falls Park, a 241-acre park in the city of Bellingham in my district.

Gasoline was carried into Whatcom Creek, where the spilled fuel was inadvertently ignited by two 10-year-old boys, Wade King and Stephen Tsiorvas,

who were playing by the creek. The resulting fireball raced down the length of the creek for a mile and a half, killing King, Tsiorvas and an 18-year-old fly fisherman named William Wood. Swaths as wide as 200 feet along the creek were burned within minutes.

The explosion of June 10 caused millions of dollars in property damage and did immeasurable damage to the families and friends of Wade King, Stephen Tsiorvas, and William Wood.

I have long held reservations about our system of pipeline safety regulations. In 1996, I voted against the pipeline deregulation bill because I felt it removed too many essential safeguards.

Since the tragedy, I have redoubled my effort to improve the regulatory climate. I have been in close contact with industry, public interest groups, local officials, and Federal regulators and constituents and have emerged with significant concerns.

To name a few, pipelines are not required to be inspected thoroughly enough to ensure safety. Rules for training pipeline employees are woefully inadequate. Industry is not required to report spills under 2,100 gallons. Forty-five States have almost no role in regulating interstate pipelines which run through their jurisdictions.

Earlier this year I introduced H.R. 3558, the Safe Pipelines Act of 2000, which was cosponsored by the entire Washington State House congressional delegation as well as the gentleman from Georgia (Mr. LEWIS) and the gentleman from Ohio (Mr. KUCINICH). Thus I am pleased that today a bipartisan group of legislators gathered in front of the Capitol to talk about pipeline safety.

I would like to thank the gentleman from New Jersey (Mr. FRANKS) for introducing the new pipeline safety legislation, which I have cosponsored. The gentleman from New Jersey (Mr. FRANKS) is the chairman of the subcommittee that oversees pipeline safety. So this is a very important step forward.

Just last month, the gentleman from Pennsylvania (Mr. SHUSTER) committed to the gentlewoman from Washington (Ms. DUNN) and myself to hold a hearing fully exploring this vital safety issue before the full Committee on Transportation. In addition, Senator MCCAIN has marked up a pipeline safety bill in his committee which is now ready for a vote in the full Senate.

I will continue to work for additional safety provisions on the bill as it moves through the committee process in the House. I will push for measures like hydrostatic testing, greater State participation, Federal safety certification for pipeline employees, and a 5-year time period for internal pipeline inspections.

Too many people have already been lost in tragic pipeline accidents. We must ensure pipeline safety now.

SCOUTING FOR ALL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, earlier today I introduced a bill, the Scouting for All Act, to repeal the Boy Scouts of America's Federal charter. The bill's cosponsors are sending a message to the Boy Scouts and to all Americans that the Congress of the United States does not support intolerance.

As my colleagues know, a charter is an honorary title Congress awards to organizations that serve a charitable, patriotic, or educational purpose. But to me there is nothing charitable or patriotic about intolerance, and it is not a value we want our children to learn.

Revoking the charter sends a clear message that Congress does not support this value, this value of intolerance. The supporters of my bill are not saying that the Boy Scouts are bad. We are saying that intolerance is bad.

I was a Girl Scout. One of my sons was a Boy Scout. And I know the values of scouting, and that is why I believe it should be available to all boys.

The decision handed down by the Supreme Court last month shocked me; but, most of all, it saddened me. Yes, the Boy Scouts fought hard to win their right to discriminate. But for me and the bill's supporters, this is not a question of whether the Boy Scouts have a right to establish anti-gay policy. It is a question of whether the Boy Scouts' anti-gay policy is right.

We believe that choosing to do nothing in response to the court's decision would only compound the injury and would reaffirm the Boy Scouts' message that intolerance is okay.

As I said, the Boy Scouts fought hard to win their right to discriminate. While they may have won this right, we strongly feel the Government should not be a participant in any policy that promotes discrimination or intolerance.

I truly believe that when brave people step up and say intolerance is wrong, we will and can make a difference.

One of those brave people is Stephen Cozza, a teenager from my hometown of Petaluma, California, who founded Boy Scouts For All, which is a national campaign to change the Boy Scouts' anti-gay policy.

To date, Stephen Cozza and his father, Scot Cozza, have gotten more than 51,000 signatures on a nationwide petition supporting the change in the Boy Scout policy and making scouting inclusive for all boys.

As Members of Congress, we also have a part to play. We have an opportunity, an opportunity to let the Boy Scouts of America know that we do not accept their exclusionary and intolerant policy.

I dread the implication and the repercussions should Congress choose not to act. If both the Court and Congress convey the message that discrimination is okay, I fear we encourage other organizations to discriminate as well.

Mr. Speaker, we are halfway through the first year of the new millennium, and we are still debating the pros and cons of discrimination. Did we not learn anything from the last century? All of our children need a tolerant environment in which to grow and learn. Straight kids and gay kids need to know that they are accepted. We must make it clear to those children that the Federal Government supports them and does not support intolerance.

I urge my colleagues to support our children. Join with me and the bill's cosponsors and support repealing the charter of the Boy Scouts of America. But let me repeat. We are not saying that the Boy Scouts are bad. We are saying, and we are saying in absolute terms, that intolerance is bad.

□

□ 1915

NORTH KOREAN ATROCITIES

The SPEAKER pro tempore (Mr. TOOMEY). Under a previous order of the House, the gentleman from Pennsylvania (Mr. PITTS) is recognized for 5 minutes.

Mr. PITTS. Mr. Speaker, I rise today to speak on behalf of the numerous individuals being forgotten in the negotiations between the United States and the hard-line dictatorship in North Korea, those 200,000 plus people who suffer horrifying hardships in the prison camps throughout North Korea.

Despite the fact that the leaders of North Korea refuse to admit that these concentration camps exist, they are real. Individuals that I have met with who have escaped from these camps have said that they want the world to know of the evil that is perpetrated there, even against children.

One young man that I met with was imprisoned at the age of 10 because his grandfather was arrested, so they imprisoned the whole family. The North Korean regime incarcerates three generations of a family due to one generation's crime. What type of government imprisons a 10-year-old boy for his grandfather's crime? Certainly not a civilized one.

Another woman I met with described the terrible torture she endured because she was honest and would not embezzle material goods for her boss. As a result, her boss concocted false crimes, she was arrested, taken to a prison camp and routinely tortured to the point of losing consciousness. As soon as she lost consciousness, the security officials would pour water on her face, revive her and begin the torture process over again, all of this for 14 months. Then she was sentenced to 13 years in a resocialization camp.

Let me read some excerpts of testimony from torture survivors and escapees regarding the horrendous pain and suffering at the hands of this brutal and repressive regime, a regime that our administration is now looking to appease.

''Officers treated us like animals. They never explained to us what to do but communicated with the prisoners by whipping, kicking and cursing. While prisoners were being beaten, they couldn't stop working or look back at the officers. If a prisoner moaned or tried to avoid getting hit, she was put into solitary confinement, the worst punishment in prison. The solitary confinement cell was only high enough to allow a person to sit on the floor. Concrete thorns stuck out of the walls so the prisoner could not lean against them. The person could only sit and not move for many days. If prisoners were consigned to solitary confinement during the winter, their legs became paralyzed.''

''The different forms of torture are too numerous to recount. Sometimes they put a wooden stick with sharp edges behind my knees, make me kneel, and then trampled my body with their heavy boots. At other times, they would hang me by the shackles on my wrists, high enough so that I was forced to stand on tiptoe. At night water would fill the solitary cell up to my stomach, depriving me of any sleep. During the long hours underwater my body would gradually swell up, making it difficult for me to keep my balance. If I fell, the guards kicked me until I scrambled up again in extreme pain and fatigue.''

''The prisoners in the export factory were treated even worse than those in the other factories. Our days were a series of unendurable labor. Getting kicked and slapped was common. The female prisoners got used to an officer's kick or slap on the face. After a few years of little food, no sunshine, constant beatings and demanding work, prisoners began to lose the strength in their backbones. As the spine weakened, ligaments started popping out at the back of their necks. The prisoners became ugly like beasts. The export production was the fruit of unbelievable human abuse. These exports went to Japan, to Poland, to France.''

I would ask, do we want to participate in this as well? Let me end with this quote:

''When pregnant women came to prison, they were forced to abort their babies. Poison was injected into the babies cuddled in their mother's wombs. After the injection, the pregnant woman suffered tremendous pain until the babies were stillborn about 24 hours later. Medical officers walked around the pregnant women and kicked their swollen bellies if they screamed or moaned.''

Mr. Speaker, I could go on and on. These are a few excerpts of people that I have met. We must not forget these people. We must fight to stop the painful, horrifying torture and the other human rights abuses the North Korean people are enduring at the hands of the brutal dictatorship ruling that country.

SELF-ENRICHMENT FROM NUCLEAR POWER PLANT PRIVATIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, just 2 weeks ago, the United States Enrichment Corporation made the devastating decision to close its uranium enrichment facility in Piketon, Ohio, where nearly 2,000 dedicated Americans work. This is devastating not only to my community and to my region of Ohio but it is devastating, I believe, to this country. Some 23 percent of all of the electricity that is generated in our country is generated through nuclear power plants. Nearly all of that material that is necessary to provide the fuel for these nuclear power plants comes from two sites, in Paducah, Kentucky, and in Piketon, Ohio.

Until 2 years ago, the industry which produced this vital fuel for our Nation was under the ownership and control of the United States Government. We made the decision to privatize this vital industry. We did so with the hope and belief that the industry would thrive and that the private company would keep its obligations to this Nation and continue to operate the two plants through the year 2004. Sadly, the leadership of this new private company has broken faith with our government and with the American people, and they have announced that they are closing the Piketon plant.

Mr. Speaker, I want to be very clear. I am upset about this because of its immediate impact upon my district and upon the men and women who work in the facility in my district. But I am equally concerned because this decision can have a terribly adverse effect upon this Nation in terms of our national security and in terms of our energy security.

I am convinced that the management of this company cares for neither but simply is determined to do whatever it can to enrich itself, and the American people and the people who work in these plants can be damned.

That is why I am very, very pleased that the gentleman from Virginia (Mr. BLILEY), who is the chairman of the Committee on Commerce, has recently written the CEO of this private company, Mr. Nick Timbers, a letter in which he expresses concern and asks certain questions. I would like to share a couple of paragraphs from Chairman BLILEY's letter to Mr. Nick Timbers. He says:

''Dear Mr. Timbers:

''As you know, the Commerce Committee is continuing its review of USEC privatization and its impact on our national security and the domestic uranium industry. I am writing to you with respect to recent troubling statements you have made on this subject and to obtain additional documents and information related to USEC privatization.''

Then Mr. BLILEY continues:

''Quoting the Wall Street Journal editorial dated Thursday, June 28, 2000, you indicated that USEC's recent decision to close the Department of Energy's Portsmouth gaseous diffusion plant was made in response to congressional intent in privatization legislation. Specifically, you state that USEC's decision to close the Portsmouth plant was, quote, the reason Congress privatized the company, close quote.''

Then Mr. BLILEY says:

''I can assure you that this is not the case. A single operating gaseous diffusion plant with no credible plan for a succeeding enrichment technology is not what Congress intended for the privatized company.''

My understanding is that we will have hearings this fall, and we will delve into the matters surrounding the privatization of this company. I think Mr. Timbers has some explaining to do, and I think those responsible for the decisions that led to privatization within this administration have some explaining to do. I think there was a terrible, unacceptable, conflict of interest that existed when Mr. Timbers was given the authority to advise and to consult and to give direction as to how this company would be privatized because the decisions that he made resulted in his self-enrichment. This man, who was making as a government employee approximately $350,000, ended up with a salary of some $2.48 million.

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PRESCRIPTION DRUG COVERAGE FOR SENIORS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Michigan (Ms. STABENOW) is recognized for 5 minutes.

Ms. STABENOW. Mr. Speaker, I rise this evening as I have on too many occasions to speak out about the issue of Medicare coverage for prescription drugs. I say too many because the time is up for this Congress to act and to modernize Medicare to cover the way health care is provided today.

We have the most wonderful health care system in the world. I know a gentleman who takes a pill once a month instead of having open heart surgery. The pill costs $400. Medicare will cover the surgery. Medicare will not cover the pill. We have got to change and modernize Medicare so that our seniors are not left in the situation of getting up in the morning and saying do I eat today, do I get my breakfast, or do I get my medicine? Too many seniors in this country find themselves in that situation.

I have been conducting a prescription drug fairness campaign in Michigan now for a year. I set up a hotline, have asked seniors to write, to call, to share with me their situations so we can put names and faces on this problem and encourage, plead and beg with this Congress to act now.

I would like today to once again read a letter. This one is from my hometown of Lansing. Jackie Billion wrote to me, and I would like to share with you this letter:

''Dear Debbie:

''I live alone in a subsidized ground floor apartment. I'm 70 years old and have osteoporosis, rheumatoid arthritis, osteoarthritis and fymalogy. I also have macular degeneration. I'm legally blind in the left eye. Last week, I spent 2 days at Beaumont Hospital.

''I receive $645 a month and quite often I have to decide whether to get some of my prescriptions or eat. I hope and pray that seniors will receive prescription drug coverage soon.

''Thank you, Jackie Billion.''

I thank Jackie for sharing these comments with me and for speaking out on behalf of literally millions of seniors that have the same situation that she has today.

This Congress has the opportunity with the best economy in a generation to fix this if we have the political will to do it. If we are willing to stand up to those who are fighting us, who are not understanding or caring about what is happening to Jackie Billion, we can fix this and modernize Medicare for our seniors and for those who will be the next generation of seniors. I would call on the Congress again to take this opportunity, the best economy in a generation, budget surpluses that we have not seen in my lifetime, and place a priority on modernizing Medicare to cover costs of prescription drugs so that seniors like Jackie Billion will not have to worry about choosing between their meals and their medicine.

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LOOKING BACK AT 6 YEARS OF REPUBLICAN CONTROL IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, we rise tonight to talk a little bit about what has happened in the last 6 years, and I am delighted to have with me tonight one of my colleagues who came to the Congress with me in 1994. I think once in a while it is important to remind our colleagues where we were in 1994, what was happening here in Washington, what was happening with our government, when the American people said, in effect, enough is enough.

□ 1930

They sent 73 new Republican freshmen to this Congress to begin to change the way Washington did business. We had with us a Contract with America, not a Contract on America, some of the critics like to say, but it was a Contract with America. And we said if you will elect us to the Congress, here are some things we are going to do.

I am happy to report that virtually all of those planks in that contract with the American people have now come to fruition. In fact, we kept every item. We kept our bargain on every one of those items. We had a vote on a few occasions. There were not the constitutionally required majorities, and so those have not become law, for example, with term limits. But on virtually every other item.

One of the first items on that contract was to make Congress live by the same laws as everybody else, and perhaps later this evening, the gentleman from Connecticut (Mr. SHAYS) will join us and talk about that particular plank. I am privileged tonight to have one of my colleagues who came with me in 1994, the gentleman from Oklahoma (Mr. WATTS); and we have really come a long ways.

Let me just talk about the budget side of the equation, and I will talk about this more after the gentleman from Oklahoma (Mr. WATTS) leaves us. But when we first came to Washington, the Congressional Budget Office, and I have a copy of this, if any Member would like a copy of what the Congressional Budget Office said, our official scorekeepers were telling us back in 1994 and 1995, they were telling us that the on-budget deficit for each of the years 1994, 1995, 1996, 1997, 1998, 1999 and 2000 was going to be $208 billion, $176 billion, $207 billion, $224 billion, $222 billion, $253 billion and $284 billion. Now, that was the deficit that they were projecting when we came to Washington in 1994.

That did not include all of the money that the Congress was regularly taking from Social Security to spend on other items; if we include that, we are actually looking at deficits of $259 billion growing ultimately to $381 billion by fiscal year 2000.

That is where we were back in 1994, and what the American people said in that election is listen, there must be a better way. Every family, every business, every association has to balance its budget and somehow they figured out a way to make the income meet the expenditures. Every family does it every week.

It really is time for the Federal Government to do the same, and so they sent some of us there and said, listen, if you do nothing else, at least balance the Federal books.

Mr. Speaker, I am happy to report that we not only have balanced the Federal books, we are now looking at enormous deficits. We will talk more about that. I would like to yield to my friend and colleague, the gentleman from the great State of Oklahoma (Mr. WATTS) to talk just a little bit about where we were, where we are and hopefully where we are going with this Congress.

Mr. WATTS of Oklahoma. Mr. Speaker, I thank my friend from Minnesota (Mr. GUTKNECHT) for yielding to me. And I am appreciative of the fact that the gentleman has chosen this time tonight over the next hour to talk about what we have done in Washington and, although, he and I are Republicans, the wins, the victories that we have seen over the last 5½ years really are not Republican victories. They have been victories for the American people.

I recall back when we were sworn in. I was sworn in on January 9, 1995, my colleagues were sworn in 4 days or 5 days before I was, because of some obligations I had back home, but when I was sworn in on January 9, I believe, and I think the gentleman has the numbers there, that the deficit of that year in 1995 was about $285 billion, somewhere thereabouts, $285 billion or $300 billion. Those were the deficits, and deficits means that we have spent out a whole lot more money than we take in and we create a deficit position.

As the gentleman has said, we came in and wanted to do things differently. We felt like Washington could be better, and it is interesting the Contract with America items that the gentleman has mentioned, about 80 percent of those items today are law.

Although people campaign and they talk about the evils of the Contract with America, 80 percent of the Contract with America today is law and a Democrat President signed those things into law.

A balanced budget amendment, we did not pass that. We did not pass term limits, but I think we both voted for term limits and both voted to say that we should amend the Constitution, have an amendment to force Congress to do about what 39 different States around the country have to do, by law they have to balance their books. They cannot spend out one dime more than they were appropriated or that the legislators appropriated.

So what we have done over the last 5½ years, we do have a balanced budget today. We do not spend out more money than we take in. Welfare reform, we were beaten on that, because we wanted to reform welfare to say, let us not define compassion by how many people we can have on food stamps and AFDC or in public housing, instead let us define compassion by how few people are on food stamps and AFDC and public housing because we have helped them climb the ladder of economic opportunity.

Today 6 million more Americans are in the workplace because we chose to define compassion in a different way.

We cut committee staff by a third for the first time, I understand, in the history of the House of Representatives. We audited the books of the House of Representatives. If Members will recall, back when the gentleman and I were freshman, every morning we would have people pushing these little carts around that had these buckets of ice on them that would give Members a bucket of ice. I thought this was somewhat unusual. The gentleman thought it was unusual, because we had refrigerators inside of our offices that keep

our Nehi peach and a Nehi grape cold, and these pockets of ice would melt.

These were no good. So we looked into this, and I think it was costing the taxpayers something like $600,000 a year. We cut it out. We eliminated it. We said that is wasting taxpayers' dollars. I think the people back in the fourth district of Oklahoma would be pretty proud and folks in the gentleman's district back in Minnesota would be proud to know we did not have to put together a task force to do that. We just eliminated it. We said Congress, the American taxpayers are paying for that. We do not need that.

We have given tax relief, $500 per child tax relief. We have done that. We paid down our public debt by $350 billion. Now, 5½ years ago when the gentleman and I came, that was just a theory that some day we would start down that track of paying down our public debt.

We have done all of these things over the last 5½ years, which these things are good for the American people. The gentleman mentioned about stopping the raid on the Social Security and Medicare surplus. We think that is important.

Why is that important? We believe that the FICA fellow who takes money out of your payroll, he ought to do with it what he says he is going to do with it, and that is set aside nothing but for Social Security and Medicare.

Mr. GUTKNECHT. If the gentleman would yield, one of the comments that I made, and I think that the people in my district really appreciated this, was that when we started talking about taking money from Social Security and spending it on other things, what I said was, when the American people allowed the Federal Government to get into their paychecks to pay for Social Security, they never told the Federal Government that they could keep the change. That is what was happening.

The Federal Government was keeping the change and spending it on other programs. And 2 years, thanks to your leadership and the leadership of others in the House, we finally stopped that abuse. For the first time, we are making certain that every penny of Social Security taxes goes only for Social Security or to pay down debt.

As the gentleman has mentioned, we paid down $350 billion of debt and, as a matter of fact, I believe by the end of this fiscal year, that number will be greater than $400 billion that we will have paid down.

Mr. KINGSTON. Mr. Speaker, if the gentleman would yield, I wanted to point this out. Jimmy Carter wrote a book in the 1970s called Why Not the Best? And he talked about rethinking. So many of the things that we do routinely in government, and I think that even though we had philosophical differences of what that blueprint should be, that is what, in fact, happened in 1994.

I think it took many years with ideas like the challenge of Jimmy Carter, Why Not the Best; and then Ronald Reagan saying, good morning America, bringing out the best news. Now, in this day of great prosperity, the day of great medicine, great technology, great entertainment, great food supply, we still need to get to that next level in a government where our priorities have been very focused in the last 5 years. We protect and preserve Social Security. We protect and preserve Medicare. Then we pay down the debt for the next generation, and then the change.

If we go to WalMart and we buy $7 hamburger and we give $10 at the counter, they are going to give us $3 back. The Federal Government, if we get a congressional cashier, he is going to keep the change and give us some more nails and all kinds of things we did not ask for. We are stopping that.

To go after great communities, where the kids can walk the streets late at night not having to worry about drug pushers and crime. Education, where teachers in the classroom are getting the money, not the bureaucrats in Washington. Just think about every dollar we spend on education, 50 cents never leaves this city.

That is something we have got to change. Our constituents would never put up with that in the private sector. It is outrageous.

Mr. WATTS. Mr. Speaker, I thank the gentleman from Georgia (Mr. KINGSTON) for sharing those thoughts with us, because I think what the gentleman has said, what the gentleman from Minnesota (Mr. GUTKNECHT) has talked about in getting us into this special order this evening, I think it is critical to look at where we have come from to see where we are going. Had we not made those tough decisions 5½ years ago when we first came, putting more people in the workplace today. We balanced our budget. We do not spend out more money than we take in. We have sent more education dollars home. We stopped the raid on the Social Security surplus and on the Medicare surplus.

We have cut our committee staff by a third. We have given tax relief. We paid down our public debt, because we have done all of these things. Now we are in a position over the next 8 years to 10 years that we are talking about massive surpluses. No longer are people talking about deficit spending any longer.

We are talking about massive surpluses, and over the next 10 years, we really have an opportunity to do some wonderful things to secure the future of America. Just think, just imagine, over the next 10 years, because of decisions we made early on, we have surpluses that we can find a cure for cancer. We can find a cure for sickle cell anemia and diabetes and Alzheimer's. This is within our reach.

Mr. Speaker, consider an America that we had paid off our debt. I mean, that is within our reach. Consider an America that every child in America gets up every day and they went to a venue of learning that was safe, that taught them how to read and write, do the arithmetic, have the computer skills necessary to compete in the global marketplace, imagine that kind of an America. Imagine an America that was safe from foreign enemies, because our military was strong and people's retirement security was safe.

They could retire at their retirement age with security. This is within our reach, thanks to, in large part, by what we have done and all the names we went through, what we were called and all the things that we had to go through to get here, but we are here, and now if we will manage it properly, not go on some wild goose chase of government spending, these things really are within our grasp over the next 8 years to 10 years.

Finding the cure for these many illnesses out there, the many diseases that plagues the greatest Nation in all the world. I said it time and time again, as I close, this place that we all call home and the rest of the world calls America, it is a pretty fascinating place.

Mr. GUTKNECHT. That is right.

Mr. WATTS. I appreciate what the gentleman from Georgia (Mr. KINGSTON) said, and we should be about being our best, not our worst, giving our most, not our least, understanding the importance of who we are.

□ 1945

Again, I am delighted in some very, very, very small way that folks in the fourth district of Oklahoma that they have given me an opportunity to be a part of what we have seen happen as Members of Congress over the last 5½ years.

Mr. KINGSTON. One thing that he has done a lot for, that I think that it is important to talk about in terms of getting everybody at the table, because when we were passing welfare reform we were accused of pushing children out in the street, pushing women out in the street. The President vetoed the bill twice, and then as soon as it turned out to be a success, 40 percent of the people on welfare got jobs and liked those jobs, then the President went around saying it was his bill, which is fine. If that is the way the system works, let us do another bill like that.

What I think the gentleman has been good at is getting everybody in on it, pushing for an education system where no child is left behind and saying, as the gentleman has pointed out, America's prosperity is the envy of the world, but there are people in the world who are not sharing in that prosperity. We are saying we want to invite them to the table, and we are going to show them a pathway to the table, and we are going to help them get to the table so that they too can enjoy this great land and negotiate for a better America. I think that is something that we do not talk about.

The gentleman has reached out to the children who are at risk, and I

think that that is something that we need to always keep in mind for the next generation.

Mr. WATTS of Oklahoma. George Bush calls it prosperity with a purpose. We are experiencing unprecedented prosperity in America. The Dow is going through the roof. NASDAQ is doing very, very well. These days if one is older than 30, they are too old to be a billionaire in America.

It is fascinating the wealth that we see, and I think that if our objective is just to make money, that is a bad purpose. Prosperity with a purpose says that, yes, I want to take the wealth that we have in America and make sure that those who are left behind, that in spite of what skin color they are, in spite of what party they are in, we can go to them and say these are my values, these are my principles, how can we help accomplish what they want to accomplish in life?

This prosperity that we are experiencing, we have an opportunity to do wonderful things for the United States of America, but I think we have to be disciplined enough, composed enough, that we do not get dollar signs in our eyes and say let us spend, spend, spend, spend, spend. Let us grow, grow, grow, grow, grow. We have to have a purpose, I believe, in the wealth that we have created in America and in the surpluses that we have that we are experiencing today.

I think we have to have purpose in our surpluses. If we do, boy, we will surely create that shining city on a hill.

I thank the gentleman from Minnesota (Mr. GUTKNECHT) very much for letting me participate this evening.

Mr. GUTKNECHT. Mr. Speaker, I want to thank the gentleman from Oklahoma (Mr. WATTS) because I think in many respects he has done the best job of communicating what it was we were trying to do. As the gentleman from Georgia (Mr. KINGSTON) mentioned, welfare reform was not about saving money. I think to a large degree that was miscommunicated by so many people.

Welfare reform was not about saving money. It was about saving people, because we all knew that there were too many people that were being trapped in an endless cycle of dependency and despair, and because of our welfare reforms we allowed States and governors and legislatures to decide what it was that they wanted for their people and how it was that they could use the instruments of government to encourage work, to encourage personal responsibility, to encourage families to stay together, and that is what welfare reform was all about.

The great news is, since we passed that bill, gave that authority back to the States, we have seen the welfare roles in the United States drop by 50 percent. That is a great story, not in terms of how much money it will save but most importantly how many people it saves.

One of the stories that I love to tell, and many of us do visits to our local schools, I was at one of my local schools a couple of years ago, about a year after we passed the welfare reform, and we were talking to the teachers after school.

One of the teachers said, Of all of the things that have been done since you went to Washington, GIL, I think the best thing is this welfare reform.

I said, Really? Tell me about that.

She said, Well, let me talk about one of my students and let us call him Johnny. All of a sudden Johnny started to behave better. He was a better student. He was a better kid. He carried himself better. Everything about Johnny was better.

So finally one day the teacher said to Johnny, Johnny, is there something different at your house?

Johnny said, Yeah. My dad got a job.

We sometimes forget that a job is more than the way one earns their living. A job helps to define their very life, and when the breadwinner of a family is unemployed and on a government welfare program, it not only affects the attitude of the breadwinner, it affects the attitudes of everyone in that family.

Mr. KINGSTON. I think that as we talk about welfare reform, and as the gentleman said it is about people and giving people opportunities, it is not about taxes, it is not about saving dollars but there are really three legs to the stool. One is for those who are able and capable, able-bodied to work. The other one is the single mother with transportation needs, health care needs, day care needs, education needs, housing needs. The third leg, though, is something very important and the gentleman just touched on it when he talked about little Johnny, and that is Dad.

Our welfare system for years has been geared under the premise that if Dad is around, then one does not qualify for public housing; they do not qualify for the health care benefits for their children. What we are doing now under the leadership of the gentlewoman from Connecticut (Mrs. JOHNSON) is a great Fatherhood Project, saying to the kids, in some sectors of society it is as high as 70 percent of the children who are born without fathers at home, we are saying we want to bring their dad back because if we bring their dad back, the teenage dropout rate will go down; the drug usage rate will go down; the grades at school will go up and the teen pregnancy will go down.

I think that is the kind of common sense legislation that we need to do, not just say, okay, we did welfare reform, now we are through; but to go back and say, now look the father has to be in the picture. When 70 percent of the kids are born without dads at home, they end up on welfare. Dad has to be brought back. I think that that is one of the keys.

Mr. GUTKNECHT. In many respects what we have done since 1994 was to reverse sort of the unwritten rule of Washington, which had become almost an epidemic; and the unwritten rule was that no good deed goes unpunished. If families stayed together, as the gentleman said, they got punished. If people worked, they got punished. If they invested, they got punished. If they saved, they got punished. If they created jobs, they got punished.

If one thinks about that, that was a perverse incentive. It should be no surprise that the welfare system particularly was destroying the work ethic, was destroying families, was encouraging dads to leave the household. It was the most perverse thing.

The good news is we have begun to reverse those perverse incentives. As a result, I think we are not only going to save, quote, money we are going to save families; we are going to save children from one more generation of dependency and despair.

Mr. KINGSTON. Getting back to this in just a second because the bill of the gentlewoman from Connecticut (Mrs. JOHNSON), which will be passed by this House, it has already been passed and we have another version we are going to consider, I hope, next week; but I have been involved with the Georgia Fatherhood Project with the director named Robert Johnson, and then locally Robby Richardson, whose wife, Annette, works with us, he is the Savannah coordinator of it, they invited me to one of their meetings to talk to the men who are 23, 24 years old who have said when I was 19 years old, I was irresponsible and then the system kept pushing me out and pushing me further out the door. I made a mistake or two, but I could not get back in because society kept shutting the door on me.

Now through this fatherhood project I can come back in and get my high school diploma, maybe get some college credits, get some vocational learning, learn a skill, get my job; and it is not necessarily the job I want, but it is the entry level job and then to get to the next level of the ladder.

These guys are talking about I went four years without seeing my little girl, and now I am seeing her again, and I am part of her life; I do not have to hide from the Government to do this. Mom is in on it, too. It is win/win for society; win/win for the mom; win/win for the dad. But, more importantly, it is a win/win for that little girl.

SENIOR CITIZENS SHOULD BE ABLE TO BUY THEIR PRESCRIPTION DRUGS FROM OTHER COUNTRIES

Mr. KINGSTON. The gentleman has been a leader in something that I want to talk about in terms of why not the best and in terms of common sense legislation, and that is the fact that our Food and Drug Administration has prohibited our senior citizens from buying drugs, prescription drugs, medicine, in Canada, which is sold at a lower price than it is in America.

I have a chart with some of these price differences on it, but I thought the gentleman might want to explain

that because I think it is so important to our seniors and to the family members.

Mr. GUTKNECHT. I thank the gentleman for allowing us to talk about this tonight. Actually, it all started several years ago at a meeting with some senior citizens at one of my townhall meetings, and they started talking about the differences between what prescription drugs sold for in the United States compared to what they sell for in Canada, in Mexico, in other countries in the world. So I began to do some research and began to do some work, and I came to the realization that they were in fact telling the truth; that there was a huge difference.

What the gentleman has next to him there is a chart based on some information that we got from the Life Extension Foundation. These actually compare some of the prices of drugs between what the average price is in the United States. As a matter of fact, I might say that those prices on that chart are probably about a year old now. They are actually probably worse today in terms of the actual prices, but I want to pick out a couple of them there that are important to my family.

The first one is Synthroid.

Mr. KINGSTON. Let me look at Synthroid here. Synthroid, why does the gentleman maybe tell us what it is used for. In America, our American citizens have to pay $13.84. In Canada they can get it for $2.95.

Mr. GUTKNECHT. Let me clarify that. It is actually in Europe. Those are all European prices. Now the price in Canada, I believe, is about half what it is in the United States. The point is, it is even cheaper in Europe.

Now, Synthroid is a drug that my wife takes because she has a goiter, an enlargement of her goiter, and many Americans have to take that drug. As long as she takes her drug, she has no medical complications because of that. So it is a wonderful drug, and we are certainly appreciative of that drug and that it is available.

We can afford the $13.85 or whatever the price is here in the United States. That does not really break us, but it does begin to bother when it has to be taken all the time. Literally, she has to take that drug probably for the rest of her life.

When one looks at the differences between what the Europeans pay for exactly the same drug, made in exactly the same plant, under exactly the same FDA approval, one begins to ask the question, why is it the world's best customers, the Americans, pay the world's highest prices?

Mr. KINGSTON. Let us look at Prozac. Prozac is $36.13 in America. In Europe, it is $18.50, and I would suppose in Canada maybe it is $25.

Mr. GUTKNECHT. Somewhere in there.

Mr. KINGSTON. People can go to Canada and buy it if they live in Maine or Michigan; it is ready access. It will not really help us much in Georgia, but the fact they could get it, and they should under the North American Free Trade Agreement. Free trade means free trade for anything that is a legal product, and yet they cannot get it.

Now, the legislation of the gentleman which was passed by the Republican Congress 2 weeks ago stops this practice, does it not?

Mr. GUTKNECHT. Well, it begins to open the door. It is not a complete solution.

Mr. KINGSTON. It stops the practice of not being able to buy the same drug for a cheaper price in Canada?

Mr. GUTKNECHT. We begin to open the door. What happens right now, to try and explain what happens, for example, and let me take another drug on that list, Cumadin, that is a drug that my 82-year-old father takes. The average price in the United States is over $30. The price in Europe for the same drug is $2.85. What happens sometimes is people are traveling, and they happen to have their prescription along with them; they are traveling perhaps in Italy and they realize they are running short on their Cumadin. It is a blood thinner. It is very commonly prescribed. They go into a pharmacy and they buy it; and when they convert the lira to dollars, they realize that it was less than $3.00. That is 10 percent of what they pay back in the United States.

So when it is time to renew that prescription, some people have said, I have the phone number of the pharmacy there in Rome. Maybe what I could do is just give them a call, and see if I could get my prescription refilled and have them ship it to me.

What happens is, and the gentleman has it behind him there, there is another chart, what our FDA does when that drug comes into the United States, even though it clearly is the same drug, made by the same company in the same plant, what our own FDA does is they send a threatening letter to that senior citizen or to any citizen, as a matter of fact, who happens to be importing drugs, and this letter is one of the most threatening letters.

It says, ''It appears that you are violating drug importation laws and that you are importing a drug that is illegal in the United States,'' even though it says clearly on the carton that this is Cumadin or this is Prozac or this is Premarin or whatever the drug happens to be.

□ 2000

So it is clear to everyone what that drug is. As a matter of fact, the FDA has the right to actually test that drug.

But beyond that, it strikes me that it is outrageous because the burden of proof right now is on the individual to prove, in fact, that it is a legal drug. So what my amendment does is it reverses the burden of proof so that the FDA must now prove that that is, in fact, an illegal drug.

Now, in doing so, what it does is it changes everything. It begins to reverse the process so that it will be virtually impossible for the FDA to send these threatening letters to consumers who are abiding by the law, have a legal prescription, and are importing legal drugs into the United States. And when that happens, markets work. We have a world market price for oil, we have a world market price for wheat, we have a world market price for automobiles. And we should not allow our own FDA to stand between American consumers and especially American seniors.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield, it is common sense, if the gentleman will yield, 86 percent of our seniors take at least one prescription a year, and the average senior consumes about 18 prescriptions each year. The average cost for the drugs is around $1,000 annually, or about $80 a month. Mr. Speaker, 44 percent of those seniors that are having to take or buy their own drugs have an income of less than $10,000 a year. So one of the things that we have done, not just pass the ''Gutknecht Law'' in terms of allowing free commerce between two nations who do have free commerce and are trading back and forth, but we have also passed a prescription drug benefit for Medicare.

The important thing is that it reduces the average cost of prescription drugs by about 39 percent, it gives seniors still the option to buy it where they want, it does not endanger Medicare, and it does not come between the doctor-patient relationship, and that is something very important.

Mr. Speaker, one difference that we have between the Republican plan and the President's plan is, we are saying this affects about 30 percent of the seniors on Medicare. They do not have prescription drug coverage. The other ones, about two-thirds do, either from their Federal retirement program or from the program that they were in in the private sector. But what we are saying is, because of that, we do not want to pick up Ross Perot's prescription drug charges. That is common sense.

Now, the President wants it universal, which has a great ring to it, but when we do that, we buy prescription drugs for people who do not need that benefit. That is not quite the American way to subsidize somebody who does not need subsidizing.

So we are trying to work this out with the White House, but I say to my colleague, I want the best plan to prevail. Prescription drugs is not a partisan issue. I want the best of the Democrat ideas in the House, the best Democrat and Republican ideas in the Senate, the best ideas from the White House, and let us put grandmother's prescription drug issue first and not politics.

Mr. GUTKNECHT. Mr. Speaker, without being overly political, though, I do have to say this: This administration has had 8 years to deal with this issue and what they have given senior

citizens most are these threatening letters. I mean, hundreds of thousands of seniors have received these threatening letters from our own FDA. That is not the way to deal with this issue.

And let me also point out, if we could put the other chart up, so we can talk a little bit about this, what we have said, what I have said and I know the gentleman has joined me on this both on the agriculture appropriations bill and some others, what we have said is, if we do not deal with this price problem, because the real problem for seniors is price, when we have drugs like Prilosec, for example, that sells for over $100 here in the United States, sells for about $56 in Canada, the same drug sells in Mexico for about $17.50, the average price in Europe for the same drug is about $39.25, the problem is that over the last 4 years, prescription drug prices have gone up by about 60 percent.

When we look into the eyes of some of the seniors at our town hall meetings and they say, I can afford the price of prescription drugs today, now; it is not easy, but when we look at how much they are going up every year, I do not know if I will be able to afford them in another 2 years. The problem is, if we do not deal with the price side of that equation, we will never be able to catch up just by pouring more Federal taxpayers' money at this problem.

As one person put it, I think, very accurately, if we think prescription drugs are expensive today, just wait until the Federal Government provides them for free.

So we have said that we have to deal with this problem from both sides. We have to open up markets so that Americans have access to market prices for drugs, world market prices for drugs; and secondly, we have to provide a prescription drug benefit as part of Medicare as an option, if people choose it, so that it is affordable, available, and that people have choices. That is the plan that we are working on.

I think if we attack the problem from both sides of that equation, we can make certain that every senior has access to the drugs that they need at affordable prices that will not bankrupt them now or in the future. I think that is the right prescription drug plan. Frankly, I am prepared to debate that with anybody in front of any audience, anywhere in the United States, because I think once people have the facts before them, they will see that the plan that we are trying to put together is superior to what the President is talking about.

SAVING SOCIAL SECURITY AND RESPONSIBLE SPENDING

Mr. KINGSTON. Mr. Speaker, I appreciate the gentleman saying that. The other thing along this line in terms of a safe retirement is Social Security. The gentleman mentioned it earlier, but to think that this House, for 40 years, routinely would take any surplus in the Social Security Trust Fund and spend it on roads and bridges is just outrageous to think about.

In 1999, in January, during the President's State of the Union address, standing right behind the podium where I am right now, he made the statement, let us save 60 percent of the Social Security surplus; i.e., let us spend 40 percent. And we on this side of the aisle said, no, Mr. President, we are not going to do it. We are going to protect and preserve 100 percent of grandmother's pension plan, because there is no business in the world that can mix operating expenses and a pension plan. At the time, everybody said yes, you all are talking a good game, but you are not going to do it. Well, we did do it. Not only did we do it for 1999, but we did it for the year 2000, and we will do it for the year 2001. The reason why that is important is once we have set the precedent, we have that firewall.

In addition to that, I believe we could go another step and say, let us put it in a lockbox. Just putting the money aside is not good enough, let us put a lock on it so that in order to break that sacred implied promise, that sacred practice, let us say we have to vote. That would make it really impossible for people to frivolously spend this hard-fought-for Social Security surplus.

Now, one reason why we know we need to do all of these things is because Americans are working their tails off. They are working harder than ever, and we need to protect their money and spend it like we spend our own money.

Mr. Speaker, back in Savannah, Georgia and Glennville, Georgia and Hinesville, Georgia and Brunswick, Georgia, what my constituents do is, if gas is $1.47 at one pump and it is $1.42 down the street, they will drive that extra block to get the $1.42 and pump it themselves, even if they are wearing a coat and tie. If they need a new suit, they wait for the sales when suits are marked down, and if we need to wait until the fall to buy the spring outfit or the spring to buy the winter outfit, that is what they are going to do. If they are buying a pair of jogging shoes, they will wait until they are on sale with a discontinued brand. If they buy some Kellogs Cornflakes, they wait until they have the 50 cents off coupon. That is how American consumers spend their money, and that is how we should spend their money. We should follow that example in everything we do.

Mr. GUTKNECHT. Mr. Speaker, talking about coupons, sometimes we need to be reminded of this here in Washington, that every Sunday, families sit around their coffee tables and their kitchen tables and they clip over 80 million coupons out of the Sunday paper, worth an average of 53 cents, and that is how they balance their budgets every single week. They watch their pennies.

Now, we still have an awful lot of waste in the Federal Government. I will not be one to say that we do not have waste. But we have much more accountability, and I think we have less waste today than we have had in the last 10 years.

Mr. KINGSTON. Mr. Speaker, I want to say this. My wife has one of the most important jobs in America. She is raising John, Betsy, Ann and Jim Kingston, who are all at home and we are glad to have them there, but she clips those coupons every Sunday and she goes through the two for ones and the 30 cents off and the good until next month, and she reminds me every now and then, last month I saved $13.33 in coupons, or this month I am up to $27. She asks me if she needs to report that every now and then jokingly, and I am afraid that if Uncle Sam knows that if we are so thrifty, that he will require it.

SIMPLIFYING THE TAX CODE

That is another reason why, in this Republican Congress, we have passed a Taxpayers' Bill of Rights, so that if the IRS comes to your door, you are no longer guilty until you prove yourself innocent through your lawyers and your accountants and 7 years of records; you are presumed innocent.

A question that I ask people in coastal Georgia on occasion is all right, now, look, you leave here today and let us say you leave the Rotary Club today and you walk out and you remember for some reason you pulled your wallet out of the car and you put it on the hood, or your purses, and you meant to pick it up, but in the flurry of locking the car and picking up your papers, your briefcase and all that and getting to your meeting on time, you forgot. You walk out and you realize, I left my wallet on the car and it is gone. All your credit cards, all your cash, everything else. That is choice number one, losing the wallet. Choice number two is you do not lose your wallet at all, you just come home and you are going through your mail at the end of the day and under that letter from Aunt Gladys and from the Visa to pay your bill is a little friendly calling card from the IRS that says, we have chosen you randomly to be audited.

Now, you are a hard-working, taxpaying American. What do you want, to lose your wallet with all of your credit cards or to be audited by the IRS? Most people, regardless of how conscientious they have been paying their taxes, filling out the forms, getting an accountant to do it, maybe, they would rather lose their wallet than be audited.

Mr. GUTKNECHT. Mr. Speaker, it is an incredible tragedy in America today that the IRS knows more about one's personal finances many times than one's spouse.

Which leads me to the next point. I hope we have made some progress in terms of simplifying this Tax Code. But it is very small progress. I would hope that in the next Congress, with perhaps a different leadership at the other end of Pennsylvania Avenue, we can get very serious about simplifying and making this Tax Code much fairer. There are several things we could do.

But it really is amazing that Americans even allow this system to survive.

When we think about what Americans did back at the beginning of this country, we started throwing tea in Boston harbor because the king wanted to put a penny per pound tax on tea. I mean that outraged the American people. Today, we allow an IRS to continue to look into every nook and cranny of our personal lives, and if we make a mistake, even to the tune of $1, it puts a tremendous burden on the American people, and it is simply wrong.

Mr. KINGSTON. Mr. Speaker, did the gentleman know that the Tax Code contains 5.7 million words. Now, that is eight times as many words as the Bible. One thing they do have in common is the Tax Code gives lots of instructions, but the Tax Code gives very little inspiration and zero forgiveness. In terms of the IRS laws, there is 101,200 pages of IRS laws and regulations. Just to comply with this Tax Code, our American taxpayers spend about $250 billion each year paying the H&R Blocks, paying the accountant down the street, the local folks, paying the lawyers or whatever, businesses, $250 million. To give my colleagues an idea, for our Commerce, State and Justice bill that has a lot of our drug enforcement money, we spend about $35 billion on that. So we have $250 billion to comply with taxes, not to pay taxes, but to comply, and yet to fight drugs, $35 billion. It is absurd.

Mr. Speaker, in terms of the amount that we take, Americans today spend about 9 percent of their income on food, about 4 percent on clothing, unless one has teenagers, then it spikes well into about 20 percent. My daughter told me, she said, ''You are a horrible dresser.''

I said, ''You are right, but I was not this way until you were born and particularly since you turned 13.'' I tell her, I said, ''You know, I still dress better than my dad does.'' She does not give me any credit for that, but he is recovering from raising four kids himself.

Now, on housing, we spend about 16 percent, on transportation, about 7 percent, and yet, on taxes, the two-income family, 39 percent of our income goes to taxes.

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We struck a blow for that here in the last couple of weeks, another example of the ''No good deed goes unpunished.''

Most people were unaware until just a few years ago that literally hundreds of thousands, if not millions of American couples, paid extra taxes, in fact, pay extra taxes, simply because they are married. In my congressional district alone, we have a study that says that there are 70,000 couples that pay extra taxes just because they are married. There is the marriage penalty.

It works out, the amazing thing is, it works out to something like $1,400 per couple that they pay in extra taxes. That is just not bad tax policy, that is bad family policy, and if we think about it, it is fundamentally immoral.

A couple of years ago at one of my town hall meetings I had an older couple come up to me after the meeting. They said, you have to do something about this marriage penalty thing. I said, really? Tell me about that. They said, we are thinking about getting married, but we have figured it out with our accountants and we would be penalized to the tune of over $1,300 a year just because we were married.

After they explained that to me, I said to myself, the Federal government should not discourage marriage. We all know that marriage and strong families are the glue that holds this society together. Yet, we have a system right now where hundreds of thousands of couples around the United States that are married pay extra taxes simply because they have a wedding certificate. That is simply wrong. This Congress is sending a very clear message to the administration and to the American people that we intend to change that.

Mr. KINGSTON. About the marriage tax penalty, I have found in my district that the Democrats and Republicans are united on that. There are 25 million people paying absurd taxes. People are in favor of it.

Another tax decrease this House has passed is the Spanish American War tax. It is interesting, because I say with great pride, General Wheeler, who led our troops over there, and the Rough Riders with Theodore Roosevelt, actually one of his descendents lives in Savannah, Spencer Wheeler.

General Wheeler was a Member of Congress, and the President actually called him out of Congress to lead our troops in Cuba. What is interesting, I have talked to Spencer Wheeler, a doctor in Savannah, about it. I said, there is a tax that is still around that helped finance the Spanish American War, and it is a little tax on our telephone bills; not a huge tax, but it was earmarked or it was implemented for a certain purpose, it was earmarked for that purpose. But according to my history, we have been finished with the Spanish American War a long time. Yet, only in Washington do these things live on and on forever.

We have passed that bill. I think the Senate is going to pass it. I hope the President will sign it. Again, it is common sense, kill the Spanish American War tax. We are finished with it.

Mr. GUTKNECHT. On the tax side, it all fits with the total budget plan. I only wish that he were here tonight. I remember so many nights doing special orders with Congressman Mark Neumann of Wisconsin. He has left us now, he decided to run for the other body, and now he is back in the private sector and doing quite well.

I remember doing special orders and talking about, if we could get Congress to limit the growth in Federal spending to roughly the inflation rate, he had these models, he was a former math teacher, and he showed us with charts what would happen, how we could balance the budget, pay down debt, make certain that every penny of social security and Medicare went only for social security and Medicare, and we could provide real tax relief to the American people.

In fact, what he said is if we did those things, if we could limit the growth in Federal spending to roughly the inflation rate, that we could pay off the national debt in 20 years.

Americans have always loved big dreams. In fact, Ronald Reagan said, ''America is the place where we love to dream heroic dreams.'' That has been the history of this country. What a great dream. What a great dream, to say that we are going to leave this country to our kids debt-free. The truth is, it can be done. We are on the path to do that today.

Part of the reason is when we first came here, when I first came here, Federal spending was growing between 6 percent and 8 percent. In fact, years before that Federal spending was actually increasing by more like 10 percent and 12 percent per year. Now we have reduced the rate of growth in Federal spending so this year, if we can abide by the spending agreement that we have with the Senate, we will limit the growth in total Federal spending to only about 2.8 percent. That is at a time when we are estimating the inflation rate will be something like 2.9 percent.

If we can do that, and that is going to be tough in the next several weeks because all of these groups are descending on Washington and they want more money for this and that program, and it is going to be tough to limit that growth in spending. But if we do that, we can balance the budget, pay down the debt, strengthen social security, but most importantly, we can allow families to keep more of what they earn.

The interesting thing is, when we allow families to keep more of what they earn, they spend it a whole lot smarter than we spend it on their behalf here in Washington. They get more value for that money, and they help grow the economy. A growing economy makes everything easier.

Mr. KINGSTON. Another part of that is not only passing the money on in our Nation from one generation to the next generation, but from family to family. The death taxes that rob so many of our families, our farmers, is a factor.

I live in a growth area, and it is not unusual for me at all to see a widow who has bought the family property on Whitmarsh Island on the Intercoastal Waterway, bought it in the 1960s for $30,000, and after 20 years paid it off. Her husband is dead, she is on a fixed income, and now that property is worth $700,000, $800,000, maybe $1 million, but she is still on a fixed income and does not want to sell, does not want to move, and does not want to develop. Yet, our property taxes are pushing her

out, and then our estate taxes are. If she wants to pass that on to the next generation, the next generation is going to incur a big tax on it.

Here is a woman who is really independent, not on public assistance, who has money in the bank or an asset that if she needs emergency long-term care, if she has a catastrophe in her family, she has something. We are saying to her, you have to sell that cushion, because if you die your children are going to have to pay a whopping tax on it. We run off family farms because of that, and we make it impossible for small businesses to go from generation to generation.

One of the things that is real important now is women own small businesses in unprecedented numbers. As they find out, hey, I have worked for the last 20 years to build up this company and it is worth a little money now, $1 million, $2 million net worth of a business, and I want to pass it on to my daughter, but guess what, Uncle Sam is saying they cannot do it.

We have passed the end of that death tax penalty. There again, we have passed a version, the Republicans have, but we are willing to work with the President on it. If the President does not want to have too many wealthy people, I think wealth is something that in Arkansas, at least his school taught him that that was evil, that people who have been successful are not the people who have enjoyed the American dream but people who seem to be destroying the American dream.

There seems to be this constant class warfare. The idea that you work hard all your life, you build up an estate, you build up wealth, you want to pass it on to your kids, I think is part of being an American. So we have passed estate tax relief.

Again, we are willing to compromise with the President. We want to do what is best for America.

Mr. GUTKNECHT. Let us not be too willing. The truth of the matter is, no family should have to visit the undertaker and the IRS in the same week. I do not think most Americans realize that very quickly, and it does not take much of a farm in my part of the world to quickly be worth $2 million, perhaps $3 million, that has been the family farm perhaps for a couple of generations, all of a sudden the patriarch dies, and in a very short period of time the family could have to cough up upwards of 55 percent. So I hope we are not too willing to compromise.

I agree with the gentleman, we have to be willing to meet the President halfway. Frankly, I do not want to meet the President halfway going in the wrong direction. Frankly, I think it is time for us to say, this is not the government's money.

At some point, I think every one of these estates, every one of these businesses, we have to be honest, they have been paying taxes all through the years. They have paid sales taxes, they have paid income taxes. As the gentleman mentioned, they have paid property taxes.

For the Federal government to step right in and say, oh, by the way, we want upwards of 55 percent of the value of that estate, I am willing to compromise and I think we are willing to meet the President halfway on this, but I think the principle that families should not have to meet the undertaker and the IRS in the same week is a very important principle.

As we were told this morning at a breakfast meeting we were at, that is not the Statue of Fairness, that is a Statue of Liberty. The people who came here came here for liberty and freedom and opportunity. I hope we will always remain a society that understands that the three magic words are hope, growth, and opportunity.

We cannot make things completely fair. People came to this country so they could create their own fortunes, so they could take their chance at life, so they could use their God-given skills and create wealth for themselves, for their families, and in many cases, for hundreds, perhaps even thousands of other people. That is the magic of America, where ordinary people are allowed to do extraordinary things.

We have to make certain that we have a government that respects the fact that people have a right and an opportunity in America to make the most of it.

Mr. KINGSTON. I think the gentleman is right. That is also one reason that we are investing in fighting the drug war, because our children need to be safe from drug pushers at their school, and we need to pass this legacy on to the next generation.

It is odd, as much money as a company like Nike or Coca-Cola spend advertising, that with drug dealers, there is no advertising plan, no business cards, you cannot tell everybody who you work for, no pension plan, no corporate logo. Yet as I go to the school districts in the 18 First District of Georgia counties and I ask in schools, private or public, rural or city, ''How many of you kids can get drugs in the high schools by the end of the day if you wanted to,'' in just about every school, 50 percent of the hands go up.

That is too many. We have got to stop it. I would like to ask that question one day and see zero hands go up. But that is one reason why we are pushing for drug interdiction, keeping the stuff from even coming to our counties; drug enforcement, that if you are caught selling this deadly poison to our children, you are going to go to jail; and drug treatment. To that kid, that user, who says, I made a mistake, now I am addicted, I need some help, we want to give them a lifeline.

Mr. GUTKNECHT. We are just about at the end of our time for this special order, but I am really happy we have had the opportunity, and I was delighted our colleague, the gentleman from Oklahoma, could join us.

Because really, in many respects, this country is a much better place than it was 6 years ago. Instead of a future of debt, dependency, and despair, I really think we are giving to our kids a future of hope, growth, and opportunity. Instead of having huge deficits piling up bigger and bigger every year, we are now talking about surpluses. We are not talking about leaving them a legacy of debt, but perhaps actually paying off all of the debt held by the general public.

We have welfare reform so we encourage work and personal responsibility. We want to allow families to keep more of what they earn, because we know at the end of the day the magic of America is not here in Washington, D.C. It really is back there in places like Savannah, Georgia, and Rochester, Minnesota, in Kasson, Minnesota, where real people, ordinary people, are allowed to do extraordinary things.

That is the magic of America. That is the magic we cannot afford to lose, because if we continued down the path we were on 6 years ago of higher taxes and bigger debts, more government regulation, and even more government interference in the activities of business, we were absolutely guaranteed that we were on a downhill spiral, not only for the economy but for our society.

The good news is we are moving up now, we are headed in the right direction. Taxes should be coming down. The deficit is coming down. Spending is under control. We are encouraging work and personal responsibility. I think that is the future that we want to leave to our kids. That is a legacy that I think we can all be proud of.

I want to thank the gentleman for joining us tonight. If the gentleman from Georgia (Mr. KINGSTON) has any closing words, I yield to the gentleman.

Mr. KINGSTON. Mr. Speaker, I do want to say this. We lost a great United States Senator this week. It is tragic for all parties.

In discussing him, I learned a lot from Senator PAUL COVERDELL. One thing I learned, although he was a Republican and was a great, key member of the Republican team, he always showed us by instruction, never put politics over policy.

What we are about here is good policy. Our hands are open to the White House, to the Senate, to the Democrats, to Republicans of different philosophies, to let us all put our policies first for the good of America.

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MEDICARE PRESCRIPTION DRUG PLAN

The SPEAKER pro tempore (Mr. SHERWOOD). Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, tonight, I would like to start our 1 hour Special Order on the Democratic side by talking about the need for a Medicare prescription drug plan. This is an issue

that I have taken to the floor many times to discuss. It is the highest priority for the Democratic Party and those Democrats in the Congress both in the House and the Senate.

I noticed that my colleagues on the other side who spoke before me mentioned the issue of drug prices and how drug prices have increased significantly and the disparity between drug prices here in the United States versus Canada or Mexico or other countries.

But I have to be somewhat critical of the Republican leadership because the fact of the matter is that, on many occasions over the last few weeks, Democrats have tried to bring a Medicare prescription drug bill to the floor to adopt and have the Congress adopt a comprehensive package that would include prescription drugs under Medicare for seniors and the disabled.

On every occasion when we have tried to do that, and there have been at least two so far in the last few weeks, the Republicans have stopped the effort, and, instead, put forward a plan that seeks to basically give some money to seniors to go out and try and see if they can get an insurance company to sell them a policy that would cover prescription drugs, not under the rubric of Medicare, in a fashion that the insurance companies have already indicated that they would not sell such policies, such drug-only policies.

As a result, I have been very critical of the fact that the Republican leadership really does not want a Medicare prescription drug plan; they do not want seniors seriously to see enacted into law by the President a plan that will actually provide seniors with prescription drugs.

Instead of just talking about this sham insurance policy where one goes out and sees if one can buy an insurance policy, which people can try to do that anyway today and find that they will be largely unsuccessful because the private market is not interested in offering drug only insurance policies.

So I want to talk a little bit about the prescription drug issue tonight. I want to also point out that, even though my Republican colleagues talked about prices and the rising prices of prescription drugs, that their legislation, their prescription drug legislation does not address the issue of price, whereas the Democrats have tried to do that.

They have tried to point out that, in the same way that there is a huge disparity between the price of prescription drugs here in the United States versus Canada, for example, there is also a huge disparity between the cost of the price that seniors who are in HMOs or employer pension plans, seniors that are part of an existing prescription drug plan through their HMO or in some other way where they are collectively able to negotiate for a cheaper price tend to be paying significantly less than seniors who do not have a prescription drug plan because they are not in an HMO or they are not covered in some way and have to go to the drug store on their own and just buy the prescription.

There is a huge price disparity here in the United States between what seniors pay who do not have coverage as opposed to seniors who happen to be part of a larger group through their HMO or in some other way where they can bargain for a better price.

The Democrats in our Medicare prescription drug plan, which we have tried to bring up, which the Republicans will not let us bring up, we address the issue of price discrimination by basically allowing Medicare and the Medicare program, HCFA, which is the agency that administers the Medicare program, to actually be a bargaining agent through regional benefit providers to go out and get a cheaper price for seniors so that the disparity, the price discrimination would no longer exist in this country, and we would not have this problem where many seniors pay a lot higher prices than a few select seniors.

I also wanted to mention that this evening I am going to be joined by the gentlewoman from Texas (Ms. JACKSON-LEE) and the gentleman from Texas (Mr. RODRIGUEZ), both who have been leaders on health care issues in general, and who are going to talk about mental health issues and children's mental health in the context of the special order that we are going to have for the next hour or so.

Mr. Speaker, I yield to the gentleman from Texas (Mr. RODRIGUEZ) briefly. I know he was very concerned about this price discrimination issue.

Mr. RODRIGUEZ. Mr. Speaker, let me, first of all, thank the gentleman from New Jersey for allowing me to say a few words.

I was very pleased to see that, at least from the Republican perspective, our fellow colleagues before were talking about the price disparities that exist between this country and other countries on the same prescriptions.

That same disparity exists in this country when it comes to the price that that senior citizen pays here in the United States and what that HMO individual pays on that same prescription. So that disparity not only exists in this country to other countries, but within our own country itself.

So the real problem is that the pharmaceutical companies have chosen to play a game with us. We have taken them on, and we have said we are not going to deal with it anymore. They have actually come back, contributed to a lot of the politicians up here, and are contributing heavily and expending a lot of money, as my colleagues well know, on advertisement that brings out the senior citizen by the name of Flo that talks about that she does not want government involved.

Well, the reason she does not want government involved is because she wants to make sure that the pharmaceutical companies continue to do what they have been doing, and that is price fixing as far as I am concerned.

One of the things that we have in this country is, as my colleagues well know, is that senior citizens on Medicare who might be receiving the only pension, might be Social Security, having to pay higher prices than someone that is under an insurance HMO. We should not tolerate that.

The other thing that I think we recognize as Americans is that health care and prescription coverage go hand in hand. When we established Medicare, the prescription coverage aspect of it was not considered at that point in time. Yet, for Medicaid, for indigent individuals, we provide prescription coverage. It is only fair that we take into consideration our senior citizens and that we provide for them, especially those that are on a fixed income.

I think they recognize the disparity, but they lost track of who we need to go after, and that is our pharmaceutical companies that we need to make sure that they are fair about the prices.

One of the proposals that they had, I was looking at it, and it sounds great, but one of the main fights that we have in this country is the war on drugs. I represent the border. We have packages that come in that Customs has to check. Can my colleagues imagine having to check foreign prescriptions and foreign drugs that come in and to determine whether they are legal or not legal? As it is, we have heroin that is mailed into this country. We have pot that is mailed in. We have other types of pharmaceutical, illegal pharmaceutical things that are mailed in under the black market. How are we going to distinguish that?

So I think the best thing to do is to look in terms of that cost now in this country and make sure that they provide an affordable cost and do everything we can to help our senior citizens have access to prescription coverage. I think that is the only thing that makes sense. It is something that they have been unwilling to do in the last two Congresses here; I am hoping that we can make it happen.

Again, I just want to thank the gentleman from New Jersey (Mr. PALLONE) for his efforts in this area because I think it is a key area that needs to be dealt with.

Mr. PALLONE. Mr. Speaker, I thank the gentleman from Texas (Mr. RODRIGUEZ) for pointing out the two problems that we have right now with prescription drugs for seniors. One is there is no benefit; there is no guaranteed benefit under Medicare right now. The second is the price discrimination. If I could, I just will very quickly talk about both of those points.

We are not really trying to reinvent the wheel as Democrats, but we are saying, and I know the gentleman from Texas said, that Medicare is a good program. It has been on the books now for over 30 years.

One has part A to get one one's hospitalization. One has part B where one pays a certain amount per month, 40-

something dollars a month on average, and one gets one's doctors care paid for. One has a certain co-payment, one gets one's doctors bill paid for.

So what we are saying is we have this existing program which is a good program, very low administrative cost. We know that when Medicare started 30 years ago, prescription drugs really were not much of an issue because people did not buy many of them, but now it is.

From a preventive point of view, we want to make sure that people have prescription drug coverage. So we are going to establish another part C or part D, if you will, under Medicare. Just like part B for one's doctor bills, one will pay $40 a month, whatever it is a month; and one will get a significant portion of one's prescription drugs paid for, starting with the first prescription, in the same way that one's doctor bills are paid for.

It is a guaranteed benefit. In other words, if one decides to participate and pay the money per month, if one cannot afford it, just like part B, the Government will pay for it; but if one can afford it, one has to pay a certain premium, and then one is guaranteed all medically necessary drugs.

In other words, the doctor decides that, if one needs a particular prescription, it is covered. It is not like where the HMO is going to say, well, maybe one cannot have this or one cannot have that. So whatever is medically necessary.

Now, the Republicans instead, because of the drug companies, the drug companies lobbied them and said no, no, no, we do not want that because they are concerned, once this comes under the rubric of Medicare, there is going to be some government control over it.

So what they do is they tell the Republicans, why do you not forget about the Medicare example that has been so successful, and you just give some money to seniors, I do not know how much, whatever you think you can afford with this surplus that we have; and you see if the seniors can go out and see if an insurance company will sell them a policy.

Well, that is not Medicare. That is not building on the existing program. Every one of the insurance company representatives that came before the House committee, my Committee on Commerce, Committee on Ways and Means, said they will not sell those Republican drug-only policies because it is a benefit. It is not a risk.

When one is selling insurance, one wants to make sure some people do not use the benefit and others do, and that is how one makes money. Well, insurance companies are not going to sell a policy where everybody needs a drug benefit, which 90 percent-plus seniors do.

Now, the other thing the Democrats are saying is that, once this Medicare prescription drug program is established under Medicare, now HCFA can basically, in each region of the country, establish what we call a benefit provider.

I do not want to be too bureaucratic, but this is some agency that will go out and negotiate a price because now there are going to be 40 million people, seniors who are Medicare beneficiaries that the Government can bargain for the best price, just like the HMOs do. That drives the cost down. That eliminates the price discrimination that one is talking about.

The Republicans do not have anything like that. They do not even address the issue. So our colleagues over there, and I am not trying to say they are badly intentioned here, but they are talking about the price of prescription drugs; but they are not addressing it in their bill.

They will not even let us bring our bill up. We tried to do it in Committee on Rules when they brought up their prescription drug plan. They said, no, we cannot do that. Then last week, when we had the marriage penalty, the President came out and said, look, I will even agree to the Republican marriage penalty provision, even though it is not really helping the average person the way they have set it up; but you have got to add our prescription drug benefit to it. They said no, we are not going to do that.

Mr. RODRIGUEZ. Mr. Speaker, I know. One of the things I think that the gentleman from New Jersey (Mr. PALLONE) mentioned, because the insurance companies are unwilling to come in and take care of our senior citizens, and they do it for good reasons, is because they know that, when one becomes a senior, that is when one is going to need the service.

If I can be as cynical to say that, during the time of LBJ and when we established both Medicaid and went forth with Medicare, there was an understanding with the insurance companies that, number one, it was okay to have Medicare because that is when one becomes a senior citizen, and that is when one was not cost effective for the insurance companies to take one on.

So that was okay for government to get involved with that. It was okay for us to have Medicaid because, after all, with Medicaid, one had no money to buy insurance so then it is okay. They wanted to take care of those that were healthy and young during that period.

So that is one of the reasons why they would be unwilling to go and get involved in providing prescription coverage when we know full well that the average citizen is expending over $1,000, more than the majority are spending, over $1,000 a year on just prescription coverage. So it is not to their advantage. They are not going to make the profits that they would like to.

The ones that are making the huge profits are our pharmaceutical companies, which they ought to be embarrassed; and they ought to be embarrassed in terms of the amount of millions of dollars they are out there expending on the waivers and coming out on TV talking about the fact that we should not want government involved. The ones who are doing a number on us are the pharmaceutical companies, the private sector. I think it is time we put a stop to that.

Mr. PALLONE. Mr. Speaker, I agree.

Mr. Speaker, just briefly, I am not an ideological type. I want to do what is practical and what works. The bottom line is one can call Medicare a government program. Sure it is, but I do not think it is bad because it is a government program. It works. The administrative costs of Medicare are, like, 3 percent. I would defy anybody on the Republican side to tell me that their typical constituent does not like Medicare.

Plus it is voluntary. We are not saying that one has to participate in this. It is just like part B. If one does not want it, one does not participate.

So if one looks at this practically speaking, the Republicans are talking about this drug-only insurance policy that is not going to work. Nobody is going to sell it. We are talking about expanding the existing Medicare program to cover prescription drugs which has worked for the last 35 years.

I have to say that I was amazed, because I mentioned this before, too, that in Nevada a few months ago, they passed a plan very similar to the Republican plan where they are going to basically give people money to go out and see if they can buy these insurance-only policies. Not one insurance company stepped up to the plate and said they wanted to buy the policy.

□ 2045

So even though the legislature passed the bill and the governor signed the bill, just like the Republican bill here in the House of Representatives, there is nobody benefiting from the program because no insurance company will sell the policy. So what good is it? It does not make any sense.

Mr. Speaker, I yield to the gentlewoman from Texas, and again I want to thank her for all her work on these health care issues. I know tonight she wants to highlight the mental health issue.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding to me, and before I turn to that I certainly cannot not acknowledge the crisis that we are in as it relates to our senior citizens and their desperate need for a benefit.

And if I can draw from the gentleman from Texas and the fine leadership of the gentleman from New Jersey on these issues dealing with prescription drugs, let me just tell my colleagues how I define it. I define the effort that we are undergoing here as a Democratic caucus to provide a benefit as contrasted to a promise; an opportunity to dial the telephone. Some of our seniors, of course, as the gentleman well knows, still have those dial phones and not push-button

phones because they have lived frugally all their life, and they have now the right to dial the telephone to an insurance company and hear them either get a dial tone or a hang-up sound, which means they do not have the money to pay for the opportunity for an insurance company to consider whether or not they would cover them.

In my own county alone we have had at least two HMOs pull up stakes. And this is why we are talking about mental health this evening, because in some of those instances the HMOs do not even cover mental health services. But we find that they are pulling up stakes. Senior citizens are left holding the bag.

I can remember when I was first elected and we were talking about saving Medicare and I would go around to my seniors, guess who would beat me to the punch? HMOs, who were signing up senior citizens on the Medicare program. I would have senior citizens coming to me and asking which one they should choose. Of course, I could not advise them on personal decisions, but I could advise them on our determination to save Medicare.

But those same HMOs now have flown the coop and left senior citizens with the opportunity simply to dial a telephone number. I believe it will be a tragedy if we allow this to occur, the same way it will be a tragedy to allow the fact that people who are suffering with mental illness, as we will be talking about in just a moment, will not be able to have coverage.

I want to show this little chart, which indicates that in the Republican bill that they are trying to push through the beneficiary pays $1744, minimally speaking. Now, we know today that there are some senior citizens who cannot buy food or pay rent. They do not have the money to take care of themselves and the high cost of prescription drugs, along with providing for their other needs to provide for a quality of life that we want them to have.

I understand there was some jolly celebrations pooh-poohing the fact that we have a surplus. All right, we have a surplus. Now then is the time to respond to those whose hard work have helped us gain this prosperity, our senior citizens and many that are coming after them, to give them this prescription benefit through the Medicare structure and make it a real benefit.

Mr. PALLONE. I want to thank the gentlewoman, and just before we turn to the mental health issue, I just wanted to say that she was right on point when she talked about these HMOs.

I do not have a problem with HMOs. Let us face it, in our Democratic bill, in our Democratic Medicare prescription drug bill, we actually provide the HMOs with the majority of the cost of the prescription drugs. So sometimes Republicans say, well, they want choice; and if they go out and try to buy this insurance policy, they are going to have choice.

Well, seniors are going to have more choice with us because we guarantee the benefit under Medicare. If they want to stay in the HMO, they can. We give the HMO more than 50 percent of the cost of providing the prescription drugs, so they can stay in their HMO. And the HMOs actually will be encouraged to offer more benefits because we will give them the majority of the money to pay for the prescription drug benefit.

But as the gentlewoman from Texas said, the problem is now that so many of these HMOs are strictly just canceling coverage. As of July 3, when they had the latest round where they had to announce if they were going to pull out of the Medicare market, over 700,000 people are likely to lose their HMO benefits, and most likely their prescription drug benefits, because the HMOs are pulling out. They had to announce by July 3 if they want to pull out by January 2001.

So, again, the HMOs are not the answer to prescription drugs, because they are not providing it or they are getting out of the market. The answer is to provide the guaranteed benefit under Medicare.

What I would like to do now, Mr. Speaker, if I could, is to yield the balance of the hour to the gentlewoman from Texas to address the mental health issues and the children's mental health issues that she has been such a champion for.

The SPEAKER pro tempore (Mr. SHERWOOD). Under the designation of the minority leader, the balance of the hour is allocated to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. I thank the gentleman very much, and as I indicated, I thank the gentleman from New Jersey (Mr. PALLONE) for being persistent in his commitment to ensuring that we as a Nation face the question of viable health care and viable health benefits, which include prescription drugs.

And now this evening, Mr. Speaker, I believe that we will also see where Americans are crying out, sometimes in complete silence, in complete isolation for America to address the question of mental health needs. Notice, Mr. Speaker, that I do not define it as mental illness. I define it as mental health needs. And I am going to try to speak about the children that need these services as special needs children.

It is important that we highlight the fact that it is so very important that we eliminate what is such a devastating impact of mental health issues, and that is the stigma attached to it. I am not reading from Webster's dictionary as to the definition of stigma, so my colleagues will have to forgive me, but even the sound of the word sounds negative. And in my own attempt to define it, it seems to me to be allowing or encouraging or suggesting that we must live in silence about the mental health needs of our family.

I remember growing up and there were certain illnesses that people would not talk about. And as I was in a meeting with mental health providers, they related that we have now overcome the stigma of cancer. People get up and proudly say that they are cancer survivors; that they have survived and are fighting and their family is working with them. As I am told, years ago that was not something people talked about. We did not know. It was an unknown.

Today, I believe that mental health needs are equated to that era. And as we are now in the 21st century, people are living lonely lives. I work a lot with the veterans hospital. I work a lot with veterans, and with homeless veterans. It is well documented that large numbers of veterans from the Vietnam War, who I give great homage and great respect to, who many times they are sensitive to these statistics, are amongst our homeless veterans. They suffer from a number of conditions, some of them of substance abuse, but a lot deal with mental health needs. They are homeless because there is a disturbance that has not been treated. Their families did not know how to handle it.

When we look at the numbers dealing with children, some 13.7 million children suffer from diagnostical mental health disorders and only 20 percent receive the mental health services they need.

It is interesting that when we were funding Labor HHS, and I know we are about to address that issue again, I attempted to offer an amendment to the national mental health community, mental health clinics and services, that we got a mere $86 million. I was trying to push it up to the President's request. In actuality, the children's mental health services serves approximately 34,000 children, Mr. Speaker, and we are a Nation of 200 million plus, an increasingly younger nation with children who suffer from depression.

I would imagine if we passed a playground and saw one or two children fall off the monkey bars or the slide or the seesaw, maybe they do not call them those names anymore, but we saw that they could not move their arm, we would rush to their aid, call the teachers' aide or the teacher and say two or three children have fallen and it looks as if they have broken their arm or broken their leg. We would rush them to the hospital, and before long they would come back with their badge of honor, their arm in a sling or a cast, and soon they would be well. But what would we do if there was a little child on the playground that seemed isolated, that seemed distraught and frustrated, that seemed disturbed? Maybe we would send them to the principal's office because they were misbehaving, but many times we would not help them.

So this evening I am going to share with a number of my colleagues, and I am delighted to see the gentleman

from Texas (Mr. RODRIGUEZ), the gentlewoman from Indiana (Ms. CARSON), and the gentlewoman from California (Ms. LEE). I want them to join me. I am so honored that they have come to talk about this stigma.

I would be happy to yield to the gentleman from Texas, who as a State legislator was not afraid of tackling those issues that others would not speak about. I believe mental health is an issue that people do not speak about. They are our neighbors. We need more funding. And the people who are fighting this alone, whose relatives are hospitalized because they cannot get home care, need our help.

I yield to the distinguished gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. First I want to thank the gentlewoman for yielding to me, and I want to congratulate her because I know she has had legislation to address this problem.

The gentlewoman mentioned some startling statistics, about 13.7 million youngsters in this country that suffer from mental health problems. One of the other statistics that she mentioned that was also very interesting was that only 20 percent of those receive service. That means two out of every ten that get diagnosed actually get service.

I want to share with my colleagues that by profession I am a social worker. I worked 3 years with adult heroin addicts, I worked about 4 years with adolescent substance abusers, and approximately a couple of years in community mental health. While I was working with adolescents in the entire Bexar County area, back then it was called the mental health and mental retardation center, we had two people that worked with adolescent substance abuse, two people for a county over a million. And one of the things I recall is that they used to call us asking for help and the first thing we had to ask is, has your son or your daughter been incarcerated? And when they said no, they have not gotten into trouble, but we need help. I would have to say, well, I am sorry, we cannot help you until you get into the judicial system.

So it is unfortunate that we could not reach out to these families and provide assistance when those individuals were in school having difficulties and having problems. And I want to congratulate the gentlewoman for pushing forward in this area.

When we talk about mental health, I want to share with my colleagues, and I know the gentlewoman from Texas is aware of this, that suicide is the eighth leading cause of death in the United States, accounting for more than 1 percent of all deaths. In addition to that, when we look at persons under the age of 25, it accounts for 15 percent of suicides in 1997. Between 1980 and 1997, suicide rates for 15- to 19-year-olds increased 11 percent. So we have had this real problem in terms of increases in suicide.

□ 2100

It is unfortunate that it has gotten to the point that we have very little service. The other reality that we really need to be very conscious about is the suicides. Let me just give you one more figure. Twelve young people between the ages of 15 to 24 die every day. Today, 12 young people on the average committed suicide. African Americans is growing, in terms of the young African Americans who are committing suicide. Latino women are also suffering from depression. So it is an issue that we need to come to and revisit.

I know that your piece of legislation helps to begin to address this problem and sometimes we do not realize the connection between what is happening out there, the consequences in terms of our schools and the danger that is occurring there.

Ms. JACKSON-LEE of Texas. I think the gentleman made an important point. Many people believe that for some reason or another, Members of the United States Congress, and I hope the gentlewoman from Indiana will maybe mention her background a little bit, sort of drop out of the sky and come into the United States Congress. As a lawyer, I practiced what we call probate law in Texas, the mental health commitments under the probate courts. So I got a chance to go into all kind of halfway houses and facilities to see people. Some of them were not as I would have wanted. They were tragic circumstances in terms of anyone getting any good treatment. But we had to in essence put someone somewhere. I felt the pain of families. I think you should repeat again, you were a social worker. You wanted to help people, but you could not help a young person unless they were put in the detention or the juvenile crime system.

Mr. RODRIGUEZ. Unless they had already broken the law, we could not help them. That was the way it was structured in terms of how it was funded. So individuals out there that are having difficulties, parents, a multitude of parents with adolescents, we could not reach out to them at all. Those services are lacking throughout this country. There is a real need for us to revisit that. There are a lot of issues in mental health. I think that this is one of the areas that we are looking forward to. I was real pleased to see Tipper Gore reach out and do the conference here in Washington on mental health and the importance and the testimony that she provided on her first-hand experiences with depression and how difficult that is and the need for us to have a better understanding of what that can cause and the problems that that can bring.

As a country, we need to recognize that a lot of people are falling through the cracks. If you look at the incident, the shooting that occurred here with that individual that had a mental health problem, that individual had been under treatment and had dropped out of that treatment. One of the few ways that we can prevent those kinds of atrocities is by providing mental health services. I think it is important that we take and work with those youngsters.

If I can add one other thing that I am real concerned about, not enough studies and research have been done with the use of Ritalin and prescription coverage with youngsters. Ritalin and some of those prescriptions were made for adults. All of a sudden we started to provide those prescriptions for our youngsters. We do not know what the long-term effects are going to be. And I think we have gone overboard on the use of some of those prescription items with our youngsters. So we really need to be very cautious. There is a need for research to occur in this area. I am hoping that your piece of legislation will be funded and that we can reach out to those youngsters throughout this country that are suffering from depression and a variety of different other disorders.

Ms. JACKSON-LEE of Texas. I thank the gentleman for his expertise and his leadership on this issue. We are going to work together.

As I introduce the gentlewoman from Indiana, let me cite for you a statement of needs of mentally ill children in the juvenile justice system in a position paper done by the Mental Health and Mental Retardation Authority of Harris County, Joy Cunningham, executive director. She used the term mental illness or mentally ill children. I said that I was going to focus it on special needs children, but mentally ill children, as this paper cites, are more vulnerable to drug and alcohol problems and are at high risk for suicide and for committing nonrational violent acts. While we cannot completely divert these children from the juvenile justice system because their condition is manifested in serious behavioral problems, for the majority of these children an improvement in their condition equals an improvement in their behavior.

This is a fait accompli. This is what is going on now. Would it not be great if we could get these children before it resulted in violent behavior? The gentlewoman has worked to try and curb the use of handguns or guns getting in the hands of children. Part of that, of course, is accidental. But part of it is guns mixing with children who are disturbed. She has been working on the antiviolence, and I believe they are all interwoven. We thank her for her leadership and sharing this time with us to talk about the needs of people who are suffering from mental needs or mental health needs and as well our children.

I yield to the distinguished gentlewoman from Indiana (Ms. CARSON).

Ms. CARSON. Mr. Speaker, I would like first and foremost to give honor to whom honor is due, and that is to the distinguished gentlewoman and my friend from Texas (Ms. JACKSON-LEE) and certainly to the honorable gentleman from Texas (Mr. RODRIGUEZ).

Mental health is an issue that has historically been kept quiet. It was sort of like a quiet storm within various households across this country

and across this world. People were not inclined to talk about mental illness. They would pretend when they had a family member with mental health challenges to have been gone away on a visit or be in some place other than hospitalized because of their mental health challenges. That is not something that I have learned by reading a book; it is something that I have learned firsthand through my neighbors and through my churches. Prior to coming to the United States Congress, I was elected to township trustee. The reason I wanted to do that is because I wanted to buy a building which has since been named the Julia Carson Government Center in Indianapolis because it is set in a very nice neighborhood. But it had the highest number of homeless children in the whole of Marion County. It was the Mapleton-Fall Creek area as it is known. The kids were laying on the steps all night and all day. These were young children. They were 7 and 8 years of age. They were classified as delinquent sometimes or homeless sometimes; and their basic underlying needs were left ignored or unmet, the kind of mental health challenges that are often referred to in terms of a description of what really faced those very vulnerable children.

I am pleased that the honorable gentlewoman from Texas (Ms. Jackson-Lee) allowed me to become a cosponsor of the bill that she inspired and authored, H.R. 3455. I commend her for her outstanding foresight and insight and activism on behalf of our children who are diagnosed with mental health disorders. The gentlewoman's bill provides mental health services to children, adolescents, their families, schools and communities. This issue reminds me in the academic sense of the mathematical axiom that the whole equals the sum of its parts. While we talk about mental health challenges and mental health disorders among young people and trying to access them to proper medical services and coverage, we have to further recognize that there are other axioms out here that perpetuate that whole challenge of mental illness, and that is the kind of environment in which kids grow up.

Kids live in old neighborhoods, in old houses. They still have lead-based paint in the houses which has been known to perpetuate violence, delinquency and mental health disorders. We have a food stamp program that covers food for children, but it does not allow good nutritional kinds of support for children. For example, food stamps do not cover vitamins. It specifically denies purchase of vitamins with food stamps, which to me is a very vital component of anybody's well-being, nutrition, et cetera. I think those are areas that we need to further expand upon as we try to deal with the mental health disorders that this bill addresses.

The gentlewoman's bill authorizes the Substance Abuse and Mental Health Services Administration to work with the Department of Education to increase the level of available resources for localities, to identify emotional and behavioral problems in children and adolescents and provide service through school and community-based clinics.

I do not want to get into another kind of discussion here, but while we deny the majority of America's children who are in public education access to quality education and all of the tools that are attendant to quality education such as mental health services, counselors, nurses, professional people within a school setting who are adept in identifying potential problems, I think we do this country a disservice while we wade off into areas that really do not benefit the majority of America's children.

Her bill provides mental health services to children and adolescents, their families and their schools and communities. That is so vital if we are really going to get a grip on this issue. Everybody may not know that an estimated 20 percent of American children and adolescents, 11 million in all, have serious diagnosable emotional or behavioral health disorders which range from attention deficit disorder and depression to bipolar disorder and schizophrenia. That is a lot of people, 11 million in all, of our children.

Ms. JACKSON-LEE of Texas. That is a very good point. That is a large number. That is documented. We do not know what are the other numbers. The reason why I wanted to have this discussion on the floor of the House is because I have encountered a number of custodians of children, those who have custodial care, whether they are grandparents or aunts and uncles, single parents and families who are suffering alone with children who need mental health care.

But one of the major problems is as we all know, the work of children is going to school. We get up every morning and we head out for our work as an adult. I am told that that work for children is when they go to school. The issue is, this is where they live a good portion of their life. And knowing children, working with children, having, I know, some wonderful grandchildren, are children apt to just pop up one day and say, my emotions don't feel well?

This is the problem that we are facing. How do you get help for children who are children and do not know how to express that they are depressed or something is wrong other than when they act it out? And then that parent is left just aghast as to what happened.

Have you seen that, particularly with those homeless children, you do not know, you are able to house them maybe, but were there resources there to help them with their state of mind?

Ms. CARSON. There were not resources available. As the gentleman from Texas (Mr. RODRIGUEZ) pointed out his experience, unless a child gets into the juvenile justice system, they are sort of just out there with no kind of support, no emotional support, nobody to talk to, nobody who understands. Their home conditions are such that they really cannot get the kind of help they need through the home. We have an inordinate number of children who are born with substance abuses because their parents were substance abusers and so we have all these little babies being born now who are addicted from the time that they are flushed into the world, if you will. There are not enough services, not enough identification, not enough early prevention and care for those children before they become problems, if you will, for society. That is indeed a problem, and that is why it is imperative for this Congress to recognize the importance of passing the measure that you have introduced.

Between 9 percent and 13 percent of children ages 9 to 17 have serious mental and emotional disturbances that substantially interfere with or limit their ability to function in a family, school and community. Evidence that was compiled by the World Health Organization indicates by the year 2020, internationally, childhood neuro-psychiatric disorders will rise proportionately by over 50 percent to increase one of the five most common causes of morbidity, mortality and disability among children. And, of course, the Mental Health Association reports that most people who commit suicide have a mental or emotional disorder. Within every 1 hour and 57 minutes, a person under the age of 25 years of age commits suicide.

□ 2115

I think this Congress has an obligation if we stand here day and night and talk about family values, then we need to move forward not just in word but in deed in terms of providing some help for all of these people out here who are dependent on the Sheila Jackson-Lees and the Barbara Lees of the country to step forward and provide meaningful opportunities to redress this very serious problem in our communities, in our individual communities and in our country.

I would say to the gentlewoman from Texas (Ms. JACKSON-LEE) that I have a great deal of gratitude, and I want to thank her for the opportunity to stand here and speak on a problem that was not a popular subject matter; but she certainly has done a yeoman's job in bringing it to the fore of the American people.

Mr. Speaker, I am a cosponsor in support of Congresswoman JACKSON-LEE's bill H.R. 3455 and commend my colleague for her outstanding activism on behalf of children diagnosed with mental health disorders.

This bill would provide mental health services to children, adolescents and their families, schools and communities.

This legislation would authorize the Substance Abuse and Mental Health Services Administration to work with the Department of Education to increase the level of available resources for localities to identify emotional and

behavioral problems in children and adolescents and would provide service through school and community based health clinics.

Mental health care needs among our children are on the rise.

An estimated 20% of American children and adolescents, 11 million in all, have serious diagnosable emotional or behavioral health disorders, which range from attention deficit disorder and depression to bipolar disorder and schizophrenia.

Between 9% and 13% of children ages 9 to 17 have serious mental or emotional disturbances that substantially interfere with or limit their ability to function in the family, school, and community.

Recent evidence compiled by the World Health Organization indicates by the year 2020, internationally, childhood neuropsychiatric disorders will rise proportionally by over 50% to become one of the five most common causes of morbidity, mortality, and disability among children.

The National Mental Health Association reports that most people who commit suicide have a mental or emotional disorder. Within every 1 hour and 57 minutes, a person under the age of 25 commits suicide.

Furthermore, the U.S. Surgeon General reports that suicide among African-American youth has increased 100% in the last decade.

Too many children suffering from a mental or emotional disorder go unserved. An estimated two-thirds of all young people are not getting the mental health treatment they need.

Effective treatments for children's psychiatric disorders typically require not only direct interventions such as psychotherapy or medication, but also a range of other actions, including interventions with parents and school personnel.

The Children's Defense Fund reports that when children's mental health services are unavailable, affordable, or inappropriate, young people often end up caught in the child protection or juvenile justice systems. Furthermore, parents may even be forced to give up custody of the children to secure appropriate treatment.

The rise in youth violence across this nation has created a climate of fear in our schools and communities and has therefore, contributed to the increase in children having mental or emotional disorders.

The serious consequences of untreated mental health problems among children result in school drop-out, rise in juvenile delinquency, alcohol and drug abuse, and even suicide.

We need to advocate for initiatives that promote healthy mental and physical growth among our youth by providing prevention efforts, community-based mental health services, and ensuring quality mental health care services.

Implementing early-intervention services will ultimately decrease the likelihood of more severe emotional or behavioral problems.

Representative JACKSON-LEE's bill would not only expand resources for communities but would also allow communities to expand existing school-based anti-violence prevention programs that provide crisis intervention, emergency services, school safety, and behavior management.

Therefore, I ask my other colleagues to support this important and needed legislation and help our children receive the quality mental health services that they deserve.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentlewoman from Indiana (Ms. CARSON). I can assure her that she has done a great service to those who are suffering in isolation by coming to the floor tonight and saying to those who are suffering with mental health needs that they are not alone.

It is interesting, as the gentlewoman from California (Ms. LEE) worked so hard on the floor last week to challenge this Congress and ask the very simple question, can we not provide for the poor of the world. And I thank the gentlewoman from Indiana (Ms. CARSON) very much for her commitment and support of the legislation that we are trying to pass to provide $100 million in funding for mental health needs.

The gentlewoman from California (Ms. LEE) fought just last week when unfortunately we were told we had no money; we come just a few days later and we are hearing of the booming surplus that is coming about. Of course, there is a lot of debate about tax cuts to people and people wonder why, many of us, particularly Democrats, have a different perspective. Because I realize that out of information that we have gotten from the National Mental Health Association, and we applaud their work, and the White House conference with Tipper Gore, that people in the United States, what a tragedy, we can only serve 34,000 children, when I have pages of gun violence incidents that suggest that we have troubled children in our midst and we cannot find a way to provide an extra $100 million for school nurses, for counselors, for training teachers to be able to detect whether a child is troubled. I believe the fight of the gentlewoman was a very important fight, dealing with debt relief, but dealing with HIV/AIDS around the world.

I believe this is an important fight for the children of America, and I am delighted with the leadership of the gentlewoman from California (Ms. LEE) and would like to yield to the distinguished gentlewoman from California (Ms. LEE), who is aware that human needs must be paramount.

Ms. LEE. Mr. Speaker, I would like to thank my esteemed colleague, the gentlewoman from Texas (Ms. JACKSON-LEE), for really organizing the opportunity to discuss a crucial national issue, the mental health of our children. Let me just say I am a proud social worker. I actually studied psychology during my undergraduate term at Mills College in California and then I went on to receive my masters in social work, a degree at the University of California.

Ms. JACKSON-LEE of Texas. If the gentlewoman would yield, it is wonderful that as we debate this that the American people understand that we did not just come here; that we bring experiences.

Ms. LEE. I studied Maslow and Freud and Jung and all of the great psychiatrists and behavioral scientists of our time, and I studied psychology because I wanted to try to understand human behavior more. I went into community mental health, psychiatric social work, because I learned very quickly that the environment and the social context in which a child or a human being lives really that context impacts their life, their behavior and their mental health.

So mental health is a question of just that; it is a question of health. For too long it has been stigmatized, and it has been neglected.

In the early 1970s, when I was in graduate school, I actually founded a community mental health center; and it was called Change, Incorporated, and it was in Berkeley, California. I founded that center so that we could destigmatize and remove the artificial barriers about mental health for primarily low-income African American residents of that community.

That mental health center survived for 10 years, but this was in the early 1970s, and we had a hard time raising money then for resources to provide the intervention and the counseling. What we saw, though, during those 10 years was the psychologists, social workers, counselors, made an enormous difference in the lives of children and families through intervention, through quality mental health services.

Now, as I said, this was in the early 1970s. Here we are now in the year 2000 and we are still talking about the fact that mental health is not a critical component of our national health policy, and we are struggling to raise resources and to provide new resources for mental health counselors. We can help our children and we can offer alternatives to desperate young people, averting some of the terrible schoolyard tragedies which we have seen that really dominate our nightly news.

Substance abuse, violence, school dropouts, suicide all of these are manifestations of a young child's acting out, yearning to be heard, wanting us as adults to do something to help. They are calling out for help. Suicide rates among African American youth have increased 100 percent in the last 10 years, 100 percent. This is really a silent epidemic that is taking our young people one by one, and I know that with some form of intervention most of these lives would have been saved.

So we do need community programs, and we do need to offer mental health services in our schools. We need school counselors. In my own State of California we have one counselor to 1,100 children. Can one imagine? Teachers need to be freed up to teach.

Some children come to school hungry. They cannot concentrate. Consequently they act out. A teacher has to deal with that. If there were a counselor available, the teacher could refer that child to a counselor; and the counselor could develop a case management plan to help that child rather than allowing that child to be suspended or to fall out or to drop out of school.

So I am very proud to be with the gentlewoman tonight. I thank her for this. I am in full support of her bill, which is such an important bill, The Give a Kid a Chance Omnibus Mental Health Services Act for Children. I think that is a great title for the bill.

It will really forge a critical link in our health network. It also will boost badly needed resources for communities to develop community mental health programs for children and adults, the same thing that we tried to do in Berkeley, California, in the early 1970s.

So here we are again. We need mental health professionals in every school. We need our families and children to know that it is okay to seek a counselor and to seek a mental health professional, and we need to give our kids a chance.

Ms. JACKSON-LEE of Texas. The gentlewoman has highlighted so many important points I do not know where to start, but having just finished the fight to assist the world in its fight for HIV/AIDS, does the gentlewoman not think that if we discover that we have a surplus that was unexpected that it would not be fiscally irresponsible to be able to look at mental health parity in our HMO coverage? The gentlewoman being a psychiatric social worker has seen the pain of people suffering from mental illness and mental health needs, as I have called it. What I have seen is people who are isolated and do not know where to go.

Let me cite these numbers for a moment. It is estimated between 118,700 and 186,600 youth were involved in the juvenile justice system, I call it the juvenile crime justice system, have at least one mental disorder. So they really needed other kinds of help.

According to a 1994 OJJDP study of juveniles' response to health screening conducted at the Mission of Juvenile Facilities, 73 percent of juveniles reported having mental health problems and 57 percent reported having prior mental health treatment. Of the 100,000 teenagers in juvenile detention, estimates indicate that 60 percent have behavioral, mental, or emotional problems.

Is it important that we try to find the funding to be able to help not only these children but these families? And I know social workers are not paid what they should be paid.

Ms. LEE. Or psychiatrists or psychologists.

Ms. JACKSON-LEE of Texas. Or child psychiatrists.

Ms. LEE. Mental health professionals need to be paid what they deserve to be paid, and based on their workload they need to be paid twice as much.

Let me just say that one has to believe that the mind and the body are equally important. I think all of us believe that, but we have not put our money where our mouth is.

Mental health parity is critical if one believes that one's spirit, one's mind is just as important as the physical body. Psychosis, schizophrenia, depression, all of these mental issues, and I will not call it mental illness either because we still do not have a clear definition of mental illness, but all of these behavioral difficulties can be cured in many instances.

So why do we not elevate the mind and the body on an equal basis, because certainly one cannot be treated without treating the other? So additional resources making mental health policy as part of our national health policy should really be a national priority, and we should use some of our surplus to do just that.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman from California (Ms. LEE) very much. I thank her for her work before coming to Congress, her work now. Let us commit ourselves, first of all, to the reality that this Nation is suffering from inadequate mental health services.

Yes, they are there in spotty places throughout the Nation, but even the community mental health services or the community mental health centers are only in about 37 of our States. The funding does not allow for complete use in all 50 States.

More teenagers die from suicide, Mr. Speaker, than from cancer, heart disease, AIDS, birth defects, strokes, influenza and chronic lung disease combined.

The U.S. Surgeon General stresses that mental health needs should be a central part of this Nation's health policy debate because mental health is indispensable to personal well-being, family interpersonal relationships, and contribution to community and society. I think when we talk about our children, families know about anorexia nervosa, we know about that. We have heard about anxiety disorders, but are we aware that our children suffer greatly from depression?

If I might share as I close this evening, depression is one of the most treatable mental illnesses as it is said here on the National Mental Health Association fact sheet, but early diagnosis and treatment are essential to depressed children and can help them lead to better long-term good health.

Mr. Speaker, the real question is, how many of us would run to aid a fallen child with that broken arm or that bruised knee or bruised finger, and the tears coming to their eyes? But how many of us have come to this floor to demand parity for mental health treatment for all Americans in their HMOs and health plans?

I want to applaud some of the great works of some Members of our Congress, both Republicans and Democrats, but we need to finish the job. The job means that we have to find good resources for children so that they can grow up to be healthy adults.

Let me acknowledge Dr. James Comer, who is here with the Yale University Child Study Center, been a leading force on children's mental health; Dr. Koplewicz, from the New York University Child Study Center who has also been working, but they need us in the United States Congress to fund legislation. I hope that H.R. 3455, give a kid a chance legislation, that asks for just $100 million to be able to put school counselors and nurses in schools, to be able to help our children find their way and to help their parents, would be considered in this Congress.

I do hope that those who feel isolated with the impact of mental illness in their families will find a way to believe in the United States Congress that we are moving toward addressing this question and not leaving them to suffer alone, Mr. Speaker.

NEEDS OF MENTALLY ILL CHILDREN IN THE JUVENILE JUSTICE SYSTEM POSITION PAPER

MENTAL HEALTH MENTAL RETARDATION AUTHORITY OF HARRIS COUNTY

Joy Cunningham Exec. Dir.

Over the years, the MHMRA Child and Adolescent Services Division, operating with limited resources, has been able to serve the needs of a variety of juvenile offenders through their outpatient clinics, school-based programs and day treatment services. However, it is apparent that there is a growing number of juveniles who are dually diagnosed whose needs cannot be met in our current county institutions.

Data collected by the Forensic unit on juvenile offenders indicate 17% of these youth (one of every five) suffer from a severe mental condition characterized by disturbed thinking, mood disorder, or impulse control disorder. When we include children who are diagnosed with Conduct Disorder, this percentage increases to 33% (two out of every five). Yet, the juvenile justice system does not have a single facility for mentally ill offenders. At present time, the Juvenile Probation Department sends children with severe mental health problems to private placement. This has resulted in the unprecedented amount of money spent in private placement. Within the last year, the collaboration between MHMRA and the juvenile probation department has resulted in the provision of some psychiatric services at juvenile probation facilities. However, this does not begin to address the needs of mentally ill children.

Mentally ill children are more vulnerable to drug and alcohol problems, and are at high risk for suicide and for committing non-rational violent acts. While we can not completely divert these children from the juvenile justice system because their condition is manifested in serious behavioral problems, for the majority of these children, an improvement in their condition equals an improvement in their behavior.

In order to address the needs of these mentally ill children, we need specialized programs that emphasize psychological/psychiatric intervention and that are manned by professionals with training in dealing with these children. These specialized services should be available in a continuum of care that addresses all levels of severity, and can either be contracted out or provided through MHMRA and Juvenile Probation with additional funding. Some of these specialized services/needs are described below.

Because of the severity of behavior problems, many of the most seriously mentally ill children are held in the detention center either awaiting court or awaiting placement. This is particularly detrimental for these children because of their limited cognitive and emotional resources. Consequently, their

behavior is prone to deterioration often resulting in them becoming a danger to themselves or others. The needs of these children can be best addressed in a short-term inpatient setting where they can have access to medication, and where monitoring for self-injurious behavior is an integral part of the program.

Chronically mentally ill children who are adjudicated delinquent and who, as a result of their condition, are prone to aggressive outbursts and whose behavior is so impaired that they represent a substantial risk to themselves or others, will necessitate a long term Residential Treatment Placement. The focus of this placement will be to provide regular psychiatric/psychological interventions in the form of individual, group, and family counseling, as well as medication interventions. It will also be important to incorporate an aftercare program that includes a transition to a less restricted facility prior to return to home placement.

No one agency should be responsible for providing services for these children. The needs of these children are complex and, as a result, need the efforts of all local agencies including Juvenile Probation Department, MHMRA, Child Protective Services, and the local school district.

Recommendations: It is imperative that Harris County have a centralized data bank, so that all the different agencies have immediate access to information regarding performance and participation in school program, history of mental illness/condition, history of referrals to the Juvenile Probation Department, and information regarding physical or sexual abuse or foster placement. The lack of this information makes it difficult to recognize the needs of children and offer appropriate alternatives.

Need for Research: It is imperative to have research driven treatment alternatives. To this end a centralized data source would be helpful. In Harris county, this would involve having a data system that includes the HCJS, MHMRA, CPS, and HISD, so that children can be easily identified, and to allow for continuation of services.

Training of Practitioners: Government should sponsor internship/resident programs with local universities or institutions of higher learning to allow for a rotation with these mentally ill children. This would serve the purpose of educating professionals who will be going into positions of responsibility with regards to these children, and/or to provide a larger pool of professionals with training with this specialized population.

Training of Juvenile Court Staff: It is imperative that all levels of court personnel (judges, district attorney, juvenile attorneys) and Juvenile Probation staff have an understanding of how mental illness or level of functioning can be a factor in criminal activity. Training in the complex issues of competency should be mandatory.

Legal System: Courts must continue to be involved because these children do have severe behavioral problems that put the public at risk, but also because in many instances it is the threat of legal action that motivates families and youth to participate in many of these programs. Therefore, they should have ultimate authority to remove these children from participation in these specialized programs should there be no indication that they are making an impact on the youth and/or the family. In making these decisions it will be important that those more closely involved with the implementation of these programs should receive education regarding mental illness so that they can make better decisions regarding the alternatives for these children.

Federal Funding: There is no doubt that implementation of the above recommendations is a costly endeavor. Support at the federal level in the way of legislation that provides line item funding for these services is recommended.

Mr. Speaker, children's mental health needs to be a national priority in this country today!

In this nation, we have taken great strides to address spend 10 times the amount on research into childhood cancer, than on children's mental health, yet one of five children is affected by some sort of mental illness.

Even more devastating is the fact that although one in five children and adolescents has a diagnosable mental, emotional, or behavioral problem that can lead to school failure, substance abuse, violence or suicide, 75 to 80 percent of these children do not receive any services in the form of specialty treatment or some form of mental health intervention.

This heartbreaking story of Kip Kinkle, the fifteen year-old student of Springfield, Oregon, who shot his parents and went to school to kill several other students is tragic, yet illuminating.

For three years before this horrendous event, Kip suffered from psychosis and heard voices, yet no one did anything to address this situation. No teacher sent him to the nurse and no one asked his parents to take him to a doctor to find out what was wrong.

This is why I stand before you today to encourage my Colleagues to address the inadequate funding for comprehensive children's mental health services. We need to reach these 75 to 80 percent of children suffering from mental illness and not allow any more days to go by, otherwise we are waiting for another school tragedy like Kip Kinkle to occur.

The recent Surgeon General's Report on Children's Mental Health specifically states that ''most children in need of mental health services do not get them . . .'' Hence, when children's mental health needs are not met, young people often get caught in child protective services or the juvenile justice system. As a result, we see that almost 60 percent of teenagers in juvenile detention have behavioral, mental or emotional disorders.

Although children's mental health services were funded at the President's request under H.R. 4577, this funding was still below the requested funding by National Mental health Association and the Federation of Families for Children's Mental Health Services. In order to adequately fund children's mental health services, we would need to fund this program with at least $93 million and not the $86 million allocated in the poorly funded bill H.R. 4577.

Currently, the Children's Mental Health Services Program only serves approximately 34,000 children. Additional funding would enable more states to provide more mental health services on the community level.

This is why I attempted to offer an amendment to H.R. 4577 to increase the funding for the Substance Abuse and Mental Health Services Administration by $10 million dollars. The intent of this Amendment was to increase the funding for the Children's Mental Health Services Program under SAMSHA.

Both the National Mental Health Association and the Federation of Families for Children's Mental Health Services support increased funding for children's mental health and agree that we need to focus this nation's attention on intervention measures so that we can prevent tragedies like Columbine in Littleton, Colorado, Heath High School in Paducah, Kentucky, and Westside Middle School in Jonesboro, Arkansas.

The grant programs funded under the comprehensive community mental health services program are critical to insure that children with mental health problems and their families have access to a full array of quality and appropriate care in their communities. To date, there have not been sufficient funds to award grants to communities in all the states.

It is also crucial that we emphasize the fact that mental health disorders often lead to teen suicide with a person under the age of 25 committing suicide every 1 hour and 57 minutes! The fact that 8 out of 10 suicidal persons give some sign of their intentions also begs the question, why do we not make children's mental health a national priority.

We know that more teenagers died from suicide than from cancer, heart disease, AIDS, birth defects, strokes, influenza and chronic lung disease combined.

Because childhood depression is so very prevalent, we must recognize the dire need for increased services to treat our youth.

One of the unfortunate realities of the lack of mental health services is the fact that many juveniles convicted in the criminal justice system are in the system because they need mental health services. Recently, the Human Rights Watch released its year 2000 report entitled, ''Punishment and Prejudice: Racial Disparities in the War on Drugs.'' This report detailing the discrepancies between criminal sentencing of African-American and Hispanic drug offenders versus White drug offenders in the juvenile justice system. This report also makes reference to the failure of minority youth to be provided adequate mental health services or appropriately sentenced according to their mental health needs.

Additionally, the New York Times released a study this past March that was conducted on 100 rampage killings. This Report indicated that mental health services could help prevent future outbreaks of violence among our youth and save students and their parents from the torture of another school shooting.

This is further support for the belief that all children need access to mental health services. Whether these services are provided in a private therapy session or in a group setting in community health clinics, private sessions or through the schools, we need to make these services available. That is why this Congress should support legislation that will help remedy the lack of mental health services in the school system.

The National Mental Health Association recommends initiatives to promote the ''healthy physical and mental development for America's youth.'' They support initiatives like increased mental health services in the school system and the surrounding community so that children have access to help when they need it. Recommended also are community based programs that promote good emotional development in children and adolescents.

Furthermore, the Substance Abuse and Mental Health Services Administration (SAMHSA) states that it advocates ''legislation that would provide support to communities to integrate mental health principles, services and supports into existing early childhood programs . . .''

This is why I introduced my bill, H.R. 3455, ''Give a Kid a Chance, Omnibus Mental Health

Services Act for Children of 1999,'' which would provide mental health services to children, adolescents and their families in the schools and in our communities. Already, this bill is supported by 58 members of Congress and numerous organizations including the National Mental Health Association, the National Association of School Psychologists and the Federation of Families for Children's Mental Health.

By making mental health services more readily available, we can spot mental health issues in children early before we have escalated incidents of violence. My bill, H.R. 3455, would authorize the Substance Abuse and Mental Health Services Administration (SAMHSA) to work with the Department of Education (DOE) to increase the level of available resources for localities to identify emotional and behavioral problems in children and adolescents and to provide service through the schools and community based health clinics.

Unlike other limited legislative remedies, my bill would require local entities to implement "comprehensive community-based programs that provide public health interventions and promote good emotional development in children and adolescents. These programs would provide early intervention services when mental health problems occur and would reach children who may be at-risk for a serious emotional or behavioral disorder (SED) and/or substance abuse.

One of the significant points of my legislation is that in order for a student to access the services of any of the mental health professionals, he/she would not have to have a "medically diagnosed'' mental health disorder. Thus, any student in need of someone to talk to about their emotional problems or simply in need of a ''friend'' would have access.

□

GENERAL LEAVE

Ms. JACKSON-LEE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

□

CONFERENCE REPORT ON H.R. 4810, MARRIAGE TAX RELIEF RECONCILIATION ACT OF 2000

Mr. ARMEY (during the special order of Ms. JACKSON-LEE of Texas), submitted the following conference report and statement on the bill (H.R. 4810) to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001.

CONFERENCE REPORT (H. REPT. 106–765)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4810), to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Marriage Tax Relief Reconciliation Act of 2000''.

(b) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'',

(2) by adding ''or'' at the end of subparagraph (B),

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.

(a) IN GENERAL.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

''(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

''(A) IN GENERAL.—With respect to taxable years beginning after December 31, 1999, in prescribing the tables under paragraph (1)—

''(i) the maximum taxable income in the lowest rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be the applicable percentage of the maximum taxable income in the lowest rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

''(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in calendar year—	***The applicable percentage is—***
2000	*170*
2001	*173*
2002	*178*
2003	*183*
2004 and thereafter	*200.*

''(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting ''except as provided in paragraph (8),'' before ''by increasing''.

(2) The heading for subsection (f) of section 1 of such Code is amended by inserting ''PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;'' before ''ADJUSTMENTS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 32(b) of the Internal Revenue Code of 1986 (relating to percentages and amounts) is amended—

(1) by striking ''AMOUNTS.—The earned'' and inserting ''AMOUNTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the earned'', and

(2) by adding at the end the following new subparagraph:

''(B) JOINT RETURNS.—In the case of a joint return, the phaseout amount determined under subparagraph (A) shall be increased by $2,000.''.

(b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of section 32(j) of such Code (relating to inflation adjustments) is amended to read as follows:

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

''(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) of section 1(f)(3), and

''(ii) in the case of the $2,000 amount in subsection (b)(2)(B), by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) of section 1(f)(3).''.

(c) ROUNDING.—Section 32(j)(2)(A) of such Code (relating to rounding) is amended by striking ''subsection (b)(2)'' and inserting ''subparagraph (A) of subsection (b)(2) (after being increased under subparagraph (B) thereof)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 5. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Subsection (a) of section 26 of the Internal Revenue Code of 1986 (relating to limitation based on tax liability; definition of tax liability) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the foreign tax credit allowable under section 27(a), and

''(2) the tax imposed for the taxable year by section 55(a).''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(3) Section 904 of such Code is amended by striking subsection (h) and by redesignating subsections (i), (j), and (k) as subsections (h), (i), and (j), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 6. ESTIMATED TAX.

The amendments made by this Act shall not be taken into account under section 6654 of the Internal Revenue Code of 1986 (relating to failure to pay estimated tax) in determining the amount of any installment required to be paid before October 1, 2000.

SEC. 7. COMPLIANCE WITH BUDGET ACT.

(a) IN GENERAL.—Except as provided in subsection (b), all amendments made by this Act which are in effect on September 30, 2005, shall cease to apply as of the close of September 30, 2005.

(b) SUNSET FOR CERTAIN PROVISIONS ABSENT SUBSEQUENT LEGISLATION.—The amendments made by sections 2, 3, 4, and 5 of this Act shall not apply to any taxable year beginning after December 31, 2004.

And the Senate agree to the same.

BILL ARCHER,
DICK ARMEY,
Managers on the Part of the House.

BILL ROTH,
TRENT LOTT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4810), to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

I. EXPLANATION OF THE BILL

A. STANDARD DEDUCTION TAX RELIEF (SEC. 2 OF THE HOUSE BILL, SEC. 2 OF THE SENATE AMENDMENT, AND SEC. 63 OF THE CODE)

PRESENT LAW

Marriage penalty

A married couple generally is treated as one tax unit that must pay tax on the couple's total taxable income. Although married couples may elect to file separate returns, the rate schedules and other provisions are structured so that filing separate returns usually results in a higher tax than filing a joint return. Other rate schedules apply to single individuals and to single heads of households.

A ''marriage penalty'' exists when the combined tax liability of a married couple filing a joint return is greater than the sum of the tax liabilities of each individual computed as if they were not married. A ''marriage bonus'' exists when the combined tax liability of a married couple filing a joint return is less than the sum of the tax liabilities of each individual computed as if they were not married.

While the size of any marriage penalty or bonus under present law depends upon the individuals' incomes, number of dependents, and itemized deductions, as a general rule married couples whose incomes are split more evenly than 70–30 suffer a marriage penalty. Married couples whose incomes are largely attributable to one spouse generally receive a marriage bonus.

Under present law, the amount of the standard deduction and the tax bracket breakpoints follow certain customary ratios across filing statuses. The standard deduction and tax bracket breakpoints for single individuals are roughly 60 percent of those for married couples filing joint returns.[1] Thus, the sum of the standard deductions for two single individuals exceeds the standard deduction for a married couple filing a joint return.

Basic standard deduction

Taxpayers who do not itemize deductions may choose the basic standard deduction (and additional standard deductions, if applicable),[2] which is subtracted from adjusted gross income (''AGI'') in arriving at taxable income. The amount of the basic standard deduction varies according to filing status and is indexed for inflation. For 2000, the amount of the basic standard deduction for each filing status is shown in the following table:

Table 1.—Basic standard deduction amounts

Filing status	*Basic standard deduction*
Married, joint return	$7,350
Head of household return	6,450
Single return	4,400
Married, separate return	3,675

For 2000, the basic standard deduction for joint returns is 1.67 times the basic standard deduction for single returns.

HOUSE BILL

The House bill increases the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for a single individual. The basic standard deduction for a married taxpayer filing a separate return will continue to equal one-half of the basic standard deduction for a married couple filing a joint return.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000.

SENATE AMENDMENT

The Senate amendment is the same as the House bill.

CONFERENCE AGREEMENT

The conference agreement follows the House bill and the Senate amendment, with the modification that the provision is effective for taxable years beginning after December 31, 1999. The agreement further provides that the provision cannot be taken into account for estimated tax purposes prior to October 1, 2000.

B. EXPANSION OF THE 15-PERCENT AND 28-PERCENT RATE BRACKETS (SEC. 3(a) OF THE HOUSE BILL, SEC. 3(a) OF THE SENATE AMENDMENT, AND SEC. 1 OF THE CODE)

PRESENT LAW

Rate brackets

To determine regular income tax liability, a taxpayer generally must apply the tax rate schedules (or the tax tables) to his or her taxable income. The rate schedules are broken into several ranges of income, known as income brackets, and the marginal tax rate increases as a taxpayer's income increases. The income bracket amounts are indexed for inflation. Separate rate schedules apply based on an individual's filing status. In order to limit multiple uses of a graduated rate schedule within a family, the net unearned income of a child under age 14 may be taxed as if it were the parent's income. For 2000, the individual regular income tax rate schedules are shown below. These rates apply to ordinary income; separate rates apply to capital gains.

Table 2.—Federal individual income tax rates for 2000

If taxable income is:	*Then income tax equals:*
Single individuals	
$0–$26,250	15 percent of taxable income.
$26,250–$63,550	$3,937.50, plus 28% of the amount over $26,250.
$63,550–$132,600	$14,381.50 plus 31% of the amount over $63,550.
$132,600–$288,350	$35,787 plus 36% of the amount over $132,600.
Over $288,350	$91,857 plus 39.6% of the amount over $288,350.
Heads of households	
$0–$35,150	15 percent of taxable income.
$35,150–$90,800	$5,272.50 plus 28% of the amount over $35,150.
$90,800–$147,050	$20,854.50 plus 31% of the amount over $90,800.
$147,050–$288,350	$38,292 plus 36% of the amount over $147,050.
Over $288,350	$89,160 plus 39.6% of the amount over $288,350.
Married individuals filing joint returns[1]	
$0–$43,850	15 percent of taxable income.
$43,850–$105,950	$6,577.50 plus 28% of the amount over $43,850.
$105,950–$161,450	$23,965.50 plus 31% of the amount over $105,950.
$161,450–$288,350	$41,170.40 plus 36% of the amount over $161,450.
Over $288,350	$86,854.50 plus 39% of the amount over $288,350.

[1] Married individuals filing separate returns must apply a separate rate structure with tax rate brackets one-half the width of those for married individuals filing joint returns.

[1] The beginning point of the 39.6 percent rate bracket is the same for all taxpayers regardless of filing status.

[2] Additional standard deductions are allowed with respect to any individual who is elderly (age 65 or over) or blind.

HOUSE BILL

The House bill increases the size of the 15-percent regular income tax rate bracket for a married couple filing a joint return to twice the size of the corresponding rate bracket for a single individual. This increase is phased in over six years as shown in the following table. Therefore, this provision is fully effective (i.e., the size of the 15-percent regular income tax rate bracket for a married couple filing a joint return will be twice the size of the 15-percent regular income tax rate bracket for a single individual) for taxable years beginning after December 31, 2007.

Taxable year	*Joint return 15-percent rate bracket as a percentage of single return 15-percent rate bracket*
2003	170.3
2004	173.8
2005	183.5
2006	184.3
2007	187.9
2008 and thereafter	200.0

Effective date.—The provision is effective for taxable years beginning after December 31, 2002.

SENATE AMENDMENT

The Senate amendment increases the size of the 15-percent and 28-percent regular income tax rate brackets for a married couple filing a joint return to twice the size of the corresponding rate brackets for a single individual. This increase is phased in over six years as shown in the following table. The Senate amendment is fully effective (i.e., the size of the 15-percent and 28-percent regular income tax rate brackets for a married couple filing a joint return is twice the size of the corresponding regular income tax rate brackets for a single individual) for taxable years beginning after December 31, 2006.

Taxable year	*Joint return 15-percent and 28-percent rate bracket as a percentage of single return 15- and 28-percent rate bracket*
2002	170.3
2003	173.8
2004	180.0
2005	183.2
2006	185.0
2007 and thereafter	200.0

Effective date.—The provision is effective for taxable years beginning after December 31, 2001.

CONFERENCE AGREEMENT

The conference agreement follows the House bill, but with a different phase-in, as described in the following table:

Taxable year	*Joint return 15-percent rate bracket as a percentage of single return 15-percent rate bracket*
2000	170.0
2001	173.0
2002	178.0
2003	183.0
2004 and thereafter	200.0

The agreement further provides that the provision cannot be taken into account for estimated tax purposes prior to October 1, 2000.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

C. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY (SEC. 3(b) OF THE HOUSE BILL, SEC. 5 OF THE SENATE AMENDMENT, AND SECS. 24, 26, AND 32 OF THE CODE

PRESENT LAW

Allow nonrefundable personal credits to offset both the regular tax and the alternative minimum tax

Present law provides for certain nonrefundable personal tax credits (i.e., the dependent care credit, the credit for the elderly and disabled, the adoption credit, the child credit, the credit for interest on certain home mortgages, the HOPE Scholarship and Lifetime Learning credits, and the D.C. homebuyer's credit). Except for taxable years beginning during 1998–2001, these credits are allowed only to the extent that the individual's regular income tax liability exceeds the individual's tentative minimum tax, determined without regard to the minimum tax foreign tax credit. For taxable years beginning during 1998 and 1999, these credits are allowed to the extent of the full amount of the individual's regular tax (without regard to the tentative minimum tax). For taxable years beginning during 2000 and 2001, the nonrefundable personal credits may offset both the regular tax and the minimum tax.[3]

An individual's tentative minimum tax is an amount equal to (1) 26 percent of the first $175,000 ($87,500 in the case of a married individual filing a separate return) of alternative minimum taxable income (''AMTI'') in excess of a phased-out exemption amount plus (2) 28 percent of the remaining AMTI, if any. The maximum tax rates on net capital gain used in computing the tentative minimum tax are the same as under the regular tax. AMTI is the individual's taxable income adjusted to take account of specified preferences and adjustments. The exemption amounts are: (1) $45,000 in the case of married individuals filing a joint return and surviving spouses; (2) $33,750 in the case of other individuals; and (3) $22,500 in the case of married individuals filing a separate return, estates and trusts. The exemption amounts are phased out by an amount equal to 25 percent of the amount by which the individual's AMTI exceeds (1) $150,000 in the case of married individuals filing a joint return and surviving spouses, (2) $112,500 in the case of other unmarried individuals, and (3) $75,000 in the case of married individuals filing separate returns or an estate or a trust. These amounts are not indexed for inflation.

Reduction of refundable credits by alternative minimum tax

Refundable credits may offset tax liability determined under present-law tax rates and allow refunds to an individual in excess of income tax liability. However, the refundable child credit (beginning in taxable years beginning after December 31, 2001) and the earned income credit are reduced by the amount of the individual's alternative minimum tax.

HOUSE BILL

Allow nonrefundable personal credits to offset both the regular tax and the alternative minimum tax

No provision.

Reduction of refundable credits by alternative minimum tax

The House bill repeals the provisions that reduce the refundable child credit and the earned income credit by the amount of the individual's alternative minimum tax.

[3] The foreign tax credit is allowed before the personal credits in computing the regular tax for these years.

Effective date.—The provision is effective for taxable years beginning after December 31, 2001.

SENATE AMENDMENT

Allow nonrefundable personal credits to offset both the regular tax and the alternative minimum tax

The Senate amendment permanently extends the present-law temporary provision that allows the nonrefundable personal credits to offset both the regular tax and the minimum tax.[4]

Reduction of refundable credits by alternative minimum tax

The Senate amendment is the same as the House bill.

Effective date

The provisions are effective for taxable years beginning after December 31, 2001.

CONFERENCE AGREEMENT

Allow nonrefundable personal credits to offset both the regular tax and the alternative minimum tax

The conference agreement follows the Senate amendment.

Reduction of refundable credits by alternative minimum tax

The conference agreement follows the House bill and the Senate amendment.

D. MARRIAGE TAX RELIEF RELATING TO THE EARNED INCOME CREDIT (SEC. 4 OF THE HOUSE BILL, SEC. 4 OF THE SENATE AMENDMENT, AND SEC. 32 OF THE CODE)

PRESENT LAW

Certain eligible low-income workers are entitled to claim a refundable earned income credit (''EIC'') on their income tax returns.[5] The amount of the EIC an eligible individual may claim depends upon whether the individual has one, more than one, or no qualifying children, and is determined by multiplying the applicable credit rate by the individual's earned income up to an earned income amount. The maximum amount of the credit is the product of the credit rate and the earned income amount. The credit is phased out above certain income levels. For individuals with earned income (or modified AGI, if greater) in excess of the beginning of the phase-out range, the maximum credit amount is reduced by the phase-out rate multiplied by earned income (or modified AGI, if greater) in excess of the beginning of the phase-out range. For individuals with earned income (or modified AGI, if greater) in excess of the end of the phase-out range, no credit is allowed. In the case of a married individual who files a joint return. income for purposes of these tests is the combined income of the couple.

The parameters of the EIC for 2000 are provided in the following table:

TABLE 3.—EARNED INCOME CREDIT PARAMETERS (2000)

	Two or more qualifying children	One qualifying child	No qualifying children
Credit rate (percent)	40.00	34.00	7.65
Earned income amount	$9,720	$6,920	$4,610
Maximum credit	$3,888	$2,353	$353
Phase-out begins	$12,690	$12,690	$5,770
Phase-out rate (percent)	21.06	15.98	7.65
Phase-out ends	$31,152	$27,413	$10,380

HOUSE BILL

The House bill increases the beginning point of the phase-out range of the EIC for

[4] The foreign tax credit will continue to be allowed before the personal credits in computing the regular tax.

[5] A refundable credit is a credit that not only reduces an individual's tax liability but also allows refunds to the individual of amounts in excess of income tax liability.

married couples filing a joint return by $2,000. Because the rate of the phase-out range is not changed by the House bill, the endpoint of the phase-out range is also increased by $2,000. The effect of the increase in the beginning of the phase-out range is to increase the EIC for taxpayers in the phase-out range by an amount up to $2,000 times the phase-out rate. For example, for couples with two or more qualifying children, the maximum increase in the EIC as a result of the provision will be $2,000 multiplied by 21.06 percent, or $421.20. The House bill also expands the number of married couples eligible for the EIC. Specifically, the $2,000 increase in the end of the phase-out range will make married couples with earnings up to $2,000 beyond the present-law phase-out range eligible for the credit. The beginning and ending points of the phase-out range of the EIC (including the $2,000 increase for joint returns) will continue to be indexed for inflation, as under present law.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000.

SENATE AMENDMENT

The Senate amendment is the same as the House bill except that the Senate amendment increases the beginning and ending income levels of the phase-out of the EIC for married couples filing a joint return by $2,500 rather than by $2,000.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000.

CONFERENCE AGREEMENT

The conference agreement follows the House bill, with the modification that the provision is effective for taxable years beginning after December 31, 1999. The agreement further provides that the provision cannot be taken into account for estimated tax purposes prior to October 1, 2000.

E. COMPLIANCE WITH CONGRESSIONAL BUDGET ACT (SEC. 6 OF THE SENATE AMENDMENT)

PRESENT LAW

Reconciliation is a procedure under the Congressional Budget Act of 1974 (''the Budget Act'') by which Congress implements spending and tax policies contained in a budget resolution. The Budget Act contains rules defining the scope of items permitted to be considered under the budget reconciliation process. One such rule, the so-called ''Byrd rule,'' was incorporated into the Budget Act in 1990. The Byrd rule, named after its principal sponsor, Senator Robert C. Byrd, is contained in section 313 of the Budget Act. The Byrd rule is generally interpreted to permit Members to make a motion to strike extraneous provisions (those which are unrelated to the deficit reduction goals of the reconciliation process) from either a budget reconciliation bill or a conference report on such a bill.

Under the Byrd rule, a provision is considered to be extraneous if it falls under one or more of the following six definitions:

(1) it does not produce a change in outlays or revenues;

(2) it produces an outlay increase or revenue decrease when the instructed committee is not in compliance with its instructions;

(3) it is outside of the jurisdiction of the committee that submitted the title or provision for inclusion in the reconciliation measure;

(4) it produces a change in outlays or revenues which is merely incidental to the nonbudgetary components of the provision;

(5) it would increase the deficit for a fiscal year beyond those covered by the reconciliation measure; and

(6) it recommends changes in Social Security.

HOUSE BILL

No provision.

SENATE AMENDMENT

To ensure compliance with the Budget Act, the provision provides that all provisions of, and amendments made by, the Senate amendment shall cease to apply for taxable years beginning after December 31, 2004.

Effective date.—The provision is effective on date of enactment.

CONFERENCE AGREEMENT

The conference agreement follows the Senate amendment.

II. COMPLEXITY ANALYSIS

The following tax complexity analysis is provided pursuant to section 4022(b) of the Internal Revenue Service Reform and Restructuring Act of 1998, which requires the staff of the Joint Committee on Taxation (in consultation with the Internal Revenue Service (''IRS'') and the Treasury Department) to provide a complexity analysis of tax legislation reported by the House Committee on Ways and Means, the Senate Committee on Finance, or a Conference Report containing tax provisions. The complexity analysis is required to report on the complexity and administrative issues raised by provisions that directly or indirectly amend the Internal Revenue Code and that have widespread applicability to individuals or small businesses. For each such provision identified by the staff of the Joint Committee on Taxation, a summary description of the provision is provided, along with an estimate of the number and the type of affected taxpayers, and a discussion regarding the relevant complexity and administrative issues. Time constraints prevented the staff of the Joint Committee on Taxation from consulting with the IRS regarding the provisions in the conference agreement that has widespread applicability.

1. Standard deduction tax relief (sec. 2 of the conference agreement)

Summary description of provision

For taxable years beginning after December 31, 1999, the bill phases in an increase in the basic standard deduction for a married couple filing a joint return until it is twice the basic standard deduction for a single individual.

Number of affected taxpayers

It is estimated that the provision will affect approximately 25 million individual tax returns.

Discussion

It is not anticipated that individuals will need to keep additional records due to this provision. The higher basic standard deduction should not result in an increase in disputes with the IRS, nor will regulatory guidance be necessary to implement this provision. In addition, the provision should not increase individual's tax preparation costs.

Some taxpayers who currently itemize deductions may respond to the provision by claiming the increased standard deduction in lieu of itemizing. According to estimates by the staff of the Joint Committee on Taxation, approximately three million individual tax returns will realize greater tax savings from the increased standard deduction than from itemizing their deductions. In addition to the tax savings, such taxpayers will no longer have to file Schedule A to Form 1040 or need to engage in the record keeping inherent in itemizing below-the-line deductions. Moreover, by claiming the standard deduction, such taxpayers may qualify to use simpler versions of the Form 1040 (i.e., Form 1040EZ or Form 1040A) that are not available to individuals who itemize their deductions. These forms simplify the return preparation process by eliminating from the Form 1040 those items that do not apply to a particular taxpayer.

This reduction in complexity and record keeping may also result in a decline in the number of individuals using a tax preparation service (or a decline in the cost of using such a service). Furthermore, if the provision results in a taxpayer qualifying to use one of the simpler versions of the Form 1040, the taxpayer may be eligible to file a paperless Federal tax return by telephone. The provision also should reduce the number of disputes between taxpayers and the IRS regarding substantiation of itemized deductions.

2. Expansion of the 15-percent rate bracket for married couples filing a joint return (sec. 3 of the conference agreement)

Summary description of provision

The provision increases the size of the 15-percent regular income tax rate bracket for married couples filing a joint return to twice the size of the corresponding rate brackets for a single individual. This increase is phased in over five years beginning for taxable years beginning after December 31, 1999. It is fully effective for taxable years beginning after December 31, 2003.

Number of affected taxpayers

It is estimated that the provision will affect approximately 21 million individual tax returns.

Discussion

It is not anticipated that individuals will need to keep additional records due to this provision. The increased size of the 15-percent regular income tax rate bracket for married couples filing joint returns should not result in an increase in disputes with the IRS, nor will regulatory guidance be necessary to implement this provision.

3. Interactive effect of the alternative minimum tax rules

Both provisions (i.e., the standard deduction tax relief and the expanded 15-percent rate bracket) are affected by the alternative minimum tax (''AMT'') rules. Specifically, because neither provision makes corresponding changes to the alternative minimum tax regime other than the allowance of the nonrefundable personal credits against the AMT, additional individual taxpayers will need to make the necessary calculations to determine the applicability of the alternative minimum tax rules. It is estimated that for the year 2005, less than two million additional individual income tax returns with a benefit from the provisions will be required to include a calculation of the tentative minimum tax and file the appropriate alternative minimum tax forms. By the year 2009, this number is expected to rise to over seven million additional individual income tax returns. At the same time, however, by 2009, there will be approximately two million individual income tax returns that will be relieved of the burden of the AMT calculations by virtue of the extension of the nonrefundable personal credits against the AMT.

For taxpayers who have to calculate the tentative minimum tax and file the appropriate alternative minimum tax forms, it could be expected that the interaction of the provisions with the alternative minimum tax rules would result in an increase in tax preparation costs and in the number of individuals using a tax preparation service.

4. Sunset (sec. 7 of the conference agreement)

Summary description of provision

The provision sunsets the provisions and amendments made by the bill for taxable years beginning after December 31, 2004.

Number of affected taxpayers

It is estimated that the provision would affect almost all individuals affected by the other provisions of the bill.

Discussion

The provision would reverse any simplification achieved under the other provisions of the bill. Specifically, two categories of individuals would have additional record keeping and tax return filing complexity. First, individuals who, because of the bill changes, switch from itemizing deductions to using the increased standard deduction would likely revert to itemizing deductions when the increased standard deduction sunsets. Second, individuals who are relieved of the AMT calculations under the bill would be required to make such AMT calculations after the sunset. The sunset provision also can be expected to result in an increase in the tax preparation cost of individuals using a tax preparation service. In addition, the provision may require the IRS to issue guidance regarding the termination of the tax benefits as a result of the sunset.

ESTIMATED REVENUE EFFECTS OF THE CONFERENCE AGREEMENT FOR H.R. 4810, THE ''MARRIAGE TAX RELIEF RECONCILIATION ACT OF 2000''

[Fiscal years 2001–2010 [1] in millions of dollars]

Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001–05	2001–10
1. Standard deduction set at 2 times single for married filing jointly (sunset 12/31/04).	tyba 12/31/99	−9,873	−6,003	−6,383	−6,523	−1,959	.....	.....	.....	.....	.....	−30,741	−30,741
2. 15% rate bracket set at 2 times single for married filing jointly; 5-year phasein (sunset 12/31/04).	tyba 12/31/99	−4,146	−6,361	−9,718	−17,680	−6,277	.....	.....	.....	.....	.....	−44,182	−44,182
3. Extension of AMT treatment of refundable and nonrefundable personal credit (sunset 12/31/04).	typa 12/31/01	.....	−343	−1,876	−2,875	−3,460	.....	.....	.....	.....	.....	−8,554	−8,554
4. $2,000 increase to the beginning and ending income levels for the EIC phaseout for married filing jointly (sunset 12/31/04) [2].	tyba 12/31/99	−1,250	−1,281	−1,255	−1,268	−1,287	.....	.....	.....	.....	.....	−6,341	−6,341
Net Total		−15,269	−13,988	−19,232	−28,346	−12,983	.....	.....	.....	.....	.....	−89,818	−89,818

[1] The provisions of the bill generally are effective to taxable years beginning after 12/31/99. The bill provides that these provisions can not be taken into account for estimated tax purposes before 10/1/00. Accordingly, the provisions result in little to no effect on receipts in fiscal year 2000.

[2] Estimate includes the following effects on fiscal year outlays: 2001—1,073; 2002—1,109; 2003—1,078; 2004—1,082; 2005—1,097; 2006—....; 2007—....; 2008—....; 2009—....; 2010—....; 2001–05—5,439; 2001–10—5,439.

Legend for ''Effective'' column: tyba=taxable years beginning after.

Note.—Details may not add to totals due to rounding.
Source: Joint Committee on Taxation.

BILL ARCHER,
DICK ARMEY,
Managers on the Part of the House.

BILL ROTH,
TRENT LOTT,
Managers on the Part of the Senate.

□

TRIBUTE TO THE LATE ABILIO BACA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BACA) is recognized for 5 minutes.

Mr. BACA. Mr. Speaker, I ask that the Congress reflect on the memory of my brother, Abilio Baca, of Barstow, California, who passed away this morning July 19, 2000, after a heart attack.

They say a man is measured by the lives he touches. Through the grace of God, Abilio touched many lives.

Born in Las Neutras, New Mexico, Abilio served family and country with distinction. Although circumstances didn't permit him to complete school, he made an ever-lasting impact and contribution to his family and community.

He served as an E–7 Staff Sergeant in the Army, where he fought in the Korean War; served twenty years with the National Guard; worked as an Army recruiter; and concluded his career as a Rigger Foreman for the Marine Corps Logistics Base.

Albilio was widely admired by family, friends and colleagues. He was hard working, dedicated, committed, disciplined, loving and supporting. He was everything one would want in a brother, son, father, husband, grandfather and great grandfather.

Abilio was like a father, coach and mentor to me. He was my oldest brother, my friend. He was the father I had after my dad passed away.

He started me in little league and bought me my first baseball shoes. He attended many of my games, and even would bring my parents. I played softball at the age of 14, for a team he coached, that was called the ''gophers'', which won many championships. This was an adult team but he had trust and faith in me that I could do it. We won many softball league championships in Barstow.

He coached and ran a semi-pro baseball team, that I played for, the Knights of Columbus, that played in San Bernardino and Riverside counties.

We are a semi-pro baseball team in the ''Sunset League'', that won numerous championships and he was named coach of the year.

I was fortunate to play basketball in the City League under this coaching.

He coached me as a child, in my teenage years, and as an adult in semi-pro baseball. I developed as an athlete under his leadership and guidance.

Abilio was a devoted Catholic and active at St. Joseph's Catholic Church and a member of the Knights of Columbus. He helped raise money for the church through Bingo.

He helped me on my campaigns locally, Assembly, Senate and the Congress.

His hobbies were jogging and he competed in 5 and 10 K's.

From Las Neutras, New Mexico, to Barstow, California, Abilio's life was dedicated to family, friends and community. His memory lives on in our thoughts and prayers. We say ''goodbye. God bless you, we love you, we miss you.''

Abilio is survived by his wife, Barbara Baca; his children, Sabra Baca, Mary Arreola, Richard Baca, Patsy Baca, Ronnie Baca, and Brenda Guerrero; brothers and sisters, Annie Saiz, Florenio Baca, Lupe Baca, Morris Baca, Tanny Baca, Raymond Baca, Joe Baca, and Theresa Perez, grandchildren, Mark Nickerson, Paul Arreola, Alex Chavira, Ryan Baca, Christina Arreola, Anthony Chavira, Michael Arreola; Daniel Guerrero, Brittney Baca, Mathews Baca, Marissa Guerrero, Andrew Baca, and Joshua Baca, a great-grandchild, Jocelyn Leigh Nickerson; and by a large extended family, who share in the loss.

Mr. Speaker, I have additional family remembrances I would request be printed in the CONGRESSIONAL RECORD:

Dad, I remember when you used to come home after work. I was very little. I would wait until you came through the door, and I would run into your arms and you would form your hands like a swing. You would swing me back and forth, making a funny sound while doing this. I really looked forward to that moment.

After you washed up, Mom always had dinner ready. We would eat as a family and whenever Rick or Tonnie would come to the table with a hat on, all you had to do was look at them. You would say nothing and off came those hats. As we were eating you would always tear a piece of Mom's tortilla to the dogs waiting under you.

And now when I got my new house, you would bring my mail and always look for the apple you know I had waiting for you in our fruit basket.

And the early morning phone calls.

Dad these are memorable days that I will cherish forever. I love you. Your baby daughter, Brenda Guerrero. P.S. Dad, I will still leave that apple there for you.

As a young child I remember me running to the door so I could see what was in his lunch pail. At the end of his workday, I remember sitting in his lap as a child.

He taught me how important it was to always go to work on time. Work hard and not to take ''no'' from anyone. He showed me how important family is. He loved us all unconditionally and I will always have the utmost respect for my dad. I love my dad so much and he will truly be missed.—Patsy.

I remember as a small child growing up. My dad always did his best to give us the things in life that he did not have growing up; he would always put my mom and us kids first, in front of all of his needs. At one time I could remember he had three jobs to make sure we had enough.

I also remember sitting at the dinner table and seeing a stranger's face at the table. So I would quietly ask my mom, ''who is this person?'' She would say that my dad had met this person and he was down on his luck so my dad offered him to come and eat with us. My dad always showed his love not only to us but also to complete strangers, too.

As a teenager growing up, I decided to play an instrument. I remember seeing my dad and mom at every concert and parade I was in, how he would travel so many miles to show me his support and love.

When I was in high school, my dad said he wanted me to graduate and get a good education so I wouldn't have to work as hard as he worked. No matter what I set my goals at, he would always support me to achieve those dreams.

As an adult getting married and starting a family, my dad was there for every child my wife gave birth to, and how proud he was to find out it was a ''boy.''

I also remember helping my dad at different church functions, how my dad loved to serve the Lord and how people said ''God Bless you Mr. Baca.''

After all his services that he has done, I know my dad is finally getting all those

''Blessings.'' I loved my dad as a teenager and I will always love and miss my dad. I love you.—Ronnie.

What I could recall as if it occurred yesterday as a small child growing up in an environment filled with an abundance of love, honesty, and respect for humanity, this was all bestowed by my mentor and father, Abilio G. Baca.

One particular incident occurred when I was disciplined for getting out of line with my Dad's father. His last words were ''if you don't ever get anything out of life remember this: never stop showing respect and love for those people who you say are dear and close to you.''

Dad always wanted us kids to get an education, because he wasn't given that opportunity, so we all did. This meant the world to him, when they announced our names as we graduated in High School and college.

My father was a very giving individual, and never hesitated to apply ''mi casa es su casa''—my home is your home, and we always had room for our friends to sit at the table and eat.

When he coached baseball he had team players that mom would make a sack lunch and take time to manage to do some mending on fifteen to twenty baseball uniforms.

Last but not least there was always room for honesty, integrity and putting 110% at your place of employment.

I will truly miss my father's presence but he still remains in spirit. His wisdom will be carried from generation to generation.

Dad, from the bottom of my heart, thank you for being the best father you could be doing all you have done for us and having a vision for all humanity, without reservation.—Sabra Baca

What I remembered the most about my Dad, he was a good father to us. He was really strict when we were growing up but now that I am a mother, I know why he did it.

When we were growing up, he loved family time. We would always eat together as a family, and at night he would make all of us kids kneel down around the bed to pray the Rosary. No matter how tired he was he always would make us pray the Rosary as a family. My dad loved the Lord and served him!

He would get up every morning and call me and say ''Feliz''—that was his nickname for me—''what are you doing today?'' He never failed, he would call each one of us kids. No matter how busy he was he took the time every morning to call us every single day and sometimes two or three times a day. I will miss that special call from my dad. Dad, I love you very much and will miss you. I know you are looking down on us but when I get that special call, I know I will be up there with you. Love you, your daughter.—Ruppie Arreola.

My dad—the things that I remember as a youth about my Pop was he would get up to breakfast. Mom would make eggs, beans, chili, every morning.

He then would go to work, an eight hour job as a forklift operator, while I went to school.

I'd come home from school and do my homework, then my chores, wait till Pop came home from work. He would kiss Mom, put his lunch pail down, go wash his hands.

Then we would all be sitting at the supper table. Food smelled so good, chile, pappas, beans, noodles, meat loaf. Oh yea, tortillas, Kool-Aid to drink. Dad would bless the food. Head right for the green chile and tortillas. Then we would start passing around the food.

Right after dinner, no TV. He and I and Mom, sometimes Ronnie, would shag baseballs. I would pitch to him, then he would hit me a ton of ground balls, then he would pitch batting practice, if we had enough daylight to run bases. Wow I was happy. I had this black mitt that he bought me, I ate, sleep with it. Then we would call it a day. He would rest for a while then go pump gas at a service station called Far-go till 10:00 p.m. My pop. Wow.—Ricky Baca

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□ 2130

MENTAL ILLNESS AWARENESS

The SPEAKER pro tempore (Mr. HULSHOF). Under a previous order of the House, the gentleman from New Jersey (Mr. HOLT) is recognized for 5 minutes.

Mr. HOLT. Mr. Speaker, I am pleased to associate myself with the remarks of the gentlewoman from Texas (Ms. JACKSON-LEE), and I thank her for organizing this Special Order this evening to talk about an issue that is not getting enough attention, the issue of mental health. It is an issue that needs so much attention, because, as the speakers tonight have pointed out, we have a lot of work to do.

We talk about health care a great deal here, but there is an aspect of health care that does not get much talk. Many of us can remember a day when we could not talk about cancer or about AIDS, how many people suffered; people who did not come forward for treatment because of those stigmas. Mental illness is really the last great health stigma. We need to continue this fight, to fight the ignorance, first of all, to fight the ignorance with information. All of us can think of Americans who have struggled with mental illness, whether it was Abraham Lincoln or William Styron or countless others.

Mr. Speaker, the fact is, we do not need to look that far. All of us, every one of us knows someone who has had a mental health problem. In fact, 50 million Americans will experience a mental health problem at some point in their lives. Those Americans deserve our respect, our help, and our understanding. But because of the stigma associated with mental illness, the job is harder. We not only have to work to pass protections for those who suffer from mental illness, protections like a strong Patients' Bill of Rights, parity in insurance coverage for serious mental illness, guidelines for the use of restraints in mental health facilities; in addition, we have to educate people. We have to educate them about the misperceptions that are associated with mental illness, Mr. Speaker, to assure everyone that Americans can and should get the mental help they need to lead productive lives, whether they are suffering from depression, bipolar illness, or schizophrenia, because only 20 percent of people seek treatment for mental health conditions, and it is a tragedy. We must create a climate to change that. We need to help stress that early intervention, continued research at NIH, and the National Institutes of Mental Health will help lead to better treatment and a cure for mental illness.

Mr. Speaker, we talk about the violence in schools, and, of course, there are many aspects to that. There are many facets to the violence that we have seen. It raises questions about our parenting, about our teaching, about our school administering, about our policing. It raises questions about almost every aspect of our society. But one thing that it clearly cries out for is more attention to the mental health of our children in school. School counselors are not just those who advise students on college admission. We should have counselors in ample supply in all of the schools to deal with the tough growing up problems, including mental health problems that our students experience. Most of all, we need to remind people that mental illness affects people and it affects families.

So I am proud to join tonight with the gentlewoman from Texas (Ms. JACKSON-LEE) to continue to call attention to this important subject. I am pleased to join the gentlewoman in recognizing the courage of those who are living productive lives with mental illness.

Ms. JACKSON-LEE of Texas. Mr. Speaker, if the gentleman will yield.

Mr. HOLT. Mr. Speaker, I am pleased to yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I want to thank the gentleman, first of all, for his leadership and adding to the discussion on the floor, which really is adding to the national debate that people are not living alone with mental illness or mental health needs, nor are their children. I thank the distinguished gentleman for all that he is doing, and I think that we can collectively do this in a bipartisan way to take the stigma, the harshness out of people who truly need help.

Mr. HOLT. Mr. Speaker, the gentlewoman is very eloquent and has been very eloquent on the subject this evening, as she always is on every subject.

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NIGHTSIDE CHAT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes.

Mr. McINNIS. Mr. Speaker, I am back for a nightside chat. I have three subjects which I would like to cover tonight. The first one is a sad situation that has occurred out in the State of Colorado, a very tragic situation.

The second that I think is very important for us to discuss, a subject which I addressed just a couple of days ago but, which subsequent to my discussions, I have heard some comments on this House Floor that are, in my opinion, discouraging, comments that I think are off base, comments that I think are not based on reality, reality beyond the Potomac River, reality beyond this large city of government out here in the East. I want to address the death tax, once again.

The third subject which I would like to address this evening based on the time that we have left is, of course, Social Security. Regarding the death tax and the Social Security issues, I hope that many of my colleagues will go out, when they go to their districts and talk, especially to their young constituents, because the Social Security challenge in this country is a challenge based on: can we deliver for the young people of this country. The question about death taxes is, when we have something from a generation, can a generation legitimately expect to work in their lifetime and be able to pass something on to the young generation behind them. So tonight's comments are really directed to the younger people of this country.

IN MEMORY OF FRED BITTERMAN

Mr. Speaker, first of all, let me cover a subject of which I stand forward with a very hurt heart. A friend of mine, a friend of the community of Glenwood Springs, Colorado, an officer of the Colorado State Patrol, a friend and a strong supporter and a leader of law enforcement in the State of Colorado, was tragically killed Tuesday. Captain Fred Bitterman, who was the commander of the Glenwood Springs Unit of the Colorado Springs State Patrol Unit, lost his life in a tragic accident. This was a man who was a good cop.

Mr. Speaker, I used to be a police officer. I got to serve with the Colorado State Patrol. I was not a Colorado State patrolman, I was a city police officer, but I worked alongside the Colorado State Patrol. These guys and gals are professionals. They bring a great pride to our State, and the Colorado State Patrol in Colorado is seen as a very elite unit. Of course, to be seen and respected by the people and the citizens of Colorado as an elite unit, it means they have had good leadership, and at the very front of that good and strong leadership was this gentleman named Fred Bitterman.

Mr. Speaker, Fred was 59 years old. He leaves behind six children and a number of grandchildren, and his wife, Kathy. I want my colleagues to know that these are the kind of people that make this country great. So it is with a great deal of sympathy that I acknowledge the fine service and the fine gentleman that this captain was.

I also want to share with my colleagues that he not only enjoyed an excellent reputation in his profession of law enforcement, but he was known throughout our community as a good neighbor. Mr. Speaker, one can hardly beat a good neighbor. But probably more important than the professionalism in the field of law enforcement, probably more important than the recognition as a good neighbor, was the fact that he was a very strong family man, and each of those six children and those grandchildren and all of the family that he had and all of the friends that he knew and all of the people throughout these many, many years of service in the Colorado State Patrol that he helped at the scene of an accident or at the scene of a disturbance, or all the people that he comforted during their particular times of tragedy, this man will be sorely missed. It is that reputation which comes to the top. He was the cream that rose to the top.

Captain, we are going to miss you.

THE DEATH TAX

Mr. Speaker, I want to move to another subject now concerning the death tax. I have a few quotes here. Let me step back to two nights ago. Two nights ago, I had an opportunity to speak to my colleagues about the death tax and the impact that the death tax has on the communities across this country.

Now, we should remember that Washington, D.C. is a very unique community. Washington, D.C. is the only city in this Nation where really, most of the city is dependent upon money coming from the outside into the government in Washington so that the city can thrive. This is a city that thrives on big government. This is a city that thrives on taxes. So understandably, the people, a lot of the people in Washington, D.C., in my opinion, enjoy the fact that these taxes head in their direction. A lot of people are dependent, their lifestyles, they know nothing but government, that is all they know. But Washington, D.C. is a unique community, and as I stressed in my comments the other day, there are a lot of communities outside of Washington, D.C. where the transfer of money from their community to the government city of Washington, D.C. works great pain on their communities. It is a sacrifice on those communities.

By the way, we know that the money that comes to Washington, D.C. is not the money of the government of Washington, D.C.; it is the money of the people of whom this government represents in Washington, D.C. it is the people's money. And we have a fiduciary responsibility, colleagues, as elected official, as representatives, to make sure that we always understand those dollars belong to the people of this country. They do not belong to the bureaucracy in Washington, D.C.

Now, why do I make these comments? What leads me to this?

Mr. Speaker, what leads me to this is simply a statement that was made after I gave my comments the other day, and I quote from a Democrat, and I will get on this in a minute, but let me quote from an individual who happens to be a Democrat: ''Some say we ought to pass these massive tax cuts because this is the people's money.'' Well, that is exactly why we ought to have tax cuts back here, because we have now reached record surpluses. It is the people's money.

□ 2145

We ought to keep that in mind. Now clearly, we have to have enough money to operate. The speech before me given by some Democrats about mental health, it has some legitimate points in it: our education, our military, our interstate commerce, our highways. Of course it costs taxpayer dollars.

But do we have a right on any basis whatsoever to keep the excess money, or do we have an obligation to work with tax credits and tax refunds?

Mr. Speaker, I would address the gentleman from Georgia (Mr. LINDER) for just one moment.

Mr. Speaker, I understand that the gentleman, too, lost a good friend from the State of Georgia. I want the gentleman to know that the people of the State of Colorado send their greatest sympathies. I know that the Senator was a fine friend of the gentleman's, and I want the gentleman to know that those of us in the West feel the gentleman's pain and pass on their sympathies.

I yield to the gentleman from Georgia (Mr. LINDER).

Mr. LINDER. Mr. Speaker, that is a gracious and kind statement from the gentleman. I thank him very much.

Mr. MCINNIS. Mr. Speaker, my comments were directed at the death tax, and how that impacts the community. What is the death tax? We all know that the Federal government decided some time ago that there were wealthy families in this country, the Rockefellers, the Ford's, the Carnegies, and people like that.

Back then there was kind of a rage, kind of a class warfare type of situation. We see it today. We see people in a country that, by the way, has as its model an opportunity for free enterprise, an opportunity to make something of oneself, if one wants, or an opportunity to enjoy the fruits of one's labor.

Yet, when an individual, especially back at the beginning of this death tax, at that time, made something and had an opportunity to enjoy the fruits of their labor, there were people in our society who were jealous; who said, we ought to do something to punish people that have money. We ought to go after those Carnegies and those Fords and Kennedys, people like that. Let us go after them.

So they came up with this concept called the death tax. It is a tax that is placed upon the family on the event of a death. It is interesting, back here in Washington, D.C., they look for any opportunity they can, any event that they can to call it a taxable event. Many years ago they said, hey, why not when someone dies? After all, they will not be around to object anymore. That will be a good opportunity to take a little money from somebody who worked and transfer it to a bureaucracy that did not, so let us go ahead and tax the death of an individual.

I am going to go again into my comments about what it does to a community. I will give some firsthand examples, Mr. Speaker, of how it has impacted some small people; not the Carnegies, not the wealthiest people of this country, but some people out

there, people that own a bulldozer and a backhoe and are trying to make it, a farmer, a rancher.

What disturbed me after I made my comments the other night was the following night I heard these kinds of comments. Let me say, in this House, as Members know, 65 Democrats joined with the Republicans and we passed a bill to eliminate that death tax. Why? Because it is the most unjustified tax that we have in our system. The tax is simply there to punish, nothing more, simply there to punish. We cannot justify it. When we look at the basis of our tax system, there is no way that one can defend it other than, of course, saying that one wants to attack the wealthy.

Do Members know what, we had 65 Democrats who agreed with the Republicans, so it was a bipartisan bill. But there are still two teams in this House Chamber. Members know that, we have two teams in this Chamber. One team, as far as I can recall from the vote, all of the Republicans and 65 of the Democrats, that team said that the death tax is inherently unfair. That team says there is no justification for the death tax. That is the team to get rid of the death tax. Then we have a team on the other side, and let us face it, it is the Democrats; not all of them. But the team, the second team is comprised of the Democrats who say, hey, wait a minute, we ought to have a death tax.

In fact, that team is led by the President and the Vice President, who not only disagree with doing away with the death tax and have threatened to veto the bill which would eliminate the death tax, but they have the audacity, the administration, our president and our Vice President have the audacity this year in their budget to increase or propose an increase, an increase in the death tax of $9.5 billion.

That is a lot of money. That is going to hurt a lot of people. But that is $9.5 billion more, $9.5 billion, not million but billion more that is going to come from all of the communities across the United States and be funneled right into Washington, D.C. simply as a result of a death, simply as a result of the death of these individuals.

I do not think we ought to increase it. I do not think it ought to exist. Tonight my comments are primarily directed at that second team, that second team that thinks the death tax is justified.

That second team made some comments. Let me repeat a couple of others. ''Oh, this death tax, eliminating it, it goes to the wealthiest families in America.'' Well, I have news for them. I want them on the second team, why do they not take a little time to get beyond the Potomac River and to come out. I will take them out to some farms, some ranches.

I will show them in Colorado some small contractors, a contractor that has a bulldozer, a dump truck, a backhoe, and all of a sudden they fall into the classification of wealthy. I will show the Members people that just own simply homes in Colorado.

For example, my district, which is the Third Congressional District, has seen strong economic growth. Our property values have gone up. I can show Members people who have a small business, maybe a little bookstore, and they own their home, and all of a sudden, to the second team they fall in that classification of wealthy. They fall in that classification that they think they are justified on taxing them simply because there has been a tragedy or death in their family.

These people are not wealthy. Even if they were wealthy, what justification do they have to go out and tax the family simply because there has been a death? By the way, let us make it very clear, this property that is being taxed simply because there was a death in the family is property that has already been taxed. In some cases, it has been taxed and taxed and taxed.

We do not have citizens out there who are being assessed the death tax because they did not pay taxes on the property that they left. This is property that has already been taxed. At a minimum, at a minimum, it is double taxation. Yet, the second team still has the gumption to stand up, it almost sounds like a positive word, so I still have to go back to my other word, the audacity to stand up and say, yes, but it is still justified. It is a good way to punish the wealthy. Besides, it only hurts the wealthy. We will talk about that in a moment, about what it does to a community. ''You know, we need the money in Washington.'' That is the next one.

These are quotes from the CONGRESSIONAL RECORD: ''I think Democrats feel that we do not have to give Bill Gates and Ted Turner and Steve Forbes a massive multi-billion dollar tax cut to protect the family farmer in Texas or Gatesville or some small businessman in Texas.''

I have news for them, the second team, they can be assured that the Gateses and the Kennedys and the Turners and the Forbes and the wealthiest families in this country have got some of the finest lawyers in this country making sure that through the use of foundations and limited partnerships and other items, that they are not going to pay this tax.

This is not about the Forbes, the Carnegies or the Fords or the Kennedys, this is about the families in America who have a small farm, or the families in America who have a small business, or the contractors who simply have, and this is all it takes, a backhoe, a bulldozer, and a dump truck, and all of a sudden this is the guy or gal we are talking about.

These are not these big wealthy people, these are everyday people in communities outside of Washington, D.C. that they are about to continue to devastate if they meet an untimely death, or if they do not have the money to hire the legal counsel to go out there and protect their assets from their own government, who has already taxed them throughout their lives on this property, to protect them from their own government coming in and taking that property because a taxable event called a death took place.

Let me make another quote, another quote given after I made my remarks the other night by, again, this second team. Remember, the first team has 65 Democrats and all the Republicans on it. They say, get rid of the death tax. The second team has, unfortunately, all Democrats who want to keep the death tax in place.

Let me quote from that team: ''So, this business about being a farmer-driven issue, this being a small business-driven issue, that is fiction. That is bait and switch. They will hold out the farmer, they will hold out the small business owner. Believe me, repeal of the death tax is not about them at all.''

The heck it is not about them. Where do they come off that we stand up here and say we ought to get rid of it because it does impact farms in this country and ranches, yet they seem to say up here, hey, it is not about that at all. That is exactly what it is about. They need to leave the fine halls of this Capitol and go out to small-time America and look at the ranches, the farms, the small businesses.

More than that, they need to look at the communities where this money is circulating. Look at the communities where these families are helping that community thrive economically, and look what happens when we tax upon a death. We do not tax the families in these communities and then keep the money in the local community.

For example, if we have a death of an individual, let us say a contractor who owns a bulldozer, a backhoe, and a dump truck, and therefore is subject to the estate tax, and especially if we throw their home in there and if they own their own office.

Let us say that contractor is in Denver, Colorado, and the contractor meets an untimely death, so the government swoops in to tax it. Do Members think the death tax that is imposed upon that estate, that that money, when it goes to the government, is kept in the community of Denver, Colorado? Of course, it is not. It is money taken out of Denver, Colorado, and transferred to the government in Washington, D.C.

Do Members think for one moment that the government in Washington, D.C. says, Gosh, here is some money on property we have already taxed coming from Denver, Colorado; let us go ahead and send that money back to Denver, Colorado, so they can have better parks, light rail, or some other type of improvement to their community, because after all, these dollars came from that community? Of course, they do not say that in Washington, D.C.

I go on: ''The first question we want to address is, are the Republican tax

bills fiscally responsible?'' There are two key bills in front of us right now, two key bills that are going down to the President that will reduce taxes. Both of those bills are not justified in our tax system. One of them is called the marriage penalty. The second one is called the death tax.

The second team over here that says, hey, they take a look at this and they say, are these tax bills reducing the tax, getting rid of the marriage penalty and getting rid of the death tax? Forget the question whether they are justified or not, but is it fiscally responsible to get rid of them?

Guess what, second team, do they know what percentage of the surplus these two combined take up, what it will cost us of the surplus? That is right, 2 percent, 2 percent of our surplus. We are saying, team number one, again, which was 65 Democrats and the entire Republican body, we are saying that 2 percent of that surplus ought to go back to the taxpayers in the communities from whence it came because it got to us through a marriage penalty, after all, in a country which encourages marriage, a country which says, look, we not only encourage it, we think it is your responsibility to be married. We think it is a basic part of families.

The death tax, here it is, taxing property that has already been taxed. Neither one of these are justified. But do Members think it is fiscally irresponsible because we take 2 percent, 2 percent of that surplus and we send it back to the taxpayers by saying to them, from now on, when you get married, you are not going to be penalized for it; and number two, your death is no longer classified as a taxable event.

I go on, here. Again, I want to repeat the one statement that was said the other night: ''Some say,'' and that (some) is me, by the way, team number one, so let us just put the word, although the quote is ''some,'' let us put the word ''team number one'' in there.

□ 2200

Team number one says we ought to pass these massive tax cuts because this is the people's money. Again, they are darn right it is the people's money. It is not their money. It is not my money. We simply manage the money. We have a responsibility to manage this money in a fiscal way, but not only just fiscally responsible, we have a moral obligation to say, is it justified to penalize somebody because they are married, is it justified to tax somebody because of the event of a death.

Now, let me talk about something else, and, again, going back to this quote and this business about being farmer driven, small business driven, that is bait and switch. What a song and dance. That is simply a song and dance.

Let us take a look at what happens in the community. I am actually going to give my colleagues some true examples of how it has impacted these communities. By the way, these examples are not going to come from the Carnegies or the Fords or the Kennedys or the wealthiest people of this country. These are going to come from Main Street America. These will be from Main Street America.

Let us for a moment, before we go into these true-life stories, let us talk about something else. Number one, remember what I said. Here is Washington, D.C. Washington, D.C., as I said earlier, when one takes a look at the map, one will notice there is Florida that comes over like that. We better centralize Washington a little more. But when we look at Washington, D.C., remember what I said earlier, Washington, D.C. is the only city in the country which, the larger the government becomes, the more prosperous Washington, D.C. becomes.

Washington, D.C. has the largest percentage of any city in the country of people who work for the government. In Washington, D.C., many people's task, their job in Washington is to reach out with their fingers and gather as many tax dollars as possible and bring them to this city, bring it in from every direction in the country, bring that money to Washington, D.C. so Washington, D.C. turns around and can redistribute it on their terms, on their terms.

Well, let us do not talk about what goes on in Washington, D.C. Let us talk about what goes on in this community out in Utah or this community down in Louisiana or this community up in Montana or this community over in Wyoming or Idaho or Oregon or Washington or California. Let us for a moment talk about community.

Here is our community. Let us take two examples in our community. One of a very wealthy person. Let us go ahead and let us hit that nail on the head. Let us talk about an individual who, through the American dream, through the American free enterprise system, worked hard and became wealthy.

Let us say, for example, it was a person that developed a better mouse trap or maybe they are the ones that invented the seat belt, and every car needs it, so they are very wealthy. Here is that very wealthy person.

Now, team number two says that one ought to go after this wealthy person simply because of the fact that they are wealthy, no other reason, go after them on their death because they died with money in their hands. They say take that money and send it to Washington.

Well, let us take a look at where that money is in our community, this is our community, before it is sucked out of our community and sent east to Washington, D.C.

That money in that community, and there is one exception, if this very wealthy individual in that community takes that money and goes out in on his backyard or her backyard and digs a hole and buries it in the ground where it does not circulate in the community, then one has no benefit of that money being in the community. But in every other case, and, by the way, I know of no one who does that, but in every other case, that money in the community provides jobs. That money in the community goes to, not national, but community charities, maybe the local church, maybe help out the local school. That money in that community goes to the local bank; and that bank in turn loans out money to small business people or other people. Maybe they want to improve their house. Maybe they want a student loan. Maybe they want a new car. In other words, this money that this wealthy person has circulates in our community. But it circulates in our community.

What happens when X up here, when he or she dies, and the Federal Government decides to impose a death tax? What happens is the Federal Government comes in and takes this money used for jobs, this money used for local charity, this money used as a tax basis or otherwise for schools, this money deposited in the local bank, and it takes that money, and it moves from here to Washington, D.C. Then the people in Washington, D.C. get to use it in their community or get to redisburse it as they see fit. Example number one.

Now, let us talk about example number two in our community. In our community, we have somebody who is not wealthy, and I will give my colleagues a good example, a ranching family. Now, I come back to this quote given by team number two. So this business about being a farmer driven issue, as if it is not a farmer driven issue, about being a small business driven issue, as if it is not a small business driven issue, that is fiction. It is bait and switch.

This is no bait and switch. Lock, stock and barrel, it is about small business. Lock, stock and barrel, it is about small farms. Lock, stock and barrel, it is about small ranches. Lock, stock and barrel, it is about our young people. It is about the American dream.

As I said the other night with my comments, my wife and I, one of our goals in life, and we have sacrificed, we would like to have a boat. We really would like to have a boat at Lake Powell. We just bought a car the other day. We bought a used car. We would like to buy a new car. But do my colleagues know why? We are not a hardship case. I am not asking for that kind of sympathy. But we have made a conscious decision to try and put something aside for the next generation behind us so that they know they will have a college education, so that our grandchildren, we do not have grandchildren yet, but we hope to have grandchildren, that they will be able to have a college education. Maybe they will have enough money for a down payment on a home. Is that not the American dream? Is that not what it is about?

The previous speaker to me who spoke prior to my speech spoke about the youth of America. Now, her topic was a little different, but, nonetheless, one can look at most of the speeches given on this House floor, and they talk about the young people. They talk about the hope of this great country and how the hope is fundamentally based on the young people. Why not give them an opportunity? Why not give them a head start?

So it is about small business. It is about the dream and helping the next generation. It is not about the wealthiest people necessarily.

One may have an, and the reason I keep coming back to this contractor, because, as cited in the Wall Street Journal, if one is a contractor who owns a bulldozer, a dump truck, and a backhoe, they are now subject to the estate taxation in this country because team number two considers them wealthy.

So when one goes into a small community, and here is one's contractor, he has got the dump truck, he has got the backhoe, and he has got the bulldozer.

Here is Joe Rancher over there. Now, Joe Rancher has some land. Let us say the land went from one family to the next. I can tell my colleagues my in-laws are ranchers in Meeker, Colorado. They take great pride in the fact that the land has been in the family, the same ranch, since the 1880s, 120 years that ranch.

But this is the generation whereupon the biggest test will come because they do not have the money to pay off the people in Washington, D.C., the government, in the event of an untimely death in that family. So it is about that ranching family.

So what happens? By the way, anybody that cares about the environment, this is also about the environment, because in our example here of the ranch, with property, do my colleagues know what happens to that family upon the untimely death? Now, remember, again, if they are very wealthy, they have got estate planning. They can probably protect it. But the middle class rancher, and I would venture to say most of the ranching communities and most of the agriculture-based communities and most of the small business people in this country are not wealthy enough to go out and hire an entire regime of attorneys and CPAs to help them avoid this tax.

Take a look at what happens from an environmental point of view on this ranch. Do my colleagues know what is going to happen if there is a death there and they are subject to that estate tax? They are not going to be able to carry on the ranching operation. The only option they have, especially if they are in Colorado or Wyoming or one of these boom States like Utah or Arizona, their response is to go out there and divide this thing up into housing units, put the acres in there and put in housing subdivisions. That is what the government is forcing them to do, and this open space, not to say the least about the tradition of the ranch, goes up in a puff of tax.

Now look at this small business person that has that contractor. That contractor needs his bulldozer or she needs her bulldozer. They need their backhoe, and they need their dump truck. So we have a death. They are subject to the death tax. What happens, they have to sell the dump truck. Do my colleagues think this business can operate now with a backhoe and a bulldozer, but no dump truck? Or let us say they sold the bulldozer. Do my colleagues think they can operate just with a backhoe and a dump truck after paying its penalty to the government?

I am saying to team number two, this makes a difference.

Let me move to a few, as I said, examples. I apologize to my colleagues here for reading. Most of my comments are not from written script at all, but these are written, and I want to be sure that I read them correctly. These are letters that we have gotten or statements we have taken. This is not fiction, by the way. This is not, as the second team calls it, bait and switch. This is about real-life America. This is about the people that live outside the Beltway of Washington, D.C.

Let me begin with a story about Ray. Ray is deceased. He died earlier this year. He owned a service station on the corner. Ray had this service station for 27 years. For 27 years, other service stations were built on the other three corners. The intersection became busy. The roads forming that intersection were expanded to four lanes. So it was a good place for Ray's business. He had two service bays plus a car wash. He had some old pumps and old equipment. He cleared $70,000 a year, not wealthy, but he made a good living through his years and years of hard work. His wife she did the bookkeeping for the business. His grown son worked there. Eventually, the son and his family were going to take over the business.

When Ray died, he had a $50,000 term insurance policy, $60,000 in municipal bonds, $174,000 in his retirement plan, and of course the service station. A few months after he died, unfortunately Ray's wife passed away.

Upon the death of his parents, the son who was going to take over the business discovered that the land upon which the service station sat had appreciated over the years and was now worth $1.7 million. The service station and the equipment was worth about $158,000. He also learned that his father's retirement plan was funded on a before-tax basis. So not only would he have to pay the death taxes, but income taxes would be due on the retirement.

The son was now in a situation that was very dismal, and he began looking for a way to pay the taxes on this estate. The son's conclusion was, if I can run this as well as my father or even better, I can make, maybe, $70,000 a year, but I am going to have to pay somebody to keep the books, because his mom kept the books before. Now he is going to have to pay somebody, so it is going to be a little tighter.

He did not have a proven record so the only thing he could do was to borrow against the land and the equipment to pay the death taxes. However, when one looked at the revenue that came off the service station, it was not enough to service the interest on the loan that he had to take to pay off the government on property that had already been taxed. He has no choice but to sell the business.

Here is a letter from Derek Roberts. ''My family has ranched in Northern Colorado for 125 years.'' 125 years, Mr. Speaker. Think of how many generations in 125 years were on this farm. ''My sons are the sixth generation to work this land. We want to continue, but the'' Internal Revenue Service ''is forcing almost all ranchers and many farmers out of business. The problem is'' the death tax.

''The demand for our land is very high and 35-acre ranchettes are selling in this area for as high as'' several thousand dollars ''per acre. We want to keep it open space, but the U.S. government is making it impossible because we will have to pay 55 percent tax'', 55 percent, 55 cents on every dollar ''when my parents pass on.''

☐ 2215

''Ranchers are barely scraping by these days anyway, but since we want to save the ranch, we are in trouble. The family has been able to scrape up the estate taxes as each generation dies up to this point in time. This time, however, I think we're done for. Our only other option is to give the ranch to a nonprofit organization, and they all want that, but they won't guarantee they won't develop it.

''My dad's 90 years old, and we don't have much time to decide what to do. We are one of only two or three ranchers left around here. Most of the ranches have been subdivided. One of the last to go was a family that had been here as long as our family. When the old folks died, the kids borrowed money to pay the taxes. Pretty soon they had to start selling the cattle to pay the interest on the money that they borrowed to pay the taxes. When they ran out of cattle, their 18,000 acre ranch was foreclosed on, and now it's being developed. That family, by the way, now lives in a trailer near town, and the father is a highway foreman.

''If you want to stop sprawl, if you want to preserve ranching, you better ask the government to get off the backs of family farms and ranches.''

This letter is from Ron Edwards. ''Dear Representative, I'm writing to bring your attention to an issue of the utmost importance to me, my family, my employees and businesses: Elimination of the death tax. I urge you to support and pass death tax repeal legislation this year.''

Mr. Speaker, I would like Ron to know that we passed it out of the House, and the good news is that we passed it out of the Senate. Unfortunately, the President and the Vice President have vowed to veto that legislation. And, unfortunately, I have to report that in this House, while 65 Democrats and the Republicans supported the repeal of it, there is a team, team number two, that wants not only to keep it, but the administration is asking to increase it.

''We are celebrating 66 years in business.'' Sixty-six years in the same business. ''My grandfather Vic started with a fruit and vegetable stand in 1933 at our current location east of Fort Morgan, Colorado. The business grew into a grocery store and a lawn and garden center. My father Vic, Vic Junior, is 80 years old and, unfortunately, in poor health.

''No business can remain competitive in a tax regime that imposes rates as high as 55 percent upon the next generation that wants to take that business. Our tax laws should encourage,'' and this is probably the most important sentence that I have read in any letter, in any letter that has come to me about the death tax. This sentence written by Ron Edwards out of Fort Morgan, Colorado, is probably the most important, the most pertinent sentence to the death tax that I have, and let me read it. ''Our tax laws should encourage rather than discourage the continuation of these businesses.''

Let me repeat that. Our tax laws should encourage rather than discourage the continuation of these businesses. It is the American Dream to be able to pass from one generation to the next generation our mechanic shops or our ranches or our bulldozers or the family farm. And this gentleman right here, he is not a lawyer, he is not a politician, he is not a bureaucrat in Washington, D.C., he is not a C.P.A. he simply says I am confused; should it not be the policy of the United States Government to encourage rather than discourage the continuation of these businesses.

''While being a member of the House Ways and Means Committee, I'm sure you already know the urgency for estate tax repeal is supported by the Joint Economic Committee study Economics of the Estate Tax. Family-owned businesses and their employees will continue to suffer until this unfair, unprotective and uneconomic tax is abolished. My wife Vicki and I are active in the party and look forward to working with you and your staff to enact some common sense legislation to preserve and promote our Nation's family-owned enterprises.''

Now, let me read some testimony. First of all, colleagues, let me say that I fully intend to address Social Security next week, but tonight it is so important to talk about this death tax, especially after hearing the comments made subsequent to my comments the other evening. So I will continue on, and let me briefly talk about an article out of the Aspen Times, Aspen, Colorado.

''There are a lot of tales to be told about the conversion of former ranches into luxury homes or golf courses throughout this valley. Sometimes it was a simple financial decision, a choice to take advantage of soaring development values in the face of plummeting cattle prices. But for other families, the passing of a parent meant the passing of a way of life.'' The passing of a parent meant the passing of a way of life.

''We've been around a long time,'' says this ranch owner Dwight. ''The family roots are dug deep along Capitol Creek Road in old Snowmass, and for nearly a century heritage and hard work,'' heritage and hard work, ''were enough to sustain those who lived on this ranch. But that all changed in 1976.

''Until Dwight's father's death, each generation presided over a working cattle ranch that was both the lifeblood and the livelihood of this clan. His later years were lean times, but the fate of the ranch was not at risk until the Internal Revenue Service and the government of the United States came to tax us because he died.

''The tax bill came to $750,000, and what it took to pay this bill was one-half of the ranch and the ability to take our cattle to migrate in the winter months and 10 years to pay the last installment.'' Just to pay those taxes on property that had already been taxed.

''What those taxes took was also something very vital, the ability of the next generation to support the family by working the land that had been in the family for so long. Dwight now works as a mechanic for the Roaring Fork School District, and then at night when he gets home he gets to work on what's left of the ranch. He doesn't mind the long hours he has to put in. What does get under his skin, however, is the memory of how an IRS agent overseeing his father's taxes either didn't recognize the devastation that was about to occur or didn't care. It was just pay us or we will seize everything. If anything's left over, you can keep it, but if you can't make ends meet on what's left, then you can hit the streets.

''Our family has no intention of selling the remaining acres, but we really don't know if our daughters are going to be able to continue to keep what is left intact. With only half the land to graze and the tough prices in the ranching community, the ranch itself is only making enough to cover the annual property taxes and our operating expenses. It is the day job at the school district as a mechanic that pays the doctor bills, the car insurance, the grocery bills and everything else.

''There's always hope that things will change before my daughters need to make any decisions about the ranch, but I wonder if people really think about the permanent changes that will occur when the ranch is sold, dividing it up, chopping up a ranch that will never again in the history of this country become a ranch. It will become a housing subdivision.

''There are some movements with hope in the right direction, trying to eliminate the death tax. But are they moving quickly enough?''

That's the thought of mainstream America out there. Let me read another quote, and I will just take a couple of key areas here. This was a statement given on the record.

''I have been a member of small business for more than 10 years. My family lives in the central part of Idaho. Our family's cattle ranch is outside of Mackay, Idaho. The ranch consists of 2,600 deeded acres. My youngest brother lives and manages the ranch with my brother. We all grew up alongside my father, mother and grandfather. We worked weekends, we worked holidays, we worked summers branding, moving, and riding the range, fixing fences. We didn't have a lot of material things, but we had our family and the land and the life-style that we loved.

''On October 5, 1993, my father was accidentally killed when his clothing got caught in the farm machinery. He was 71 and he was healthy. He worked dawn until dusk, and he loved the land and he loved his family. We were always a very close-knit family and the hub of our family was my father and the ranch. Even though my brother, my sister, and I don't live there anymore, we all go home, along with the grandchildren, to help with the seasonal work. We take as much time off as we can to go up and help the ranch.

''My father's death was the most devastating event that any of us have ever gone through. The second most devastating event was sitting down with our estate attorney after my father's death. I will never forget his words. 'There is no way you can keep this place. Absolutely no way.' Still in shock from the accident, I said, how can this be? We own the land. We have no debt. We just lost our father and now we're going to lose the ranch?

''Our attorney proceeded to pencil out the death taxes that would be due after my mother's death and we all sat in total shock. It had taken my grandfather and his father their entire lifetimes to build up this ranch. And now we cannot continue on and the grandchildren will not have the land and the rich heritage that it provided.

□ 2230

''It has been 3½ years since my dad's accident, and we still don't know what we are going to do. We only know that we will not be able to keep the ranch unless something is done with the estate tax law now.

''The estimated estate tax on our family ranching assets is $3.3 million. We gross, not net, approximately $350,000 per year from the cattle. Without the land being paid for and tight

operating costs, we would not be able to make money from the business. Currently what we are trying to do is sell off one of our spring ranges in order to buy a million-dollar life insurance policy for our mother.'' So they are going to have to sell a part of the ranch to buy a life insurance policy on their mother so that perhaps it can allow them to pay off one-third of the estate taxes and avoid a fire sale.

''My mother does not have a husband anymore. She worked hard all her life and gave up a lot of material things to make this ranch operate. Now unless this estate tax law is changed or abolished, she will have to leave her home, the home she loves and our family will not have a base from which to carry on.

''This same scenario is happening to a lot of ranchers in our valley.'' It is not just happening to the Fords and the Carnegies and the wealthiest people of this country. It is happening to a lot of people in this country. It is happening and impacting heritage. It is impacting a lot of small businesses and it is impacting the American dream to be able to do something for the next generation.

Remember the statement that I made earlier? Why is it that this government discourages instead of encourages the continuation of these type of ranches or businesses? This letter goes on. Let me conclude the statement.

''I urge you to ask yourselves why does this tax exist? Is it worth the great harm it caused to my family and many others? If it is not worth the harm, then shouldn't the tax be eliminated? I hope you will remember our family when you consider this.''

Let me say in conclusion of these remarks this evening, do not think as you hear from team number two that is encouraging the continuation of the death tax, do not pay heed to the President and the Vice President's policy that says we should increase the estate tax, the death tax. What you should pay attention to are the 65 Democrats and the entire Republican body that says, This death tax is not fair. It is not justified. It is on property that has already been taxed. And it is devastating some of our communities for the simple reason that a death occurred. We are only taking 2 percent of the surplus to eliminate the marriage penalty and to eliminate the death tax.

I urge every one of my colleagues, and I am telling you, 65 of the Democrats have already joined team number one. The Republicans are on team number one. I urge the balance of my colleagues, stand up and say no to this death tax. If you think, for example, it only happens to the wealthy, go home this weekend, go out to the small businesses and the farms and ask them.

Just one final concluding remark, and, that is, remember the sentence in the letter I just read, and, that is, Mr. Speaker, should we not be encouraging rather than discouraging the continuation of these ranches and these small businesses? Of course we should. We have an obligation to do so.

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REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4810, MARRIAGE TAX PENALTY ELIMINATION RECONCILIATION ACT OF 2000

Mr. LINDER (during the special order of Mr. MCINNIS), from the Committee on Rules, submitted a privileged report (Rept. No. 106–766) on the resolution (H. Res. 559) waiving points of order against the conference report to accompany the bill (H.R. 4810) to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001, which was referred to the House Calendar and ordered to be printed.

□

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4871, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2001

Mr. LINDER (during the special order of Mr. MCINNIS), from the Committee on Rules, submitted a privileged report (Rept. No. 106–767) on the resolution (H. Res. 560) providing for consideration of the bill (H.R. 4871) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2001, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BACA (at the request of Mr. GEPHARDT) for today and the balance of the week on account of a death in the family.

Mr. BOSWELL (at the request of Mr. GEPHARDT) for today on account of illness in the family.

Mr. ROEMER (at the request of Mr. GEPHARDT) for today after 6:55 p.m. and the balance of the week on account of family matters.

□

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Ms. WOOLSEY, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Ms. STABENOW, for 5 minutes, today.

(The following Members (at the request of Mr. DEMINT) to revise and extend their remarks and include extraneous material:)

Mr. NORWOOD, for 5 minutes, July 20.

Mr. JONES of North Carolina, for 5 minutes, July 20.

(The following Member (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. BACA, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HOLT, for 5 minutes, today.

□

ADJOURNMENT

Mr. MCINNIS. Mr. Speaker, pursuant to House Resolution 558, I move that the House do now adjourn in memory of the late Hon. PAUL COVERDELL.

The motion was agreed to; accordingly (at 10 o'clock and 31 minutes p.m.), pursuant to House Resolution 558, the House adjourned until tomorrow, Thursday, July 20, 2000, at 10 a.m., in memory of the late Hon. PAUL COVERDELL of Georgia.

□

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

8908. A letter from the Administrator, FSA, Deaprtment of Agirculture, transmitting the Department's final rule—Lamb Meat Adjustment Assistance Program (RIN: 0560–AG17) received June 20, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8909. A letter from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Avocados Grown in South Florida; Increased Assessment Rate [Docket No. FV00–915–2 FR] received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8910. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Tuberculosis in Cattle and Bison; State and Zone Designations [Docket No. 00–055–1] received June 27, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8911. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Importation of Bovine Parts from Argentina [Docket No. 00–038–1] received June 27, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8912. A letter from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Walnuts Grown in California; Report Regarding Interhandler Transfers of Walnuts [Docket No. FV00–984–1 FR] received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8913. A letter from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Almonds Grown in California; Release of the Reserve Established

for the 1999–2000 Crop Year [Docket No. FV00–981–1 FIR] received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8914. A letter from the Associate Administrator, AMS, Department of Agriculture, transmitting the Department's final rule—Fresh Bartlett Pears Grown in Oregon and Washington; Decreased Assessment Rate [Docket No. FV00–931–1 IFR] received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8915. A letter from the Associate Administrator, AMS, Department of Agriculture, transmitting the Department's final rule—Irish Potatoes Grown in Modoc and Siskiyou Counties, California, and in all Counties in Oregon, except Malheur County; Suspension of Handling, Reporting, and Assessment Collection Regulations [Docket No. FV00–947–1 IFR] received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8916. A letter from the Associate Administrator, AMS, Department of Agriculture, transmitting the Department's final rule -Cranberries Grown in States of Massachusetts, Rhode Isalnd, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in the State of New York; Establishment of Marketable Quantity and Allotment Percentage and Other Modifications Under the Cranberry Marketing Order [Docket No. FV00–929–2 FR] received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8917. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Change in Disease Status of the Republic of Korea Because of Rinderpest and Foot-and-Mouth Disease [Docket No. 00–033–2] received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8918. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Change in Disease Status of Japan Because of Rinderpest and Foot-and-Mouth Disease [Docket No. 00–031–2] received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8919. A letter from the Administrator & Executive VP, CCC, Department of Agriculture, transmitting the Department's final rule—Commodity Credit Corporation (RIN: 0560–AF51) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8920. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Health and Human Services, transmitting the Department's final rule—Scrapie Pilot Projects [Docket No. 99–067–2] received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8921. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Tebufenozide; Pesticide Tolerances for Emergency Exemptions [OPP–301008; FRL–6590–1] (RIN: 2070–AB78) received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8922. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fludioxonil; Extension of Tolerance for Emergency Exemption [OPP–301007; FRL–6590–3] (RIN: 2070–AB) received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8923. A letter from the Architect of the Capitol, transmitting the report of all expenditures during the period October 1, 1999 through March 31, 2000, pursuant to 40 U.S.C. 162b; to the Committee on Appropriations.

8924. A letter from the Director, Research and Engineering, Department of Defense, transmitting certification that the budget does not jeopardize the stability of the defense technology base or increase the risk of failure to maintain technological superiority in future weapons systems; to the Committee on Armed Services.

8925. A letter from the Chief, General and International Law, Maritime Administration, Department of Transportation, transmitting the Department's final rule—Putting Customers First in the Title XI Program [Docket No. MARAD–98–3468] (RIN: 2133–AB32) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

8926. A letter from the Secretary of Defense, transmitting the approved retirement and advancement to the grade of general on the retired list of General John A. Gordon, United States Air Force; to the Committee on Armed Services.

8927. A letter from the Assistant General Counsel for Regulation, Office of Assistant Secretary for Public and Indian Housing, Department of Housing and Urban Development, transmitting the Department's final rule—Section 8 Housing Choice Voucher Program; Expansion of Payment Standard Protection [Docket No. FR–4586–I–01] (RIN: 2577–AC18) received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8928. A letter from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Public and Indian Housing, Department of Housing and Urban transmitting the Department's final rule—Pet Ownership in Public Housing [Docket No. FR–4437–F–02] (RIN: 2577–AB94) received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8929. A letter from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Public and Indian Housing, Department of Housing and Urban transmitting the Department's final rule—Direct Funding of Public Housing Resident Management Corporations [Docket No. FR–4501–F–02] (RIN: 2577–AC12) received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8930. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting Determinations on Export-Import Bank Financing in Support of Sale of Helicopters to Colombia; to the Committee on Banking and Financial Services.

8931. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to Colombia, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

8932. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to the Philippines, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

8933. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to Taiwan, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

8934. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA–7313] received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8935. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Department's final rule—National Flood Insurance Program (NFIP); Assistance to Private Sector Property Isurances (RIN: 3067–AD11) received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8936. A letter from the Secretary, Federal Trade Commission, transmitting the Twenty-Second Annual Report to Congress on the administration of the Fair Debt Collection Practices Act, pursuant to 15 U.S.C. 1692m; to the Committee on Banking and Financial Services.

8937. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Privacy of Consumer Financial Information—received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8938. A letter from the Administrator of National Banks, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, transmitting the Office's final rule—Other Equity Investments [Docket No. 00–14] (RIN: 1557–AB86) received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8939. A letter from the Acting Commissioner for Education Statistics, Department of Education, transmitting the annual statistical report of the National Center for Educational Statistics (NCES), ''The Condition of Education,'' pursuant to 20 U.S.C. 1221e—1(d)(1); to the Committee on Education and the Workforce.

8940. A letter from the Assistant Secretary for Educational Research and Improvements, Department of Education, transmitting Notice of Final Priority—Jacob K. Javits Gifted and Talented Education Program: National Research and Development Center; to the Committee on Education and the Workforce.

8941. A letter from the Assistant General Counsel for Regulatory Services, Office of Management, Department of Education, transmitting the Department's final rule—Family Educational Rights and Privacy—received June 30, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8942. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits—received June 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8943. A letter from the Secretary of Transportation, transmitting the Department's Twenty-fourth Annual Report to Congress entitled ''Automotive Fuel Economy Program,'' pursuant to 49 U.S.C. 32916; to the Committee on Commerce.

8944. A letter from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting the Department's final rule—Supplementary Guidance and Design Experience for the Fusion Safety Standards DOE-STD–6002–96 and DOE-STD–6003–96 [DOE-HDBK–6004–99] received June 20, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8945. A letter from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting the Department's final

rule—Writer's Guide for Technical Procedures [DOE-STD–1029–92, Change Notice No. 1] received June 20, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8946. A letter from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting the Department's final rule—DOE Handbook; Radiological Worker Training [DOE-HDBK–1130–98] received June 20, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8947. A letter from the Assistant General Counsel for Regulatory Law, Office of Security and Emergency Operations, Department of Energy, transmitting the Department's final rule—Standardization of Chemical Protective Equipment for Protective Forces and Special Agents [DOE N 473.3] received June 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8948. A letter from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting the Department's final rule—DOE Standard; Safety of Magnetic Fusion Facilities: Requirements [DOE-STD–6002–96] received June 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8949. A letter from the Assistant General Counsel for Regulatory Law, Office of Energy Efficiency and Renewable Energy, Department of Energy, transmitting the Department's final rule—Extension of DOE O 430.2, In-house Energy Management [DOE N 430.2] received June 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8950. A letter from the Assistant General Counsel for Regulatory Law, Office of Chief Financial Officer, Department of Energy, transmitting the Department's final rule—Official Foreign Travel [DOE O 551.1] received June 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8951. A letter from the Assistant General Counsel for Regulatory Law, Office of Security and Emergency Operations, Department of Energy, transmitting the Department's final rule—Security Area Vouching and Piggybacking [DOE N 473.5] received June 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8952. A letter from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting the Department's final rule—DOE Standard; Guide to Good Practices for Lockouts and Tagouts [DOE-STD–1030–96] received June 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8953. A letter from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting the Department's final rule—DOE Standard; Specification for HEPA Filters Used by DOE Contractors [DOE-STD–3020–97] received June 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8954. A letter from the Director, Regulations Policy and Management, FDA, Department of Health and Human Service, transmitting the Department's final rule—Medical Devices; Anesthesiology Devices; Classification of Devices to Relieve Upper Airway Obstruction [Docket No. 00P–1117] received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8955. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Indirect Food Additives: Adjuvants, Production Aids, and Sanitizers; Technical Amendment [Docket No. 99F–1421] received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8956. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Indirect Food Additives: Adjuvants, Production Aids, and Sanitizers; Technical Amendment [Docket No. 99F–1421] received June 27, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8957. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Indirect Food Additives: Paper and Paperboard Components [Docket Nos. 94F–0185 and 95F–0111] received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8958. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Over-the-Counter Human Drugs; Labeling Requirements; Partial Extension of Compliance Dates [Docket Nos. 98N–0337, 96N–0420, 95N–0259, and 90P–0201] (RIN: 0910–AA79) received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8959. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Organobromines Production Wastes; Petroleum Refining Wastes; Identification and Listing of Hazardous Waste; Land Disposal Restrictions; Final Rule and Correcting Amendments [FRL–6711–4] received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8960. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Texas: Final Authorization of State Hazardous Waste Management Program Revisions [FRL–6730–8] received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8961. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Delaware: Final Authorization of State Hazardous Waste Management Program Revision [FRL 6732–8] received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8962. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—A Required State Implementation Plan for Carbon Monoxide; Anchorage, Alaska [FRL–6729–7] received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8963. A letter from the Attorney Advisor, Common Carrier Bureau, Federal Communication Commission, transmitting the Commission's final rule— Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas [CC Docket No. 96–45] received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8964. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule— Amendment of Section 73.202(b), FM Table of Allotments, FM Broadcast Stations. (Cheyenne, Wyoming and Grover, Colorado) [MM Docket No. 96–242; RM–8940; RM–9243] received June 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8965. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Moncks Corner, Kiawah Island, and Sampit, South Carolina) [MM Docket No. 94–70; RM–8474; RM–8706] received June 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8966. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of A llotments; FM Broadcast Stations, (Santa Anna, Texas) [MM Docket No. 99–337; RM–9524] received June 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8967. A letter from the Associate Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting the Commission's final rule—Rulemaking to Amend parts 1, 2, 21, and 25 of the Commission's Rules to Redesignate the 27.5–29.5 GHz Frequency Band, to Reallocate the 29.5–30.0 GHz Frequency Band, to Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Services [CC Docket No. 92–297] received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8968. A letter from the Deputy General Counsel, Office of General Counsel, Federal Communications Commission, transmitting the Commission's final rule— In the Matter of Establishing a Government-to-Government Relationship with Indian Tribes [FCC 00–207] received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8969. A letter from the Lieutenant General, Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Israel for defense articles and services (Transmittal No. 00–40), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

8970. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Australia [Transmittal No. DTC 033–00], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8971. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Russia [Transmittal No. DTC 045–00], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8972. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Germany, Italy, Russia and Kazakhstan [Transmittal No. DTC 046–00], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8973. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Israel [Transmittal No. DTC 048–00], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8974. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the Federation of Bosnia and

Herzegovina [Transmittal No. DTC 30–00], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8975. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

8976. A letter from the Acting, Chief Counsel (Foreign Assets Control), Department of the Treasury, transmitting the Department's final rule— Reporting and Procedures Regulations; Foreign Narcotics Kingpin Sanctions Regulations—received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

8977. A letter from the Assistant Secretary for Export Administration, Bureau of Export Administration, Department of Commerce, transmitting the Department's final rule— Easing of Export Restrictions on North Korea [Docket No. 000605165–0165–01] (RIN: 0694–AC10) June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

8978. A letter from the Vice President, Governmental Affairs & Public Affairs, Legal Services Cooperation, transmitting the semiannual report of the Inspector General for the 6-month period ending March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8979. A letter from the Secretary of Agriculture, transmitting the semiannual Management Report for the period October 1, 1999 through March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8980. A letter from the Administrator, Agency for International Development, transmitting the semiannual report of the Office of Inspector General for the period October 1, 1999 through March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8981. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Addition—received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8982. A letter from the Chairman, Consumer Products Safety Commission, transmitting the report from the Acting Inspector General covering the activities of his office for the period of October 1, 1999—March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8983. A letter from the Inspector General, Corporation for National Service, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 1999 through March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8984. A letter from the Board of Governors, Federal Reserve System, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 1999 through March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8985. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—General Services Administration Acquisition Regulation; Part 525 Rewrite, Payment Information, And Clarification of Provisions and Clauses Applicable to Contract Actions Under the Javitts-Wagner-O'Day Act (RIN: 3090–AH22) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8986. A letter from the Chairman and General Counsel, National Labor Relations Board, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 1999 through March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8987. A letter from the General Counsel, Cost Accounting Standards Board, Office of Management and Budget, transmitting the Office's final rule—Cost Accounting Standards Board; Changes in Cost Accounting Practices—Recevied July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8988. A letter from the General Counsel, Cost Accounting Standards Board, Office of Management and Budget, transmitting the Office's final rule—Cost Accounting Standards; Applicability, Thresholds and Waiver of Cost Accounting Standards Coverage—received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8989. A letter from the Director, Office of the General Counsel, Office of Personnel Management, transmitting the Office's final rule—Procedures for Settling Claims (RIN: 3206–AJ13) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8990. A letter from the Office of Special Counsel, transmitting the Annual Report of the Office of the Special Counsel (OSC) for Fiscal Year (FY) 1999, pursuant to 5 U.S.C. 1211; to the Committee on Government Reform.

8991. A letter from the Secretary of the Treasury, transmitting the semiannual report on activities of the Inspector General for the period ending March 31, 2000, and the Secretary's semiannual report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8992. A letter from the Secretary of Labor, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 1999, through March 31, 2000; and the semiannual management report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8993. A letter from the Administrator, Small Business Administration, transmitting the semiannual report of the Inspector General for the period October 1, 1999 through March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8994. A letter from the Commissioner, Social Security Administration, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 1999 through March 31, 2000, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

8995. A letter from the Secretary of the Interior, transmitting a detailed boundary map for the 59-mile segment of the Missouri National Recreational River, extending from the Gavins Point Dam in South Dakota to Ponca State Park, Iowa, pursuant to 16 U.S.C. 1274; to the Committee on Resources.

8996. A letter from the Deputy Assistant Administrator, NOAA, Department of Commerce, transmitting the Department's final rule—Dean John A. Knauss Marine Policy Fellowship, National Sea Grant College Program [Docket No. 000522149–0149–01] (RIN: 0648–ZA87) received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8997. A letter from the Assistant Administrator for Fisheries, NMFS, Department of Commerce, transmitting the Department's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Prohibited Species Catch in the Bering Sea and Aleutian Islands [Docket No. 000623193–0193–01; I.D. 060800D] received July 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8998. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, Department of Commerce, transmitting the Department's final rule— Fisheries of the Exclusive Economic Zone Off Alaska; Open Access Sector Fishing Vessels Catching Pollock for Processing by the Inshore Component in the Bering Sea [Docket No. 000211040–0040–01; I.D. 070300A] received July 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8999. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, Department of Commerce, transmitting the Department's final rule— Atlantic Highly Migratory Species (HMS) Fisheries; Prohibited Shark Species; Large Coastal Shark Species; Commercial Fishery Closure Change [I.D. 052500B] received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9000. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone off Alaska; Bycatch Rate Standards for the Second Half of 2000 [I.D. 121399A] received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9001. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Summer Flounder Fishery; Commercial Quota Harvested for Maine [Docket No. 000119014–0137–02; I.D. 061900G] received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9002. A letter from the Secretary of the Interior, transmitting a proposed plan under the Indian Tribal Judgement Funds Act, 25 U.S.C. 1401et seq., for the use and distribution of the settlement funds that are being held in trust in the United States Treasury for the Menominee Indian Tribe of Wisconsin (Tribe); to the Committee on Resources.

9003. A letter from the Commissioner, Financial Management Service, Department of the Treasury, transmitting notification that Title VI of H.R. 3425, enacted as an appendix to Public Law 106–113, directs the Secretary of the Treasury to pay the survivor, or collectively the survivors, of each of the 14 members of the United States Armed Forces and one United States civilian Federal employee who were mistakenly shot down over Iraq on April 14, 1994; to the Committee on the Judiciary.

9004. A letter from the Chairman, National Transportation Safety Board, Department of Transportation, transmitting the Department's 1999 annual report on the recommendations received from the National Transportation Board regarding transportation safety, pursuant to 49 U.S.C. 1135(d); to the Committee on Transportation and Infrastructure.

9005. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: OPSAIL 2000 Fireworks Displays and Search and Rescue Demonstrations, Port of New York/New Jersey [CGD01–00–009] (RIN: 2115–AA97) received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9006. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Fireworks Display, New York Harbor, Ellis Island [CGD01–00–137] (RIN: 2115–AA97) received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9007. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; Ocean View Beach Park, Chesapeake Bay, VA [CGD05–00–018] (RIN: 2115–AA97) received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9008. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Pine River (Charlevoix), Michigan [CGD09–00–001] (RIN: 2115–AE47) received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9009. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Coast Guard Activities New York Annual Fireworks Displays [CGD01–00–005] (RIN: 2115–AA97) received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9010. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Atlantic Intracoastal Waterway, mile 1084.6, Miami, FL [CGD07–00–053] (RIN: 2115–AE47) received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9011. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Navigable Waters within the First Coast Guard District [CGD01–98–151] (RIN: 2115–AE84) received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9012. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30089; Amdt. No. 1998] received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9013. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Minneapolis, Flying Cloud Airport, MN [Airspace Docket No. 00–AGL–08] received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9014. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Minneapolis, Anoka County-Blaine Airport, MN [Airspace Docket No. 00–AGL–09] received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9015. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30088; Amdt. No. 1997] received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9016. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Sikorsky Aircraft Corporation (Sikorsky) Model S–76A Helicopters [Docket No. 99–SW–37–AD; Amendment 39–11787; AD 2000–12–09] (RIN: 2120–AA64) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9017. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 99–NM–330–AD; Amendment 39–11797; AD 2000–12–19] (RIN: 2120–AA64) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9018. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A310 Series Airplanes [Docket No. 2000–NM–77–AD; Amendment 39–11798; AD 2000–12–20] (RIN: 2120–AA64) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9019. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industrie Model A300, A300–600, and A310 Series Airplanes [Docket No. 99–NM–240–AD; Amendment 39–11790; AD 200–12–12] (RIN: 2120–AA64) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9020. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747–400 Series Airplanes Equipped with Pratt & Whitney PW4000 Series Engines [Docket No. 99–NM–66–AD; Amendment 39–11799; AD 2000–12–21] (RIN: 2120–AA64) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9021. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter Deutschland GmbH Model EC 135 Helicopters [Docket No. 98–SW–74–AD; Amendment 39–11807; AD 2000–13–08] (RIN: 2120–AA64) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9022. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pratt & Whitney JT9D Series Turbofan Engines [Docket No. 94–ANE–54 AD; Amendment 39–11180; AD 99–11–09] (RIN: 2120–AA64) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9023. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 727 Series Airplanes [Docket No. 99–NM–121–AD; Amendment 39–11199; AD 99–12–52] (RIN: 2120–AA64) received July 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9024. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Pratt, KS [Airspace Docket No. 00–ACE–14] received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9025. A letter from the FHWA Regulations Officer, Federal Highway Administration, Department of Transportation, transmitting the Department's final rule—Motor Carrier Safety Assistance Program [Docket No. FMCSA–98–4878 (formerly FHWA Docket No. FHWA–98–4878)] (RIN: 2126–AA40 (formerly RIN: 2125–AE46)) received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9026. A letter from the FHWA Regulation Officer, Federal Highway Administration, Department of Transportation, transmitting the Department's final rule—Indian Reservation Road Bridge Program [FHWA Docket No. FHWA–98–4743] (RIN: 2125–AE57) received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9027. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; SMITHville, TN [Airspace Docket No. 00–ASO–18] received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9028. A letter from the FHWA Regulations Officer, Federal Highway Administration, Department of Transportation, transmitting the Department's final rule—Emergency Relief Program [FHWA Docket No. 97–3105] (RIN: 2125–AE27) received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9029. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F27 Mark 050, 100, 200, 300, 400, 500, 600, and 700 Series Airplanes; and Model F28 Mark 0070, 0100, 1000, 2000, 3000, and 4000 Series Airplanes [Docket No. 2000–NM–06–AD; Amendment 39–11778; AD 2000–11–29] (RIN: 2120–AA64) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9030. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes [Docket No. 99–NM–95–AD; Amendment 39–11782; AD 2000–12–04] (RIN: 2120–AA64) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9031. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 767 Series Airplanes [Docket No. 99–NM–182–AD; Amendment 39–11795; AD 2000–12–17] (RIN: 2120–AA64) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9032. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 2000–NM–78–AD; Amendment 39–11794; AD 2000–12–16] (RIN: 2120–AA64) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9033. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB SF340A and SAAB SF340A and SAAB 340B Series Airplanes [Docket No. 2000–NM–25–AD; Amendment 39–11792; AD 2000–12–14] (RIN: 2120–AA64) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9034. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300–600

Series Airplanes [Docket No. 98–NM–164–AD; Amendment 39–11789; AD 2000–12–11] (RIN: 2120–AA64) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9035. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes [Docket No. 99–NM–351–AD; Amendment 39–11791; AD 2000–12–13] (RIN: 2120–AA64) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9036. A letter from the Trial Attorney, Federal Railroad Administration, Department of Transportation, transmitting the Department's final rule— Passenger Equipment Safety Standards [FRA Docket No. PCSS–1, Notice No. 6] (RIN: 2130–AA95) received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9037. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Estuary Program FY 2000 Budget and Funding—Requirements for Grants—received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9038. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to the Water Quality Planning and Management Regulation and Revisions to the National Pollutant Discharge Elimination System Program in Support of Revisions to the Water Quality Planning and Management Regulation [FRL–6733–2] received July 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9039. A letter from the Associate Administrator and Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Packaging, Handling, and Transportation—received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

9040. A letter from the Associate Administrator and Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Risk Management—received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

9041. A letter from the the Clerk of the House of Representatives, transmitting the annual compilation of personal financial disclosure statements and amendments thereto filed with the Clerk of the House of Representatives, pursuant to Rule XXVII, clause 1, of the House Rules; (H. Doc. No. 106—269); to the Committee on Standards of Official Conduct and ordered to be printed.

9042. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—The Veterans Millennium Health Care and Benefits Act (RIN: 2900–AK04) received July 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

9043. A letter from the Chief, Regulations Branch, U.S. Customs Service, Department of Treasury, transmitting the Department's final rule—Guidelines for the Imposition and Mitigation of Penalties for Violations of 19 U.S.C. 1592 [T.D. 00–41] (RIN: 1515–AC08) received June 20, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9044. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Interest Rate [Rev. Rul. 2000–30] received June 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9045. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous; Tax Forms and Instructions [Rev. Proc. 2000–31] received July 13, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9046. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Department Store Indexes—May 2000 [Rev. Rul. 2000–34] received June 29, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9047. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous Earnings Calculation for Returned or Recharacterized IRA Contributions [Notice 2000–39] received July 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9048. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Sevice's final rule—April-June 2000 BOND Factor Amounts [Revenue Ruling 2000–31] received June 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9049. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Targeted Jobs Tax Credit Settlement Announcement—received July 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9050. A letter from the Regulations Officer, Social Security Administration, transmitting the Administration's final rule—Administrative Procedure for Imposing Penalties for False or Misleading Statements (RIN: 0960–AF20) received July 5, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9051. A letter from the SSA Regulations Officer, Social Security Administration, transmitting the Administration's final rule—Reduction of Title II Benefits Under the Family Maximum Provisions in Cases of Dual Entitlement (RIN: 0960–AE85) received June 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9052. A letter from the Assistant Secretary, Indian Affairs, Department of the Interior, transmitting draft legislation, ''To authorize the Use and Distributions of the Quinault Indian Nation Judgement Funds in Docket Nos. 772–71, 773–71, 774–71 and 775–71''; jointly to the Committees on Resources and Ways and Means.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Florida: Committee on Appropriations. Report on the Revised Suballocation of Budget Allocations for Fiscal Year 2001 (Rept. 106–761). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3919. A bill to provide assistance for the conservation of coral reefs, to coordinate Federal coral reef conservation activities, and for other purposes; with an amendment (Rept. 106–762). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3182. A bill to provide for a land conveyance to the city of Craig, Alaska, and for other purposes (Rept. 106–763). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2958. A bill to provide for the continuation of higher education through the conveyance of certain public lands in the State of Alaska to the University of Alaska, and for other purposes (Rept. 106–764). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee of Conference. Conference report on H.R. 4810. A bill to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001 (Rept. 106–765). Ordered to be printed.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 559. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4810) to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001 (Rept. 106–766). Referred to the House Calendar.

Mr. LINDER: Committee on Rules. House Resolution 560. Resolution providing for consideration of the bill (H.R. 4871) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2001, and for other purposes (Rept. 106–767). Referred to the House Calendar.

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PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. KNOLLENBERG (for himself, Mr. UPTON, Mr. HOEKSTRA, Mr. EHLERS, Mr. CAMP, Mr. SMITH of Michigan, Mr. LEVIN, Mr. DINGELL, Mr. KILDEE, Mr. BARCIA, Ms. KILPATRICK, Mr. STUPAK, Ms. STABENOW, Mr. BONIOR, Mr. CONYERS, and Ms. RIVERS):

H.R. 4884. A bill to redesignate the facility of the United States Postal Service located at 200 West 2nd Street in Royal Oak, Michigan, as the ''William S. Broomfield Post Office Building''; to the Committee on Government Reform.

By Mr. BOEHNER (for himself, Mr. BARRETT of Nebraska, Mr. COOKSEY, Mr. EWING, Mr. GUTKNECHT, Mr. LAHOOD, Mr. LATHAM, Mr. LUCAS of Oklahoma, Mr. NETHERCUTT, Mr. NUSSLE, Mr. PETERSON of Minnesota, Mr. SCHAFFER, Mr. SIMPSON, Mr. THUNE, and Mr. WALDEN of Oregon):

H.R. 4885. A bill to provide tax and regulatory relief for farmers and to improve the competitiveness of American agricultural commodities and products in global markets; to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Rules, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HANSEN:

H.R. 4886. A bill to amend the Federal Cigarette Labeling and Advertising Act and the Comprehensive Smokeless Tobacco Health Education Act of 1986 to require warning labels for tobacco products; to the Committee on Commerce.

By Mr. OWENS:

H.R. 4887. A bill to amend the Immigration and Nationality Act to provide for legal permanent resident status for certain undocumented or nonimmigrant aliens; to the Committee on the Judiciary.

By Ms. ROS-LEHTINEN:

H.R. 4888. A bill to protect innocent children; to the Committee on the Judiciary, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SPRATT:

H.R. 4889. A bill to direct the Secretary of Agriculture to release the reversionary interest of the United States in certain land located in Sumter County, South Carolina, to facilitate a land exchange involving that land and to provide for the conveyance to the mineral interests of the United States in that land; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. VELAZQUEZ (for herself, Mr. TALENT, Ms. MILLENDER-MCDONALD, Mr. DAVIS of Illinois, Mrs. MCCARTHY of New York, Mr. PASCRELL, Mr. HINOJOSA, Mrs. CHRISTENSEN, Mr. BRADY of Pennsylvania, Mr. GONZALEZ, Mr. MOORE, Mrs. NAPOLITANO, Mrs. JONES of Ohio, Mr. UDALL of New Mexico, Mr. BAIRD, Mr. UDALL of Colorado, and Ms. BERKLEY):

H.R. 4890. A bill to require Federal agencies to follow certain procedures with respect to the bundling of procurement contract requirements; to the Committee on Small Business, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WOOLSEY (for herself and Mr. KIND):

H.R. 4891. A bill to amend the Elementary and Secondary Education Act of 1965 to ensure that services for students are coordinated; to the Committee on Education and the Workforce.

By Ms. WOOLSEY (for herself, Mr. STARK, Ms. LEE, Ms. MCKINNEY, Mr. NADLER, Ms. VELAZQUEZ, and Mr. LEWIS of Georgia):

H.R. 4892. A bill to repeal the Federal charter of the Boy Scouts of America; to the Committee on the Judiciary.

By Mr. BARRETT of Wisconsin (for himself, Mr. GUTIERREZ, Mr. COYNE, Ms. BALDWIN, Ms. CARSON, Mr. FRANK of Massachusetts, Mr. BROWN of Ohio, Mr. LIPINSKI, Mr. RUSH, Mr. HINCHEY, Mr. DOYLE, Mr. BONIOR, Mr. BLAGOJEVICH, Mr. OWENS, Mrs. MEEK of Florida, Mr. FILNER, Mr. DAVIS of Illinois, Ms. JACKSON-LEE of Texas, Ms. MCKINNEY, Mr. BRADY of Pennsylvania, Ms. SCHAKOWSKY, Ms. STABENOW, Mr. CAPUANO, Mr. SANDERS, Mrs. JONES of Ohio, Ms. NORTON, Mr. TOWNS, and Mr. CONYERS):

H.R. 4893. A bill to enhance the availability of capital and credit for all citizens and communities, to ensure that community reinvestment keeps pace as banks, securities firms, and other financial service providers become affiliates as a result of the enactment of the GRAMM–Leach-Bliley Act, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. EMERSON (for herself and Mr. BERRY):

H.R. 4894. A bill to amend the Food Security Act of 1985 to increase the maximum amount of marketing loan gains and loan deficiency payments that an agricultural producer may receive during the 2000 crop year; to the Committee on Agriculture.

By Mrs. EMERSON (for herself and Mr. BERRY):

H.R. 4895. A bill to amend the Food Security Act of 1985 to increase the maximum amount of marketing loan gains and loan deficiency payments that an agricultural producer may receive during each of crop years 2000, 2001, and 2002; to the Committee on Agriculture.

By Mr. MALONEY of Connecticut:

H.R. 4896. A bill to amend the Internal Revenue Code of 1986 to increase the child tax credit to $2,000 per child; to the Committee on Ways and Means.

By Ms. VELAZQUEZ (for herself, Mrs. KELLY, Ms. MILLENDER-MCDONALD, Mr. DAVIS of Illinois, Mrs. MCCARTHY of New York, Mr. PASCRELL, Mr. HINOJOSA, Mrs. CHRISTENSEN, Mr. BRADY of Pennsylvania, Mr. GONZALEZ, Mr. MOORE, Mrs. NAPOLITANO, Mrs. JONES of Ohio, Mr. UDALL of Colorado, Mr. BAIRD, and Ms. BERKLEY):

H.R. 4897. A bill to amend the Small Business Act to establish a program to provide Federal contracting assistance to small business concerns owned and controlled by women; to the Committee on Small Business.

By Ms. KAPTUR:

H. Con. Res. 377. Concurrent resolution expressing the sense of Congress that the Supreme Court misinterpreted the First Amendment to the Constitution in the case of Buckley v. Valeo; to the Committee on the Judiciary.

By Mr. LEWIS of Georgia:

H. Res. 558. A resolution expressing the condolences of the House of Representatives on the death of the Honorable Paul COVERDELL, a Senator from the State of Georgia; considered and agreed to.

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ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 303: Mr. HERGER and Mr. SHERWOOD.
H.R. 515: Mr. DEUTSCH.
H.R. 531: Mr. ROHRABACHER and Mr. BUYER.
H.R. 534: Mr. DUNCAN and Mrs. CAPPS.
H.R. 632: Mr. GOODLATTE.
H.R. 762: Mr. GORDON, Mr. REYNOLDS, and Mr. FRANKS of New Jersey.
H.R. 783: Mr. MORAN of Kansas.
H.R. 804: Mr. HOLDEN.
H.R. 827: Mr. REYES and Ms. KAPTUR.
H.R. 870: Mr. ORTIZ and Mr. BONILLA.
H.R. 969: Mr. PETRI.
H.R. 979: Mr. SISISKY.
H.R. 1001: Mr. REYNOLDS.
H.R. 1102: Mr. DREIER, Mr. DEUTSCH, and Mr. CHABOT.
H.R. 1168: Mr. TALENT.
H.R. 1440: Mr. PETRI.
H.R. 1590: Mr. MEEKS of New York.
H.R. 1621: Mrs. MYRICK, Mr. BURR of North Carolina, and Mr. SAWYER.
H.R. 2273: Mrs. BIGGERT.
H.R. 2340: Mr. RILEY, Ms. MILLENDER-MCDONALD, and Ms. PELOSI.
H.R. 2512: Mr. QUINN.
H.R. 2553: Mr. DOYLE.
H.R. 2620: Mr. GANSKE.
H.R. 2696: Mr. SISISKY.
H.R. 2710: Mr. EHRLICH.
H.R. 2870: Ms. BALDWIN, Mr. BRADY of Pennsylvania, Mr. BROWN of Ohio, Mr. FLETCHER, Mr. KANJORSKI, Mrs. MCCARTHY of New York, Mr. MOORE, Mr. MURTHA, Mr. SHERWOOD, Mrs. THURMAN, Mr. WU, Mr. WISE, Mr. DEFAZIO, Mr. ROTHMAN, Mr. SWEENEY, and Mr. MORAN of Virginia.
H.R. 2892: Mr. GILCHREST and Mr. JENKINS.
H.R. 2929: Mr. MEEHAN.
H.R. 3032: Mr. QUINN.
H.R. 3083: Mr. BONIOR and Mr. WEXLER.
H.R. 3100: Mr. WAMP and Mr. CRAMER.
H.R. 3188: Mr. EHLERS and Mr. UDALL of Colorado.
H.R. 3193: Mr. LOBIONDO.
H.R. 3218: Ms. SLAUGHTER.
H.R. 3235: Mr. GONZALEZ and Mr. SCOTT.
H.R. 3256: Mr. FRELINGHUYSEN, Mr. HOLDEN, Mr. SAXTON, Mr. CRAMER, Mr. HALL of Texas, and Mr. REYES.
H.R. 3263: Mr. BONIOR, Mr. HILLIARD, Mr. CALLAHAN, Mr. CRAMER, and Mr. DEAL of Georgia.
H.R. 3275: Ms. DELAURO.
H.R. 3518: Mr. CALVERT.
H.R. 3590: Mr. PACKARD.
H.R. 3710: Mrs. LOWEY and Mr. CROWLEY.
H.R. 3766: Mrs. TAUSCHER, Mr. CLAY, Mr. SHERMAN, and Mr. LEACH.
H.R. 3825: Mr. FATTAH.
H.R. 3901: Mr. DAVIS of Illinois.
H.R. 4082: Mr. TIAHRT and Mr. BATEMAN.
H.R. 4215: Mr. WICKER.
H.R. 4242: Mr. DEAL of Georgia.
H.R. 4260: Mr. GOODLING.
H.R. 4271: Mr. STENHOLM, Mr. HOLDEN, Mr. ALLEN, Mr. HOBSON, and Mr. COBURN.
H.R. 4272: Mr. STENHOLM, Mr. HOLDEN, Mr. ALLEN, Mr. HOBSON, and Mr. COBURN.
H.R. 4273: Mr. STENHOLM, Mr. HOLDEN, Mr. ALLEN, Mr. HOBSON, and Mr. COBURN.
H.R. 4277: Mr. SISISKY, Mr. BOUCHER, Mr. MOORE, and Mr. HOEFFEL.
H.R. 4282: Mr. PACKARD.
H.R. 4289: Mr. BAIRD, Ms. BALDWIN, and Mr. BERRY.
H.R. 4292: Mrs. EMERSON and Mr. BLUNT.
H.R. 4393: Mr. HUTCHINSON.
H.R. 4424: Mr. COMBEST, Mrs. FOWLER, and Mr. BRADY of Texas.
H.R. 4465: Mr. NORWOOD, Mr. BURR of North Carolina, Mr. COBLE, and Mr. JONES of North Carolina.
H.R. 4467: Mr. LAHOOD.
H.R. 4469: Mrs. ROUKEMA.
H.R. 4539: Mr. SHERMAN.
H.R. 4598: Mr. MCCOLLUM, Mr. BOYD, Mr. INSLEE, Mrs. FOWLER, Mr. PASTOR, and Mr. CALLAHAN.
H.R. 4624: Mr. QUINN.
H.R. 4633: Mr. RAMSTAD, Mr. HERGER, Mr. WAXMAN, Mr. GOODLATTE, and Mr. ANDREWS.
H.R. 4640: Mr. BACHUS.
H.R. 4649: Mr. HUNTER, Ms. PELOSI, Mr. FORBES, Mr. SHOWS, Mr. HILLEARY, Mr. BORSKI, Mr. PHELPS, Mr. MCGOVERN, Mr. WHITFIELD, Ms. KILPATRICK, Mr. FROST, Mr. STARK, MR. EVANS, Mr. SANDERS, Mrs. THURMAN, Ms. BROWN of Florida, Mr. LATOURETTE, Mr. HOLDEN, Mr. BARCIA, Mr. CONYERS, Mr. WYNN, Mr. PALLONE, Mr. LANTOS, Mr. RODRIGUEZ, Mr. DINGELL, Mr. MASCARA, Mr. HASTINGS of Florida, Mr. FILNER, Mr. PASTOR, Mr. LIPINSKI, Mr. HINCHEY, Mr. MOLLOHAN, Mr. MCINTYRE, Mr. NEY, Mr. MCHUGH, Mr. STUPAK, Mr. DEAL of Georgia, Mr. TIERNEY, and Ms. WOOLSEY.
H.R. 4652: Mr. WICKER.
H.R. 4678: Mrs. ROUKEMA.
H.R. 4710: Mr. DICKEY, Mr. BARTLETT of Maryland, Mrs. CUBIN, Mr. CAMP, Mr. RYUN of Kansas, Mr. SOUDER, Mr. GOODE, Mrs. CHENOWETH-HAGE, Mr. TIAHRT, Mr. WELDON of Florida, Mr. CHABOT, Mr. COBURN, Mr.

DOOLITTLE, Mr. GILLMOR, Mr. HALL of Texas, Mr. WAMP, and Mr. TANCREDO.

H.R. 4727: Mr. CAPUANO, Mr. GOODE, Ms. KAPTUR, Mr. THOMPSON of Mississippi, Mr. PAUL, Mr. GREEN of Texas, Mrs. MINK of Hawaii, Mr. HINOJOSA, Mr. NEAL of Massachusetts, Mr. DOYLE, and Mr. GONZALEZ.

H.R. 4740: Mr. BROWN of Ohio.

H.R. 4750: Mr. MCHUGH, Mr. WAMP, and Mr. GORDON.

H.R. 4807: Mr. LOBIONDO, Mr. GILLMOR, Mr. GILMAN, Mr. NEAL of Massachusetts, Mr. GILCHREST, Mrs. WILSON, Mrs. MYRICK, Mr. SMITH of New Jersey, Mr. TANCREDO, Mrs. CHRISTENSEN, Mr. FARR of California, Mr. TOWNS, Mr. SMITH of Washington, Mr. LAHOOD, Mrs. JOHNSON of Connecticut, Mr. CASTLE, Mr. CUNNINGHAM, Mr. PACKARD, Ms. WATERS, Mr. ENGEL, Mr. CARDIN, Mrs. THURMAN, Mr. GEJDENSON, Mr. REYNOLDS, Mr. LEWIS of California, Mr. CONYERS, Mr. FORD, Mr. FORBES, Mr. BLUMENAUER, and Mr. UDALL of New Mexico.

H.R. 4817: Mr. LAFALCE.

H.R. 4841: Mr. BOUCHER.

H.R. 4844: Ms. BERKLEY, Mr. EVANS, Mr. BILBRAY, Mr. HINCHEY, Mr. LEWIS of Kentucky, Mr. SISISKY, Mr. BARTON of Texas, Mr. DINGELL, Mr. BAKER, Mr. HOLT, Mr. BASS, Mr. HOEFFEL, Mr. GOODLATTE, Mr. SAWYER, Mr. TIAHRT, Mr. BLUMENAUER, Mr. LATHAM, Mr. BONIOR, Mr. WATKINS, Mr. BENTSEN, Mr. DAVIS of Illinois, Mr. LEWIS of Georgia, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BONILLA, Mr. VISCLOSKY, Mr. DIAZ-BALART, Mr. GEPHARDT, Mr. ROMERO-BARCELO, Mrs. MEEK of Florida, Mr. BECERRA, Mr. PASTOR, Mr. SPRATT, and Ms. HOOLEY of Oregon.

H.R. 4848: Ms. KAPTUR, Ms. SANCHEZ, Ms. RIVERS, Ms. DELAURO, Mr. KIND, Mr. BROWN of Ohio, Ms. ESHOO, Ms. LOFGREN, Ms. VELAZQUEZ, Ms. DANNER, Mr. RANGEL, and Mr. CAPUANO.

H.R. 4850: Mr. RODRIGUEZ and Mr. LAHOOD.

H.R. 4857: Mr. PORTMAN, Mr. STARK, Mr. TANNER, and Mr. RANGEL.

H.R. 4858: Mr. OBERSTAR.

H.R. 4862: Mr. FRANK of Massachusetts and Mr. BLUNT.

H.R. 4864: Mr. MCHUGH, Mr. HOUGHTON, Mr. TIAHRT, Mr. WHITFIELD, Mr. OSE, Mrs. CLAYTON, Mr. RAHALL, Mr. BARCIA, Mr. MCCOLLUM, Mr. BATEMAN, Mr. LAHOOD, Mr. GREEN of Texas, Mr. MASCARA, Mr. HALL of Texas, Mr. KILDEE, Mr. SUNUNU, Mr. BALDACCI, Mr. ROMERO-BARCELO, Mr. MURTHA, Mr. STUPAK, Mr. TIERNEY, Mr. FRELINGHUYSEN, Mrs. MORELLA, Mr. GONZALEZ, Mr. WAXMAN, Mr. SAWYER, Mr. CLEMENT, Mr. KOLBE, and Mr. BUYER.

H.J. Res. 64: Mr. BLILEY.

H. Con. Res. 58: Mr. KUCINICH, Mr. BLAGOJEVICH, and Ms. CARSON.

H. Con. Res. 252: Mr. MINGE.

H. Con. Res. 256: Ms. KAPTUR.

H. Con. Res. 286: Mr. TALENT.

H. Con. Res. 297: Mr. DEUTSCH.

H. Con. Res. 308: Ms. KAPTUR.

H. Con. Res. 323: Mr. ENGEL, Ms. DELAURO, Mr. YOUNG of Alaska, Mr. BOEHLERT, Mr. BERMAN, Mr. KUCINICH, Ms. BROWN of Florida, Mr. BROWN of Ohio, and Mr. BLAGOJEVICH.

H. Con. Res. 341: Mr. GONZALEZ.

H. Con. Res. 370: Ms. LEE, and Mr. BILBRAY.

H. Con. Res. 372: Mr. BAIRD, Mr. OLVER, Mr. GEJDENSON, Mr. YOUNG of Alaska, Mr. MCHUGH, and Mr. ORTIZ.

H. Res. 544: Mr. MCDERMOTT, Mr. WICKER, Mr. UNDERWOOD, Mr. FILNER, Mr. BERMAN, Mr. FARR of California, Ms. PELOSI, and Mr. KOLBE.

H. Res. 549: Mr. SISISKY, Mr. STEARNS, Ms. DANNER, Mr. ROGAN, Mr. EWING, Mr. RYUN of Kansas, Mr. GEKAS, Mr. HUTCHINSON, and Mr. FROST.

H. Res. 551: Mr. SHIMKUS, Mr. RAHALL, and Mr. BARTLETT of Maryland.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 4871

OFFERED BY: MR. FRELINGHUYSEN

AMENDMENT NO. 6: At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. ____. None of the funds made available in this Act may be used for use of a Federal Internet site to collect information about an individual as a consequence of the individual's use of the site.

H.R. 4871

OFFERED BY: MR. FRELINGHUYSEN

AMENDMENT NO. 7: At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. ____. None of the funds made available in this Act may be used for any computer software code, program, or function or other means to collect user identifiable information about any user of a Federal Internet site.

H.R. 4871

OFFERED BY: MR. HOSTETTLER

AMENDMENT NO. 8: At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. ____. None of the funds made available in this Act may be used to enforce, implement, or administer the provisions of the settlement document dated March 17, 2000, between Smith & Wesson and the Department of the Treasury (among other parties).

H.R. 4871

OFFERED BY: MRS. MALONEY OF NEW YORK

AMENDMENT NO. 9: Page 112, after line 13, insert the following new section:

SEC. 644. The Office of Personnel Management shall conduct a study to develop one or more alternative means for providing Federal employees with at least 6 weeks of paid parental leave in connection with the birth or adoption of a child (apart from any other paid leave). Not later than September 30, 2001, the Office shall submit to Congress a report containing its findings and recommendations under this section, including projected utilization rates, and views as to whether this benefit can be expected to—

(1) curtail the rate at which Federal employees are being lost to the private sector;

(2) help the Government in its recruitment and retention efforts generally;

(3) reduce turnover and replacement costs; and

(4) contribute to parental involvement during a child's formative years.

H.R. 4871

OFFERED BY: MR. MORAN OF KANSAS

AMENDMENT NO. 10: At the end of the bill, insert after the last section (page 112, after line 13) the following new section:

SEC. 644. None of the funds made available in this Act may be used to implement any sanction imposed by the United States on private commercial sales of medicine, food, or agricultural product to a foreign country (other than a sanction imposed pursuant to agreement with one or more other countries).

H.R. 4871

OFFERED BY: MR. MORAN OF KANSAS

AMENDMENT NO. 11: At the end of the bill, insert after the last section (page 112, after line 13) the following new section:

SEC. 644. None of the funds made available in this Act may be used to implement subsection (h) of section 102 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996.

H.R. 4871

OFFERED BY: MRS. MORELLA

AMENDMENT NO. 12: Page 112, after line 13, insert the following new section:

SEC. 644. (a)(1) Title 5, United States Code, is amended by inserting after section 5372a the following:

"§ 5372b. Administrative appeals judges

''(a) For the purpose of this section—

''(1) the term 'administrative appeals judge position' means a position the duties of which primarily involve reviewing decisions of administrative law judges appointed under section 3105; and

''(2) the term 'agency' means an Executive agency, as defined by section 105, but does not include the General Accounting Office.

''(b) Subject to such regulations as the Office of Personnel Management may prescribe, the head of the agency concerned shall fix the rate of basic pay for each administrative appeals judge position within such agency which is not classified above GS–15 pursuant to section 5108.

''(c) A rate of basic pay fixed under this section shall be—

''(1) not less than the minimum rate of basic pay for level AL–3 under section 5372; and

''(2) not greater than the maximum rate of basic pay for level AL–3 under section 5372.''.

(2) Section 7323(b)(2)(B)(ii) of title 5, United States Code, is amended by striking ''or 5372a'' and inserting ''5372a, or 5372b''.

(3) The table of sections for chapter 53 of title 5, United States Code, is amended by inserting after the item relating to section 5372a the following:

''5372b. Administrative appeals judges.''.

(b) The amendment made by subsection (a)(1) shall apply with respect to pay for service performed on or after the first day of the first applicable pay period beginning on or after—

(1) the 120th day after the date of enactment of this Act; or

(2) if earlier, the effective date of regulations prescribed by the Office of Personnel Management to carry out such amendment.

H.R. 4871

OFFERED BY: MR. SANDERS

AMENDMENT NO. 13: Page 112, after line 13, insert the following:

SEC. 644. None of the funds appropriated by this Act may be used by the Internal Revenue Service for any activity that is in contravention of section 411(b)(1)(H)(i) or section 411(d)(6) of the Internal Revenue Code of 1986, section 204(b)(1)(G) or 204(b)(1)(H)(i) of the Employee Retirement Income Security Act of 1974, or section 4(i)(1)(A) of the Age Discrimination in Employment Act.

H.R. 4871

OFFERED BY: MR. SANFORD

AMENDMENT NO. 14: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. ____. (a) None of the funds made available in this Act may be used to administer or enforce part 515 of title 31, Code of Federal Regulations (the Cuban Assets Control Regulations) with respect to any travel or travel-related transaction.

(b) The limitation established in subsection (a) shall not apply to transactions in relation to any business travel covered by section 515.560(g) of such part 515.

H.R. 4871

OFFERED BY: MR. SANFORD

AMENDMENT NO. 15: At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. ____. None of the funds made available in this Act may be used for travel on a trip

with the President by more than 120 individuals employed in the Executive Office of the President, excluding Secret Service personnel.

H.R. 4871

OFFERED BY: MR. VITTER

AMENDMENT NO. 16: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. ____. (a) REVISIONS TO AMOUNTS.—The amounts otherwise provided by this Act are revised by reducing the aggregate dollar amount made available for ''INTERNAL REVENUE SERVICE–PROCESSING, ASSISTANCE, AND MANAGEMENT'', and by increasing the aggregate dollar amount made available for ''FEDERAL DRUG CONTROL PROGRAMS–HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM'', by $25,000,000.

(b) LIMITATION.—None of the funds provided in this section may be used for High Intensity Drug Trafficking Areas designated after September 30, 2000.