project contract for the Canadian River Project, Texas; to the Committee on Energy and Natural Resources.

By Mr. CHAFEE (for himself, Mr. KEMPTHORNE, Mr. BAUCUS, Mr. ALLARD, Mr. DASCHLE, Ms. COLLINS, Mr. GRAHAM, Mrs. FEINSTEIN, Mr. JEFFORDS, Mr. SMITH of Oregon, Mr. D'AMATO, Mr. FAIRCLOTH, Mr. BOND, Mr. DEWINE, and Mr. SMITH of New Hampshire):

S. 2244. A bill to amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefit of national wildlife refuges, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG:

S. 2245. A bill to require employers to notify local emergency officials, under the appropriate circumstances, of workplace emergencies, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MURKOWSKI:

S. 2246. A bill to amend the Act which established the Frederick Law Olmsted National Historic Site, in the Commonwealth of Massachusetts, by modifying the boundary and for other purposes; to the Committee on Energy and Natural Resources.

S. 2247. A bill to permit the payment of medical expenses incurred by the U.S. Park Police in the performance of duty to be made directly by the National Park Service, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2248. A bill to allow for waiver and indemnification in mutual law enforcement agreements between the National Park Service and a state or political subdivision, when required by state law, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DASCHLE (for himself, Mrs. BOXER, Mr. KENNEDY, Mr. BINGAMAN, Ms. MOSELEY-BRAUN, Mr. ROCKEFELLER, Ms. MIKULSKI, Mr. REID, Mr. DURBIN, Mr. INOUYE, and Mr. TORRICELLI):

S. 2249. A bill to provide retirement security for all Americans; to the Committee on Finance.

By Mr. COVERDELL:

S. 2250. A bill to protect the rights of the States and the people from abuse by the Federal Government, to strengthen the partnership and the intergovernmental relationship between State and Federal Governments, to restrain Federal agencies from exceeding their authority, to enforce the Tenth Amendment of the United States Constitution, and for other purposes; to the Committee on the Judiciary.

By Mr. SANTORUM (for himself and Mr. SPECTER):

S. 2251. A bill to establish the Lackawanna Valley American Heritage Area; to the Committee on Energy and Natural Resources.

By Mr. ABRAHAM:

S. 2252. A bill to amend the Sherman Act and the Federal Trade Commission Act with respect to commerce with foreign nations; to the Committee on the Judiciary.

By Mr. CAMPBELL:

S. 2253. A bill to establish a matching grant program to help State and local jurisdictions purchase bullet resistant equipment for use by law enforcement departments; to the Committee on the Judiciary.

By Mr. REED:

S. 2254. A bill to provide for the establishment of an assistance program for health insurance consumers; to the Committee on Labor and Human Resources.

By Mr. FEINGOLD:

S. 2255. A bill to amend the Agricultural Market Transition Act to prohibit the Secretary of Agriculture from including any storage charges in the calculation of loan deficiency payments or loans made to producers for loan commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KERRY (for himself, Ms. SNOWE, Mr. HOLLINGS, and Mr. STEVENS):

S. 2256. A bill to provide an authorized strength for commissioned officers of the National Oceanic and Atmospheric Administration Corps, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Ms. LANDRIEU:

S. 2257. A bill to reauthorize the National Historic Preservation Act; to the Committee on Energy and Natural Resources.

By Mr. GLENN:

S. 2258. A bill to provide for review on case-by-case basis of the effectiveness of country sanctions mandated by statute; to the Committee on Foreign Relations.

By Mr. MURKOWSKI:

S. 2259. A bill to amend title XVIII of the Social Security Act to make certain changes related to payments for graduate medical education under the medicare program; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WARNER (for himself, Mr. FORD, Mr. STEVENS, and Mr. MOYNIHAN):

S. Res. 255. A resolution to commend the Library of Congress for 200 years of outstanding service to Congress and the Nation, and to encourage activities to commemorate the bicentennial anniversary of the Library of Congress; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LOTT (for Mr. MCCAIN (for himself and Mr. BRYAN)):

S. 2238. A bill to reform unfair and anticompetitive practices in the professional boxing industry; to the Committee on Commerce, Science, and Transportation.

MUHAMMAD ALI BOXING REFORM ACT

• Mr. MCCAIN. Mr. President, I am pleased today to introduce a new bipartisan proposal to improve several aspects of the professional boxing industry in the U.S. I am joined by Senator BRYAN of Nevada in offering this legislation. He has been a great partner in my efforts to improve the safety and integrity of this major industry in the public interest.

This bill is intended to protect boxers from some of the most egregious and onerous business practices which they have been subjected to across the U.S. over the last several decades. It will also help State officials provide more effective public oversight of boxing events held in their jurisdiction, so that they can better prevent business practice abuses and unethical conduct. Furthermore, this legislation will improve integrity and open competition in professional boxing, by curbing its most restrictive and anti-competitive business practices. This is a limited and modest proposal in many respects, but it is the product of months of consultation with experienced State athletic officials and the most respected and knowledgeable members of the boxing industry.

Let me say a few words about the title of this legislation. I thought it would be a fitting tribute to name an important new reform measure on professional boxing after Muhammad Ali. Mr. Ali had perhaps the most impressive and exciting career in the history of professional boxing, and his many championships and achievements are legendary in the sport. Of course, Muhammad Ali's character, integrity, and personal charm appealed to tens of millions of Americans who did not even consider themselves to be boxing fans. His entire life has been a story of tremendous determination, accomplishment, and perseverance against daunting odds. I feel it most appropriate for the Congress pass a measure to protect the interests of boxers, encourage fair competition, and vastly improve the overall integrity of the boxing industry, that is named in his honor. I want to thank Mr. Ali for his graciousness in letting this legislation be so named.

I have been deeply involved in exploring ways to improve the professional boxing industry for most of this decade. It is a complex task. Many of the steps that need to be taken to permanently end the disreputable and abusive business practices which have long marred the sport must be taken either by members of the industry, or by State officials. I firmly believe that State boxing commissioners and industry leaders must be the primary agents of reform in this sport. It is they who I have continually turned to for advice and recommendations on how the federal government might be of help, albeit in a limited and supportive role.

This proposal seeks to remedy many of the anti-competitive, oppressive, and unethical business practices which have cheated professional boxers and denied the public the benefits of a truly honest and legitimate sport. This reform measure is designed to prohibit the harmful and arbitrary business practices which have clearly hurt the welfare of professional boxers, without imposing unnecessary restrictions or federal intrusions into the sport. I want to emphasize that this proposal requires no State or federal funding; creates no federal bureaucracy; imposes no mandates on State commissions; and requires no new regulatory actions by State boxing commissioners. It is a modest and practical measure that will establish several ''fair contracting'' standards to protect professional boxers, and enhance important financial disclosures that are made to State commissions by business entities in the industry.

This bill also would establish certain federal standards with which boxing's ''sanctioning organizations'' must comply. These entities are notorious in the

sport for engaging in arbitrary and manipulative activity with respect to their ratings of professional boxers. Though often foreign-based, these entities operate on an interstate basis in the U.S. with virtually no oversight at the State or federal level. For several decades they have been repeatedly and credibly criticized by boxers and sportswriters for business practices that are highly questionable. Their inconsistent and subjective methods of rating boxers, often in apparent collusion with powerful promoters in the sport, clearly has had negative consequences for boxers. A boxer's career can be effectively stalled or crippled by these entities' arbitrary decisions. This legislation would establish a series of prudent business conduct standards and financial disclosure requirements on sanctioning organizations to ensure they are subject to legitimate public oversight by State officials.

I want to note the vital need for these reforms at the federal level, Mr. President. Boxing in the U.S. is regulated by individual State boxing commissions, many of which are severely underfunded and understaffed. Many do not have more than a single employee. Though many State commissions have extremely knowledgeable and dedicated members, they do not have the capacity to prevent the indefensible interstate business abuses which this legislation address. Indeed, when a small group of states boxing commissions tries to crack down on the promoters and others who are engaged in fraudulent or unethical activity, State officials face the prospect of losing all their professional boxing events to another jurisdiction. Promoters and sanctioning bodies can avoid State reforms by seeking out new forums where public interest protections are fewer and weaker. That is not good for the boxers who bear all the risks of this punishing profession, and it not good for the ticket-buying fans, either.

Decades of scandals, controversy, and corruption have shown professional boxing to be an industry where public oversight is absolutely critical, Mr. President. Therefore, this limited series of national fair business standards and public disclosure requirements will be of tremendous service to the State officials and general public concerned about this industry. This bill will in no way interfere with any legitimate, good faith business practices in the sport.

Senator BRYAN and the many industry members that I have worked with over the past five months to develop this bill have come up with a solid, practical, and no-cost way to protect the interests of the athletes and the public in the boxing industry. The sole objectives of this bill are to ensure that boxers are not cheated of their fair earnings in the sport; that State officials are given better information with which to supervise major boxing events, and take corrective actions when necessary; and to encourage integrity and honest business practices by the business interests which dominate professional boxing. I have attached a one page summary of this proposal, and ask unanimous consent to print the bill and summary in the RECORD. I look forward to comments on this proposal by members of the industry and State commissioners across the U.S., and ask my colleagues for their support.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

S. 2238

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 ''Muhammad Ali Boxing Reform Act''.

SEC 2. FINDINGS.

The Congress makes the following findings:

(1) Professional boxing differs from other major, interstate professional sports industries in the United States in that it operates without any private sector association, league, or centralized industry organization to establish uniform and appropriate business practices and ethical standards. This has led to repeated occurrences of disreputable and coercive business practices in the boxing industry, to the detriment of professional boxers nationwide.

(2) Professional boxers are vulnerable to exploitative business practices engaged in by certain promoters and sanctioning bodies which dominate the sport. Boxers do not have an established representative group to advocate for their interests and rights in the industry.

(3) State officials are the proper regulators of professional boxing events, and must protect the welfare of professional boxers and serve the public interest by closely supervising boxing activity in their jurisdiction. State boxing commissions do not currently receive adequate information to determine whether boxers competing in their jurisdiction are being subjected to contract terms and business practices which may be violative of State regulations, or are onerous and confiscatory.

(4) Promoters who engage in illegal, coercive, or unethical business practices can take advantage of the lack of equitable business standards in the sport by holding boxing events in states with weaker regulatory oversight.

(5) The sanctioning organizations which have proliferated in the boxing industry have not established credible and objective criteria to rate professional boxers, and operate with virtually no industry or public oversight. Their ratings are susceptible to manipulation, have deprived boxers of fair opportunities for advancement, and have undermined public confidence in the integrity of the sport.

(6) Open competition in the professional boxing industry has been significantly interfered with by restrictive and anti-competitive business practices of certain promoters and sanctioning bodies, to the detriment of the athletes and the ticket-buying public. Common practices of promoters and sanctioning organizations represent restraints of interstate trade in the United States.

(7) It is necessary and appropriate to establish national contracting reforms to protect professional boxers and prevent exploitative business practices, and to require enhanced financial disclosures to State athletic commissions to improve the public oversight of the sport.

(8) Whereas the Congress seeks to improve the integrity and ensure fair practices of the professional boxing industry on a nationwide basis, it deems it appropriate to name this reform in honor of Muhammad Ali, whose career achievements and personal contributions to the sport, and positive impact on our society, are unsurpassed in the history of boxing.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to protect the rights and welfare of professional boxers by preventing certain exploitative, oppressive, and unethical business practices they may be subject to on an interstate basis;

(2) to assist State boxing commissions in their efforts to provide more effective public oversight of the sport; and

(3) to promoting honorable competition in professional boxing and enhance the overall integrity of the industry.

SEC 4. PROTECTING BOXERS FROM EXPLOITATION.

The Professional Boxing Safety Act of 1996 (15 U.S.C. 6301 et seq.) is amended by—

(1) redesignating section 15 as 16; and

(2) inserting after section 14 the following:

''SEC. 15. PROTECTION FROM EXPLOITATION.

''(a) CONTRACT REQUIREMENTS.—

''(1) IN GENERAL.—Any contract between a boxer and a promoter or manager shall—

''(A) be reasonable;

''(B) include mutual obligations between the parties; and

''(C) specify a minimum number of professional boxing matches per year for the boxer.

''(2) 1-YEAR LIMIT ON COERCIVE PROMOTIONAL RIGHTS.—The period of time for which promotional rights to promote a boxer may be granted under a contract between the boxer and a promoter, or between promoters with respect to a boxer, may not be greater than 12 months in length if the boxer is required to grant such rights, or a boxer's promoter is required to grant such rights with respect to a boxer, as a condition precedent to the boxer's participation in a professional boxing match. Nothing in this paragraph shall be construed as pre-empting any State statute or common law rule against interference with contract.

''(3) PROMOTIONAL RIGHTS UNDER MANDATORY BOUT CONTRACTS.—Neither a promoter nor a sanctioning organization may require a boxer, in a contract arising from a professional boxing match that is a mandatory bout under the rules of the sanctioning organization, to grant promotional rights to any promoter for a future professional boxing match.

''(b) EMPLOYMENT AS CONDITION OF PROMOTING, ETC..—No person who is a licensee, manager, matchmaker, or promoter may require a boxer to employ, retain, or provide compensation to any individual or business enterprise (whether operating in corporate form or not) recommended or designated by that person as a condition of—

''(1) such person's working with the boxer as a licensee, manager, matchmaker, or promoter;

''(2) such person's arranging for the boxer to participate in a professional boxing match; or

''(3) such boxer's participation in a professional boxing match.

''(c) ENFORCEMENT.—

''(1) PROMOTION AGREEMENT.—A provision in a contract between a promoter and a boxer, or between promoters with respect to a boxer, that violates subsection (a) is contrary to public policy and unenforceable at law.

''(2) EMPLOYMENT AGREEMENT.—In any action brought against a boxer to recover money (whether as damages or as money

owed) for acting as a licensee, manager, matchmaker, or promoter for the boxer, the court, arbitrator, or administrative body before which the action is brought may deny recovery in whole or in part under the contract as contrary to public policy if the employment, retention, or compensation that is the subject of the action was obtained in violation of subsection (b).''.

(b) CONFLICTS OF INTEREST.—Section 9 of such Act (15 U.S.C. 6308) is amended by—

(1) striking ''No member'' and inserting ''(a) REGULATORY PERSONNEL.—No member''; and

(2) adding at the end thereof the following:

''(b) FIREWALL BETWEEN PROMOTERS AND MANAGERS.—

''(1) IN GENERAL.—It is unlawful for—

''(A) a promoter to have a direct or indirect financial interest in the management of a boxer; or

''(B) a manager to have a direct or indirect financial interest in the promotion of a boxer.

''(2) EXCEPTION FOR SELF-PROMOTION AND MANAGEMENT.—Paragraph (1) does not prohibit a boxer from acting as his own promoter or manager.''.

SEC. 5. SANCTIONING ORGANIZATION INTEGRITY REFORMS.

(a) IN GENERAL.—The Professional Boxing Safety Act of 1996 (15 U.S.C. 6301 et seq.), as amended by section 4 of this Act, is amended by—

(1) redesignating section 16, as redesignated by section 4 of this Act, as section 17; and

(2) by inserting after section 15 the following:

''SEC. 16. SANCTIONING ORGANIZATIONS.

''(a) OBJECTIVE CRITERIA.—A sanctioning organization that sanctions professional boxing matches on an interstate basis shall establish objective and consistent written criteria for the ratings of professional boxers.

''(b) APPEALS PROCESS.—A sanctioning organization shall establish and publish an appeals procedure that affords a boxer rated by that organization a reasonable opportunity to submit information to contest its rating of the boxer. Under the procedure, the sanctioning organization shall, within 14 days after receiving a request from a boxer questioning that organization's rating of the boxer—

''(1) provide to the boxer a written explanation of the organization's criteria and its rating of the boxer; and

''(2) submit a copy of its explanation to the President of the Association of Boxing Commissions of the United States.

''(c) NOTIFICATION OF CHANGE IN RATING.—If a sanctioning organization changes its rating of a boxer who is included, before the change, in the top 10 boxers rated by that organization, then it shall provide a written explanation of the reasons for its change in that boxer's rating to the boxer within 14 days after changing the boxer's rating.

''(d) PUBLIC DISCLOSURE.—

''(1) FTC FILING.—Not later than January 31st of each year, a sanctioning organization shall submit to the Federal Trade Commission—

''(A) a complete description of the organization's ratings criteria, policies, and general sanctioning fee schedule;

''(B) the bylaws of the organization;

''(C) the appeals procedure of the organization; and

''(D) a list and business address of the organization's officials who vote on the ratings of boxers.

''(2) FORMAT; UPDATES.—A sanctioning organization shall—

''(A) provide the information required under paragraph (1) in writing, and, for any document greater than 2 pages in length, also in electronic form; and

''(B) promptly notify the Federal Trade Commission of any material change in the information submitted.

''(3) FTC TO MAKE INFORMATION AVAILABLE TO PUBLIC.—The Federal Trade Commission shall make information received under this subsection available to the public. The Commission may assess sanctioning organizations a fee to offset the costs it incurs in processing the information and making it available to the public.

''(4) INTERNET ALTERNATIVE.—In lieu of submitting the information required by paragraph (1) to the Federal Trade Commission, a sanctioning organization may provide the information to the public by maintaining a website on the Internet that—

''(A) is readily accessible by the general public using generally available search engines and does not require a password or payment of a fee for full access to all the information;

''(B) contains all the information required to be submitted to the Federal Trade Commission by paragraph (1) in a easy to search and use format; and

''(C) is updated whenever there is a material change in the information.''.

(b) CONFLICT OF INTEREST.—Section 9 of such Act (15 U.S.C. 6308), as amended by section 4 of this Act, is amended by adding at the end thereof the following:

''(c) SANCTIONING ORGANIZATIONS.—

''(1) PROHIBITION ON RECEIPTS.—Except as provided in paragraph (2), no officer or employee of a sanctioning organization may receive any compensation, gift, or benefit directly or indirectly from a promoter, boxer, or manager.

''(2) EXCEPTIONS.—Paragraph (1) does not apply to—

''(A) the receipt of payment by a promoter, boxer, or manager of a sanctioning organization's published fee for sanctioning a professional boxing match or reasonable expenses in connection therewith if the payment is reported to the responsible boxing commission under section 17; or

''(B) the receipt of a gift or benefit of *de minimis* value.''.

(c) SANCTIONING ORGANIZATION DEFINED.—Section 2 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6301) is amended by adding at the end thereof the following:

''(11) SANCTIONING ORGANIZATION.—The term 'sanctioning organization' means an organization that sanctions professional boxing matches in the United States—

''(A) between boxers who are residents of different States; or

''(B) that are advertised, otherwise promoted, or broadcast (including closed circuit television) in interstate commerce.''.

SEC. 6. PUBLIC INTEREST DISCLOSURES TO STATE BOXING COMMISSIONS.

(a) IN GENERAL.—The Professional Boxing Safety Act of 1996 (15 U.S.C. 6301 et seq.), as amended by section 5 of this Act, is amended by—

(1) redesignating section 17, as redesignated by section 5 of this Act, as section 18; and

(2) by inserting after section 16 the following:

''SEC. 17. REQUIRED DISCLOSURES TO STATE BOXING COMMISSIONS.

''(a) SANCTIONING ORGANIZATIONS.—Before sanctioning a professional boxing match in a State, a sanctioning organization shall provide to the boxing commission of, or responsible for sanctioning matches in, that State a written statement of—

''(1) all charges, fees, and costs the organization will assess any boxer participating in that match;

''(2) all payments, benefits, complimentary benefits, and fees the organization will receive for its affiliation with the event, from the promoter, host of the event, and all other sources; and

''(3) such additional information as the commission may require.

''(b) PROMOTERS.—Before a professional boxing match organized, promoted, or produced by a promoter is held in a State, the promoter shall provide a statement in writing to the boxing commission of, or responsible for sanctioning matches in, that State—

''(1) a copy of any agreement in writing to which the promoter is a party with any boxer participating in the match;

''(2) a statement made under penalty of perjury that there are no other agreements, written or oral, between the promoter and the boxer with respect to that match; and

''(3) a statement in writing of—

''(A) all fees, charges, and expenses that will be assessed by or through the promoter on the boxer pertaining to the event, including any portion of the boxer's purse that the promoter will receive, and training expenses; and

''(B) all payments, gift, or benefits the promoter is providing to any sanctioning organization affiliated with the event.

''(c) STATE BOXING COMMISSION TO ESTABLISH REQUIREMENTS.—The boxing commission of each State, or the responsible boxing commission for a State that has no boxing commission, shall determine how far in advance of a professional boxing match the documents described in subsections (a) and (b) shall be provided to the boxing commission, and may prescribe such additional requirements relative to the required submission as may be necessary.

''(d) INFORMATION TO BE AVAILABLE TO STATE ATTORNEY GENERAL.—A State boxing commission shall make information received under this section available to the chief law enforcement officer of the State in which the match is to be held upon request.

''(e) EXCEPTION.—The requirements of this section do not apply in connection with a professional boxing match scheduled to last less than 10 rounds.''.

SEC. 7. ENFORCEMENT.

Section 10 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6309) is amended by—

(1) inserting a comma and ''other than section 9(b), 15, 16, or 17,'' after ''this Act'' in subsection (b)(1);

(2) redesignating paragraphs (2) and (3) of subsection (b) as paragraphs (3) and (4), respectively, and inserting after paragraph (1) the following:

''(2) VIOLATION OF ANTI-EXPLOITATION, SANCTIONING ORGANIZATION, OR DISCLOSURE PROVISIONS.—Any person who knowing violates any provision of section 9(b), 15, 16, or 17 of this Act shall, upon conviction, be imprisoned for not more than 1 year or fined not more than—

''(A) $100,000; and

''(B) if the violations occur in connection with a professional boxing match the gross revenues for which exceed $2,000,000, such additional amount as the court finds appropriate,

or both.''; and

(3) adding at the end thereof the following:

''(c) ACTIONS BY STATES.—Whenever the chief law enforcement officer of any State has reason to believe that a person or organization is engaging in practices which violate any requirement of this Act, the State, as *parens patriae,* may bring a civil action on behalf of its residents in an appropriate district court of the United States—

''(1) to enjoin the holding of any professional boxing match which the practice involves;

''(2) to enforce compliance with this Act;

''(3) to obtain the fines provided under subsection (b) or appropriate restitution; or

''(4) to obtain such other relief as the court may deem appropriate.

''(d) PRIVATE RIGHT OF ACTION.—Any boxer who suffers economic injury as a result of a violation of any provision of this Act may bring an action in the appropriate Federal or State court and recover the damages suffered, court costs, and reasonable attorneys fees and expenses.''.

S. 2238—SUMMARY

PROTECTING BOXERS FROM EXPLOITATION

(a) Declares that all contracts between boxers and promoters must be based on a mutuality of obligation, be reasonable in length and terms, and contain terms specifying a minimum number of bouts per year for the boxer.

(b) Limits certain ''option'' contracts between boxers and promoters to one year. (Those where a boxer was required to provide options to a promoter, as a condition of getting a particular fight.)

(c) Prohibits promoters and sanctioning bodies from requiring ''options'' from a boxer who is considered by a sanctioning body to be the ''mandatory challenger.''

(d) No promoter can require a boxer to hire an associate, relative, or any other individual, as the boxer's manager, or in any other employment capacity.

(e) Prohibits conflicts of interest between managers of a boxer, and the promoter. No promoter can have a financial interest in the management of a boxer, or vice versa.

SANCTIONING ORGANIZATION INTEGRITY REFORMS

(a) Sanctioning organizations conducting business in the U.S. on an interstate basis must establish objective and consistent criteria for the ratings of professional boxers.

(b) On an annual basis, sanctioning organizations must provide the following information to the Federal Trade Commission (or make it publicly available on the ''internet''): (a) their bylaws, ratings criteria, and (b) roster of officials who vote on their ratings decisions.

(c) When sanctioning organizations change their rating of a U.S. boxer, the organization must inform the boxer in writing of the reason for the change.

(d) Each sanctioning organization must establish an appeals process for boxers in the U.S. to contest their ranking in writing, and receive a written response from the organization explaining its decision. Copies of their decision shall be provided to the ABC.

(d) No sanctioning organization can receive payments or compensation from a promoter, boxer, or manager, except for the established sanctioning fee and expenses they receive for sanctioning a bout, and which are reported to the relevant State commission.

PUBLIC INTEREST DISCLOSURES TO STATE BOXING COMMISSIONS

(a) Sanctioning organizations must disclose to a state boxing commission, in advance of the event, all charges and fees they will impose on the boxer(s) competing in the event.

(b) Sanctioning bodies must also disclose all payments, fees, and complimentary services they will receive from promoters, the host of the boxing event, and any other sources affiliated with the event. Services or benefits of minor value are excluded.

(c) The promoter and matchmakers affiliated with each event shall file a complete and accurate copy of all contracts they have with the boxer pertaining to the event, with the boxing commission prior to the event, and disclose in writing all fees, charges, and costs they will assess on the boxer(s). The promoter shall also disclose all payments and benefits made to sanctioning organization affiliated with the event. Promoters of ''club'' boxing events—those bouts of less than 10 rounds—are excluded from these reporting requirements.

(d) Require that disclosures made under this Act to a State Commission shall be provided upon request to the State Attorney General's Office, upon request.

ENFORCEMENT

Civil and Criminal penalties similar to new federal boxing law, but fines are higher to deter major promoters from violations. Also, allow enforcement by State Attorney Generals.

By Mr. MURKOWSKI:

S. 2239. A bill to revise the boundary of Fort Matanzas Mounment and for other purposes; to the Committee on Energy and Natural Resources.

FORT MATANZAS NATIONAL MONUMENT LEGISLATION

• Mr. MURKOWSKI. Mr. President, on behalf the Administration, today I introduce legislation to revise the boundary of Fort Matanzas National Monument, and for other purposes. I ask unanimous consent that the Administration's letter of transmittal and a section-by-section analysis of the legislation be printed in the RECORD for the information of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, February 23, 1998.

Hon. ALBERT GORE, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft of a bill, ''to revise the boundary of Fort Matanzas National Monument, and for other purposes.'' Also enclosed is a section-by-section analysis of the bill. We recommend that the bill be introduced, referred to the appropriate committee for consideration, and enacted.

The enclosed bill would revise the boundary of Fort Matanzas National Monument in Florida to clarify long-standing boundary and acquisition issues involving a total of approximately 70 acres. The first issue involves two tracts of land, 01–102 and 01–103 which are currently adjacent to the park's boundary. These two tracts were donated to the United States in 1963 and 1965. At the time of the donations, no attempt was made to seek authority to include these tracts within the park's boundary.

The second issue involves Tract 01–107, which was originally intended to be donated as part of Tract 01–102 on January 1, 1965. However, a regional Solicitor's opinion of September 14, 1984, indicated that an error in the legal description omitted this tract and the United States does not hold title to this parcel.

The purpose of this bill is to include the three tracts within the boundary of Fort Matanzas National Monument. This would ensure that the National Park Service could legally protect the resources on the tracts and ensure visitor safety.

The Office of Management and Budget has advised that there is no objection to the enactment of the enclosed draft legislation from the standpoint of the Administration's program.

Sincerely,

DONALD BARRY,
Acting Assistant Secretary for Fish and Wildlife and Parks.

SECTION-BY-SECTION ANALYSIS

Section 1 of this legislation revises the boundary of Fort Matanzas National Monument in Florida by adding three small tracts of land totaling approximately 70 acres. The boundary adjustments are depicted on the map entitled ''Fort Matanzas National Monument'', numbered 347/80004, and dated February 1991.

Section 2 authorizes the Secretary to acquire the lands by donation, purchase, transfer or exchange.

Section 3 states that the lands will be administered as part of Fort Matanzas National Monument and will be subject to the laws that are applicable to the monument.•

By Mr. MURKOWSKI:

S. 2240. A bill to establish the Adams National Historical Park in the Commonwealth of Massachusetts, and for other purposes; to the Committee on Energy and Natural Resources.

ADMAS NATIONAL PARK LEGISLATION

• Mr. MURKOWSKI. Mr. President, on behalf of the Administration, today I introduce legislation to establish the Adams National Historical Park in the Commonwealth of Massachusetts and for other purposes.

I ask unanimous consent that the Administration's letter of transmittal and a section-by-section analysis of the legislation be printed in the RECORD for the information of my colleagues.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC. February 23, 1998.

Hon. ALBERT GORE, Jr.
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill ''To establish the Adams National Historical Park in the Commonwealth of Massachusetts and for other purposes.''

We recommend the bill be introduced, referred to the appropriate committee, and enacted.

The legislation would establish the Adams National Historical Park in Quincy, Massachusetts. Currently the proposed Adams National Historical Park is designated as a National Historic Site. It was established by Secretarial Order in 1935 based on the Historic Sites Act. It was expanded in 1952 again by Secretarial Order. In 1972, 1978 and 1980, Congress added more acreage to the site and authorized the addition of two separate properties to the historic site. The continued expansion of the historic site with the addition of separate properties all focused on the life and history of John Adams, Abigail Adams, John Quincy Adams, and their descendants, qualifies the existing National Park System unit for designation as a national historical park.

The legislation would authorize the acquisition of ten additional acres for development of visitor and administrative facilities to protect the historical setting and integrity of the historical park. The legislation directs that the historical park be managed in accord with the laws applicable to units of the National Park System, in particular the National Park Service Organic Act of 1916 and the Historic Sites Act of 1935. The legislation also provides specific cooperative

agreement authority to the historical park to work with outside entities and individuals on the preservation, development, interpretation, and use of the site.

The redesignation of Adams National Historic Site to Adams National Historical Park is the important recognition that the collection of sites in Quincy, Massachusetts, related to the lives of John Adams, 2nd President of the United States, his wife Abigail and their descendants, including their son, John Quincy Adams, 6th President of the United States, properly deserves. The authorities for land acquisition and cooperative agreements are critical for the successful protection, development, interpretation and use of the Adams National Historical Park.

The Office of Management and Budget has advised that there is no objection to the enactment of the enclosed draft legislation from the standpoint of the Administration's program.

Sincerely,

DONALD BARRY,
Acting Assistant Secretary for Fish and Wildlife and Parks.

SECTION-BY-SECTION ANALYSIS—ADAMS NATIONAL HISTORICAL PARK

Section 1.—Provides a short title for the Act—''Adams National Historical Park Act of 1998.''

Section 2. (a) Findings.—Provides the references including Secretarial Orders and Public Laws which created the Adams National Historic Site in Quincy, Massachusetts and expanded it from a single site to three separate sites in Quincy plus additional acreage at the original site. No single piece of legislation or Executive Order provides overarching authority or guidance for managing the multiple sites.

Section 2. (b) Purpose.—States the purpose of the legislation, to establish the ''Adams National Historical Park.''

Section 3.—Provides definitions.

Section 4.—Establishes the boundary of the historical park which is made up of the properties currently owned by the National Park Service and managed as part of the Adams National Historic Site or property identified in Executive Orders or Public Laws related to Adams National Historic Site that are to be acquired or conveyed to the National Park Service for inclusion in the historic site but that have not yet been acquired or conveyed. Also provides for the acquisition of up to ten additional acres for the development of administrative and visitor services.

Section 5.—Provides the authorities under which the historical park is to be administered, including cooperative agreement authority.

Section 6.—Authorities that funds necessary for the development, operation, and maintenance of the park be provided.●

By Mr. MURKOWSKI:

S. 2241. A bill to provide for the acquisition of lands formerly occupied by the Franklin D. Roosevelt family at Hyde Park, New York, and for other purposes; to the Committee on Energy and Natural Resources.

FRANKLIN D. ROOSEVELT FAMILY HISTORIC SITE LEGISLATION

● Mr. MURKOWSKI. Mr. President, on behalf of the Administration, today I introduce legislation to provide for the acquisition of lands formerly occupied by the Franklin D. Roosevelt family at Hyde Park, New York, and for other purposes.

I ask unanimous consent that the Administration's letter of transmittal and a section-by-section analysis of the legislation be printed in the RECORD for the information of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, May 26, 1998.

Hon. ALBERT GORE JR.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill ''To provide for the acquisition of lands formerly occupied by the Franklin D. Roosevelt family at Hyde Park, New York, and for other purposes.''

We recommend the bill be introduced, referred to the appropriate committee, and enacted.

The purpose of the legislation is to allow the Secretary of the Interior to acquire lands and interests therein that were owned by Franklin Delano Roosevelt or his family at the time of his death, as depicted on the map referenced in the bill, by means of purchase using appropriated or donated funds, by donation, or exchange. The lands would be added to and managed as part of the Home of Franklin D. Roosevelt National Historic Site or the Eleanor Roosevelt National Historic Site.

This would expand the current acquisition authority at the Home of Franklin D. Roosevelt National Historic Site. Currently the Secretary's authority to acquire land owned by FDR or his family at the time of his death is by means of donation only. The National Park Service's priority at the site would continue to be land acquisition by donation. With regard to the property where Roosevelt's Top Cottage is situated, the National Park Service would acquire such property by donation only. This bill, upon enactment, would allow the use of appropriated funds for purchase of lands where donation is infeasible.

The Office of Management and Budget has advised that there is no objection to the enactment of the enclosed draft legislation from the standpoint of the Administration's program.

Sincerely,

DONALD BARRY,
Acting Assistant Secretary for Fish and Wildlife and Parks.

SECTION-BY-SECTION ANALYSIS—FRANKLIN DELANO ROOSEVELT NATIONAL HISTORIC SITE/ELEANOR ROOSEVELT NATIONAL HISTORIC SITE

Section 1. Provides the Secretary of the Interior authority to acquire lands and/or interests in lands owned by Franklin Delano Roosevelt or his family at the time of his death. The property may be acquired by purchase using donated or appropriated funds, by donation or otherwise. This revises current authority that only allows acquisition by donation.

Section 2. States that any land acquired will be administered as part of the Home of Franklin D. Roosevelt National Historic Site or as part of the Eleanor Roosevelt National Historic Site, as appropriate.

Section 3. Provides authority for funds to be appropriated to carry out the Act.●

By Mr. DEWINE (for himself, Mr. GRASSLEY, Mr. KOHL, Mr. ABRAHAM, Mr. SESSIONS, and Mr. COVERDELL):

S. 2242. A bill to amend the Controlled Substances Import and Export Act to place limitations on controlled substances brought into the United States from Canada and Mexico; to the Committee on the Judiciary.

CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT AMENDMENTS

Mr. DEWINE. One of the key priorities for America today is protecting our young people from drugs. We need to stay on the lookout for new and different ways that we can make even a small difference in this important fight. This morning, along with Senators, GRASSLEY, KOHL, ABRAHAM, SESSIONS, and COVERDELL, I am introducing a bill that is neither monumental in approach nor grandiose in scope—but it will break on of the links in the chain of the drug trade.

There is now a loophole in Federal law that permits large quantities of a certain class of drugs known as controlled substances to pour into our country at an alarming rate. Included among these are some dangerous hallucinogenics and so-called date-rape drugs.

The reason for this current loophole is that, under present law, an individual is permitted to transport a 90-day supply of a controlled substance into the United States. By ''controlled substance'' we mean a substance that is either banned or regulated by the Drug Enforcement Agency. This ''personal use exception,'' as it is called, is well intentioned. It was created to allow Americans who become ill or injured abroad to carry their necessary medication back to the United States. I want to emphasize that this bill would by no means end that very legitimate practice. That is not our intention at all. However, this legislation would stop the blatant exploitation of that exemption which is allowing some drug traffickers to operate freely in the United States.

Let me explain. Specifically, these narcotics are being legally purchased in another country without any sort of documentation of medical need, then brought across our border, and then illegally sold on our streets in this country. By closing this loophole, we will empower our law enforcement to stop what amounts to nothing more than another form of drug trafficking in the United States.

The remedy we seek today is both effective and sensible. It would limit the amount of these controlled substances that can be carried back to the United States by Americans to 50 doses. According to the DEA, that is about a 2-week supply, enough time to go get a new prescription before running out of that medication.

I would also like to note some things that this legislation will not do, so we can explain it very clearly to Members. It will not change the law with respect to noncontrolled prescription drugs, drugs such as insulin or Premarin, and it would not affect the ability of people to obtain drugs to treat heart disease or cancer or AIDS or other serious illnesses, because these medication are not on the Controlled Substances List at all. I also indicate to my colleagues

that there is support for this among the Office of National Drug Control Policy, the Drug Enforcement Administration, U.S. Customs—they all support this approach. They recognize the problem and would like to see it resolved.

Let me again emphasize, this legislation is not complex. All we are really doing is closing a loophole to stop this illegal trafficking of controlled substances in the United States. If we are really going to make drug interdiction a priority, then it makes a great deal of sense to take this relatively small but effective and meaningful step. We need to take this step today.

Before closing, I would like to compliment my friend and colleague from the State of Ohio, Congressman STEVE CHABOT, from Cincinnati, who has shown great leadership on this issue, and many issues. It was through his active and tireless efforts in raising the profile on this issue that I was first made aware of the problem. I look forward to work with him and my other colleagues on this very important new initiative. It is my hope the Senate will act quickly and decisively to approve this very commonsense piece of legislation.

Mr. President, in conclusion, I ask unanimous consent a recent article that appeared in USA Today entitled ''Medications from Mexico'' that explains this and illustrates the problem be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDICATIONS FROM MEXICO

(By Tim Friend)

Millions of tablets of prescription sedatives, amphetamines and narcotic painkillers are being brought into the U.S. from Mexico, and most appear destined for recreational use or sale on the street, a new study shows.

The 12-month study of U.S. Customs declaration forms suggests serious abuse of federal laws that permit individuals to buy prescription drugs in Mexico and bring them back for personal use, the authors say.

It also suggests U.S. Customs enforcement of controlled substances at the border at Laredo, Texas, is limited.

''It is remarkable what is being brought back across the border,'' says Marvin Shepherd of the College of Pharmacy at the University of Texas at Austin. ''It's a prescription mill down there.''

Shepherd set out to determine how many prescription drugs elderly people are buying in Mexico because of the cheaper prices. The study was funded by the National Association of Chain Drug Stores and the Texas Pharmacy Association. They were concerned that unapproved drugs were entering the U.S. and that many elderly were skirting safeguards provided by U.S. pharmacies.

Shepherd says he and the study sponsors were shocked to learn that drugs declared by people over age 50 accounted for only 9.4% of 5,624 claims. The median age of men purchasing drugs was 24 and of women it was 35.

In some cases, individuals declared as many as 25 bottles of Valium containing 90 pills each and 29 boxes of Percodan containing 10 pills each.

Most people declaring the drugs obtained prescriptions in Nuevo Laredo from Mexican doctors' offices, usually for $20 to $30, without seeing a doctor.

Federal law permits prescriptions written and filled in Mexico to pass through customs, says Judy Turner, U.S. Customs spokeswoman. However, the policy is to allow only a 90-day supply of drugs.

''They do see a huge amount of Valium in Laredo,'' says Turner. ''But it's possible people are declaring large amounts of drugs and that agents are not permitting them to keep more than the limit.''

Customs records show agents at Laredo seized 330,089 tablets of Valium and 14 other drugs in 1995. But Shepherd estimates from June 1994 to July 1995, 8.7 million tablets of the top 15 drugs were brought into the U.S. from Nuevo Laredo.

Kristin McKeithan, who collected data for the study, says agents sometimes enforce limits on the drugs and at other times allow individuals to bring in large quantities.

''When a person came through it was a really random process,'' McKeithan says.

Leticia Moran, port director for U.S. Customs at Laredo, says the situation there is complicated by large numbers of people crossing the border.

''There is no way my officers would allow someone to bring in 25 boxes of Valium,'' Moran says. But on Saturdays, 25,000 people visit Nuevo Laredo. It is impossible for customs to check everyone, she says. People will get through with more drugs than are allowed.

Ronald Ziegler, president of the chain drug association, says the amounts of drugs many individuals were declaring far exceed amounts considered medically appropriate.

''The study cries out with the potential for abuse in almost every section,'' says Ziegler. ''You can imagine that if you take this from one border and expand it to other border crossings across the state, it's quite profound. Within this system, something has gone haywire.''

By Mr. CHAFEE (for himself, Mr. KEMPTHORNE, Mr. BAUCUS, Mr. ALLARD, Mr. DASCHLE, Ms. COLLINS, Mr. GRAHAM, Mrs. FEINSTEIN, Mr. JEFFORDS, Mr. SMITH of Oregon, Mr. D'AMATO, Mr. FAIRCLOTH, Mr. BOND, Mr. DEWINE, and Mr. SMITH of New Hampshire):

S. 2244. A bill to amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefit of national wildlife refugees, and for other purposes; to the Committee on Environment and Public Works.

NATIONAL WILDLIFE REFUGE SYSTEMS VOLUNTEER AND PARTNERSHIP ENHANCEMENT ACT

• Mr. CHAFEE. Mr. President, I am extremely pleased to introduce a bill that has tremendous potential to improve management and operations of the National Wildlife Refuge System. This bill—the National Wildlife Refuge System Volunteer and Partnership Enhancement Act— will supplement scarce Federal dollars with outside services and donations by local groups and individuals. I am joined by 13 of our colleagues on both sides of the aisle, including Senators KEMPTHORNE, BAUCUS, ALLARD, DASCHLE, COLLINS, GRAHAM, FEINSTEIN, JEFFORDS, GORDON SMITH, D'AMATO, DEWINE, BOND, and FAIRCLOTH.

The National Wildlife Refuge System consists of 93 million acres in 513 units. This is the land set aside by the Federal Government to protect fish and wildlife. The Refuge System historically has received less funding acre-for acre than its larger and older sibling, the National Park System. Despite the recent passage of the National Wildlife Refuge System Improvement Act of 1997, the refuge system remains poorly funded, and has a significant backlog of construction and maintenance projects totaling approximately $1 billion.

As budgets continue to shrink, the Federal Government must look at alternative sources of funding and assistance. Volunteer services have long helped the Refuge System, and are becoming increasingly important as a means of supplement decreasing Federal dollars. Indeed, the very first refuge on Pelican Island, Florida, was staffed by volunteer wardens. Since 1982, when the Fish and Wildlife Service (FWS) established a formal volunteer program, the program has grown from 4,251 volunteers donating 128,440 hours of time to 25,000 volunteers donating more than one million hours in 1996. This 1996 figure represents almost 20 percent of all work done by the FWS on the Refuge System, amounting to about $11 million worth of services, compared with a cost of $1.7 million for maintaining the volunteer program.

The five refuges in my own state of Rhode Island, which are managed as a single complex, provide a wonderful illustration of how important these effort are. Last year, volunteers donated 4,500 hours of service to Rhode Islands refuges. With only five full-time employers working among the five Rhode Island refuges, volunteers contributed 36 percent of all work performed on these refuges. At several of our refuges, the typical visitor often will only interact with volunteer staff.

The ''National Wildlife Refuge System Vounterer and Partnership Enhancement Act'' lends must needed support to the efforts of the FWS to maintain and operate the Refuge System. This bill will accomplish four goals: (1) encourage financial contributions and donations to refuges; (2) increase opportunities and incentives for volunteers on refuges; (3) promote community partnerships with local refuges; and (4) establish a refuge education program to use refuges as ''outdoor classrooms.''

Mr. President, let me give you some of the highlights in the bill. Section 3 of the bill allows gifts and donations to be made to individual refuges without further appropriations. While this is similar to current law, the bill provides new authority for the FWS to match these gifts. This will allow refuge managers to leverage the precious few dollars over which they have discretion for operations and maintenance with money from local residents and groups.

Section 4 directs the FWS to carry out a pilot project at 2 or more refuges in each region, but no more than 20 nationwide, to hire a volunteer coordinator for the refuge. This coordinator

will manage and supervise the volunteers, and service as the liaison between the volunteers, the partnership organizations, and the refuge. It also establishes a Senior Volunteer Corps for individuals 50 years or older. These older citizens comprise the majority of volunteer efforts throughout the refuge system. This new Corps will recognize and foster that effort.

Section 5 provides for community partner organizations to enter into agreements with the FWS to implement projects consistent with the purposes of the refuge. The projects may improve habitat, support operations, promote educational materials, or encourage donations. Non-Federal funding may be matched by the FWS. Section 6 directs the Secretary of the Interior to develop guidance for education programs that promotes understanding of refuge resources, improves scientific literacy, and provides outdoor classroom experiences. It also authorizes the Secretary to develop or enhance refuge education programs based on this guidance.

This bill is similar to a House bill, H.R. 1856, introduced by Congressman SAXTON on June 10, 1997, and subsequently passed by the House. I have been pleased to work with Congressman SAXTON on this wonderful initiative, and I urge all of our colleagues to support it.●

● Mr. BAUCUS. Mr. President, I am pleased to join my colleague Senator CHAFEE, the Chairman of the Senate Environment and Public Works Committee, in introducing the National Wildlife Refuge System Volunteer and Partnership Enhancement Act of 1998.

This bill will promote volunteerism on our national wildlife refuges. By encouraging volunteers to work with the U.S. Fish and Wildlife Service to improve our national wildlife refuges, this bill will not only benefit fish and wildlife but enhance the outdoor recreation and education experience for thousands of visitors.

The National Wildlife Refuge System is a sanctuary for our nation's fish and wildlife, many species of which are threatened or endangered. It is a sanctuary for people too, who use refuges for many purposes. Comprising some 93 million acres spread across the country in over 500 individual refuges, the system is an invaluable natural resource.

To ensure that the resource is conserved for future generations of Americans, the Congress recently enacted legislation to guide the management of the National Wildlife Refuge System. But even improved management cannot make up for the lack of money. The refuge system is underfunded. Without adequate financial and staff resources, we will not realize the full potential of the refuge system, as envisioned by the National Wildlife Refuge System Improvement Act of 1997.

One way to address this need is through the use of volunteers, ordinary citizens who care enough about our refuges to contribute their time.

To encourage volunteers to take a more active role in improving our wildlife refuges, this bill would authorize the Secretary of the Interior to enter into cooperative agreements with partner organizations to undertake conservation and education projects. In addition, the bill would authorize the Secretary to develop refuge education programs and provide for staff to assist partner organizations and coordinate volunteer activities.

Mr. President, I believe that this is a good bill and that it deserves our support. It will benefit fish and wildlife, provide unique opportunities for citizens to donate their valuable time and expertise to refuges in their local communities, and enhance the refuge experience for the many people who visit our refuges each year.

I intend to work closely with my colleague, Senator CHAFEE, and other members of our Committee, to help ensure that it is enacted this year.●

By Mr. LAUTENBERG:

S. 2245. A bill to require employers to notify local emergency officials, under the appropriate circumstances, of workplace emergencies, and for other purposes; to the Committee on Labor and Human Resources.

INDUSTRIAL EMERGENCY NOTIFICATION ACT OF 1998

● Mr. LAUTENBERG. Mr. President, I introduce the Industrial Emergency Notification Act of 1998. The bill will require the U.S. Occupational Safety and Health Administration (OSHA) to require that employers notify local emergency officials, like police and fire departments, in the event of workplace emergencies. Passage of this bill will help prevent accidents such as the explosion that took the lives of five men three years ago at Napp Technologies in Lodi, New Jersey.

One mark of our progress as a society is the extent to which we can guarantee every working man and woman a safe, healthy workplace. No one should have to risk their health and safety to make a decent living. Sadly, the Napp explosion showed us how far we have to go.

Among other things, the Napp explosion showed the loopholes that exist in current OSHA regulations. On the day of the explosion, after the chemical mixture started smoking, Napp management clearly knew they had a chemical emergency on their hands, yet they ordered the evacuation by word of mouth rather than by alarm, resulting in a lack of notification to the fire department. Then, still without notifying local emergency officials, which even common sense would have dictated, they sent the workers back in to their deaths. After all this, one would think OSHA would have had the basis for a strong enforcement action against Napp. Yet after the explosion, OSHA officials were unable to cite Napp for not contacting local emergency officials because there was no clear enforceable requirement to do so.

Current OSHA standards on workplace emergencies and emergency response require employers to coordinate with local response authorities, leaving the final decision for notification to employers' discretion—rather than specifying clear minimum criteria for notification. The compliance directive recently released by OSHA on this standard elaborates on this requirement, but fails to close this gap.

The Industrial Emergency Notification Act of 1998 will require OSHA to require that employers notify local emergency officials in the event of workplace emergencies. OSHA shall specify, as appropriate, the circumstances under which emergency notification is required, such as workplace evacuation. Also, the legislation will codify OSHA's recent compliance directive, which requires employers to develop emergency response procedures in cooperation with local emergency officials.

It is both possible and important to list the circumstances under which local emergency officials should be notified, rather than leaving such notification to the discretion of a potentially harried business manager. Also it is vital that OSHA's authority include the ability to take appropriate enforcement action against negligence, after inadequate notification and the resulting workplace injuries or deaths. Finally, in addition to the importance of this legislation in improving workplace safety, to the extent that local emergency officials can help control the chemical releases associated with workplace emergencies, this legislation will provide important environmental protection benefits as well.

The bill is endorsed by the American Federation of Labor, Congress of Industrial Organizations, the Union of Needletrades, Industrial and Textile Employees, the Oil, Chemical and Atomic Workers International Union, the International Chemical Workers Union Council of the United Food and Commercial Workers, the International Union of Operating Engineers, the Environmental Defense Fund, and the U.S. Public Interest Research Group.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2245

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 ''Industrial Emergency Notification Act of 1998.''

SEC. 2. NOTIFICATION OF EMERGENCY OFFICIALS.

(a) Notwithstanding any other provision of law, the Occupational Safety and Health Administration shall issue as a final rule, not later than 18 months of the enactment of this act, a regulation that requires employers to:

(1) notify outside emergency responders when the conditions and circumstances

occur which require outside emergency response, including workplace evacuations and other conditions specified in the rule;

(2) describe with specificity in their emergency response plans developed under 29 CFR 1919.120 or 1926.65, or in their emergency action plans under 29 CFR 1910.38, the conditions and circumstances that require outside emergency response in addition to those specified under paragraph (1); and

(3) obtain the agreement, in writing, of the outside responders as to which conditions and circumstances require outside response in addition to those specified under paragraph (1).●

By Mr. MURKOWSKI:

S. 2246. A bill to amend the Act which established the Frederick Law Olmsted National Historic Site, in the commonwealth of Massachusetts, by modifying the boundary and for other purposes; to the Committee on Energy and Natural Resources.

FREDERICK LAW OLMSTED NATIONAL HISTORIC SITE LEGISLATION

● Mr. MURKOWSKI. Mr. President, on behalf of the Administration, today I introduce legislation to amend the Act which established the Frederick Law Olmstead National Historic Site, in the commonwealth of Massachusetts, by modifying the boundary and for other purposes.

I ask unanimous consent that the Administration's letter of transmittal and a section-by-section analysis of the legislation be printed in the RECORD for the information of my colleagues.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, September 22, 1997.

Hon. ALBERT GORE, Jr.,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill ''To amend the Act which established the Frederick Law Olmsted National Historic Site, in the Commonwealth of Massachusetts, by modifying the boundary and for other purposes.''

We recommend the bill be introduced, referred to the appropriate committee, and enacted. The purpose of the legislation is to allow the Secretary of the Interior to acquire, by donation only, lands owned by the Brookline Conservation Land Trust which are situated adjacent to the historic site. These lands remain much as they were during Olmsted's life and acquisition will help preserve the setting of the historic site. The Brookline Conservation Land Trust desires to donate the property to the National Park Service to help preserve the setting of the historic site and to make it available for educational purposes.

The Office of Management and Budget has advised that there is no objection to the enactment of the enclosed draft legislation from the standpoint of the Administration's program.

Sincerely,

DONALD J. BARRY,
Acting Assistant Secretary for Fish and Wildlife and Parks.

Enclosures.

SECTION-BY-SECTION ANALYSIS—FREDERICK LAW OLMSTED NATIONAL HISTORIC SITE

Amends the Act of October 12, 1979, which originally established the historic site, by providing the Secretary of the Interior authority to acquire lands adjacent to the historic site. The lands may be acquired only by means of donation from a private land trust. The land trust wishes to donate the subject property to the historic site to help preserve and maintain the historic setting of the site.●

By Mr. MURKOWSKI:

S. 2247. A bill to permit the payment medical expenses incurred by the U.S. Park Police in the performance of duty to be made directly by the National Park Service, and for other purposes; to the Committee on Energy and Natural Resources.

U.S. PARK POLICE LEGISLATION

Mr. MURKOWSKI. Mr. President, on behalf of the Administration, today I introduce legislation to permit the payment of medical expenses incurred by the United States Park Police in the performance of duty to be made directly by the National Park service, and for other purposes.

I ask unanimous consent that the Administration's letter of transmittal and a section-by-section analysis of the legislation be printed in the RECORD for the information of my colleagues.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, March 11, 1998.

Hon. ALBERT GORE, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill, ''to permit the payment of medical expenses incurred by the U.S. Park Police in the performance of duty to be made directly by the National Park Service, and for other purposes.''

We recommend the bill be introduced, referred to the appropriate committee for consideration, and enacted.

The District of Columbia (District) is currently charged with paying all medical bills for services rendered for National Park Police members who become injured or ill in the performance of their duties. Subsequently, the National Park Service reimburses the District for medical payments made on behalf of the Park Police. Fiscal constraints experienced by the District have resulted in untimely payments of these expenses. Consequently, some Park Police members have been denied treatment and others have had their credit ratings adversely affected. This situation is untenable. It compromises the law enforcement capability of the Park Police and places an undue burden on Park Police employees. the enclosed draft legislation would amend the Act of September 1, 1916, section 12(e), to allow the National Park Service to make these payments directly to the medical providers. Amended language is urgently needed. We respectfully request that this draft legislation be expedited.

The Office of Management and Budget has advised that there is no objection to the enactment of the enclosed draft legislation from the standpoint of the Administration's program.

Sincerely,

DONALD BARRY,
Acting Assistant Secretary for Fish and Wildlife and Parks.

SECTION-BY-SECTION ANALYSIS

This bill amends the Act of September 1, 1916, section 12(e), to allow the National Park Service to pay medical providers directly for expenses incurred by the U.S. Park Police while on official duty.

By Mr. MURKOWSKI:

S. 2248. A bill to allow for waiver and indemnification in mutual law enforcement agreements between the National Park Service and a state or political subdivision, when required by state law, and for other purposes; to the Committee on Energy and Natural Resources.

NATIONAL PARK SERVICE LEGISLATION

● Mr. MURKOWSKI. Mr. President, on behalf of the Administration, today I introduce legislation to allow for wavier and indemnification in mutual law enforcement agreements between the National Park Service and a state or political subdivision, when required by state law, and for other purposes.

I ask unanimous consent that the Administration's letter of transmittal and a section-by-section analysis of the legislation be printed in the RECORD for the information of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, March 18, 1998.

Hon. ALBERT GORE, Jr.
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill, ''To allow for waiver and indemnification in mutual law enforcement agreements between the National Park Service and a state or political subdivision, when required by state law, and for other purposes.''

We recommend the bill be introduced, referred to the appropriate committee for consideration, and enacted.

This amendment would provide express authority for the National Park Service to enter into mutual aid agreements with adjacent law enforcement agencies. Pursuant to statutory authorities, the Park Police have maintained memoranda of understandings with local law enforcement agencies in Maryland and Virginia. These agreements specify the circumstances under which these agencies will assist the Park Police. Both Maryland and Virginia laws require that each party must agree to indemnify and hold harmless the assisting agency from all claims by third parties for property damage or personal injury, which may arise out of the assisting agency's activities outside its respective jurisdiction.

The Comptroller General issued a decision on August 16, 1991, which stated that such indemnification clauses violate the Anti-deficiency Act (31 U.S.C. 1341(a)). The Comptroller General stated:

''[O]pen-ended indemnification agreements should not be entered into regardless of the existence of language of limitations except with express congressional acquiesence. . . . Thus we recommend that the Park Police obtain congressional approval for this type of arrangement.''

The Comptroller General further recognized the importance of memoranda of understandings between the Park Police and local authorities for effective law enforcement, and stated, ''. . . we will not object to the Park Police temporarily entering into revised agreements with the required indemnification clauses while congressional approval is being sought.''

Although the opinions of the Comptroller General are not binding on Executive Branch

departments, they often provide useful guidance on appropriations matters and related issues. Because it raises questions as to Interior's indemnification authority, the Comptroller General's opinion may impede Interior's efforts to maintain intergovernmental cooperation in the policing of national parks. The amendment that we have proposed would eliminate this potential impediment.

The Office of Management and Budget has advised that there is no objection to the enactment of the enclosed draft legislation from the standpoint of the Administration's program.

Sincerely,

DONALD BARRY,
Acting Assistant Secretary for Fish and Wildlife and Parks.

SECTION-BY-SECTION ANALYSIS

Section 1: This section renumbers paragraphs and adds a new section c(3), which would provide express statutory authority for the National Park Service to use indemnification clauses in their mutual aid agreements with a state or political subdivision for law enforcement purposes, when required by state law.

Section 2: This section makes a technical correction.●

By Mr. DASCHLE (for himself, Mrs. BOXER, Mr. KENNEDY, Mr. BINGAMAN, Ms. MOSELEY-BRAUN, Mr. ROCKEFELLER, Ms. MIKULSKI, Mr. REID, Mr. DURBIN, Mr. INOUYE, and Mr. TORRICELLI):

S. 2249. A bill to provide retirement security for all Americans; to the Committee on Finance.

RETIREMENT ACCESSIBILITY, SECURITY AND PORTABILITY ACT OF 1998

Mr. DASCHLE. Mr. President, today, Democrats are offering identical bills in the House and the Senate—the ''Retirement Accessibility, Security and Portability Act of 1998''—to make the prospect of retirement less frightening for millions of American workers. Right now, just under half of all American workers have pension plans, and the number is far worse for women and low- and moderate-income workers.

Our plan would increase the number of Americans with pensions by making it easier and cheaper for small businesses to set up pension funds. It would create a new system to help workers who have no pension coverage to build their own retirement savings through direct contributions from their paychecks into an IRA.

Our plan would make it easier for workers to take their pensions with them from one job to the next. This is incredibly important in an economy where the average worker will change careers an average of 7 times.

Our plan would increase pension security to ensure retirees will actually have a pension when they leave the work force. And, it would help close the huge pension gap that now exists between men and women and that leaves far too many older women who are widowed or divorced living in near-poverty.

Mr. President, I talk frequently to people all the time who are worried they won't be able to afford the ''luxury'' of retirement. I say, we can't afford the luxury of ignoring the coming retirement crisis. Retirement shouldn't mean an economic freefall. And it doesn't have to.

The first of the baby boomers turns 50 this year. We still have time to make the changes that will allow us to enjoy a secure retirement. But it will take change from individuals, employers and from the government.

That's what this bill provides.

This bill would expand pension coverage and access to more Americans by establishing an easy-to-administer defined benefit plan option for small businesses known as the SMART Plan; providing a maximum credit of $1,000 to help small business cover the cost of setting up new pension plans; and modifying new rules for the ''SIMPLE'' and 401(k) plans to encourage the provision of pensions to low-to-moderate income employees.

This bill would encourage pension portability by requiring faster vesting of employers' matching contributions under defined contribution plans, including 401(k) plans, so that employees would have rights to the contributions after the least 3 years of employment; allowing rollovers between 401(k) and similar plans set up by non-profit organizations, including 403(b) plans; and allowing participants in plans set up by state and local governments to roll over their account balances to IRAs.

This bill would protect and strengthen pensions by establishing greater safeguards to prevent corporations from raiding their employees' pension plans; creating stricter requirements for audits of plan assets and how companies are investing these assets; prohibiting employers from making credit card loans against pension assets; and providing pension plan participants with regular and informative benefit statements so they can monitor the activity and value of their pension assets.

In addition, this bill would reduce the wide gap in pension coverage between men and women, as well as provide greater protections for older women by creating new safeguards to ensure that pension benefits are not overlooked when a couple divides assets upon divorce; a new option for federal workers to provide a greater benefit for women who outlive their husbands; protections for low-income women against the loss of their Social Security benefits; a new women's pension information hotline; and a requirement that additional hours taken under the Family and Medical leave Act are credited to one's pension plan for purposes of participation and vesting in their plan benefits.

In 1994, President Clinton signed a bill protecting the pensions of more than 40 million American workers and retirees against risky investments and corporate raids. In 1996, he signed additional legislation cutting red tape and start-up costs for pension plans, so more small businesses could create retirement plans for their workers.

Before 1998 is over, we intend to give the President another retirement security bill to sign.

This Congress has done precious little so far to address the concerns of America's working families. passing this bill—increasing Americans' retirement security—would do a lot to fill that void. We urge our Republican colleagues to join us in passing it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2249

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 ''Retirement Accessibility, Security and Portability Act of 1998''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—PENSION ACCESS AND COVERAGE

SEC. 100. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title 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.

Subtitle A—Improved Access to Individual Retirement Savings

SEC. 101. 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 1997 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 1997. 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, 2001.—Such term shall not include any expense in connection with a plan established after December 31, 2000.

''(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. 102. EXCLUSION FOR PAYROLL DEDUCTION CONTRIBUTIONS TO IRAS.

(a) IN GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

''(q) QUALIFIED PAYROLL DEDUCTION ARRANGEMENT FOR IRA CONTRIBUTIONS.—

''(1) IN GENERAL.—For purposes of this title, the term 'qualified payroll deduction

arrangement' means a written arrangement of an employer under which—

''(A) an employee eligible to participate in the arrangement may elect to have the employer make payments—

''(i) to the employee directly in cash, or

''(ii) as elective employer contributions to an individual retirement plan (as defined in section 7701(a)(37)), other than an individual retirement plan described in section 408(k), 408(p), or 408A(b), on behalf of the employee for the taxable year in which the payments otherwise would have been made to the employee directly in cash,

''(B) the amount which the employee may elect under subparagraph (A) for any year may not exceed a total of $2,000,

''(C) no other contributions may be made other than contributions described in subparagraph (A),

''(D) the employee's rights to any contributions made to an individual retirement plan are nonforfeitable (for this purpose, rules similar to the rules of subsection (k)(4) shall apply), and

''(E) the employer makes the elective employer contributions under subparagraph (A) not later than the close of the 30-day period following the last day of the month with respect to which the contributions are to be made.

''(2) ELECTION NOT TO HAVE SUBSECTION APPLY.—An employer that maintains an arrangement otherwise described in paragraph (1) may elect to have contributions treated as though they were not made under such an arrangement. If an employer does not make an election described in the preceding sentence, an employee may elect, before any contributions are made for the calendar year, to have contributions on behalf of the employee treated as though they were not made under an arrangement described in paragraph (1). An employer shall be deemed to have made an election under this paragraph for a year if the employer maintained a qualified plan with respect to which contributions were made or benefits were accrued for such year. For purposes of the preceding sentence, the term 'qualified plan' means a plan, contract, pension, or trust described in subparagraph (A) or (B) of section 219(g)(5).''.

(b) TAX TREATMENT OF EMPLOYER CONTRIBUTIONS MADE UNDER A QUALIFIED PAYROLL DEDUCTION ARRANGEMENT.—

(1) COORDINATION WITH DEDUCTION UNDER SECTION 219.—

(A) Section 219(b) (relating to maximum amount of deduction) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR CONTRIBUTIONS UNDER A QUALIFIED PAYROLL DEDUCTION ARRANGEMENT.—This section shall not apply with respect to any amount contributed under a qualified payroll deduction arrangement described in section 408(q)(1) (for which an election has not been made under section 408(q)(2)).''.

(B) Section 219(g)(1) (relating to the limitation on deduction for active participants) is amended to read as follows:

''(1) IN GENERAL.—If (for any part of any plan year ending with or within a taxable year) an individual is an active participant, each of the dollar limitations contained in subsections (b)(1)(A) and (c)(1)(A) for such taxable year shall be reduced (but not below zero) by the sum of—

''(A) the amount determined under paragraph (2), and

''(B) the amount contributed for the taxable year under a qualified payroll deduction arrangement described in section 408(q)(1) (for which an election has not been made under section 408(q)(2)).''.

(2) DEDUCTIBILITY OF EMPLOYER CONTRIBUTIONS.—Section 404 (relating to deductions for contributions of an employer to pension, etc., plans) is amended by adding at the end the following new subsection:

''(n) SPECIAL RULES FOR CONTRIBUTIONS UNDER A QUALIFIED PAYROLL DEDUCTION ARRANGEMENT.—Rules similar to the rules of subsection (m) shall apply to employer contributions made under a qualified payroll deduction arrangement described in section 408(q)(1) (for which an election has not been made under section 408(q)(2)).''.

(3) CONTRIBUTIONS AND DISTRIBUTIONS.—Section 402 (relating to taxability of beneficiary of employees' trust) is amended by adding at the end the following new subsection:

''(l) TREATMENT OF CONTRIBUTIONS AND DISTRIBUTIONS UNDER A QUALIFIED PAYROLL DEDUCTION ARRANGEMENT.—Rules similar to the rules of paragraphs (1) and (3) of subsection (h) shall apply to contributions and distributions made with respect to an individual retirement plan under a qualified payroll deduction arrangement described in section 408(q)(1) (for which an election has not been made under section 408(q)(2)), except that contributions made by an employer on behalf of an employee for a taxable year shall be excluded from income only to the extent such contributions would have been deductible for such taxable year under section 219, if such section applied, without regard to section 219(g)(1)(B). Contributions that are not excluded from income under the preceding sentence shall be treated as designated nondeductible contributions under section 408(o).''.

(c) EXEMPTION FROM WITHHOLDING.—Subsection (a) of section 3401 (defining wages) is amended by striking ''or'' at the end of paragraph (20), by striking the period at the end of paragraph (21) and inserting ''; or'', and by inserting after paragraph (21) the following new paragraph:

''(22) for any payment made for the benefit of the employee to an individual retirement plan if the amount of such payment was deducted and withheld under section 408(q).''.

(d) EXCLUSION SHOWN ON W–2.—Subsection (a) of section 6051 (relating to receipts for employees) is amended by striking ''and'' at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting '', and'', and by inserting after paragraph (11) the following new paragraph:

''(12) the total amount deducted and withheld pursuant to section 408(q).''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid after December 31, 1998.

SEC. 103. NONREFUNDABLE TAX CREDIT FOR CONTRIBUTIONS TO INDIVIDUAL RETIREMENT PLANS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

''SEC. 25B. RETIREMENT SAVINGS.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter so much of the qualified retirement contributions of the taxpayer for the taxable year as does not exceed the applicable amount of the adjusted gross income of the taxpayer for such year.

''(b) APPLICABLE AMOUNT.—For purposes of subsection (a), the applicable amount is determined in accordance with the following table:

''If adjusted gross income is:	The applicable amount is:
Not over $15,000	$450.
Over $15,000 but not over $20,000.	$400.
Over $20,000 but not over $25,000.	$350.
Over $25,000 but not over $30,000.	$300.
Over $30,000	$0.

''(c) SECTION NOT TO APPLY TO CERTAIN CONTRIBUTIONS.—This section shall not apply with respect to—

''(1) an employer contribution to a simplified employee pension,

''(2) any amount contributed to a simple retirement account established under section 408(p),

''(3) any amount contributed to a Roth IRA, and

''(4) any designated nondeductible contribution (as defined in section 408(o)(2)(C)).

''(d) OTHER LIMITATIONS AND RESTRICTIONS.—

''(1) BENEFICIARY MUST BE UNDER AGE 70½.—No credit shall be allowed under this section with respect to any qualified retirement contribution for the benefit of an individual if such individual has attained age 70½ before the close of such individual's taxable year for which the contribution was made.

''(2) RECONTRIBUTED AMOUNTS.—No credit shall be allowed under this section with respect to a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).

''(3) AMOUNTS CONTRIBUTED UNDER ENDOWMENT CONTRACT.—In the case of an endowment contract described in section 408(b), no credit shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which is properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

''(4) DENIAL OF CREDIT FOR AMOUNT CONTRIBUTED TO INHERITED ANNUITIES OR ACCOUNTS.—No credit shall be allowed under this section with respect to any amount paid to an inherited individual retirement account or individual retirement annuity (within the meaning of section 408(d)(3)(C)(ii)).

''(5) NO DOUBLE BENEFIT.—No credit shall be allowed under this section for any taxable year with respect to the amount of any qualified retirement contribution for the benefit of an individual if such individual takes a deduction with respect to such amount under section 219 for such taxable year.

''(e) QUALIFIED RETIREMENT CONTRIBUTION.—For purposes of this section, the term 'qualified retirement contribution' means—

''(1) any amount paid in cash for the taxable year by or on behalf of an individual to an individual retirement plan for such individual's benefit, and

''(2) any amount contributed on behalf of any individual to a plan described in section 501(c)(18).

''(f) OTHER DEFINITIONS AND SPECIAL RULES.—

''(1) COMPENSATION.—For purposes of this section, the term 'compensation' has the meaning given in section 219(f)(1).

''(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to an individual retirement plan on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

''(4) EMPLOYER PAYMENTS.—For purposes of this title, any amount paid by an employer to an individual retirement plan shall be treated as payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) includible in his gross income in the taxable year for which the

amount was contributed, whether or not a credit for such payment is allowable under this section to the employee.''

(b) CONFORMING AMENDMENTS.—

(1) Section 86(f) is amended by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) section 25B(f)(1) (defining compensation),''.

(2) Clause (i) of section 501(c)(18)(D) is amended by inserting ''which may be taken into account in computing the credit allowable under section 25B or'' before ''with respect''.

(3) Section 6047(c) is amended by inserting ''section 25B or'' before ''section 219''.

(4) Section 6652(g) is amended by inserting ''CREDITABLE'' before ''DEDUCTIBLE'' in the heading thereof.

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

''Sec. 25B. Retirement savings.''

(c) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1998.

SEC. 104. DISTRIBUTIONS FROM CERTAIN PLANS MAY BE USED WITHOUT PENALTY DURING PERIODS OF UNEMPLOYMENT.

(a) IN GENERAL.—Paragraph (2) of section 72(t) (relating to exceptions to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new subparagraph:

''(G) ADDITIONAL DISTRIBUTIONS TO UNEMPLOYED INDIVIDUALS.—

''(i) IN GENERAL.—Distributions from an individual retirement plan, or from amounts attributable to employer contributions made pursuant to elective deferrals described in subparagraph (A) or (C) of section 402(g)(3) or section 501(c)(18)(D)(iii), to an individual after separation from employment if—

''(I) such individual has received unemployment compensation for 12 consecutive weeks under any Federal or State unemployment compensation law by reason of such separation, and

''(II) such distributions are made during the 1-year period beginning on the date of such separation.

''(ii) DISTRIBUTIONS AFTER REEMPLOYMENT.—Clause (i) shall not apply to any distribution made after the individual has been employed for at least 60 days after the separation from employment to which clause (i) applies.

''(iii) COORDINATION WITH SUBPARAGRAPH (D).—Distributions during the 1-year period described in clause (i)(II) shall not be taken into account in applying the limitation under subparagraph (D)(i)(III).''

(b) CONFORMING AMENDMENTS.—

(1) Section 401(k)(2)(B)(i) is amended by striking ''or'' at the end of subclause (III), by striking ''and'' at the end of subclause (IV) and inserting ''or'', and by inserting after subclause (IV) the following new subclause:

''(V) the date on which a period referred to in section 72(t)(2)(G) begins, and''.

(2) Section 403(b)(11) is amended by striking ''or'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', or'', and by inserting after subparagraph (B) the following new subparagraph:

''(C) for distributions to which section 72(t)(2)(G) applies.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after the date of the enactment of this Act.

Subtitle B—Secure Money Annuity or Retirement (SMART) Trusts

SEC. 111. SECURE MONEY ANNUITY OR RETIREMENT (SMART) TRUSTS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 is amended by inserting after section 408A the following new section:

''SEC. 408B. SMART PLANS.

''(a) EMPLOYER ELIGIBILITY.—

''(1) IN GENERAL.—An employer may establish and maintain a SMART annuity or a SMART trust for any year only if—

''(A) the employer is an eligible employer (as defined in section 408(p)(2)(C)), and

''(B) the employer does not maintain (and no predecessor of the employer maintains) a qualified plan (other than a permissible plan) with respect to which contributions were made, or benefits were accrued, for service in any year in the period beginning with the year such annuity or trust became effective and ending with the year for which the determination is being made.

The period described in subparagraph (B) shall include the period of 5 years before the year such trust or annuity became effective with respect to qualified plans which are defined benefit plans or money purchase pension plans.

''(2) DEFINITIONS.—For purposes of paragraph (1)—

''(A) QUALIFIED PLAN.—The term 'qualified plan' has the meaning given such term by section 408(p)(2)(D)(ii).

''(B) PERMISSIBLE PLAN.—The term 'permissible plan' means—

''(i) a SIMPLE plan described in section 408(p),

''(ii) a SIMPLE 401(k) plan described in section 401(k)(11),

''(iii) an eligible deferred compensation plan described in section 457(b),

''(iv) a collectively bargained plan but only if the employees eligible to participate in such plan are not also entitled to a benefit described in subsection (b)(5) or (c)(5), or

''(v) a plan under which there may be made only—

''(I) elective deferrals described in section 402(g)(3), and

''(II) employer matching contributions not in excess of the amounts described in subclauses (I) and (II) of section 401(k)(12)(B)(i).

''(b) SMART ANNUITY.—

''(1) IN GENERAL.—For purposes of this title, the term 'SMART annuity' means an individual retirement annuity (as defined in section 408(b) without regard to paragraph (2) thereof and without regard to the limitation on aggregate annual premiums contained in the flush language of section 408(b)) if—

''(A) such annuity meets the requirements of paragraphs (2) through (8), and

''(B) the only contributions to such annuity are employer contributions.

Nothing in this section shall be construed as preventing an employer from using a group annuity contract which is divisible into individual retirement annuities for purposes of providing SMART annuities.

''(2) PARTICIPATION REQUIREMENTS.—

''(A) IN GENERAL.—The requirements of this paragraph are met for any year only if all employees of the employer who—

''(i) received at least $5,000 in compensation from the employer during any 2 consecutive preceding years, and

''(ii) received at least $5,000 in compensation during the year,

are entitled to the benefit described in paragraph (5) for such year.

''(B) EXCLUDABLE EMPLOYEES.—An employer may elect to exclude from the requirements under subparagraph (A) employees described in subparagraph (A) or (C) of section 410(b)(3).

''(3) VESTING.—The requirements of this paragraph are met if the employee's rights to any benefits under the annuity are nonforfeitable.

''(4) BENEFIT FORM.—The requirements of this paragraph are met if the only form of benefit is—

''(A) a benefit payable annually in the form of a single life annuity with monthly payments (with no ancillary benefits) beginning at age 65, or

''(B) any other form of benefit which is the actuarial equivalent (based on the assumptions specified in the SMART annuity) of the benefit described in subparagraph (A).

''(5) AMOUNT OF ANNUAL ACCRUED BENEFIT.—

''(A) IN GENERAL.—The requirements of this paragraph are met for any plan year if the accrued benefit of each participant derived from employer contributions for such year, when expressed as a benefit described in paragraph (4)(A), equals the applicable percentage of the participant's compensation for such year.

''(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable percentage' means 2 percent.

''(ii) ELECTION OF DIFFERENT PERCENTAGE.—An employer may elect to apply an applicable percentage of 1 percent for any year for all employees eligible to participate in the plan for such year, if the employer notifies the employees of such percentage within a reasonable period before the beginning of such year. An employer may also elect to apply an applicable percentage of 3 percent for any of the first 5 years that the plan is effective for all employees eligible to participate in the plan for such year, if the employer so notifies the employees.

''(C) COMPENSATION LIMIT.—

''(i) IN GENERAL.—The compensation taken into account under this paragraph for any year shall not exceed $100,000.

''(ii) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust annually the $100,000 amount in clause (i) 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 October 1, 1998, and any increase which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

''(6) FUNDING.—

''(A) IN GENERAL.—The requirements of this paragraph are met only if the employer is required to contribute to the annuity for each plan year the amount necessary to purchase a SMART annuity in the amount of the benefit accrued for such year for each participant entitled to such benefit. Such contribution must be made no later than 8½ months after the end of the plan year.

''(B) PENALTY FOR FAILURE TO MAKE REQUIRED CONTRIBUTION.—The taxes imposed by section 4971 shall apply to a failure to make the contribution required by this paragraph in the same manner as if the amount of the failure were an accumulated funding deficiency to which such section applies.

''(7) LIMITATION ON DISTRIBUTIONS.—

''(A) IN GENERAL.—The requirements of this paragraph are met only if distributions may be paid only when the employee attains age 65, separates from service, dies, or becomes disabled (within the meaning of section 72(m)(7)).

''(B) LIMITATION ON DISTRIBUTIONS ON SEPARATION FROM SERVICE OF EMPLOYEES WHO HAVE NOT ATTAINED AGE 65.—Subparagraph (A) shall apply to a distribution on separation of service of an employee who has not attained age 65 only if—

''(i) the aggregate cash value of an employee's SMART annuities does not exceed the dollar limit in effect under section 411(a)(11)(A), or

''(ii) the distribution is a direct trustee-to-trustee transfer of the entire balance to the credit of the employee to a SMART trust described in subsection (c), a SMART rollover plan, or a SMART annuity for the benefit of such employee.

''(8) JOINT AND SURVIVOR ANNUITY RULES APPLICABLE.—The requirements of this paragraph are met only if the annuity satisfies section 401(a)(11).

''(9) DEFINITIONS AND SPECIAL RULE.—

''(A) DEFINITIONS.—The definitions in section 408(p)(6) shall apply for purposes of this subsection.

''(B) USE OF DESIGNATED FINANCIAL INSTITUTIONS.—A rule similar to the rule of section 408(p)(7) (without regard to the last sentence thereof) shall apply for purposes of this subsection.

''(C) SMART ROLLOVER PLAN.—For purposes of this section, the term 'SMART rollover plan' means an individual retirement plan for the benefit of the employee to which a rollover was made from a SMART Annuity, SMART trust, or another SMART Rollover plan.

''(c) SMART TRUST.—

''(1) IN GENERAL.—For purposes of this title, the term 'SMART trust' means a trust forming part of a defined benefit plan if—

''(A) such trust meets the requirements of section 401(a) as modified by subsection (d),

''(B) such plan meets the requirements of paragraphs (2) through (8), and

''(C) the only contributions to such trust are employer contributions.

''(2) PARTICIPATION REQUIREMENTS.—A plan meets the requirements of this paragraph for any year only if the requirements of subsection (b)(2) are met for such year.

''(3) VESTING.—A plan meets the requirements of this paragraph for any year only if the requirements of subsection (b)(3) are met for such year.

''(4) BENEFIT FORM.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a plan meets the requirements of this paragraph only if the trustee distributes a SMART annuity that satisfies subsection (b)(4) where the annual benefit described in subsection (b)(4)(A) is no less than the accrued benefit determined under paragraph (5).

''(B) DIRECT TRANSFERS TO INDIVIDUAL RETIREMENT PLAN OR SMART ANNUITY.—A plan shall not fail to meet the requirements of this paragraph by reason of permitting, as an optional form of benefit, the distribution of the entire balance to the credit of the employee. If the employee is under age 65, such distribution must be in the form of a direct trustee-to-trustee transfer to a SMART annuity, another SMART trust, or a SMART rollover plan (or, in the case of a distribution that does not exceed the dollar limit in effect under section 411(a)(11)(A), any other individual retirement plan).

''(5) AMOUNT OF ANNUAL ACCRUED BENEFIT.—A plan meets the requirements of this paragraph for any year only if the requirements of subsection (b)(5) are met for such year.

''(6) FUNDING.—

''(A) IN GENERAL.—A plan meets the requirements of this paragraph for any year only if—

''(i) the requirements of subparagraph (A) of subsection (b)(6) are met for such year,

''(ii) in the case of a plan which has an unfunded annuity amount with respect to the account of any participant, the plan requires that the employer make an additional contribution to such plan (at the time the annuity contract to which such amount relates is purchased) equal to the unfunded annuity amount, and

''(iii) in the case of a plan which has an unfunded prior year liability as of the close of such plan year, the plan requires that the employer make an additional contribution to such plan for such year equal to the amount of such unfunded prior year liability no later than 8½ months following the end of the plan year.

''(B) UNFUNDED ANNUITY AMOUNT.—For purposes of this paragraph, the term 'unfunded annuity amount' means, with respect to the account of any participant for whom an annuity is being purchased, the excess (if any) of—

''(i) the amount necessary to purchase an annuity contract which meets the requirements of subsection (b)(4) in the amount of the participant's accrued benefit determined under paragraph (5), over

''(ii) the balance in such account at the time such contract is purchased.

''(C) UNFUNDED PRIOR YEAR LIABILITY.—For purposes of this paragraph, the term 'unfunded prior year liability' means, with respect to any plan year, the excess (if any) of—

''(i) the aggregate of the present value under the plan as of the close of the prior plan year, over

''(ii) the value of the plan's assets determined under section 412(c)(2) as of the close of the plan year (determined without regard to any contributions for such plan year).

Such present value shall be determined using the assumptions specified in subparagraph (D).

''(D) ACTUARIAL ASSUMPTIONS.—In determining the amount required to be contributed under subparagraph (A)—

''(i) the assumed interest rate shall be 5 percent per year,

''(ii) the assumed mortality shall be determined under the applicable mortality table (as defined in section 417(e)(3), as modified by the Secretary so that it does not include any assumption for preretirement mortality), and

''(iii) the assumed retirement age shall be 65.

''(E) CHANGES IN MORTALITY TABLE.—If the applicable mortality table under section 417(e)(3) for any plan year is not the same as such table for the prior plan year, the Secretary shall prescribe regulations which phase in the effect of the changes over a reasonable period of plan years determined by the Secretary.

''(F) PENALTY FOR FAILURE TO MAKE REQUIRED CONTRIBUTION.—The taxes imposed by section 4971 shall apply to a failure to make the contribution required by this paragraph in the same manner as if the amount of the failure were an accumulated funding deficiency to which such section applies.

''(7) SEPARATE ACCOUNTS FOR PARTICIPANTS.—A plan meets the requirements of this paragraph for any year only if the plan provides—

''(A) for an individual account for each participant, and

''(B) for benefits based solely on—

''(i) the amount contributed to the participant's account,

''(ii) any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant's account, and

''(iii) the amount of any unfunded annuity amount with respect to the participant.

''(8) TRUST MAY NOT HOLD SECURITIES WHICH ARE NOT READILY TRADABLE.—A plan meets the requirements of this paragraph only if the plan prohibits the trust from holding directly or indirectly securities which are not readily tradable on an established securities market. Nothing in this paragraph shall prohibit the trust from holding insurance company products regulated by State law.

''(9) DEFINITIONS.—The definitions applicable under subsection (b)(8) shall apply for purposes of this subsection.

''(d) SPECIAL RULES FOR SMART ANNUITIES AND TRUSTS.—For purposes of section 401(a), a SMART annuity and a SMART trust shall be treated as meeting the requirements of the following provisions:

''(1) Section 401(a)(4) (relating to nondiscrimination rules).

''(2) Section 401(a)(26) (relating to minimum participation).

''(3) Section 410 (relating to minimum participation and coverage requirements).

''(4) Section 411(b) (relating to accrued benefit requirements).

''(5) Section 416 (relating to special rules for top-heavy plans).''

(b) DEDUCTION RULES.—

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

''(n) SPECIAL RULES FOR SMART ANNUITIES AND TRUSTS.—

''(1) IN GENERAL.—Employer contributions to a SMART annuity shall be treated as if they are made to a plan described in paragraph (1) of subsection (a).

''(2) DEDUCTIBLE LIMIT.—For purposes of section 404(a)(1)(A)(i), the amount necessary to satisfy the minimum funding requirement of section 408B (b)(6) or (c)(6) shall be treated as the amount necessary to satisfy the minimum funding requirement of section 412.''

(2) COORDINATION WITH DEDUCTION UNDER SECTION 219.—

(A) Section 219(b) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR SMART ANNUITIES.—This section shall not apply with respect to any amount contributed to a SMART annuity established under section 408B(b).''

(B) Section 219(g)(5)(A) (defining active participant) is amended by striking ''or'' at the end of clause (v) and by adding at the end the following new clause:

''(vii) any SMART annuity (within the meaning of section 408B), or''.

(c) CONTRIBUTIONS AND DISTRIBUTIONS.—

(1) Section 402 is amended by adding at the end the following new subsection:

''(l) TREATMENT OF SMART ANNUITIES.—Rules similar to the rules of paragraphs (1) and (3) of subsection (h) shall apply to contributions and distributions with respect to SMART annuities under section 408B.''

(2) Section 408(d)(3) is amended by adding at the end the following new subparagraph:

''(H) SMART ANNUITIES.—This paragraph shall not apply to any amount paid or distributed out of a SMART annuity (as defined in section 408B) unless it is paid in a trustee-to-trustee transfer into a SMART rollover plan.''

(3)(A) Section 412(h) 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 inserting after paragraph (6) the following new paragraph:

''(7) any plan providing for the purchase of any SMART annuity or any SMART plan.''

(B) Section 301(a) of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1081) is amended by striking ''or'' at the end of paragraph (9), by striking the period at the end of paragraph (10) and inserting ''; or'', and by adding at the end the following new paragraph:

''(11) any plan providing for the purchase of any SMART annuity or any SMART plan (as such terms are defined in section 408B of such Code).''

(4) Section 415(b) is amended by adding at the end the following new paragraph:

''(12) TREATMENT OF SMART ANNUITIES AND TRUSTS.—A SMART annuity and a SMART trust shall be treated as meeting the requirements of this section, but distributions from such an annuity or trust shall be taken into account in determining whether any other plan satisfies the requirements of this section.''

(d) INCREASED PENALTY ON EARLY WITHDRAWALS.—Section 72(t) (relating to additional tax on early distributions) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULES FOR SMART ANNUITIES AND TRUSTS.—In the case of any amount received from a SMART annuity, a SMART trust, or a SMART rollover plan (within the meaning of section 408B), paragraph (1) shall be applied by substituting '20 percent' for '10 percent' and paragraph (2) shall be applied by substituting 'age 65' for 'age 59½'.''

(e) SIMPLIFIED EMPLOYER REPORTS.—

(1) SMART ANNUITIES.—Section 408(l) (relating to simplified employer reports) is amended by adding at the end the following new paragraph:

''(3) SMART ANNUITIES.—

''(A) SIMPLIFIED REPORT.—The employer maintaining any SMART annuity (within the meaning of section 408B) shall file a simplified annual return with the Secretary containing only the information described in subparagraph (B).

''(B) CONTENTS.—The return required by subparagraph (A) shall set forth—

''(i) the name and address of the employer,

''(ii) the date the plan was adopted,

''(iii) the number of employees of the employer,

''(iv) the number of such employees who are eligible to participate in the plan,

''(v) the total amount contributed by the employer to each such annuity for such year and the minimum amount required under section 408B to be so contributed,

''(vi) the percentage elected under section 408B(b)(5)(B),

''(vii) the name of the issuer,

''(viii) the employer identification number,

''(ix) the name of the plan, and

''(x) the date of the contribution.

''(C) REPORTING BY ISSUER OF SMART ANNUITY.—

''(i) IN GENERAL.—The issuer of each SMART annuity shall provide to the owner of the annuity for each year a statement setting forth as of the close of such year—

''(I) the benefits guaranteed at age 65 under the annuity, and

''(II) the cash surrender value of the annuity.

''(ii) SUMMARY DESCRIPTION.—The issuer of any SMART annuity shall provide to the employer maintaining the annuity for each year a description containing the following information:

''(I) The name and address of the employer and the issuer.

''(II) The requirements for eligibility for participation.

''(III) The benefits provided with respect to the annuity.

''(IV) The procedures for, and effects of, withdrawals (including rollovers) from the annuity.

''(D) TIME AND MANNER OF REPORTING.—Any return, report, or statement required under this paragraph shall be made in such form and at such time as the Secretary shall prescribe.''

(2) SMART TRUSTS.—Section 6059 (relating to actuarial reports) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

''(c) SMART TRUSTS.—In the case of a SMART trust (within the meaning of section 408B), the Secretary shall require a simplified actuarial report which contains—

''(1) information similar to the information required in section 408(l)(3)(B),

''(2) the fair market value of the assets of the trust,

''(3) the amounts distributed directly to participants,

''(4) the amounts transferred to SMART rollover plans, and

''(5) the present value of the annual accrued benefits under the plan to which the trust relates.''

(f) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 219(g)(5) is amended by striking ''or'' at the end of clause (v) and by inserting after clause (vi) the following new clause:

''(vii) any SMART trust or SMART annuity (within the meaning of section 408B), or''.

(2) Section 280G(b)(6) is amended by striking ''or'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', or'' and by adding after subparagraph (D) the following new subparagraph:

''(E) a SMART annuity described in section 408B.''

(3) Subsections (b), (c), (m)(4)(B), and (n)(3)(B) of section 414 are each amended by inserting ''408B,'' after ''408(p),''.

(4) Section 4972(d)(1)(A) 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 after clause (iv) the following new clause:

''(v) any SMART annuity (within the meaning of section 408B).''

(g) REPORTING REQUIREMENTS UNDER ERISA.—Section 101 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) SMART ANNUITIES.—

''(1) NO EMPLOYER REPORTS.—Except as provided in this subsection, no report shall be required under this section by an employer maintaining a SMART annuity under section 408B(b) of the Internal Revenue Code of 1986.

''(2) SUMMARY DESCRIPTION.—The issuer of any SMART annuity shall provide to the employer maintaining the annuity for each year a description containing the following information:

''(A) The name and address of the employer and the issuer.

''(B) The requirements for eligibility for participation.

''(C) The benefits provided with respect to the annuity.

''(D) The procedures for, and effects of, withdrawals (including rollovers) from the annuity.''

''(3) EMPLOYEE NOTIFICATION.—The employer shall provide each employee eligible to participate in the SMART annuity with the description described in paragraph (2) at the same time as the notification required under section 408B(b)(5)(B) of the Internal Revenue Code of 1986.''

(h) $5 PER PARTICIPANT PBGC PREMIUM.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306) is amended—

(1) by inserting ''not described 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 single-employer plan described in section 408B(c) of the Internal Revenue Code of 1986, an amount equal to $5 for each participant.''.

(i) CLERICAL AMENDMENT.—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 408A the following new item:

''Sec. 408B. SMART plans.''

(j) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1998.

Subtitle C—Improved Fairness in Retirement Plan Benefits

SEC. 121. AMENDMENTS TO SIMPLE RETIREMENT ACCOUNTS.

(a) MINIMUM CONTRIBUTION REQUIREMENT.—

(1) IN GENERAL.—Paragraph (2) of section 408(p) (defining qualified salary reduction arrangement) is amended—

(A) by striking clauses (iii) and (iv) of subparagraph (A) and inserting the following new clauses:

''(iii) the employer is required to make a matching contribution to the simple retirement account for any year in an amount equal to—

''(I) so much of the amount the employee elects under clause (i)(I) as does not exceed 3 percent of compensation for the year, and

''(II) a uniform percentage (which is at least 50 percent but not more than 100 percent) of the amount the employee elects under clause (i)(I) to the extent that such amount exceeds 3 percent but does not exceed 5 percent of the employee's compensation,

''(iv) the employer is required to make nonelective contributions of 1 percent of compensation for each employee eligible to participate in the arrangement who has at least $5,000 of compensation from the employer for the year, and

''(v) no contributions may be made other than contributions described in clause (i), (iii), or (iv).'', and

(B) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) CONTRIBUTION RULES.—

''(i) EMPLOYER MAY ELECT 3-PERCENT NONELECTIVE CONTRIBUTION.—An employer shall be treated as meeting the requirements of clauses (iii) and (iv) of subparagraph (A) for any year if, in lieu of the contributions described in such clauses, the employer elects to make nonelective contributions of 3 percent of compensation for each employee who is eligible to participate in the arrangement and who has at least $5,000 of compensation from the employer 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 paragraph (5)(C).

''(ii) DISCRETIONARY CONTRIBUTIONS.—A plan shall not be treated as failing to meet the requirements of subparagraph (A)(v) merely because, pursuant to the terms of the plan, an employer makes nonelective contributions under subparagraph (A)(iv) or clause (i) of this subparagraph in excess of 1 percent or 3 percent of compensation, respectively, but only if all such contributions bear a uniform relationship to the compensation of each eligible employee and do not exceed 5 percent of compensation for any eligible employee.

''(iii) COMPENSATION LIMITATION.—The compensation taken into account under this paragraph for any year shall not exceed the limitation in effect for such year under section 401(a)(17).''

(2) MATCHING CONTRIBUTIONS.—Subparagraph (B) of section 401(k)(11) (relating to adoption of simple plan to meet nondiscrimination tests) is amended—

(A) by striking subclauses (II) and (III) of clause (i) and inserting the following new subclauses:

''(II) the employer is required to make a matching contribution to the trust for any year in an amount equal to—

''(aa) so much of the amount the employee elects under subclause (I) as does not exceed 3 percent of compensation for the year, and

''(bb) a uniform percentage (which is at least 50 percent but not more than 100 percent) of the amount the employee elects under subclause (I) to the extent that such amount exceeds 3 percent but does not exceed 5 percent of the employee's compensation,

''(III) the employer is required to make nonelective contributions of 1 percent of compensation for each employee eligible to participate in the arrangement who has at least $5,000 of compensation from the employer for the year, and

''(IV) no other contributions may be made other than contributions described in subclause (I), (II), or (III).'', and

(B) by striking clause (ii) and inserting the following new clause:

''(ii) CONTRIBUTION RULES.—

''(I) EMPLOYER MAY ELECT 3-PERCENT NONELECTIVE CONTRIBUTION.—An employer shall be treated as meeting the requirements of subclauses (II) and (III) of clause (i) for any year if, in lieu of the contributions described in such subclauses, the employer elects to make nonelective contributions of 3 percent of compensation for each employee who is eligible to participate in the arrangement and who has at least $5,000 of compensation from the employer for the year. If an employer makes an election under this subclause for any year, the employer shall notify employees of such election within a reasonable period of time before the 60th day before the beginning of such year.

''(II) DISCRETIONARY CONTRIBUTIONS.—A plan shall not be treated as failing to meet the requirements of clause (i)(IV) merely because, pursuant to the terms of the plan, an employer makes nonelective contributions under clause (i)(III) or subclause (I) of this clause in excess of 1 percent or 3 percent of compensation, respectively, but only if all such contributions bear a uniform relationship to the compensation of each eligible employee and do not exceed 5 percent of compensation for any eligible employee.''

(b) OPTION TO SUSPEND CONTRIBUTIONS.—Section 408(p) (relating to simple retirement accounts) is amended by adding at the end the following new paragraph:

''(10) SUSPENSION OF PLAN.—Except as provided by the Secretary, a plan shall not be treated as failing to meet the requirements of this subsection if, under the plan, the employer may suspend all elective, matching, and nonelective contributions under the plan after notifying employees eligible to participate in the arrangement of such suspension in writing at least 30 days in advance. Such suspension shall apply to contributions with respect to compensation earned after the effective date of the suspension. Only 1 suspension under this paragraph may take effect during any year.''

(c) CONFORMING AMENDMENTS.—Section 408(p)(2)(C) is amended—

(1) by striking clause (ii),

(2) by striking ''DEFINITIONS'' in the heading and inserting ''ELIGIBLE EMPLOYER'',

(3) by striking ''(i) ELIGIBLE EMPLOYER.—'', and

(4) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) DELAYED EFFECTIVE DATE FOR PLANS ESTABLISHED IN 1997 OR 1998.—In the case of plans established in 1997 or 1998 under section 408(p) of the Internal Revenue Code of 1986, the amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 122. NONDISCRIMINATION RULES FOR QUALIFIED CASH OR DEFERRED ARRANGEMENTS AND MATCHING CONTRIBUTIONS.

(a) ALTERNATIVE METHODS OF SATISFYING SECTION 401(k) NONDISCRIMINATION TESTS.—Subparagraph (B) of section 401(k)(12) (relating to alternative methods of meeting nondiscrimination requirements) is amended to read as follows:

''(B) NONELECTIVE AND MATCHING CONTRIBUTIONS.—

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

''(ii) NONELECTIVE CONTRIBUTIONS.—The requirements of this clause are met if, under the arrangement, the employer 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 1 percent of the employee's compensation.

''(iii) MATCHING CONTRIBUTIONS.—The requirements of this clause are met if, under the arrangement, the employer makes matching contributions on behalf of each employee who is not a highly compensated employee in an amount equal to—

''(I) 100 percent of the elective contributions of the employee to the extent such elective contributions do not exceed 3 percent of the employee's compensation, and

''(II) 50 percent of the elective contributions of the employee to the extent that such elective contributions exceed 3 percent but do not exceed 5 percent of the employee's compensation.

''(iv) RATE FOR HIGHLY COMPENSATED EMPLOYEES.—The requirements of clause (iii) are not met if, under the arrangement, the rate of matching contribution with respect to any rate of elective contribution of a highly compensated employee is greater than that with respect to an employee who is not a highly compensated employee. For purposes of this clause, to the extent provided in regulations, the last sentences of paragraph (3)(A) and subsection (m)(2)(B) shall not apply.

''(v) ALTERNATIVE PLAN DESIGNS.—If the rate of matching contribution with respect to any rate of elective contribution is not equal to the percentage required under clause (iii), an arrangement shall not be treated as failing to meet the requirements of clause (iii) if—

''(I) the rate of an employer's matching contribution does not increase as an employee's rate of elective contribution increase, and

''(II) the aggregate amount of matching contributions at such rate of elective contribution is at least equal to the aggregate amount of matching contributions which would be made if matching contributions were made on the basis of the percentages described in clause (iii).''

(b) CONTRIBUTIONS PART OF QUALIFIED CASH OR DEFERRED ARRANGEMENT.—Subparagraph (E)(ii) of section 401(k)(12) is amended to read as follows:

''(ii) SOCIAL SECURITY AND SIMILAR CONTRIBUTIONS NOT TAKEN INTO ACCOUNT.—Except as provided in regulations, an arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless such requirements are met without regard to subsection (l), and, for purposes of subsection (l), and determining whether contributions provided under a plan satisfy subsection (a)(4) on the basis of equivalent benefits, employer contributions under subparagraph (B) or (C) shall not be taken into account.''

(c) ALTERNATIVE METHODS OF SATISFYING SECTION 401(m) NONDISCRIMINATION TESTS.—Section 401(m)(11) (relating to alternative method of satisfying tests) is amended—

(1) by striking ''subparagraph (B)'' in subparagraph (A)(iii) and inserting ''subparagraphs (B) and (C)'',

(2) by adding at the end of subparagraph (B) the following new flush sentence:

''To the extent provided in regulations, the last sentences of paragraph (2)(B) and subsection (k)(3)(A) shall not apply for purposes of clause (iii).'', and

(3) by adding at the end the following new subparagraph:

''(C) TEST MUST BE MET SEPARATELY.—If this paragraph applies to any matching contributions, such contributions shall not be taken into account in determining whether employee contributions satisfy the requirements of this subsection.''

(d) SPECIAL RULE FOR DETERMINING AVERAGE DEFERRAL PERCENTAGE FOR FIRST PLAN YEAR, ETC.—Subparagraph (E) of section 401(k)(3) is amended to read as follows:

''(E) For purposes of this paragraph, in the case of the first plan year of any plan, the amount taken into account as the actual deferral percentage of nonhighly compensated employees for the preceding plan year shall be—

''(i) 3 percent, or

''(ii) the actual deferral percentage of nonhighly compensated employees determined for such first plan year in the case of—

''(I) an employer who elects to have this clause apply, or

''(II) except to the extent provided by the Secretary, a successor plan.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1998.

SEC. 123. DEFINITION OF HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Subparagraph (B) of section 414(q)(1) (defining highly compensated employee) is amended to read as follows:

''(B) for the preceding year had compensation from the employer in excess of $80,000.''

(b) CONFORMING AMENDMENTS.—

(1)(A) Subsection (q) of section 414 is amended by striking paragraphs (3), (5), and (7) and by redesignating paragraphs (4), (6), (8), and (9) as paragraphs (3) through (6), respectively.

(B) Sections 129(d)(8)(B), 401(a)(5)(D)(ii), 408(k)(2)(C), and 416(i)(1)(D) are each amended by striking ''section 414(q)(4)'' and inserting ''section 414(q)(3)''.

(C) Section 416(i)(1)(A) is amended by striking ''section 414(q)(5)'' and inserting ''section 414(r)(9)''.

(2)(A) Section 414(r) is amended by adding at the end the following new paragraph:

''(9) EXCLUDED EMPLOYEES.—For purposes of paragraph (2)(A), the following employees shall be excluded:

''(A) Employees who have not completed 6 months of service.

''(B) Employees who normally work less than 17½ hours per week.

''(C) Employees who normally work during not more than 6 months during any year.

''(D) Employees who have not attained the age of 21.

''(E) Except to the extent provided in regulations, employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the employer.''

(B) Subparagraph (A) of section 414(r)(2) is amended by striking ''subsection (q)(5)'' and inserting ''paragraph (9)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1998.

SEC. 124. 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) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1998.

SEC. 125. EXEMPTION OF MIRROR PLANS FROM SECTION 457 LIMITS.

(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:

''(16) EXEMPTION FOR MIRROR PLANS.—

''(A) IN GENERAL.—Amounts of compensation deferred under a mirror plan shall not be taken into account in applying this section to amounts of compensation deferred under any other deferred compensation plan.

''(B) MIRROR PLAN.—The term 'mirror plan' means a plan, program, or arrangement maintained solely for the purpose of providing retirement benefits for employees in excess of the limitations imposed by section 401(a)(17) or section 415, or both.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 126. IMMEDIATE PARTICIPATION IN THE THRIFT SAVINGS PLAN FOR FEDERAL EMPLOYEES.

(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 such title is amended by inserting ''(or any election allowable by virtue of paragraph (4))'' after ''subparagraph (A)''.

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

(4) Section 8432(i)(1)(B)(ii) of such title 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 such title 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 such title 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 such title are amended by striking all after ''subject to'' and inserting ''subject to this chapter.''

(c) EFFECTIVE DATE.—This section shall take effect 6 months after the date of the enactment of this Act or such earlier date as the Executive Director may by regulation prescribe.

SEC. 127. FULL FUNDING LIMITATION FOR MULTIEMPLOYER PLANS.

(a) AMENDMENTS TO CODE.—

(1) FULL FUNDING LIMITATION.—Section 412(c)(7)(C) (relating to full funding limitation) is amended—

(A) by inserting ''or in the case of a multiemployer plan,'' after ''paragraph (6)(B),'', and

(B) by inserting ''AND MULTIEMPLOYER PLANS'' after ''PARAGRAPH (6)(B)'' in the heading thereof.

(2) VALUATION.—Section 412(c)(9) (relating to annual valuation) is amended—

(A) by inserting ''(3 years in the case of a multiemployer plan)'' after ''year'', and

(B) by striking ''ANNUAL VALUATION'' in the heading and inserting ''VALUATION''.

(b) AMENDMENTS TO ERISA.—

(1) FULL FUNDING LIMITATION.—Section 302(c)(7)(C) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)(C)) is amended—

(A) by inserting ''or in the case of a multiemployer plan,'' after ''paragraph (6)(B),'', and

(B) by inserting ''AND MULTIEMPLOYER PLANS'' after ''PARAGRAPH (6)(B)'' in the heading thereof.

(2) VALUATION.—Section 302(c)(9) of such Act (29 U.S.C. 1082(c)(9)) is amended—

(A) by inserting ''(3 years in the case of a multiemployer plan)'' after ''year'', and

(B) by striking ''ANNUAL VALUATION'' in the heading and inserting ''VALUATION''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1998.

SEC. 128. 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, 1998.

SEC. 129. 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 ''150 percent'' in subparagraph (A)(i)(I) and inserting ''the applicable percentage'', and

(2) by adding at the end the following new subparagraph:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage is determined according to the following table:

''In the case of any plan year beginning in—	The applicable percentage is—
1998	155
1999	160
2000	165
2001	170
2002 and succeeding years	0.''

(b) SPECIAL AMORTIZATION RULE.—

(1) IN GENERAL.—Section 412(c)(7), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

''(G) SPECIAL AMORTIZATION RULE.—Contributions that would be required to be made under the plan but for the provisions of subparagraph (A)(i)(I) shall be amortized over a 20-year period.''

(2) CONFORMING AMENDMENT.—Section 412(c)(7)(D) is amended by adding ''and'' at the end of clause (i), by striking '', and'' at the end of clause (ii) and inserting a period, and by striking clause (iii).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any unamortized bases with respect to plan years beginning before, on, or after December 31, 1998.

TITLE II—SECURITY

SEC. 200. AMENDMENT OF ERISA.

Except as otherwise expressly provided, whenever in this title 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 Employee Retirement Income Security Act of 1974.

Subtitle A—General Provisions

SEC. 201. PERIODIC PENSION BENEFITS STATEMENTS.

(a) IN GENERAL.—Subsection (a) of section 105 (29 U.S.C. 1025) is amended—

(1) by striking ''shall furnish to any plan participant or beneficiary who so requests in writing,'' and inserting ''shall furnish at least once every 3 years, in the case of a participant in a defined benefit plan who has attained age 35, and annually, in the case of a

defined contribution plan, to each plan participant, and shall furnish to any plan participant or beneficiary who so requests,'', and

(2) by adding at the end the following flush sentence:

''Information furnished under the preceding sentence to a participant in a defined benefit plan (other than at the request of the participant) may be based on reasonable estimates determined under regulations prescribed by the Secretary.''

(b) RULE FOR MULTIEMPLOYER PLANS.—Subsection (d) of section 105 (29 U.S.C. 1025) is amended to read as follows:

''(d) Each administrator of a plan to which more than 1 unaffiliated employer is required to contribute shall furnish to any plan participant or beneficiary who so requests in writing, a statement described in subsection (a).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after the later of—

(1) the date of issuance by the Secretary of Labor of regulations providing guidance for simplifying defined benefit plan calculations with respect to the information required under section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025), or

(2) December 31, 1998.

SEC. 202. REQUIREMENT OF ANNUAL, DETAILED INVESTMENT REPORTS APPLIED TO CERTAIN 401(k) PLANS.

(a) IN GENERAL.—Section 104(b)(3) (29 U.S.C. 1024(b)(3)) is amended—

(1) by inserting ''(A)'' after ''(3)''; and

(2) by adding at the end the following new subparagraph:

''(B)(i) If, for any plan year, a plan includes a qualified cash or deferred arrangement (as defined in section 401(k)(2) of the Internal Revenue Code of 1986) and such plan covers less than 100 participants, the administrator shall furnish (within 60 days after the end of such plan year) to each participant and to each beneficiary receiving benefits under the plan an annual investment report detailing such information as the Secretary by regulation shall require.

''(ii) Clause (i) shall not apply with respect to any participant described in section 404(c).''

(b) REGULATIONS.—

(1) IN GENERAL.—The Secretary of Labor, in prescribing regulations required under section 104(b)(3)(B)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(b)(3)(B)(i)), as added by subsection (a), shall consider including in the information required in an annual investment report the following:

(A) Total plan assets and liabilities as of the beginning and ending of the plan year.

(B) Plan income and expenses and contributions made and benefits paid for the plan year.

(C) Any transaction between the plan and the employer, any fiduciary, or any 10-percent owner during the plan year, including the acquisition of any employer security or employer real property.

(D) Any noncash contributions made to or purchases of nonpublicly traded securities made by the plan during the plan year without an appraisal by an independent third party.

(2) ELECTRONIC TRANSFER.—The Secretary of Labor in prescribing such regulations shall also make provision for the electronic transfer of the required annual investment report by a plan administrator to plan participants and beneficiaries.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plan years beginning after the date of the enactment of this Act.

SEC. 203. INFORMATION REQUIRED TO BE PROVIDED TO INVESTMENT MANAGERS OF 401(k) PLANS.

(a) IN GENERAL.—Section 105 (29 U.S.C. 1025) is amended by adding at the end the following new subsection:

''(e) If—

''(1) the administrator of an individual account plan described in section 401(k) of the Internal Revenue Code of 1986 provides for investment of the plan assets by means of a contractual arrangement with another party, and

''(2) such other party is not required under such arrangement to separately account for benefits accrued with respect to each participant and beneficiary under this plan,

such administrator shall be treated as failing to meet the requirements of subsection (a) unless, under such contractual arrangement, such administrator provides to such other party such information as is necessary to enable such party to separately account at any time for benefits accrued with respect to each participant and beneficiary.''

(b) CIVIL PENALTY FOR VIOLATIONS.—Paragraph (1) of section 502(c) (29 U.S.C. 1132(c)(1)) is amended by striking ''or section 101(e)(1)'' and inserting '', section 101(e)(1), or section 105(e)''.

SEC. 204. STUDY ON INVESTMENTS IN COLLECTIBLES.

(a) STUDY.—The Secretary of Labor, in consultation with the Secretary of the Treasury, shall study the extent to which pension plans invest in collectibles and whether such investments present a risk to the pension security of the participants and beneficiaries of such plans.

(b) REPORT.—Not later than 12 months after the date of the enactment of this Act, the Secretary of Labor shall submit a report to the Congress containing the findings of the study described in subsection (a) and any recommendations for legislative action.

SEC. 205. QUALIFIED EMPLOYER PLANS PROHIBITED FROM MAKING LOANS THROUGH CREDIT CARDS AND OTHER INTERMEDIARIES.

(a) IN GENERAL.—Subsection (a) of section 401 of the Internal Revenue Code of 1986 is amended by adding after paragraph (34) the following new paragraph:

''(35) PROHIBITION OF LOANS THROUGH CREDIT CARDS AND OTHER INTERMEDIARIES.—A trust shall not constitute a qualified trust under this section if the plan makes any loan to any beneficiary under the plan through the use of any credit card or any other intermediary.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plan years beginning after the date of the enactment of this Act.

SEC. 206. MULTIEMPLOYER PLAN BENEFITS GUARANTEED.

(a) IN GENERAL.—Section 4022A(c) (29 U.S.C. 1322a(c)) is amended—

(1) by striking ''$5'' each place it appears in paragraph (1) and inserting ''$11'',

(2) by striking ''$15'' in paragraph (1) and inserting ''$33'', and

(3) by striking paragraphs (2), (5), and (6) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any multiemployer plan that has not received financial assistance (within the meaning of section 4261 of the Employee Retirement Income Security Act of 1974) within the 1-year period ending on the date of the enactment of this Act.

SEC. 207. PROHIBITED TRANSACTIONS.

(a) IN GENERAL.—Section 502(i) (29 U.S.C. 1132(i)) is amended by striking ''5 percent'' and inserting ''15 percent''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to prohibited transactions occurring after the date of the enactment of this Act.

SEC. 208. SUBSTANTIAL OWNER BENEFITS.

(a) MODIFICATION OF PHASE-IN OF GUARANTEE.—Subparagraphs (B) and (C) of section 4022(b)(5) (29 U.S.C. 1322(b)(5)) are amended to read as follows:

''(B) For purposes of this title, the term 'majority owner' has the same meaning as substantial owner under subparagraph (A), except that subparagraph (A) shall be applied by substituting '50 percent or more' for 'more than 10 percent' each place it appears.

''(C) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall not exceed 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 30, and

''(ii) the amount of the majority owner's monthly benefits guaranteed under subsection (a) (as limited by paragraph (3) of this subsection).''

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) (29 U.S.C. 1344(a)(4)(B)) is amended by striking ''section 4022(b)(5)'' and inserting ''section 4022(b)(5)(C)''.

(2) Section 4044(b) (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 new paragraph:

''(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 subparagraph (B). If assets allocated to subparagraph (B) are insufficient to satisfy in full the benefits 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) EFFECTIVE DATE.—The amendments made by this section shall apply to plan terminations—

(1) 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 the enactment of this Act, or

(2) 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.

SEC. 209. REVERSION REPORT.

(a) IN GENERAL.—Section 4008 (29 U.S.C. 1308) is amended by adding at the end the following new subsection:

''(b) REVERSION REPORT.—As soon as practicable after the close of each fiscal year, the Secretary of Labor (acting in the Secretary's capacity as chairman of the corporation's board) shall transmit to the President and the Congress a report providing information on plans from which residual assets were distributed to employers pursuant to section 4044(d).''

(b) CONFORMING AMENDMENT.—Section 4008 (29 U.S.C. 1308) is amended by striking ''SEC. 4008.'' and inserting ''SEC. 4008. (a) ANNUAL REPORT.—''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal years beginning after September 30, 1998.

Subtitle B—ERISA Enforcement

SEC. 211. CIVIL PENALTIES FOR BREACH OF FIDUCIARY RESPONSIBILITIES MADE DISCRETIONARY, ETC.

(a) IMPOSITION AND AMOUNT OF PENALTY MADE DISCRETIONARY.—Section 502(l)(1) (29 U.S.C. 1132(l)) 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) (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 (or on behalf of) any 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 paragraph (2) or (5) of subsection (a). 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) is amended by adding at the end the following new paragraphs:

''(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 title I of the Employee Retirement Income Security Act of 1974 occurring on or after the date of the enactment of this Act.

(2) TRANSITION RULE.—In applying the amendment made by subsection (b), a breach or other violation occurring before the date of the enactment of this Act which continues after the 180th day after such date (and which may be discontinued at any time during its existence) shall be treated as having occurred on the day after such date of enactment.

SEC. 212. REPORTING AND ENFORCEMENT REQUIREMENTS FOR EMPLOYEE BENEFIT PLANS.

(a) IN GENERAL.—Part 1 of subtitle B of title I (29 U.S.C. 1021 et seq.) is amended—

(1) by redesignating section 111 as section 112, and

(2) inserting after section 110 the following new section:

''DIRECT REPORTING OF CERTAIN EVENTS

''SEC. 111. (a) REQUIRED NOTIFICATIONS.—

''(1) NOTIFICATIONS BY PLAN ADMINISTRATOR.—Within 5 business days after an administrator of an employee benefit plan determines that there is evidence (or after the administrator is notified under paragraph (2)) that an irregularity may have occurred with respect to the plan, the administrator shall—

''(A) notify the Secretary of the irregularity in writing; and

''(B) furnish a copy of such notification to the accountant who is currently engaged under section 103(a)(3)(A).

''(2) NOTIFICATIONS BY ACCOUNTANT.—

''(A) IN GENERAL.—Within 5 business days after an accountant engaged by the administrator of an employee benefit plan under section 103(a)(3)(A) determines in connection with such engagement that there is evidence that an irregularity may have occurred with respect to the plan, the accountant shall—

''(i) notify the plan administrator of the irregularity in writing, or

''(ii) if the accountant determines that there is evidence that the irregularity may have involved an individual who is the plan administrator or who is a senior official of the plan administrator, notify the Secretary of the irregularity in writing.

''(B) NOTIFICATION UPON FAILURE OF PLAN ADMINISTRATOR TO NOTIFY.—If an accountant who has provided notification to the plan administrator pursuant to subparagraph (A)(i) does not receive a copy of the administrator's notification to the Secretary required in paragraph (1) within the 5-business day period specified therein, the accountant shall furnish to the Secretary a copy of the accountant's notification made to the plan administrator on the next business day following such period.

''(3) IRREGULARITY DEFINED.—

''(A) For purposes of this subsection, the term 'irregularity' means—

''(i) a theft, embezzlement, or a violation of section 664 of title 18, United States Code (relating to theft or embezzlement from an employee benefit plan);

''(ii) an extortion or a violation of section 1951 of title 18, United States Code (relating to interference with commerce by threats or violence);

''(iii) a bribery, a kickback, or a violation of section 1954 of title 18, United States Code (relating to offer, acceptance, or solicitation to influence operations of an employee benefit plan);

''(iv) a violation of section 1027 of title 18, United States Code (relating to false statements and concealment of facts in relation to employee benefit plan records); or

''(v) a violation of section 411, 501, or 511 of this title (relating to criminal violations).

''(B) The term 'irregularity' does not include any act or omission described in this paragraph involving less than $1,000 unless there is reason to believe that the act or omission may bear on the integrity of plan management.

''(b) NOTIFICATION UPON TERMINATION OF ENGAGEMENT OF ACCOUNTANT.—

''(1) NOTIFICATION BY PLAN ADMINISTRATOR.—Within 5 business days after the termination of an engagement of an accountant under section 103(a)(3)(A) with respect to an employee benefit plan, the administrator of such plan shall—

''(A) notify the Secretary in writing of such termination, giving the reasons for such termination, and

''(B) furnish the accountant whose engagement was terminated with a copy of the notification sent to the Secretary.

''(2) NOTIFICATION BY ACCOUNTANT.—If the accountant referred to in paragraph (1)(B) has not received a copy of the administrator's notification to the Secretary as required under paragraph (1)(B), or if the accountant disagrees with the reasons given in the notification of termination of the engagement for auditing services, the accountant shall notify the Secretary in writing of the termination, giving the reasons for the termination, within 10 business days after the termination of the engagement.

''(c) DETERMINATION OF PERIODS REQUIRED FOR NOTIFICATION.—In determining whether a notification required under this section with respect to any act or omission has been made within the required number of business days—

''(1) the day on which such act or omission begins shall not be included; and

''(2) Saturdays, Sundays, and legal holidays shall not be included.

For purposes of this subsection, the term 'legal holiday' means any Federal legal holiday and any other day appointed as a holiday by the State in which the person responsible for making the notification principally conducts business.

''(d) IMMUNITY FOR GOOD FAITH NOTIFICATION.—No accountant or plan administrator shall be liable to any person for any finding, conclusion, or statement made in any notification made pursuant to subsection (a)(2) or (b)(2), or pursuant to any regulations issued under those subsections, if the finding, conclusion, or statement is made in good faith.''

(b) CIVIL PENALTY.—

(1) IN GENERAL.—Section 502(c) (29 U.S.C. 1132(c)) is amended by inserting after paragraph (6) the following new paragraph:

''(8)(A) The Secretary may assess a civil penalty of up to $50,000 against any administrator who fails to provide the Secretary with any notification as required under section 111.

''(B) The Secretary may assess a civil penalty of up to $50,000 against any accountant who knowingly and willfully fails to provide the Secretary with any notification as required under section 111.''

(2) CONFORMING AMENDMENT.—Section 502(a)(6) (29 U.S.C. 1132(a)(6)) is amended by striking ''or (6)'' and inserting ''(6), or (8)''.

(c) CLERICAL AMENDMENTS.—

(1) Section 514(d) (29 U.S.C. 114(d)) is amended by striking ''111'' and inserting ''112''.

(2) The table of contents in section 1 is amended by striking the item relating to section 111 and inserting the following new items:

''Sec. 111. Direct reporting of certain events.
''Sec. 112. Repeal and effective date.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any irregularity or termination of engagement described in the amendments only if the 5-day period described in the amendments in connection with the irregularity or termination commences at least 90 days after the date of the enactment of this Act.

SEC. 213. ADDITIONAL REQUIREMENTS FOR QUALIFIED PUBLIC ACCOUNTANTS.

(a) IN GENERAL.—Section 103(a)(3)(D) (29 U.S.C. 1023(a)(3)(D)) is amended—

(1) by inserting ''(i)'' after ''(D)'';

(2) by inserting '', with respect to any engagement of an accountant under subparagraph (A)'' after ''means'';

(3) by redesignating clauses (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively;

(4) by striking the period at the end of subclause (III) (as so redesignated) and inserting a comma;

(5) by adding after and below subclause (III) (as so redesignated), the following: ''but only if such person meets the requirements of clauses (ii) and (iii), with respect to such engagement.''; and

(6) by adding at the end the following new clauses:

''(ii) A person meets the requirements of this clause with respect to an engagement of the person as an accountant under subparagraph (A) if the person—

''(I) has in operation an appropriate internal quality control system;

''(II) has undergone a qualified external quality control review of the person's accounting and auditing practices, including such practices relevant to employee benefit plans (if any), during the 3-year period immediately preceding such engagement; and

''(III) has completed, within the 2 calendar years immediately preceding such engagement, such continuing education or training

as the Secretary in regulations determines is necessary to maintain professional proficiency in connection with employee benefit plans.

''(iii) A person meets the requirements of this clause with respect to an engagement of the person as an accountant under subparagraph (A) if the person meets such additional requirements and qualifications of regulations which the Secretary deems necessary to ensure the quality of plan audits.

''(iv) For purposes of clause (ii)(II), an external quality control review shall be treated as qualified with respect to a person referred to in clause (ii) if—

''(I) such review is performed in accordance with the requirements of external quality control review programs of recognized auditing standard setting bodies, as determined in regulations of the Secretary, and

''(II) in the case of any such person who has, during the peer review period, conducted 1 or more previous audits of employee benefit plans, such review includes the review of an appropriate number (determined as provided in such regulations, but in no case less than 1) of plan audits in relation to the scale of the person's auditing practice.

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section apply with respect to plan years beginning on or after the date which is 3 years after the date of the enactment of this Act.

(2) RESTRICTIONS ON CONDUCTING EXAMINATIONS.—Clause (iii) of section 103(a)(1)(D) of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)(6)) takes effect on the date of enactment of this Act.

(3) REGULATIONS.—The Secretary shall issue regulations under this section no later than December 31, 1999.

SEC. 214. INSPECTOR GENERAL STUDY.

(a) STUDY.—The Inspector General of the Department of Labor shall conduct a study on the need for regulatory standards and procedures to authorize the Secretary, in appropriate cases, to prohibit persons from serving as qualified accountants for purposes of section 103 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023).

(b) MATTERS TO BE STUDIED.—In conducting the study under this section, the Inspector General shall address whether standards and procedures to prohibit persons from serving as qualified public accountants are likely to improve the quality of employee benefit plan audits, and the potential for increased costs to plans. If the Inspector General concludes that regulations incorporating standards and procedures would be appropriate, the study shall include recommended standards and procedures.

(c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Inspector General shall submit a report on the results of the study conducted pursuant to this section to each house of Congress and the Secretary of Labor.

Subtitle C—Increase in Excise Tax on Employer Reversions

SEC. 221. INCREASE IN EXCISE TAX.

(a) IN GENERAL.—Section 4980 of the Internal Revenue Code of 1986 (relating to tax on reversion of qualified plan assets to employer) is amended—

(1) in subsection (a), by striking ''20 percent'' and inserting ''35 percent''; and

(2) in subsection (d)(1), by striking ''substituting '50 percent' for '20 percent' with respect to any employer reversion'' and inserting ''substituting '65 percent' for '35 percent' with respect to any employer reversion''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to reversions occurring after December 31, 1998.

(2) EXCEPTION.—The amendment made by this section shall not apply to any reversion after December 31, 1998, if—

(A) in the case of plans subject to title IV of the Employee Retirement Income Security Act of 1974, a notice of intent to terminate under such title was provided to participants (or if no participants, to the Pension Benefit Guaranty Corporation) before June 25, 1998,

(B) in the case of plans subject to title I (and not to title IV) of such Act, a notice of intent to reduce future accruals under section 204(h) of such Act was provided to participants in connection with the termination before June 25, 1998,

(C) in the case of plans not subject to title I or IV of such Act, a request for a determination letter with respect to the termination was filed with the Secretary of the Treasury or the Secretary's delegate before June 25, 1998, or

(D) in the case of plans not subject to title I or IV of such Act and having only 1 participant, a resolution terminating the plan was adopted by the employer before June 25, 1998.

TITLE III—PORTABILITY

SEC. 301. FASTER VESTING OF EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENT OF INTERNAL REVENUE CODE.—Paragraph (2) of section 411(a) of the Internal Revenue Code of 1986 (relating to employer contributions) is amended—

(1) by inserting '', and, if applicable, (C)'' after ''or (B)'', and

(2) by adding at the end the following new subparagraph:

''(C) MATCHING CONTRIBUTIONS.—In the case of a plan that includes an accrued benefit derived from matching contributions (as defined in section 401(m)(4)(A)), the plan satisfies the requirements of this subparagraph if—

''(i) 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 such matching contributions, or

''(ii) an employee has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer matching contributions (as so defined) determined under the following table:

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''

(b) AMENDMENT OF ERISA.—Paragraph (2) of section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) by inserting '', and, if applicable, (C)'' after ''or (B)'', and

(2) by adding at the end the following new subparagraph:

''(C) MATCHING CONTRIBUTIONS.—In the case of a plan that includes an accrued benefit derived from matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), the plan satisfies the requirements of this subparagraph if—

''(i) 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 such matching contributions, or

''(ii) an employee has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer matching contributions (as so defined) determined under the following table:

''Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to plan years beginning after December 31, 1998.

(2) APPLICATION TO CURRENT EMPLOYEES.—The amendments made by this section shall not apply to any employee who does not have at least 1 hour of service in any plan year beginning after December 31, 1998.

(3) 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 the enactment of this Act, the amendments made by this section shall not apply to employees covered by any such agreement in 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, 1999, or

(B) January 1, 2003.

SEC. 302. RATIONALIZATION OF THE RESTRICTIONS ON DISTRIBUTIONS FROM 401(k) PLANS.

(a) IN GENERAL.—Section 401(k)(2)(B)(i)(I) of the Internal Revenue Code of 1986 (relating to qualified cash or deferred arrangements) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(b) BUSINESS SALE REQUIREMENTS DELETED.—

(1) IN GENERAL.—Section 401(k)(2)(B)(i)(II) of the Internal Revenue Code of 1986 (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) of such Code 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 is without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).'',

(B) by striking subparagraph (C), and

(C) 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, 1998.

SEC. 303. TREATMENT OF TRANSFERS BETWEEN DEFINED CONTRIBUTION PLANS.

(a) IN GENERAL.—Section 411(d)(6) of the Internal Revenue Code of 1986 (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following new subparagraph:

''(D) PLAN TRANSFERS.—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 paragraph 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 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 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 clause (iii) to receive any distribution to which the participant or beneficiary is entitled under transferee plan in the form of a single sum distribution.''

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

''(4) A defined contribution plan (in this paragraph 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—

''(A) 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,

''(B) the terms of both the transferor plan and the transferee plan authorize the transfer described in subparagraph (A),

''(C) the transfer described in subparagraph (A) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

''(D) the election described in subparagraph (C) was made after the participant or beneficiary received a notice describing the consequences of making the election,

''(E) 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

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

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after December 31, 1998.

SEC. 304. 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 new subsections:

''(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 the Internal Revenue Code of 1986 (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. 305. ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.

(a) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) of the Internal Revenue Code of 1986 (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''.

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

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

(c) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) of such Code is amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), and 408(d)(3)''.

(2) Section 401(a)(31)(B) of such Code is amended by striking ''and 403(a)(4)'' and inserting '', 403(a)(4), and 403(b)(8)''.

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

(4) Subparagraphs (A) and (B) of section 415(b)(2) of such Code are each amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), and 408(d)(3)''.

(d) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 1998.

(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 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. 306. ROLLOVER CONTRIBUTIONS FROM DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS.

(a) ROLLOVERS FROM SECTION 457 PLANS.—

(1) IN GENERAL.—Section 457(e) of the Internal Revenue Code of 1986 (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 of an eligible employer described in paragraph (1)(A), if—

''(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in a rollover distribution (other than a distribution described in subsection (d)(1)(A)(iii) or in subparagraph (A) or (B) of section 402(c)(4)),

''(ii) the employee transfers any portion of the property such employee receives in such distribution to an individual retirement plan (as defined in section 7701(a)(37), 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.—Rules similar to the rules of section 401(a)(31), paragraphs (2), (3), (5), (6), (7), and (9) of section 402(c), and section 402(f) shall apply for purposes of subparagraph (A).''

(2) DISTRIBUTION REQUIREMENTS.—Section 457(d)(1)(A) of such Code (relating to distribution requirements) is amended by inserting ''except as provided in subsection (e)(16),'' after ''(A)''.

(3) CONFORMING AMENDMENTS.—

(A) Section 72(o)(4) of such Code is amended—

(i) by striking ''and 408(d)(3)'' and inserting ''408(d)(3), and 457(e)(16)'',

(ii) by inserting ''or excludable'' after ''deductible'' each place it appears, and

(iii) in the heading by inserting ''OR EXCLUDABLE'' after ''DEDUCTIBLE''.

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

(C) Section 401(a)(31)(B) of such Code is amended by striking ''and 403(b)(8)'' and inserting '', 403(b)(8), and 457(e)(16)''.

(D) Paragraph (4) of section 402(c) of such Code is amended by inserting ''or in an eligible deferred compensation plan (as defined in

section 457(b)) of an eligible employer described in section 457(e)(1)(A)'' after ''qualified trust''.

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

(F) Section 408(d)(3)(A)(ii) of such Code is amended by striking ''or'' after ''501(a)'' and inserting a comma, and by inserting '', or from an eligible deferred compensation plan described in section 457(b)'' after ''contribution)''.

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

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

(d) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 1998.

(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 individual retirement plan 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. 307. EXTENSION OF 60-DAY ROLLOVER PERIOD IN THE CASE OF PRESIDENTIALLY DECLARED DISASTERS AND SERVICE IN COMBAT ZONE.

(a) IN GENERAL.—Paragraph (1) of section 7508(a) of the Internal Revenue Code of 1986 (relating to time postponed for performing certain acts) is amended by striking ''and'' at the end of subparagraph (J), by redesignating subparagraph (K) as subparagraph (L), and by inserting after subparagraph (J) the following new subparagraph:

''(K) Rollover of any distribution within the 60-day period specified in section 402(c)(3) or 408(d)(3)(A); and''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after December 31, 1998.

SEC. 308. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 of the Internal Revenue Code of 1986 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 of such Code, as amended by section 306, is amended by adding at the end 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, 1998.

TITLE IV—COMPREHENSIVE WOMEN'S PENSION PROTECTION

Subtitle A—Pension Reform

SEC. 401. PENSION RIGHT TO KNOW PROPOSALS.

(a) SPOUSE'S RIGHT TO KNOW DISTRIBUTION INFORMATION.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Paragraph (3) of section 417(a) of the Internal Revenue Code of 1986 (relating to definitions and special rules for purposes of minimum survivor annuity requirements) is amended by adding at the end the following new subparagraph:

''(C) EXPLANATION TO SPOUSE.—At the time a plan provides a participant with a written explanation under subparagraph (A) or (B), such plan shall provide a copy of such explanation to such participant's spouse. If the last known address of the spouse is the same as the last known address of the participant, the requirement of the preceding sentence shall be treated as met if the copy referred to in the preceding sentence is included in a single mailing made to such address and addressed to both such participant and spouse.''

(2) AMENDMENT OF ERISA.—Paragraph (3) of section 205(c) of Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new subparagraph:

''(C) EXPLANATION TO SPOUSE.—At the time a plan provides a participant with a written explanation under subparagraph (A) or (B), such plan shall provide a copy of such explanation to such participant's spouse. If the last known address of the spouse is the same as the last known address of the participant, the requirement of the preceding sentence shall be treated as met if the copy referred to in the preceding sentence is included in a single mailing made to such address and addressed to both such participant and spouse.''

(b) EMPLOYEE'S RIGHT TO KNOW OF OPPORTUNITY FOR ELECTIVE CONTRIBUTIONS UNDER 401(k) PLANS.—Subparagraph (D) of section 401(k)(12) of the Internal Revenue Code of 1986 (relating to notice requirements) is amended—

(1) by striking '', within a reasonable period before any year,'' and inserting ''before the 60th day before the beginning of any year'', and

(2) by adding at the end the following new flush sentence:

''The requirements of paragraph (11)(B)(iii) shall apply for purposes of this subparagraph.''

SEC. 402. WOMEN'S PENSION TOLL-FREE PHONE NUMBER.

(a) IN GENERAL.—The Secretary of Labor shall contract with an independent organization to create a women's pension toll-free telephone number and contact to serve as—

(1) a resource for women on pension questions and issues;

(2) a source for referrals to appropriate agencies; and

(3) a source for printed information.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for each of the fiscal years 1999, 2000, 2001, and 2002 to carry out subsection (a).

SEC. 403. MODIFICATION OF GOVERNMENT PENSION OFFSET.

(a) WIFE'S INSURANCE BENEFITS.—Section 202(b)(4)(A) of the Social Security Act (42 U.S.C. 402(b)(4)(A)) is amended—

(1) by inserting ''the amount (if any) by which the sum of such benefit (before reduction under this paragraph) and'' after ''two-thirds of''; and

(2) by inserting ''exceeds the amount described in subsection (z) for such month,'' before ''if''.

(b) HUSBAND'S INSURANCE BENEFITS.—Section 202(c)(2)(A) of such Act (42 U.S.C. 402(c)(2)(A)) is amended—

(1) by inserting ''the amount (if any) by which the sum of such benefit (before reduction under this paragraph) and'' after ''two-thirds of''; and

(2) by inserting ''exceeds the amount described in subsection (z) for such month,'' before ''if''.

(c) WIDOW'S INSURANCE BENEFITS.—Section 202(e)(7)(A) of such Act (42 U.S.C. 402(e)(7)(A)) is amended—

(1) by inserting ''the amount (if any) by which the sum of such benefit (before reduction under this paragraph) and'' after ''two-thirds of''; and

(2) by inserting ''exceeds the amount described in subsection (z) for such month,'' before ''if''.

(d) WIDOWER'S INSURANCE BENEFITS.—Section 202(f)(2)(A) of such Act (42 U.S.C. 402(f)(2)(A)) is amended—

(1) by inserting ''the amount (if any) by which the sum of such benefit (before reduction under this paragraph) and'' after ''two-thirds of''; and

(2) by inserting ''exceeds the amount described in subsection (z) for such month,'' before ''if''.

(e) MOTHER'S AND FATHER'S INSURANCE BENEFITS.—Section 202(g)(4)(A) of such Act (42 U.S.C. 402(g)(4)(A)) is amended—

(1) by inserting ''the amount (if any) by which the sum of such benefit (before reduction under this paragraph) and'' after ''two-thirds of''; and

(2) by inserting ''exceeds the amount described in subsection (z) for such month,'' before ''if''.

(f) AMOUNT DESCRIBED.—Section 202 of such Act (42 U.S.C. 402) is amended by adding at the end the following:

''(z) The amount described in this subsection is, for months in each 12-month period beginning in December of 1998, and each succeeding calendar year, the greater of—

''(1) $1200; or

''(2) the amount applicable for months in the preceding 12-month period, increased by the cost-of-living adjustment for such period determined for an annuity under section 8340 of title 5, United States Code (without regard to any other provision of law).''

(g) LIMITATIONS ON REDUCTIONS IN BENEFITS.—Section 202 of such Act (42 U.S.C. 402), as amended by subsection (f), is amended by adding at the end the following:

''(aa) For any month after December 1998, in no event shall an individual receive a reduction in a benefit under subsection (b)(4)(A), (c)(2)(A), (e)(7)(A), (f)(2)(A), or (g)(4)(A) for the month that is more than the reduction in such benefit that would have applied for such month under such subsections as in effect on December 1, 1998.''

(h) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after December 1998.

SEC. 404. PERIODS OF FAMILY AND MEDICAL LEAVE TREATED AS HOURS OF SERVICE FOR PENSION PARTICIPATION AND VESTING.

(a) AMENDMENTS OF INTERNAL REVENUE CODE.—

(1) PARTICIPATION.—

(A) IN GENERAL.—Paragraph (3) of section 410(a) of the Internal Revenue Code of 1986 (relating to minimum participation standards) is amended by adding at the end the following new subparagraph:

''(E) FAMILY AND MEDICAL LEAVE TREATED AS SERVICE.—

''(i) IN GENERAL.—For purposes of this subsection, in the case of an individual who is absent from work on leave required to be given to such individual under the Family and Medical Leave Act of 1993, the plan shall treat as hours of service—

''(I) the hours of service which otherwise would normally have been credited to such individual but for such absence, or

''(II) in any case in which the plan is unable to determine the hours described in subclause (I), 8 hours of service per day of absence.

''(ii) YEAR TO WHICH HOURS ARE CREDITED.—The hours described in clause (i) shall be treated as hours of service as provided in this subparagraph—

''(I) only in the year in which the absence from work begins, if a participant would have a year of service solely because the period of absence is treated as hours of service as provided in clause (i); or

''(II) in any other case, in the immediately following year.''

(B) COORDINATION WITH TREATMENT OF MATERNITY AND PATERNITY ABSENCES UNDER BREAK IN SERVICE RULES.—Subparagraph (E) of section 410(a)(5) of such Code is amended—

(i) by inserting ''NOT UNDER FAMILY AND MEDICAL LEAVE ACT OF 1993'' after ''ABSENCES'' in the heading, and

(ii) by adding at the end of clause (i) the following new sentence: ''The preceding sentence shall apply to an absence from work only if no part of such absence is required to be given under the Family and Medical Leave Act of 1993.''

(2) VESTING.—

(A) IN GENERAL.—Paragraph (5) of section 411(a) of such Code (relating to minimum vesting standards) is amended by adding at the end the following new subparagraph:

''(E) FAMILY AND MEDICAL LEAVE TREATED AS SERVICE.—

''(i) IN GENERAL.—For purposes of this subsection, in the case of an individual who is absent from work on leave required to be given to such individual under the Family and Medical Leave Act of 1993, the plan shall treat as hours of service—

''(I) the hours of service which otherwise would normally have been credited to such individual but for such absence, or

''(II) in any case in which the plan is unable to determine the hours described in subclause (I), 8 hours of service per day of absence.

''(ii) YEAR TO WHICH HOURS ARE CREDITED.—The hours described in clause (i) shall be treated as hours of service as provided in this subparagraph—

''(I) only in the year in which the absence from work begins, if a participant would have a year of service solely because the period of absence is treated as hours of service as provided in clause (i); or

''(II) in any other case, in the immediately following year.''

(B) COORDINATION WITH TREATMENT OF MATERNITY AND PATERNITY ABSENCES UNDER BREAK IN SERVICE RULES.—Subparagraph (E) of section 411(a)(6) of such Code is amended—

(i) by inserting ''NOT UNDER FAMILY AND MEDICAL LEAVE ACT OF 1993'' after ''ABSENCES'' in the heading, and

(ii) by adding at the end of clause (i) the following new sentence: ''The preceding sentence shall apply to an absence from work only if no part of such absence is required to be given under the Family and Medical Leave Act of 1993.''

(b) AMENDMENTS OF ERISA.—

(1) PARTICIPATION.—

(A) IN GENERAL.—Paragraph (3) of section 202(a) of the Employee Retirement Income Security Act of 1974 (relating to minimum participation standards) is amended by adding at the end the following new subparagraph:

''(E)(i) For purposes of this subsection, in the case of an individual who is absent from work on leave required to be given to such individual under the Family and Medical Leave Act of 1993, the plan shall treat as hours of service—

''(I) the hours of service which otherwise would normally have been credited to such individual but for such absence, or

''(II) in any case in which the plan is unable to determine the hours described in subclause (I), 8 hours of service per day of absence.

''(ii) The hours described in clause (i) shall be treated as hours of service as provided in this subparagraph—

''(I) only in the year in which the absence from work begins, if a participant would have a year of service solely because the period of absence is treated as hours of service as provided in clause (i); or

''(II) in any other case, in the immediately following year.''

(B) COORDINATION WITH TREATMENT OF MATERNITY AND PATERNITY ABSENCES UNDER BREAK IN SERVICE RULES.—Subparagraph (A) of section 202(b)(5) of such Act is amended by adding at the end of clause (i) the following new sentence: ''The preceding sentence shall apply to an absence from work only if no part of such absence is required to be given under the Family and Medical Leave Act of 1993.''

(2) VESTING.—

(A) IN GENERAL.—Paragraph (2) of section 203(b) of such Act (relating to minimum vesting standards) is amended by adding at the end the following new subparagraph:

''(E)(i) For purposes of this subsection, in the case of an individual who is absent from work on leave required to be given to such individual under the Family and Medical Leave Act of 1993, the plan shall treat as hours of service—

''(I) the hours of service which otherwise would normally have been credited to such individual but for such absence, or

''(II) in any case in which the plan is unable to determine the hours described in subclause (I), 8 hours of service per day of absence.

''(ii) The hours described in clause (i) shall be treated as hours of service as provided in this subparagraph—

''(I) only in the year in which the absence from work begins, if a participant would have a year of service solely because the period of absence is treated as hours of service as provided in clause (i); or

''(II) in any other case, in the immediately following year.''

(B) COORDINATION WITH TREATMENT OF MATERNITY AND PATERNITY ABSENCES UNDER BREAK IN SERVICE RULES.—Clause (i) of section 203(b)(3)(E) of such Act is amended by adding at the end of clause (i) the following new sentence: ''The preceding sentence shall apply to an absence from work only if no part of such absence is required to be given under the Family and Medical Leave Act of 1993.''

SEC. 405. PENSION INTEGRATION RULES.

(a) APPLICABILITY OF NEW INTEGRATION RULES EXTENDED TO ALL EXISTING ACCRUED BENEFITS.—Notwithstanding subsection (c)(1) of section 1111 of the Tax Reform Act of 1986 (relating to effective date of application of nondiscrimination rules to integrated plans) (100 Stat. 2440), effective for plan years beginning after the date of the enactment of this Act, the amendments made by subsection (a) of such section 1111 shall also apply to benefits attributable to plan years beginning on or before December 31, 1988.

(b) INTEGRATION DISALLOWED FOR SIMPLIFIED EMPLOYEE PENSIONS.—

(1) IN GENERAL.—Subparagraph (D) of section 408(k)(3) of the Internal Revenue Code of 1986 (relating to permitted disparity under rules limiting discrimination under simplified employee pensions) is repealed.

(2) CONFORMING AMENDMENT.—Subparagraph (C) of such section 408(k)(3) is amended by striking ''and except as provided in subparagraph (D),''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to taxable years beginning on or after January 1, 1998.

(c) EVENTUAL REPEAL OF INTEGRATION RULES.—Effective for plan years beginning on or after January 1, 2004—

(1) subparagraphs (C) and (D) of section 401(a)(5) of the Internal Revenue Code of 1986 (relating to pension integration exceptions under nondiscrimination requirements for qualification) are repealed, and subparagraph (E) of such section 401(a)(5) is redesignated as subparagraph (C); and

(2) subsection (*l*) of section 401 of such Code (relating to nondiscriminatory coordination of defined contribution plans with OASDI) is repealed.

SEC. 406. DIVISION OF PENSION BENEFITS UPON DIVORCE.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—Section 414(p) of the Internal Revenue Code of 1986 (relating to qualified domestic relations order defined) is amended by redesignating paragraph (12) as paragraph (13) and by adding at the end the following new paragraph:

''(12) SPECIAL RULES AND PROCEDURES FOR DOMESTIC RELATIONS ORDERS NOT SPECIFYING DIVISION OF PENSION BENEFITS.—

''(A) IN GENERAL.—If—

''(i) a domestic relations order (including an annulment or other order of marital dissolution) relates to provision of marital property with respect to a marriage of at least 5 years duration between the participant and the former spouse,

''(ii)(I) such order (and any prior order) does not specifically provide that pension benefits were considered by the parties and no division is intended, and

''(II) such order is not a qualified domestic relations order without regard to this paragraph and there is no other prior qualified domestic relations order issued in connection with the dissolution of the marriage to which such order relates, and

''(iii) the former spouse notifies a plan within the period prescribed under subparagraph (C) that the former spouse is entitled to benefits under the plan in accordance with the provisions of this paragraph,

then such domestic relations order shall be treated as a qualified domestic relations order for purposes of this subsection and section 401(a)(13).

''(B) AMOUNT OF BENEFIT.—

''(i) IN GENERAL.—Any domestic relations order treated as a qualified domestic relations order under subparagraph (A) shall be treated as specifying that the former spouse is entitled to the applicable percentage of the marital share of the participant's accrued benefit.

''(ii) MARITAL SHARE.—For purposes of clause (i), the marital share of a participant's accrued benefit is an amount equal to the product of—

''(I) such benefit as of the date of the first payment under the plan (to the extent such accrued benefit is vested at the date of the divorce or any later date), and

''(II) a fraction the numerator of which is the period of participation by the participant under the plan starting with the date of marriage and ending with the date of divorce, and the denominator of which is the total period of participation by the participant under the plan.

''(iii) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the applicable percentage is—

''(I) except as provided in subclause (II), 50 percent, and

''(II) in the case of a participant who fails to provide the plan with notice of a domestic relations order within the time prescribed under subparagraph (C), 67 percent.

''(C) NOTICE REQUIREMENTS.—

''(i) NOTICE BY EMPLOYEE.—Each employee who is a participant in a pension plan shall, within 60 days after the dissolution of the marriage of the employee—

''(I) notify the plan administrator of the plan of such dissolution, and

''(II) provide to the plan administrator a copy of the domestic relations order (including an annulment or other order of marital dissolution) providing for such dissolution and the last known address of the employee's former spouse.

''(ii) NOTICE BY PLAN ADMINISTRATOR.—Each plan administrator receiving notice under clause (i) shall promptly notify the former spouse of a participant of such spouse's rights under this paragraph, including the time period within which such spouse is required to notify the plan of the spouse's intention to claim rights under this paragraph.

''(iii) NOTICE BY FORMER SPOUSE.—A former spouse may notify the plan administrator of such spouse's intent to claim rights under this paragraph at any time before the last day of the 1-year period following receipt of notice under clause (ii).

''(iv) COORDINATION WITH PLAN PROCEDURES.—The determination under paragraph (6)(A)(ii) with respect to a domestic relations order to which this paragraph applies shall be made within a reasonable period of time after the plan administrator receives the notice described in clause (iii).

''(D) INTERPRETATION AS QUALIFIED DOMESTIC RELATIONS ORDER.—Each plan shall establish reasonable rules for determining how any such deemed domestic relations order is to be interpreted under the plan so as to constitute a qualified domestic relations order that satisfies paragraphs (2) through (4) (and a copy of such rules shall be provided to such former spouse promptly after delivery of the divorce decree). Such rules—

''(i) may delay the effect of such an order until the earlier of the date the participant is fully vested or has terminated employment,

''(ii) may allow the former spouse to be paid out immediately,

''(iii) shall permit the former spouse to be paid not later than the earliest retirement age under the plan or the participant's death,

''(iv) may require the submitter of the divorce decree to present a marriage certificate or other evidence of the marriage date to assist in benefit calculations, and

''(v) may conform to the rules applicable to qualified domestic relations orders regarding form or type of benefit.''

(b) AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 206(d)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(d)(3)) is amended by redesignating subparagraph (N) as subparagraph (O) and by inserting after subparagraph (M) the following new subparagraph:

''(N) SPECIAL RULES AND PROCEDURES FOR DOMESTIC RELATIONS ORDERS NOT SPECIFYING DIVISION OF PENSION BENEFITS.—

''(i) IN GENERAL.—If—

''(I) a domestic relations order (including an annulment or other order of marital dissolution) relates to provision of marital property with respect to a marriage of at least 5 years duration between the participant and the former spouse,

''(II)(aa) such order (and any prior order) does not specifically provide that pension benefits were considered by the parties and no division is intended, or

''(bb) such order is a qualified domestic relations order without regard to this subparagraph or there is no other prior qualified domestic relations order issued in connection with the dissolution of the marriage to which such order relates, and

''(III) the former spouse notifies a plan within the period prescribed under clause (iii) that the former spouse is entitled to benefits under the plan in accordance with the provisions of this subparagraph,

then such domestic relations order shall be treated as a qualified domestic relations order for purposes of this paragraph.

''(ii) AMOUNT OF BENEFIT.—

''(I) IN GENERAL.—Any domestic relations order treated as a qualified domestic relations order under clause (i) shall be treated as specifying that the former spouse is entitled to the applicable percentage of the marital share of the participant's accrued benefit.

''(II) MARITAL SHARE.—For purposes of subclause (I), the marital share of a participant's accrued benefit is an amount equal to the product of—

''(aa) such benefit as of the date of the first payment under the plan (to the extent such accrued benefit is vested at the date of the divorce or any later date), and

''(bb) the numerator of which is the period of participation by the participant under the plan starting with the date of marriage and ending with the date of divorce, and the denominator of which is the total period of participation by the participant under the plan.

''(III) APPLICABLE PERCENTAGE.—For purposes of this clause, the applicable percentage is—

''(aa) except as provided in item (bb), 50 percent, and

''(bb) in the case of a participant who fails to provide the plan with notice of a domestic relations order within the time prescribed under clause (iii), 67 percent.

''(iii) NOTICE REQUIREMENTS.—

''(I) NOTICE BY EMPLOYEE.—Each employee who is a participant in a pension plan shall, within 60 days after the dissolution of the marriage of the employee—

''(aa) notify the plan administrator of the plan of such dissolution, and

''(bb) provide to the plan administrator a copy of the domestic relations order (including an annulment or other order of marital dissolution) providing for such dissolution and the last known address of the employee's former spouse.

''(II) NOTICE BY PLAN ADMINISTRATOR.—Each plan administrator receiving notice under subclause (I) shall promptly notify the former spouse of a participant of such spouse's rights under this subparagraph, including the time period within which such spouse is required to notify the plan of the spouse's intention to claim rights under this subparagraph.

''(III) NOTICE BY FORMER SPOUSE.—A former spouse may notify the plan administrator of such spouse's intent to claim rights under this subparagraph at any time before the last day of the 1-year period following receipt of notice under subclause (II).

''(IV) COORDINATION WITH PLAN PROCEDURES.—The determination under subparagraph (G)(i)(II) with respect to a domestic relations order to which this subparagraph applies shall be made within a reasonable period of time after the plan administrator receives the notice described in subclause (III).

''(iv) INTERPRETATION AS QUALIFIED DOMESTIC RELATIONS ORDER.—Each plan shall establish reasonable rules for determining how any such deemed domestic relations order is to be interpreted under the plan so as to constitute a qualified domestic relations order that satisfies subparagraphs (C) through (E) (and a copy of such rules shall be provided to such former spouse promptly after delivery of the divorce decree). Such rules—

''(I) may delay the effect of such an order until the earlier of the date the participant is fully vested or has terminated employment,

''(II) may allow the former spouse to be paid out immediately,

''(III) shall permit the former spouse to be paid not later than the earliest retirement age under the plan or the participant's death,

''(IV) may require the submitter of the divorce decree to present a marriage certificate or other evidence of the marriage date to assist in benefit calculations, and

''(V) may conform to the rules applicable to qualified domestic relations orders regarding form or type of benefit.''

SEC. 407. ENTITLEMENT OF DIVORCED SPOUSES TO RAILROAD RETIREMENT ANNUITIES INDEPENDENT OF ACTUAL ENTITLEMENT OF EMPLOYEE.

Section 2 of the Railroad Retirement Act of 1974 (45 U.S.C. 231a) is amended—

(1) in subsection (c)(4)(i), by striking ''(A) is entitled to an annuity under subsection (a)(1) and (B)''; and

(2) in subsection (e)(5), by striking ''or divorced wife'' the second place it appears.

SEC. 408. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle, other than sections 403 and 405, shall apply with respect to plan years beginning on or after January 1, 1999, and the amendments made by section 406 shall apply only with respect to divorces becoming final in such plan years.

(b) SPECIAL RULE FOR COLLECTIVELY BARGAINED PLANS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified on or before the date of the enactment of this Act, subsection (a) shall be applied to benefits pursuant to, and individuals covered by, any such agreement by substituting for ''January 1, 1999'' the date of the commencement of the first plan year beginning on or after the earlier of—

(1) the later of—

(A) January 1, 2000, or

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

(2) January 1, 2001.

Subtitle B—Protection of Rights of Former Spouses to Pension Benefits Under Certain Government and Government-Sponsored Retirement Programs

SEC. 411. EXTENSION OF TIER II RAILROAD RETIREMENT BENEFITS TO SURVIVING FORMER SPOUSES PURSUANT TO DIVORCE AGREEMENTS.

(a) IN GENERAL.—Section 5 of the Railroad Retirement Act of 1974 (45 U.S.C. 231d) is amended by adding at the end the following new subsection:

''(d) Notwithstanding any other provision of law, the payment of any portion of an annuity computed under section 3(b) to a surviving former spouse in accordance with a court decree of divorce, annulment, or legal separation or the terms of any court-approved property settlement incident to any such court decree shall not be terminated

upon the death of the individual who performed the service with respect to which such annuity is so computed unless such termination is otherwise required by the terms of such court decree.''

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

SEC. 412. SURVIVOR ANNUITIES FOR WIDOWS, WIDOWERS, AND FORMER SPOUSES OF FEDERAL EMPLOYEES WHO DIE BEFORE ATTAINING AGE FOR DEFERRED ANNUITY UNDER CIVIL SERVICE RETIREMENT SYSTEM.

(a) BENEFITS FOR WIDOW OR WIDOWER.—Section 8341(f) of title 5, United States Code, is amended—

(1) in the matter preceding paragraph (1) by—

(A) by inserting ''a former employee separated from the service with title to deferred annuity from the Fund dies before having established a valid claim for annuity and is survived by a spouse, or if'' before ''a Member''; and

(B) by inserting ''of such former employee or Member'' after ''the surviving spouse'';

(2) in paragraph (1)—

(A) by inserting ''former employee or'' before ''Member commencing''; and

(B) by inserting ''former employee or'' before ''Member dies''; and

(3) in the undesignated sentence following paragraph (2)—

(A) in the matter preceding subparagraph (A) by inserting ''former employee or'' before ''Member''; and

(B) in subparagraph (B) by inserting ''former employee or'' before ''Member''.

(b) BENEFITS FOR FORMER SPOUSE.—Section 8341(h) of title 5, United States Code, is amended—

(1) in paragraph (1) by adding after the first sentence ''Subject to paragraphs (2) through (5) of this subsection, a former spouse of a former employee who dies after having separated from the service with title to a deferred annuity under section 8338(a) but before having established a valid claim for annuity is entitled to a survivor annuity under this subsection, if and to the extent expressly provided for in an election under section 8339(j)(3) of this title, or in the terms of any decree of divorce or annulment or any court order or court-approved property settlement agreement incident to such decree.''; and

(2) in paragraph (2)—

(A) in subparagraph (A)(ii) by striking ''or annuitant,'' and inserting ''annuitant, or former employee''; and

(B) in subparagraph (B)(iii) by inserting ''former employee or'' before ''Member''.

(c) PROTECTION OF SURVIVOR BENEFIT RIGHTS.—Section 8339(j)(3) of title 5, United States Code, is amended by inserting at the end the following: ''The Office shall provide by regulation for the application of this subsection to the widow, widower, or surviving former spouse of a former employee who dies after having separated from the service with title to a deferred annuity under section 8338(a) but before having established a valid claim for annuity.''

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply only in the case of a former employee who dies on or after such date.

SEC. 413. PAYMENT OF LUMP-SUM BENEFITS TO FORMER SPOUSES OF FEDERAL EMPLOYEES.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Chapter 83 of title 5, United States Code, is amended—

(1) in section 8342(c), by striking ''Lump-sum'' and inserting ''Except as provided in section 8345(j), lump-sum'';

(2) in section 8345(j) by adding at the end of paragraph (1) the following: ''Except for purposes of subparagraph (B), the first sentence of this paragraph shall be deemed to be amended by inserting after 'that individual' the following: ', and any lump-sum benefits authorized by section 8342(d) through (f) which would otherwise be paid to any person or persons under section 8342(c),' ''; and

(B) by adding at the end the following:

''(4) Any payment under this subsection to a person bars recovery by any other person.''

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Chapter 84 of title 5, United States Code, is amended—

(1) in section 8424(d), by striking ''Lump-sum'' and inserting ''Except as provided in section 8467(a), lump-sum''; and

(2) in section 8467—

(A) in subsection (a), by adding at the end the following: ''Except for purposes of paragraph (2), the first sentence of this subsection shall be deemed to be amended by inserting after 'that individual' the following: ', and any lump-sum benefits authorized by section 8424(e) through (g) which would otherwise be paid to any individual or individuals under section 8424(d),' ''; and

(B) by adding at the end the following:

''(d) Any payment under this section to a person bars recovery by any other person.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any amount payable by reason of any death occurring on or after the date of the enactment of this Act.

Subtitle C—Modifications of Joint and Survivor Annuity Requirements

SEC. 421. MODIFICATIONS OF JOINT AND SURVIVOR ANNUITY REQUIREMENTS.

(a) AMENDMENTS TO ERISA.—

(1) AMOUNT OF ANNUITY.—

(A) IN GENERAL.—Paragraph (1) of section 205(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(a)) is amended by inserting ''or, at the election of the participant, shall be provided in the form of a qualified joint and ⅔ survivor annuity'' after ''survivor annuity,''.

(B) DEFINITION.—Subsection (d) of section 205 of such Act (29 U.S.C. 1055) is amended—

(i) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(ii) by inserting ''(1)'' after ''(d)'', and

(iii) by adding at the end the following new paragraph:

''(2) For purposes of this section, the term ''qualified joint and ⅔ survivor annuity'' means a joint and survivor annuity under which the survivor annuity for the life of the surviving spouse is equal to at least ⅔ of the amount of the annuity which is payable during the joint lives of the participant and spouse.''

(2) ILLUSTRATION REQUIREMENT.—Clause (i) of section 205(c)(3)(A) of such Act (29 U.S.C. 1055(c)(3)(A)) is amended to read as follows:

''(i) the terms and conditions of each qualified joint and survivor annuity and qualified joint and ⅔ survivor annuity offered, accompanied by an illustration of the benefits under each such annuity for the particular participant and spouse and an acknowledgement form to be signed by the participant and the spouse that they have read and considered the illustration before any form of retirement benefit is chosen,''.

(b) AMENDMENTS TO INTERNAL REVENUE CODE.—

(1) AMOUNT OF ANNUITY.—

(A) IN GENERAL.—Clause (i) of section 401(a)(11)(A) of the Internal Revenue Code of 1986 (relating to requirement of joint and survivor annuity and preretirement survivor annuity) is amended by inserting ''or, at the election of the participant, shall be provided in the form of a qualified joint and ⅔ survivor annuity'' after ''survivor annuity,''.

(B) DEFINITION.—Section 417 of such Code (relating to definitions and special rules for purposes of minimum survivor annuity requirements), as amended by section 422, is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DEFINITION OF QUALIFIED JOINT AND ⅔ SURVIVOR ANNUITY.—For purposes of this section and section 401(a)(11), the term ''qualified joint and ⅔ survivor annuity'' means a joint and survivor annuity under which the survivor annuity for the life of the surviving spouse is equal to at least ⅔ of the amount of the annuity which is payable during the joint lives of the participant and spouse.''

(2) ILLUSTRATION REQUIREMENT.—Clause (i) of section 417(a)(3)(A) of such Code (relating to explanation of joint and survivor annuity) is amended to read as follows:

''(i) the terms and conditions of each qualified joint and survivor annuity and qualified joint and ⅔ survivor annuity offered, accompanied by an illustration of the benefits under each such annuity for the particular participant and spouse and an acknowledgement form to be signed by the participant and the spouse that they have read and considered the illustration before any form of retirement benefit is chosen,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning on or after January 1, 1999.

SEC. 422. SPOUSAL CONSENT REQUIRED FOR DISTRIBUTIONS FROM DEFINED CONTRIBUTION PLANS.

(a) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Section 401(a)(11) of the Internal Revenue Code of 1986 (relating to requirement of joint and survivor annuity and preretirement survivor annuity) is amended by striking subparagraphs (B), (C), and (D), by redesignating subparagraphs (E) and (F) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) PLANS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to any defined benefit plan and to any defined contribution plan.''

(2) EXCEPTION FOR HARDSHIP DISTRIBUTIONS.—Section 417(f) of such Code is amended by adding at the end the following new paragraph:

''(8) HARDSHIP DISTRIBUTIONS.—The requirements of section 401(a)(11) and this section shall not apply to a hardship distribution under section 401(k)(2)(B)(i)(IV).''

(3) SPECIAL RULE FOR CASH-OUTS.—Section 417(e) of such Code is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR DEFINED CONTRIBUTION PLANS.—

''(A) IN GENERAL.—In the case of a defined contribution plan, notwithstanding paragraph (2), if the present value of the qualified joint and survivor annuity does not exceed $10,000, the plan may immediately distribute 50 percent of the present value of such annuity to each spouse.

''(B) EXCEPTION.—The plan may distribute a different percentage of the present value of an annuity to each spouse if a court order or contractual agreement provides for such different percentage.''

(b) AMENDMENTS TO ERISA.—

(1) IN GENERAL.—Section 205(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(b)) is amended to read as follows:

''(b)(1) This section shall apply to any defined benefit plan and to any individual account plan.

''(2) This section shall not apply to a plan which the Secretary of the Treasury or his delegate has determined is a plan described

in section 404(c) of the Internal Revenue Code of 1986 (or a continuation thereof) in which participation is substantially limited to individuals who, before January 1, 1976, ceased employment covered by the plan.''

(2) HARDSHIP DISTRIBUTION.—Section 205 of such Act (29 U.S.C. 1055) is amended by adding at the end the following new subsection:

''(m) This section shall not apply to a hardship distribution under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986.''

(3) SPECIAL RULE FOR CASH-OUTS.—Section 205(g) of such Act (29 U.S.C. 1055(g)) is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR DEFINED CONTRIBUTION PLANS.—

''(A) IN GENERAL.—In the case of an individual account plan, notwithstanding paragraph (2), if the present value of the qualified joint and survivor annuity or the qualified preretirement survivor annuity exceeds $10,000, the plan may immediately distribute 50 percent of the present value of such annuity to each spouse.

''(B) EXCEPTION.—The plan may distribute a different percentage of the present value of an annuity to each spouse if a court order or contractual agreement provides for such different percentage.''

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

TITLE V—DATE FOR ADOPTION OF PLAN AMENDMENTS

SEC. 501. DATE FOR ADOPTION OF PLAN AMENDMENTS.

(a) IN GENERAL.—Except as otherwise provided in this Act, if any amendment made by this Act requires an amendment to any plan, such plan amendment shall not be required to be made before the last day of the first plan year beginning on or after January 1, 1999, if—

(1) during the period after such amendment takes effect and before the last day of such first plan year, the plan is operated in accordance with the requirements of such amendment, and

(2) such plan amendment applies retroactively to such period.

A plan shall not be treated as failing to provide definitely determinable benefits or contributions, or to be operated in accordance with the provisions of the plan, merely because it operates in accordance with this subsection.

(b) GOVERNMENTAL PLANS.—In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), subsection (a) shall be applied by substituting for ''January 1, 1999'' the later of—

(1) January 1, 2000, or

(2) the date which is 90 days after the opening of the first legislative session beginning after January 1, 1999, of the governing body with authority to amend the plan, but only if such governing body does not meet continuously.

(c) SPECIAL RULE FOR COLLECTIVELY BARGAINED PLANS.—Notwithstanding any other provision of this Act, in the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified on or before the date of the enactment of this Act, any amendment made by this Act which requires an amendment to such plan shall not be required to be made before the last day of the first plan year beginning on or after the earlier of—

(1) the later of—

(A) January 1, 1999, or

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

(2) January 1, 2000.

By Mr. COVERDELL:

S. 2250. A bill to protect the rights of the States and the people from abuse by the Federal Government, to strengthen the partnership and the intergovernmental relationship between State and Federal Governments, to restrain Federal agencies from exceeding their authority, to enforce the Tenth Amendment of the United States Constitution, and for other purposes; to the Committee on the Judiciary.

TENTH AMENDMENT ENFORCEMENT ACT

Mr. COVERDELL. Mr. President, I rise today to introduce the Tenth Amendment Enforcement Act of 1998. The Tenth Amendment was a promise to the States and to the American people that the Federal Government would be limited, and that the people of the States could, for the most part, govern themselves as they saw fit. Unfortunately, in the last half century, that promise has been broken. The American people have asked us to start honoring that promise again: To return power to State and local governments which are close to and more sensitive to the needs of the people.

We took an important first step in the 104th Congress by enacting the Unfunded Mandates Reform Act. It began the shift of power out of Washington and back to the States and to the American people. Today we continue that process. The Tenth Amendment Enforcement Act of 1998 will return power to the States and to the people by placing safeguards in the legislative process, by restricting the power of Federal agencies and by instructing the Federal courts to enforce the Tenth Amendment.

The Tenth Amendment Enforcement Act of 1998 enforces the Tenth amendment in five ways. First, it includes a specific congressional finding that the Federal Government has no powers not delegated by the Constitution, and the States may exercise all powers not withheld by the Constitution. In other words, the Tenth Amendment means what it says.

Second, this proposal states that Federal laws may not interfere with State or local powers unless Congress declares its intent to preempt and specifically cites its constitutional authority to act.

Third, it enforces this declaration by establishing a point of order that allows any Congressman or Senator to challenge a bill lacking such a declaration or insufficiently citing constitutional authority. Such a point of order would require a three-fifths majority to be defeated.

Fourth, it requires that Federal agency rules and regulations not interfere with State or local powers without constitutional authority cited by Congress. Agencies must allow States notice and an opportunity to be heard in the rulemaking process.

Fifth, the proposal directs the courts to strictly construe Federal laws and regulations interfering with State powers. It requires a presumption in favor of State authority and against Federal preemption.

Too often in Washington, there is the temptation to weakening our Federal system of government. It has been stated that just as the separation and independence of the coordinate branches of the Federal Government serves to prevent the accumulation of excessive power in any one branch, a healthy balance of power between the States and the Federal Government will reduce the risk of tyranny and abuse from either front. We have an obligation to take steps to prevent such things from happening and to preserve the freedom and liberties we enjoy. I believe the Tenth Amendment Enforcement Act of 1998 is an important step and urge my colleagues to join me in this effort.

By Mr. CAMPBELL:

S. 2253. A bill to establish a matching grant program to help State and local jurisdictions purchase bullet resistant equipment for use by law enforcement departments; to the Committee on the Judiciary.

OFFICER DALE CLAXTON BULLET RESISTANT POLICE PROTECTIVE EQUIPMENT

Mr. CAMPBELL. Mr. President, today I introduce legislation to help our nation's state and local law enforcement officers acquire the bullet resistant equipment they need to protect themselves from would-be killers. This bill, the Officer Dale Claxton Bullet Resistant Police Protective Equipment Act of 1998, is named after a Cortez, Colorado, police officer who was fatally shot through the windshield of his patrol car on May 29, 1998, after stopping a stolen truck. Officer Claxton was tragically and prematurely taken away from his wife and four children. Today, two of the three suspects are still at large, even after an extensive manhunt.

Unfortunately, this type of incident is far from isolated. All across our nation law enforcement officers, whether parked on the side of the road or in hot pursuit, are at risk of being shot through their windshields. Another example that many of my colleagues may be aware of is the brutal murder of the District of Columbia's Officer Brian Gibson, who was ambushed and shot while sitting in his patrol car. We must do what we can to prevent tragedies like this.

As a former deputy sheriff, I am personally aware of the dangers which law enforcement officers face on the front lines every day. One way in which the federal government can improve their safety is to help them acquire bullet resistant glass and other equipment for patrol cars. These partnership grants are especially crucial for officers who serve in small local jurisdictions that often lack the funds to provide their officers with all of the life saving equipment they may need.

The Officer Dale Claxton bill builds on the impact of the Bulletproof Vest Partnership Grant Act, S. 1605, which I introduced and the President signed into law on June 16, 1998. This new program provides grants to law enforcement agencies to purchase body armor for their officers. The Officer Dale Claxton bill extends this protection to include bullet resistant equipment for the officers' vehicles, shields, and any other equipment that officers may need when they are serving out on the front lines of law enforcement.

The bill I introduce today has two major components. The first is to provide a matching grant program for state, county, local and tribal law enforcement agencies. This legislation would authorize the Department of Justice's Bureau of Justice Assistance to administer a $40 million matching grant program to assist these agencies purchase bullet resistant equipment for patrol cars, including bullet resistant glass, panels, and other safety devices.

The program will provide 50–50 matching grants to state and local law enforcement agencies and Indian tribes to assist in purchasing bulletproof vests and body armor. To ensure that the funding goes first to those police departments which need it most, the Director of the Bureau of Justice Assistance is given discretion to give preferential consideration to smaller departments whose budgets are scarce.

Additionally, those jurisdictions which do not receive any funding under the local law enforcement block grant program will be given preference. Furthermore, at least half of the funds available under this program will be awarded to jurisdictions with less than 100,000 residents.

The second component of this legislation would launch an expedited and targeted research and development effort to come up with new technologies and products. Promising new lightweight bullet proof materials now being developed could be as revolutionary in the year 2000 as the development of Kevlar was in the 1970s for the manufacture of body armor. These exciting new technologies promise to be lighter, more versatile and hopefully less expensive than traditional heavy bulletproof glass.

The Officer Dale Claxton bill authorizes $3 million over 3 years for the Justice Department's National Institute of Justice (NIJ) to conduct research and development of a new bullet resistant technologies, such as bonded acrylic, polymers, polycarbons, aluminized material, and transparent ceramics. This R and D program would focus on specialized equipment, including windshield glass, car panels, police shields and other types of protective gear.

The Officer Dale Claxton bill directs the National Institute of Justice to inventory existing technologies in the private sector, in surplus military property, and in use by other countries. The bill also directs the Institute to conduct: standards development; technology development; technical testing; operational testing; evaluation; and technology transfer.

Under the bill, the Institute would give priority in testing and engineering surveys to law enforcement partnerships developed in coordination with existing High Intensity Drug Trafficking Areas (HIDTAs).

Our nation's police officers, sheriffs and deputies regularly put their lives in harm's way as they protect the people and preserve the peace. They deserve to have access to the bullet resistant equipment they need. The Officer Dale Claxton bill will both accelerate the development of new lifesaving bullet resistant technologies and then help get them deployed into the field where they are needed. Lives will be saved.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2253

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 ''Officer Dale Claxton Bullet Resistant Police Protective Equipment Act of 1998''.

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) Officer Dale Claxton of the Cortez, Colorado, Police Department was shot and killed by bullets that passed through the windshield of his police car after he stopped a stolen truck, and his life may have been saved if his police car had been equipped with bullet resistant equipment;

(2) the number of law enforcement officers who are killed in the line of duty would significantly decrease if every law enforcement officer in the United States had access to additional bullet resistant equipment;

(3) according to studies, between 1985 and 1994, 709 law enforcement officers in the United States were feloniously killed in the line of duty;

(4) the Federal Bureau of Investigation estimates that the risk of fatality to law enforcement officers while not wearing bullet resistant equipment, such as an armor vest, is 14 times higher than for officers wearing an armor vest;

(5) according to studies, between 1985 and 1994, bullet-resistant materials helped save the lives of more than 2,000 law enforcement officers in the United States; and

(6) the Executive Committee for Indian Country Law Enforcement Improvements reports that violent crime in Indian country has risen sharply, despite a decrease in the national crime rate, and has concluded that there is a ''public safety crisis in Indian country''.

(b) PURPOSE.—The purpose of this Act is to save lives of law enforcement officers by helping State, local, and tribal law enforcement agencies provide officers with bullet resistant equipment.

SEC. 3. MATCHING GRANT PROGRAM FOR LAW ENFORCEMENT BULLET RESISTANT EQUIPMENT.

(a) IN GENERAL.—Part Y of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended—

(1) by striking the part designation and part heading and inserting the following:

''PART Y—MATCHING GRANT PROGRAMS FOR LAW ENFORCEMENT

''Subpart A—Grant Program For Armor Vests'';

(2) by striking ''this part'' each place that term appears and inserting ''this subpart''; and

(3) by adding at the end the following:

''Subpart B—Grant Program For Bullet Resistant Equipment

''SEC. 2511. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—The Director of the Bureau of Justice Assistance is authorized to make grants to States, units of local government, and Indian tribes to purchase bullet resistant equipment for use by State, local, and tribal law enforcement officers.

''(b) USES OF FUNDS.—Grants awarded under this section shall be—

''(1) distributed directly to the State, unit of local government, or Indian tribe; and

''(2) used for the purchase of bullet resistant equipment for law enforcement officers in the jurisdiction of the grantee.

''(c) PREFERENTIAL CONSIDERATION.—In awarding grants under this subpart, the Director of the Bureau of Justice Assistance may give preferential consideration, if feasible, to an application from a jurisdiction that—

''(1) has the greatest need for bullet resistant equipment based on the percentage of law enforcement officers in the department who do not have access to a vest;

''(2) has a violent crime rate at or above the national average as determined by the Federal Bureau of Investigation; or

''(3) has not received a block grant under the Local Law Enforcement Block Grant program described under the heading 'Violent Crime Reduction Programs, State and Local Law Enforcement Assistance' of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105–119).

''(d) MINIMUM AMOUNT.—Unless all eligible applications submitted by any State or unit of local government within such State for a grant under this section have been funded, such State, together with grantees within the State (other than Indian tribes), shall be allocated in each fiscal year under this section not less than 0.50 percent of the total amount appropriated in the fiscal year for grants pursuant to this section, except that the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands shall each be allocated .25 percent.

''(e) MAXIMUM AMOUNT.—A qualifying State, unit of local government, or Indian tribe may not receive more than 5 percent of the total amount appropriated in each fiscal year for grants under this section, except that a State, together with the grantees within the State may not receive more than 20 percent of the total amount appropriated in each fiscal year for grants under this section.

''(f) MATCHING FUNDS.—The portion of the costs of a program provided by a grant under subsection (a) may not exceed 50 percent. Any funds appropriated by Congress for the activities of any agency of an Indian tribal government or the Bureau of Indian Affairs performing law enforcement functions on any Indian lands may be used to provide the non-Federal share of a matching requirement funded under this subsection.

''(g) ALLOCATION OF FUNDS.—At least half of the funds available under this subpart shall be awarded to units of local government with fewer than 100,000 residents.

''SEC. 2512. APPLICATIONS.

''(a) IN GENERAL.—To request a grant under this subpart, the chief executive of a

State, unit of local government, or Indian tribe shall submit an application to the Director of the Bureau of Justice Assistance in such form and containing such information as the Director may reasonably require.

''(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this subpart, the Director of the Bureau of Justice Assistance shall promulgate regulations to implement this section (including the information that must be included and the requirements that the States, units of local government, and Indian tribes must meet) in submitting the applications required under this section.

''(c) ELIGIBILITY.—A unit of local government that receives funding under the Local Law Enforcement Block Grant program (described under the heading 'Violent Crime Reduction Programs, State and Local Law Enforcement Assistance' of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105–119)) during a fiscal year in which it submits an application under this subpart shall not be eligible for a grant under this subpart unless the chief executive officer of such unit of local government certifies and provides an explanation to the Director that the unit of local government considered or will consider using funding received under the block grant program for any or all of the costs relating to the purchase of bullet resistant equipment, but did not, or does not expect to use such funds for such purpose.

''SEC. 2513. DEFINITIONS.

''For purposes of this subpart—

''(1) the term 'equipment' means windshield glass, car panels, shields, and protective gear;

''(2) the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands;

''(3) the term 'unit of local government' means a county, municipality, town, township, village, parish, borough, or other unit of general government below the State level;

''(4) the term 'Indian tribe' has the same meaning as in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)); and

''(5) the term 'law enforcement officer' means any officer, agent, or employee of a State, unit of local government, or Indian tribe authorized by law or by a government agency to engage in or supervise the prevention, detection, or investigation of any violation of criminal law, or authorized by law to supervise sentenced criminal offenders.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1001(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)) is amended by striking paragraph (23) and inserting the following:

''(23) There are authorized to be appropriated to carry out part Y—

''(A) $25,000,000 for each of fiscal years 1999 through 2001 for grants under subpart A of that part; and

''(B) $40,000,000 for each of fiscal years 1999 through 2001 for grants under subpart B of that part.''.

SEC. 4. SENSE OF THE CONGRESS.

In the case of any equipment or products that may be authorized to be purchased with financial assistance provided using funds appropriated or otherwise made available by this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

SEC. 5. TECHNOLOGY DEVELOPMENT.

Section 202 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3722) is amended by adding at the end the following:

''(e) BULLET RESISTANT TECHNOLOGY DEVELOPMENT.—

''(1) IN GENERAL.—The Institute is authorized to—

''(A) conduct research and otherwise work to develop new bullet resistant technologies (i.e. acrylic, polymers, aluminized material, and transparent ceramics) for use in police equipment (including windshield glass, car panels, shields, and protective gear);

''(B) inventory bullet resistant technologies used in the private sector, in surplus military property, and by foreign countries;

''(C) promulgate relevant standards for, and conduct technical and operational testing and evaluation of, bullet resistant technology and equipment, and otherwise facilitate the use of that technology in police equipment.

''(2) PRIORITY.—In carrying out this subsection, the Institute shall give priority in testing and engineering surveys to law enforcement partnerships developed in coordination with High Intensity Drug Trafficking Areas.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $3,000,000 for fiscal years 1999 through 2001.''.

By Mr. REED.

S. 2254. A bill to provide for the establishment of an assistance program for health insurance consumers; to the Committee on Labor and Human Resources.

THE HEALTH CARE CONSUMER ASSISTANCE ACT

● Mr. REED. Mr. President, today I introduce the Health Care Consumer Assistance Act. This legislation creates a consumer assistance program that is key to patient protections in the health insurance market.

President Clinton's Health Quality Commission stated in its recently released Bill of Rights that consumers have the right to receive accurate, easily understood information and get assistance in making informed decisions about health plans and providers. Today, only a loose patchwork of consumer assistance services exists. And, while a number of sources provide assistance, most programs are limited. Many consumer groups have advocated for the establishment of consumer assistance programs to support consumers' growing need of information.

The legislation I am introducing today gives states grants to establish nonprofit, private consumer assistance program designed to help consumers understand and act on their health care choices, rights and responsibilities. Under my bill, the Secretary of Health and Human Services will make available funds for states to select an independent, nonprofit agency to provide the following services to consumers: provide information to consumers relating to their choices, rights and responsibilities within the plans they select; operate 1–800 telephone hotlines to respond to consumer information, advice and assistance requests; produce and disseminate educational materials about patients' rights; provide assistance and representation to people who wish to appeal the denial, termination, or reduction of health care services, or a refusal to pay for health services; and collect and disseminate data about inquiries, problems and grievances handled by the consumer assistance program.

This program has been championed by Ron Pollack of Families USA, a member of the President's Commission on Quality, as well as numerous other consumer advocates.

Mr. President, I have joined with many of my Democratic colleagues in sponsoring S.1890, the Patients' Bill of Rights Act of 1998. I am pleased that S.1890 would establish a consumer assistance program, similar to that established by my legislation. My purpose today is to emphasize the importance of such a consumer protection program. This legislation is not without controversy, but I believe that American consumers deserve protection and assistance as they attempt to navigate the often confusing and complex world of health insurance.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2254

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 ''Health Care Consumer Assistance Act''.

SEC. 2. GRANTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this Act as the ''Secretary'') shall award grants to States to enable such States to enter into contracts for the establishment of consumer assistance programs designed to assist consumers of health insurance in understanding their rights, responsibilities and choices among health insurance products.

(b) ELIGIBILITY.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a State plan that describes—

(1) the manner in which the State will solicit proposals for, and enter into a contract with, an entity eligible under section 3 to serve as the health insurance consumer office for the State; and

(2) the manner in which the State will ensure that advice and assistance services for health insurance consumers are coordinated through the office described in paragraph (1).

(c) AMOUNT OF GRANT.—

(1) IN GENERAL.—From amounts appropriated under section 5 for a fiscal year, the Secretary shall award a grant to a State in an amount that bears the same ratio to such amounts as the number of individuals within the State covered under a health insurance plan (as determined by the Secretary) bears to the total number of individuals covered under a health insurance plan in all States (as determined by the Secretary). Any amounts provided to a State under this section that are not used by the State shall be remitted to the Secretary and reallocated in accordance with this paragraph.

(2) MINIMUM AMOUNT.—In no case shall the amount provided to a State under a grant under this section for a fiscal year be less

than an amount equal to .5 percent of the amount appropriated for such fiscal year under section 5.

SEC. 3. ELIGIBILITY OF STATE ENTITIES.

To be eligible to enter into a contract with a State and operate as the health insurance consumer office for the State under this Act, an entity shall—

(1) be an independent, nonprofit entity with demonstrated experience in serving the needs of health care consumers (particularly low income and other consumers who are most in need of consumer assistance);

(2) prepare and submit to the State a proposal containing such information as the State may require;

(3) demonstrate that the entity has the technical, organizational, and professional capacity to operate the health insurance consumer office within the State;

(4) provide assurances that the entity has no real or perceived conflict of interest in providing advice and assistance to consumers regarding health insurance and that the entity is independent of health insurance plans, companies, providers, payers, and regulators of care; and

(5) demonstrate that, using assistance provided by the State, the entity has the capacity to provide assistance and advice throughout the State to public and private health insurance consumers regardless of the source of coverage.

SEC. 4. USE OF FUNDS.

(a) BY STATE.—A State shall use amounts received under a grant under this Act to enter into a contract described in section 2(a) to provide funds for the establishment and operation of a health insurance consumer office.

(b) BY ENTITY.—

(1) IN GENERAL.—An entity that enters into a contract with a State under this Act shall use amounts received under the contract to establish and operate a health insurance consumer office.

(2) NONCOMPLIANCE.—If the State fails to enter into a contract under subsection (a), the Secretary shall withhold amounts to be provided to the State under this Act and use such amounts to enter into the contract described in paragraph (1) for the State.

(c) ACTIVITIES OF OFFICE.—A health insurance consumer office established under this Act shall—

(1) provide information to health insurance consumers within the State relating to choice of health insurance products and the rights and responsibilities of consumers and insurers under such products;

(2) operate toll-free telephone hotlines to respond to requests for information, advice or assistance concerning health insurance in a timely and efficient manner;

(3) produce and disseminate educational materials concerning health insurance consumer and patient rights;

(4) provide assistance and representation (in nonlitigative settings) to individuals who desire to appeal the denial, termination, or reduction of health care services, or the refusal to pay for such services, under a health insurance plan;

(5) make referrals to appropriate private and public individuals or entities so that inquiries, problems, and grievances with respect to health insurance can be handled promptly and efficiently; and

(6) collect data concerning inquiries, problems, and grievances handled by the office and disseminate a compilation of such information to employers, health plans, health insurers, regulatory agencies, and the general public.

(d) AVAILABILITY OF SERVICES.—The office shall not discriminate in the provision of services regardless of the source of the individual's health insurance coverage or prospective coverage, including individuals covered under employer-provided insurance, self-funded plans, the medicare or medicaid programs under title XVIII or XIX of the Social Security Act (42 U.S.C. 1395 and 1396 et seq.), or under any other Federal or State health care program.

(e) SUBCONTRACTS.—An office established under this section may carry out activities and provide services through contracts entered into with 1 or more nonprofit entities so long as the office can demonstrate that all of the requirements of this Act are met by the office.

(f) TRAINING.—

(1) IN GENERAL.—An office established under this section shall ensure that personnel employed by the office possess the skills, expertise, and information necessary to provide the services described in subsection (c).

(2) CONTRACTS.—To meet the requirement of paragraph (1), an office may enter into contracts with 1 or more nonprofit entities for the training (both through technical and educational assistance) of personnel and volunteers. To be eligible to receive a contract under this paragraph, an entity shall be independent of health insurance plans, companies, providers, payers, and regulators of care.

(3) LIMITATION.—Not to exceed 7 percent of the amount awarded to an entity under a contract under subsection (a) for a fiscal year may be used for the provision of training under this section.

(g) ADMINISTRATIVE COSTS.—Not to exceed 1 percent of the amount of a block grant awarded to the State under subsection (a) for a fiscal year may be used for administrative expenses by the State.

(h) TERM.—A contract entered into under subsection (a) shall be for a term of 3 years.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.●

By Mr. FEINGOLD:

S. 2255. A bill to amend the Agricultural Market Transition Act to prohibit the Secretary of Agriculture from including any storage charges in the calculation of loan deficiency payments or loans made to producers for loan commodities; to the Committee on Agriculture, Nutrition, and forestry.

AGRICULTURAL MARKET TRANSITION ACT AMENDMENTS

Mr. FEINGOLD. Mr. President, today I introduce legislation that will give some relief to the taxpayers of this country, who now pay millions every year to cover the storage costs of cotton farmers. This year alone, this program has provided more than $23 million to store the cotton crop of participating farmers. This measure puts all commodities on a more equal footing by eliminating the storage subsidy for cotton, the only commodity that still enjoys that privilege.

Mr. President, prior to the passage of the 1996 Freedom to Farm bill, farmers producing wheat and feed grains relied heavily on the Farmer Owned Reserve Program to assist them in repaying their overdue loans when times were tough. They would roll their non-recourse loans into the Farmer Owned Reserve Program which would allow them the opportunity to pay back their loan, without interest, and also get assistance in paying storage costs. Although cotton producers were not eligible to participate in that particular program, they were offered the same opportunities and others through the heavily subsidized cotton program. Those were the days of heavy agriculture subsidization, when the government dictated prices, provided price supports, and more often than not, had over-surpluses of wheat, corn and other feed grains—driving down domestic prices. The 1996 Farm Bill, sought to bring farm policy up to date with prevailing modern agricultural thought—that the agriculture industry must be more market oriented—must survive with minimal government price interference.

Mr. President, although the Farm Bill was successful in ridding agriculture policy of much of the weight of government intrusion that burdened it for years, there are still hidden subsidies costing taxpayers billions. This legislation would prevent USDA from factoring cotton industry storage costs into Marketing Loan Program calculations. This costly and unnecessary benefit is bestowed on no other commodity.

Farmers, except those who produce cotton, are required to pay storage cost through the maturity date of their support loans. Producers must prepay or arrange to pay storage costs through the loan maturity date or USDA reduces the amount of the loan by deducting the amount necessary for prepaid storage. Cotton producers are not required to prepay storage costs. When they redeem a loan under marketing loan provisions or forfeit collateral, USDA pays the cost of accrued storage.

It is interesting to note, Mr. President, that in a 1994 audit of the cotton program, USDA's Office of Inspector General found no reason for USDA to pay for the accrued storage costs of cotton producers. The Inspector General recommended that USDA ''revise procedures to eliminate the automatic payment of cotton storage charges by CCC and make provisions consistent with the treatment of storage charges on other program crops''.

Although those in the cotton industry will argue that the automatic payments were eliminated in the Farm Bill, in reality, those payments are now simply hidden. It's true that certain provisions have been removed from the statute which mandates that USDA pay these charges. Now, USDA freely chooses to waste the taxpayers money by paying these costs, allowing cotton producers to subtract their storage costs from the market value of their cotton, providing a larger difference with the loan rate, and therefore receiving a higher return.

Marketing Loan Programs are designed to encourage producers to redeem their loans and market their crops, but USDA payment of cotton storage costs discourage loan redemption. As long as the adjusted world

price is at or below the loan rate, producers can delay loan redemption in the secure expectation that domestic prices will rise or the adjusted world price will decline regardless of accruing storage costs.

Mr. President, its time to stop kidding ourselves. Let's eliminate this subsidy before it costs hardworking Americans any more. Let's bring equity to the commodities program. Lets finish what the Farm Bill started—a more market oriented agriculture program. One that benefits us all.

Mr. President, I ask unanimous consent that the entire text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2255

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

SECTION 1. STORAGE CHARGES FOR LOAN COMMODITIES.

Subtitle C of the Agricultural market Transition Act (7 U.S.C. 7231 et seq.) is amended by adding at the end the following:

''SEC. 138. STORAGE CHARGES FOR LOAN COMMODITIES.

''In calculating the amount of a loan deficiency payment or loan made to a producer for a loan commodity under this subtitle, the Secretary may not include any storage charges incurred by the producer in connection with the loan commodity.''.●

By Mr. KERRY (for himself, Ms. SNOWE, Mr. HOLLINGS, and Mr. STEVENS):

S. 2256. A bill to provide an authorized strength for commissioned officers of the National Oceanic and Atmospheric Administration Corps, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION CORPS CONTINUATION ACT

Mr. KERRY. Mr. President, I am introducing legislation today that will relieve the hiring freeze on the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA), that was first imposed following the 1995 National Performance Review. I want to thank Senators SNOWE, HOLLINGS, and STEVENS, who have joined me in cosponsoring this legislation, for their continued leadership on this issue. This legislation represents another milestone in their consistent stewardship of the NOAA Corps and the very important part it plays in NOAA and to our Nation. This legislation will restore stability and renew the good faith contract made with the men and women that make up the NOAA Corps by establishing a minimum and maximum authorized strength for our nation's seventh uniformed service.

The NOAA Corps is an indispensable part of NOAA: a pool of professionals trained in engineering, earth sciences, oceanography, meteorology, fisheries science, and other related disciplines. Corps officers serve in assignments within the five major line offices of NOAA. They operate ships, fly aircraft into hurricanes, lead mobile field parties, manage research projects, conduct diving operations, and serve in staff positions throughout NOAA. They operate the ships that set buoys used to gather oceanographic and meteorological data on unusual weather phenomena such as El Nino. They fly research aircraft into hurricanes that record valuable atmospheric observations. They conduct hydrographic surveys along our nation's coast in order to make our waters safe for maritime commerce.

Over three years ago, the Administration proposed that the NOAA Corps be disestablished and unilaterally imposed a hiring freeze. This action was based on flawed recommendations by the President's National Performance Review. A thorough review of the cost studies associated with the dissolution of the NOAA Corps clearly reflects that no real savings will be achieved over either the short or long term. In fact, without commissioned officers, NOAA may incur significant additional costs in the acquisition of data to fulfill its statutory missions. Further, recent data indicate that factors such as tort liability were not even considered as part of the total cost-benefit analysis. The Administration has ignored the fact that Congress alone has the authority to set the duties and strength of the uniformed services and Congress alone must act for the NOAA Corps to be disestablished. I am convinced that the preponderance of evidence supports the need for the NOAA Corps to be retained, not disestablished. This legislation will ensure that the pearl of expertise that resides in the men and women who make up the NOAA Corps is retained for the nation.

The NOAA Corps hiring freeze has been tantamount to slow motion dissolution of our nation's seventh uniformed service. At the time the freeze was imposed, the NOAA Corps had a strength of 411 officers. At the end of this fiscal year, the projected on-board strength will be 235 officers. Through this three years of adversity, the NOAA Corps has heroically continued to sail NOAA's fleet and fly its aircraft. At its current diminished personnel levels, I have become deeply concerned regarding the NOAA Corps' ability to carry out its mission. In addition, I am also concerned about the safety of the men and women aboard NOAA ships and aircraft.

Last week, Dr. James Baker, the Administrator of NOAA, announced a plan for restructuring the NOAA Corps. This plan calls for a further reduction of the Corps strength from its current level of 248 officers to 240 officers. In addition, it calls for a civilian Senior Executive Service member to manage the Corps. This restructuring plan will maintain a cloud of uncertainty over the future of the NOAA Corps, diminishing its viability and culminating in its ultimate elimination.

The proposed level of 240 officers will be inadequate to staff NOAA ships and aircraft. There are currently 70 officer billets aboard NOAA vessels. Assuming that a NOAA Corps officer spends one third of his or her career at sea, which is the norm in other seagoing services, a requirement exists for 210 seagoing officer billets. Likewise, there are 36 billets aboard NOAA aircraft. Assuming that an officer flies for two years and is moved to an office support billet for one year, a requirement exists for 54 aviator billets. Therefore, the minimum staffing requirement to maintain a viable NOAA Corps is 264 officers. All services allow for 10 to 15 percent of their personnel to be in a general detail status (i.e. training classes, travel and temporary duty). Therefore, I endorse staffing the NOAA Corps at a floor of 264 and a ceiling of 299 officer billets which corresponds to a general detail percentage that is consistent with the practices of other uniformed services. This level is consistent with the already-achieved reduction of 130 billets that was recommended by the National Performance Review.

The proposal to establish a civilian position to manage the NOAA Corps in place of the current flag officer creates an extra layer of management that is not required. A NOAA Corps flag officer is required to carry out NOAA fleet business with flag officers of the other services. As the civilian Administrator of NOAA, Dr. Baker is in a position to oversee the NOAA Corps, working with its senior flag officer.

Mr. President, this legislation will establish staffing levels for the NOAA Corps that will provide some assurance of long term viability. It will establish a floor strength of 264 officers with a ceiling of 299 officers. It is time that we reaffirm our commitment to studying the earth's oceans and atmosphere by insuring that the NOAA Corps is staffed at the appropriate level.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2256

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 ''National Oceanic and Atmospheric Administration Corps Continuation Act''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Tracing its roots back to 1807 when President Thomas Jefferson signed a bill for the ''Survey of the Coast'', the National Oceanic and Atmospheric Administration Corps has served the armed services and the Nation consistently and ably for almost two centuries.

(2) The National Oceanic and Atmospheric Administration Corps is a dedicated and specialized uniformed officer corps that operates vessels and planes, provides important scientific and technical services, and carrier out programmatic responsibilities throughout the National Oceanic and Atmospheric Administration.

(3) The smallest of the seven uniformed services, the National Oceanic and Atmospheric Administration Corps grew in size

from 275 officers in 1970, the year the National Oceanic and Atmospheric Administration was created, to 411 officers in 1994.

(4) The National Oceanic and Atmospheric Administration Corps has met or exceeded the 1996 National Performance Review recommendation which called for a reduction of 130 officers from the 1994 level.

(5) Federally-sponsored studies conclude that no immediate or long-term cost savings would be achieved by replacing the National Oceanic and Atmospheric Administration Corps with a comparable civilian entity.

(6) As a result of the hiring freeze imposed on the National Oceanic and Atmospheric Administration Corps, positions necessary to maintain the statutorily mandated operation of the vessel and aircraft fleets of the National Oceanic and Atmospheric Administration have not been filled, valuable research work has been delayed, and the hydrography expertise of the National Oceanic and Atmospheric Administration, that is critical to the international trade of the United States, has been compromised.

SEC. 3. AUTHORIZED NUMBER OF COMMISSIONED OFFICERS.

Section 2 of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853a) is amended—

(1) by redesignating subsections (a) through (3) as subsections (b) through (f), respectively; and

(2) by inserting before subsection (b), as redesignated, the following:

''(a) There are authorized to be not less than 264 and not more than 299 commissioned officers on the active list of the National Oceanic and Atmospheric Administration.''.

SEC. 4. DESIGNATION OF THE DIRECTOR OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION CORPS.

Section 24(a) of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853u(a)) is amended by inserting ''One such position shall be the director of the commissioned officers who shall be appointed from the officers on the active duty promotion list serving in or above the grade of captain, and who shall be responsible for administration of the commissioned officers, and for oversight of the operation of the vessel and aircraft fleets, of the Administration.'' before ''An officer''.

SEC. 5. RELIEF FROM HIRING FREEZE.

The Secretary of Commerce immediately shall relieve the moratorium on new appointments of commissioned officers to the National Oceanic and Atmospheric Administration Corps.

● Ms. SNOWE. Mr. President, I am pleased to join my Commerce Committee colleagues Senators KERRY, STEVENS, and HOLLINGS in introducing legislation today to reauthorize the National Oceanic and Atmospheric Administration (NOAA) Corps.

The NOAA Corps is a uniformed officer service that fulfills a variety of important missions for the agency and the public. NOAA Corps officers manage the operations of NOAA's research and survey vessels, as well as its aircraft. They serve as pilots and navigators, and as key scientific and engineering personnel involved with the missions for which the vessels and aircraft are being used. These missions include fisheries research, hydrographic surveys, oceanographic research, and airborne research on hurricanes, among others.

In addition to field missions, NOAA Corps officers perform a variety of shoreside tasks, from managing the ground support for the vessel and aircraft operations, to serving in management and technical support positions in offices throughout NOAA's line agencies.

At the outbreak of World War I, personnel and equipment from the Coast and Geodetic Survey—one of NOAA's predecessor organizations—were transferred to the War Department for military missions during the war, and the personnel were given military commissions. In World War II, about half of the Survey's commissioned officers and vessels were transferred to the war effort. Although all Survey personnel resumed civilian duties after the war, the commissioned Corps has continued to exist since that time.

But in recent years, some questioned whether it still makes sense to retain a uniformed Corps to perform these missions for NOAA. As part of its National Performance Review in 1994, the Clinton Administration determined that a uniformed Corps was no longer necessary, and it recommended that the organization be disestablished and replaced with a civilian staff. The Administration argued that the disestablishment of the Corps would result in some budget savings to the federal government and increase operational flexibility.

Unfortunately, the Congress did not receive a legislative proposal for disestablishment from the Administration until May of last year, and in the interim, the Corps was subject to administrative hiring freezes and annual appropriations riders that whittled the Corps' ranks by more than 25%. Since last year, the Corps has continued to shrink through attrition. Understandably, the morale of the Corps members has been negatively affected by these actions and the uncertainty about their future. As a result of these developments combined, important NOAA operations have been negatively affected.

Last fall, the Subcommittee on Oceans and Fisheries, which I chair, held a hearing on the Administration's disestablishment proposal. The Administration claimed that the replacement of the Corps with civilian personnel would save $2 million or more annually for the Federal government, primarily because of lower retirement costs for a civilian workforce. But upon examination by the Subcommittee, these estimated savings appeared to be suspect. The non-retirement costs of a civilian workforce could be much higher than the Administration estimated, and the likelihood of finding qualified civilians to replace the Corps officers in a short period of time is likewise very uncertain. In my view, the budget savings achieved by disestablishing the Corps would be marginal at best, but the American people would be losing a highly dedicated and professional cadre of men and women to perform many of NOAA's essential missions.

Very recently, the Administration reconsidered its disestablishment proposal and has decided to abandon it. The Administration now proposes to maintain a streamlined NOAA Corps of 240 officers. While I appreciate the Administration's willingness to honestly reassess a proposal that it had advocated since 1994, I fear that the 240 number is too low to effectively operate NOAA's vessels, aircraft, and associated support units. The bill that we are introducing today reauthorizes the Corps and establishes a force range of between 264 and 299 officers. This represents a substantial down-sizing of the Corps from a level of over 400 in 1994, but it ensures that a sufficient number of officers will be available to maintain NOAA's missions at a high level of effectiveness while providing a substantial degree of management flexibility to the agency. The bill also requires the Administration to immediately rescind the current moratorium on the commissioning of new officers and it requires the director of the Corps to be a Corps officer.

This legislation is the product of careful examination and deliberation by the Subcommittee on Oceans and Fisheries and it represents a responsible solution to a problem that has been lingering for four years. I strongly urge my colleagues to support this bill.●

● Mr. HOLLINGS. Mr. President, today, Senators KERRY, SNOWE, STEVENS, and I are introducing a bill which will address the future of the smallest of this Nation's seven uniformed services, the commissioned officer corps (Corps) of the National Oceanic and Atmospheric Administration (NOAA). This bill will set a floor on Corps officers of 264 and a ceiling of 299, designate a flag officer as the Director of the Corps, and lift the hiring freeze on NOAA Corps officers.

Let me be clear at the outset. Since 1995 when the Administration proposed the disestablishment of the NOAA Corps, I have thought it was a solution in search of a problem. The NOAA Corps is a dedicated and highly skilled group of men and women who have served this Nation consistently and ably for almost two centuries. This uniformed officer corps operates NOAA vessels and planes, provides important scientific and technical services, and carries out programmatic responsibilities throughout the agency.

NOAA Corps officers do more than routine work; they maintain an ability to provide a specialized, rapid response in emergencies. The actions of the NOAA ship, RUDE, after the tragic crash of TWA Flight 800 demonstrate the importance of the Corps' work to NOAA and to the Nation. Managed and operated by NOAA Corps officers, the RUDE's sonar capabilities were used to locate crash debris and map the wreckage. In addition, ship officers served as liaison between Navy divers and members of the National Transportation Safety Board. The NOAA officers aboard the RUDE and those on-shore directing charting operations impressed the other myriad agencies who

responded to the disaster, even earning the Coast Guard's Public Service Commendation. As one newspaper headline put it, ''Obscure team gains respect at TWA site.''

Corps officers also pilot NOAA aircraft through hurricanes at low altitudes, the only pilots trained with such skills anywhere in the world. The information they collect is essential for projecting the track and strength of hurricanes so that people in the path can prepare.

It should be clear to all of us that the NOAA Corps provides a unique and valuable service. Speaking frankly, I do not understand the efforts to disestablish the Corps or let it wither and die through a hiring freeze. None of the studies on converting the Corps to civilian status have shown a significant cost savings. A GAO study showed savings of 2 percent, another study by Arthur Andersen showed a cost increase of 2 percent, and the Hay/Huggins report concluded that costs were essentially the same for the Corps or civilians. It seems to me that there is not a justification for doing away with the Corps based on these studies of cost savings.

This is an issue that must be resolved. The Corps has not been permitted to recruit new officers since October 1994, and this methodical, de factor elimination of positions has continued without the oversight of approval of the Congress. While we have been discussing the issue, the natural retirements and attribution of time have been slowly bleeding the strength out of the NOAA Corps. The Corps stands now at 248 members, down 44 percent from its highest level of 439 in 1995.

That is why we are introducing the NOAA Corps Continuation Act today. We cannot let the members of this service continue in limbo. NOAA's recently released plan to restructure the Corps is not acceptable. It takes into account neither the reductions in personnel already achieved nor the need for officers to have shore assignments. We need to set a realistic strength level for the Corps, designate a Director of the Corps from within the ranks, and life the hiring freeze. I thank Senator KERRY for his leadership on this issue and urge my colleagues to act swiftly on this legislation so that NOAA can continue to have the Corps' expertise in carrying out the agency's vital missions.●

By Ms. LANDRIEU:

S. 2257. A bill to reauthorize the National Historic Preservation Act; to the Committee on Energy and Natural Resources.

MEASURE TO EXTEND THE AUTHORIZATION FOR THE NATIONAL HISTORIC PRESERVATION FUND

Ms. LANDRIEU. Mr. President, today I introduce a measure to extend the authorization for appropriations for the National Historic Preservation Fund, as established in the Historic Preservation Act Amendments of 1976. On September 30, 1997, the authorization for deposits into the Historic Preservation Fund from revenues due and payable to the United States under the Outer Continental Shelf Lands Act expired. I am introducing this legislation today with the purpose in mind of re-authorizing the deposits at the same level of $150,000,000 annually through the year 2004.

The Historic Preservation Fund is based on the idea that a part of proceeds from depletion of a non-renewable resource, off shore gas and oil, should be invested in the enhancement of other non-renewable resources: historic properties. The Historic Preservation Fund account supports roughly half the cost of the Nation's historic preservation program as created by the National Historic Preservation Act (16 U.S.C. 470). State governments contribute the other half of the cost. This is a true Federal-State partnership.

States and certain local governments and Indian tribes carry out the Nation's historic preservation program under the Act for the Secretary of the Interior and the Advisory Council on Historic Preservation. The historic preservation program involves the identification of historic places, working with property owners in nominating significant places to the National Register, consulting with federal agencies on projects that may adversely impact historic places, advising investors on tax credits for the rehabilitation of historic buildings, and offering information and educational opportunities to the private and public sectors on historic preservation.

The national historic preservation program, made possible by the Historic Preservation Fund (plus the State match), contributes significantly to community revitalization for the benefit of residents, to heritage tourism by identifying places people want to visit, and to economic development through the rehabilitation of commercial buildings and rental housing ($1.7 billion in construction costs in fiscal year 1997).

I believe this is an extremely worthwhile program that works. We should re-authorize this fund so that important restoration and revitalization efforts may continue across the country, done with the assistance of State Historic Preservation Offices and the Advisory Council on Historic Preservation. I ask unanimous consent that the text of the bill be entered into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2257

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

SECTION 1. NATIONAL HISTORIC PRESERVATION ACT.

The second sentence of section 108 of the National Historic Preservation Act (16 U.S.C. 470h) is amended by striking ''1997'' and inserting ''2004''.

ADDITIONAL COSPONSORS

S. 38

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 38, a bill to reduce the number of executive branch political appointees.

S. 59

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 59, a bill to terminate the Extremely Low Frequency Communication System of the Navy.

S. 520

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 520, a bill to terminate the F/A–18 E/F aircraft program.

S. 643

At the request of Mr. DURBIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 643, a bill to prohibit the Federal Government from providing insurance, reinsurance, or noninsured crop disaster assistance for tobacco.

S. 982

At the request of Mrs. BOXER, her name was added as a cosponsor of S. 982, a bill to provide for the protection of the flag of the United States and free speech, and for other purposes.

S. 1151

At the request of Mr. DODD, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1151, a bill to amend subpart 8 of part A of title IV of the Higher Education Act of 1965 to support the participation of low-income parents in postsecondary education through the provision of campus-based child care.

S. 1275

At the request of Mr. MURKOWSKI, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1275, a bill to implement further the Act (Public Law 94–241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes.

S. 1924

At the request of Mr. MACK, the names of the Senator from Rhode Island (Mr. REED), the Senator from Alabama (Mr. SHELBY), and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 1924, a bill to restore the standards used for determining whether technical workers are not employees as in effect before the Tax Reform Act of 1986.

S. 1929

At the request of Mrs. HUTCHISON, the name of the Senator from Texas (Mr. GRAMM) was added as a cosponsor of S. 1929, a bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage production of oil and gas within the United States, and for other purposes.