

The groundfish fishery in Oregon and adjoining States in the Pacific Northwest continues to face daunting challenges as a result of the groundfish fishery disaster, resulting in a more than 40-percent drop in the income of Oregon fishers since 1995. To assist in rebuilding healthy groundfish stocks, my goal remains to reduce overcapitalization in the groundfish fishery. We want to get the right number of fishers out there, at the right time, catching the right number of fish. This legislation supports this effort by reforming the Capital Construction Fund in a way that will ease the transition for groundfish fishers away from fishing.

The Capital Construction Fund, CCF, was created by the Merchant Marine Act of 1936, as amended in 1969, 46 U.S.C. 1177. CCF has been a way for fishers to accumulate funds, free from taxes, for the purpose of buying or refitting fishing vessels. The program has been a success; however, the CCF's usefulness has not kept up with the times, and today the CCF is exacerbating the problems facing U.S. fisheries, including the West Coast groundfish fishery.

CCF works like an Individual Retirement Account, IRA, in that deposits to the fund earn interest and are deducted from the fishermen's taxable income. But unlike IRAs, there is no limit on contributions to the CCF; so fishers are able to accumulate funds quickly. In Oregon, the amounts in the accounts range from \$10,000 to over \$200,000.

The problem my legislation will address is that fishers lose up to 70 percent of their funds in taxes and penalties if they withdraw funds from the CCF for purposes other than buying new vessels or upgrading current vessels. Because of the environmental problems plaguing commercial fishing, as well as the overcapitalization of the fishing fleet, fishermen who want to opt out of fishing are penalized for doing so.

This bill takes a significant step towards helping fishermen and making the West Coast groundfish fishery and the commercial fishing industry sustainable by amending the CCF to allow non-fishing uses of investments. This bill amends the Merchant Marine Act of 1936 and the Internal Revenue Code to allow funds currently in the CCF to be rolled over into an IRA or other types of retirement accounts, or to be used for the payment of an industry fee authorized by the fishery capacity reduction program, without adverse tax consequences to the account holders.

I look forward to working with my colleagues to pass this legislation, and I ask that the text of the bill be printed in the RECORD.

The bill follows.

S. 1962

*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 Capital Construction Fund Qualified Withdrawal Act of 2002".

#### SEC. 2. AMENDMENT OF THE MERCHANT MARINE ACT OF 1936 TO ENCOURAGE RETIREMENT OF CERTAIN FISHING VESSELS AND PERMITS.

(a) IN GENERAL.—Section 607(a) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1177(a)) is amended by adding at the end the following: "Any agreement entered into under this section may be modified for the purpose of encouraging the sustainability of the fisheries of the United States by making the termination and withdrawal of a capital construction fund a qualified withdrawal if done in exchange for the retirement of the related commercial fishing vessels and related commercial fishing permits."

(b) NEW QUALIFIED WITHDRAWALS.—

(1) AMENDMENTS TO MERCHANT MARINE ACT, 1936.—Section 607(f)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1177(f)(1)) is amended—

(A) by striking "for:" and inserting "for—";

(B) by striking "vessel" in subparagraph (A) and inserting "vessel;";

(C) by striking "vessel, or" in subparagraph (B) and inserting "vessel;";

(D) by striking "vessel." in subparagraph (C) and inserting "vessel;"; and

(E) by inserting after subparagraph (C) the following:

"(D) the payment of an industry fee authorized by the fishing capacity reduction program under section 312(b) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(b));

"(E) in the case of any such person or shareholder for whose benefit such fund was established or any shareholder of such person, a rollover contribution (within the meaning of section 408(d)(3) of the Internal Revenue Code of 1986) to such person's or shareholder's individual retirement plan (as defined in section 7701(a)(37) of such Code); or

"(F) the payment to a person or corporation terminating a capital construction fund for whose benefit the fund was established and retiring related commercial fishing vessels and permits."

(2) SECRETARY TO ENSURE RETIREMENT OF VESSELS AND PERMITS.—The Secretary of Commerce by regulation shall establish procedures to ensure that any person making a qualified withdrawal authorized by section 607(f)(1)(F) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1177(f)(1)(F)) retires the related commercial use of fishing vessels and commercial fishery permits.

(c) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 7518(e)(1) of the Internal Revenue Code of 1986 (relating to purposes of qualified withdrawals) is amended—

(A) by striking "for:" and inserting "for—";

(B) by striking "vessel, or" in subparagraph (B) and inserting "vessel;";

(C) by striking "vessel." in subparagraph (C) and inserting "vessel;";

(D) by inserting after subparagraph (C) the following:

"(D) the payment of an industry fee authorized by the fishing capacity reduction program under section 312 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a);

"(E) in the case of any person or shareholder for whose benefit such fund was established or any shareholder of such person, a rollover contribution (within the meaning of section 408(d)(3)) to such person's or shareholder's individual retirement plan (as defined in section 7701(a)(37)); or

"(F) the payment to a person terminating a capital construction fund for whose benefit the fund was established and retiring related commercial fishing vessels and permits."

(2) SECRETARY TO ENSURE RETIREMENT OF VESSELS AND PERMITS.—The Secretary of the

Treasury by regulation shall establish procedures to ensure that any person making a qualified withdrawal authorized by section 7518(e)(1)(F) of the Internal Revenue Code of 1986 retires the related commercial use of fishing vessels and commercial fishery permits referred to therein.

#### SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to withdrawals made after the date of enactment of this Act.

#### SUBMITTED RESOLUTIONS

#### SENATE RESOLUTION 211—DESIGNATING MARCH 2, 2002, AS "READ ACROSS AMERICA DAY"

Ms. COLLINS (for herself and Mr. REED) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 211

Whereas reading is a basic requirement for quality education and professional success, and a source of pleasure throughout life;

Whereas Americans must be able to read if the Nation is to remain competitive in the global economy;

Whereas Congress, through the No Child Left Behind Act of 2001 (Public Law 107-110) and the new Reading First, Early Reading First, and Improving Literacy Through School Libraries programs, has placed great emphasis on reading intervention and additional resources for reading assistance; and

Whereas more than 40 national associations concerned about reading and education have joined with the National Education Association to use March 2, the anniversary of the birth of Theodor Geisel, also known as Dr. Seuss, to celebrate reading: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates March 2, 2002, as "Read Across America Day";

(2) honors Theodor Geisel, also known as Dr. Seuss, for his success in encouraging children to discover the joy of reading;

(3) encourages parents to read with their children for at least 30 minutes on Read Across America Day in honor of Dr. Seuss and in a celebration of reading; and

(4) requests that the President issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

#### SENATE CONCURRENT RESOLUTION 98—COMMEMORATING THE 30TH ANNIVERSARY OF THE INAUGURATION OF SINO-AMERICAN RELATIONS AND THE SALE OF THE FIRST COMMERCIAL JET AIRCRAFT TO CHINA

Mrs. MURRAY (for herself and Ms. CANTWELL) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 98

Whereas February 21, 2002, marks the 30th anniversary of President Richard Nixon's historic visit to the Peoples Republic of China;

Whereas on February 21, 1972, the world watched as Air Force One, a Boeing 707 carrying President Nixon, landed in China to inaugurate a new era in Sino-American relations;

Whereas in the same year, the Civil Aviation Administration of China ordered 10 Boeing 707 jet aircraft, marking the resumption

of a vibrant trading relationship between the United States and China; and

Whereas President Bush's visit to China on February 21, 2002, commemorates the importance of the re-opening of political and economic ties with the Peoples Republic of China: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That Congress—*

(1) recognizes that President Nixon's historic 1972 visit to China provided the foundation for improved Sino-American relations during the subsequent 3 decades; and

(2) commends President Bush in his effort to continue to advance a political, cultural, and commercial relationship between the United States and the Peoples Republic of China for the benefit of their respective citizens.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 2916. Mr. DODD (for Mr. KENNEDY) proposed an amendment to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

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

SA 2918. Mr. MCCAIN (for himself, Mr. HOLLINGS, Mrs. MURRAY, Mr. BINGAMAN, Mr. BREAUX, Mr. SMITH, of Oregon, Mr. DOMENICI, Mrs. HUTCHISON, and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill S. 517, supra; which was ordered to lie on the table.

SA 2919. Mr. REID (for Mr. HOLLINGS) proposed an amendment to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

SA 2920. Mr. REID (for Mr. COCHRAN) proposed an amendment to the bill S. Res. 44, designating March 2002 as "Arts Education Month".

SA 2921. Mr. REID (for Mr. COCHRAN) proposed an amendment to the bill S. Res. 44, supra.

#### TEXT OF AMENDMENTS

**SA 2916.** Mr. DODD (for Mr. KENNEDY) proposed an amendment to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and elec-

tion administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; as follows:

On page 22, strike lines 9 through 22, and insert the following:

(b) **SAFE HARBOR.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), if a State or locality receives funds under a grant program under subtitle A or B of title II for the purpose of meeting a requirement under section 101, such State or locality shall be deemed to be in compliance with such requirement until January 1, 2006, and no action may be brought against such State or locality on the basis that the State or locality is not in compliance with such requirement before such date.

(2) **EXCEPTIONS.**—

(A) **ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES.**—The safe harbor provision under paragraph (1) shall not apply with respect to the requirement described in section 101(a)(3).

(B) **OTHER FEDERAL LAWS.**—An action may be brought against a State or locality described in paragraph (1) if the noncompliance of such State or locality with a requirement described in such paragraph results in a violation of—

(i) the Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.);

(ii) the Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.);

(iii) the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.);

(iv) the National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.);

(v) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); or

(vi) the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

On page 34, strike line 23, and insert the following:

(c) **SAFE HARBOR.**—No action may be brought under this Act

On page 44, strike line 1, and insert the following:

(d) **SAFE HARBOR.**—No action may be brought under this Act

On page 68, strike lines 19 and 20, and insert the following:

(a) **IN GENERAL.**—Nothing in this Act may be construed to authorize

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

Strike all of the enacting clause and insert the following:

#### **SECTION 1. SHORT TITLE.**

This Act may be cited as the "Energy Policy Act of 2002".

#### **SEC. 2. TABLE OF CONTENTS.**

Sec. 1. Short title.

Sec. 2. Table of contents.

#### **DIVISION A—RELIABLE AND DIVERSE POWER GENERATION AND TRANSMISSION**

##### **TITLE I—REGIONAL COORDINATION**

Sec. 101. Policy on regional coordination.

Sec. 102. Federal support for regional coordination.

#### **TITLE II—ELECTRICITY**

##### **Subtitle A—Amendments to the Federal Power Act**

Sec. 201. Definitions.

Sec. 202. Electric utility mergers.

Sec. 203. Market-based rates.

Sec. 204. Refund effective date.

Sec. 205. Transmission interconnections.

Sec. 206. Open access transmission by certain utilities.

Sec. 207. Electric reliability standards.

Sec. 208. Market transparency rules.

Sec. 209. Access to transmission by intermittent generators.

Sec. 210. Enforcement.

##### **Subtitle B—Amendments to the Public Utility Holding Company Act**

Sec. 221. Short title.

Sec. 222. Definitions.

Sec. 223. Repeal of the Public Utility Holding Company Act of 1935.

Sec. 224. Federal access to books and records.

Sec. 225. State access to books and records.

Sec. 226. Exemption authority.

Sec. 227. Affiliate transactions.

Sec. 228. Applicability.

Sec. 229. Effect on other regulations.

Sec. 230. Enforcement.

Sec. 231. Savings provisions.

Sec. 232. Implementation.

Sec. 233. Transfer of resources.

Sec. 234. Inter-agency review of competition in the wholesale and retail markets for electric energy.

Sec. 235. GAO study on implementation.

Sec. 236. Effective date.

Sec. 237. Authorization of appropriations.

Sec. 238. Conforming amendments to the Federal Power Act.

##### **Subtitle C—Amendments to the Public Utility Regulatory Policies Act of 1978**

Sec. 241. Real-time pricing standard.

Sec. 242. Adoption of additional standards.

Sec. 243. Technical assistance.

Sec. 244. Cogeneration and small power production purchase and sale requirements.

Sec. 245. Net metering.

##### **Subtitle D—Consumer Protections**

Sec. 251. Information disclosure.

Sec. 252. Consumer privacy.

Sec. 253. Unfair trade practices.

Sec. 254. Applicable procedures.

Sec. 255. Federal Trade Commission enforcement.

Sec. 256. State authority.

Sec. 257. Application of subtitle.

Sec. 258. Definitions.

##### **Subtitle E—Renewable Energy and Rural Construction Grants**

Sec. 261. Renewable energy production incentive.

Sec. 262. Assessment of renewable energy resources.

Sec. 263. Federal purchase requirement.

Sec. 264. Rural construction grants.

Sec. 265. Renewable portfolio standard.

Sec. 266. Renewable energy on Federal land.

#### **TITLE III—HYDROELECTRIC RELICENSING**

Sec. 301. Alternative mandatory conditions and fishways.

Sec. 302. Charges for tribal lands.

Sec. 303. Disposition of hydroelectric charges.

Sec. 304. Annual licenses.

Sec. 305. Enforcement.

Sec. 306. Establishment of hydroelectric relicensing procedures.

Sec. 307. Relicensing study.

Sec. 308. Data collection procedures.

#### **TITLE IV—INDIAN ENERGY**

Sec. 401. Comprehensive Indian energy program.