year 2003, to authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal year 2003, and for other purposes, the Clerk of the House of Representatives shall insert at the appropriate place the following new section (and conform the table of contents accordingly):

SEC. 1309. THREE-YEAR INTERNATIONAL ARMS CONTROL AND NONPROLIFERATION STRATEGY.

Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the appropriate congressional committees a 3-year international arms control and nonproliferation strategy. The strategy shall contain the following:

(1) A 3-year plan for the reduction of existing nuclear, chemical, and biological weapons and ballistic missiles and for controlling the proliferation of these weapons.

(2) Identification of the goals and objectives of the United States with respect to arms control and nonproliferation of weapons of mass destruction and their delivery systems.

(3) A description of the programs, projects, and activities of the Department of State intended to accomplish goals and objectives described in paragraph (2).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1545

PROVIDING FOR CONSIDERATION OF H. RES. 540, EXPRESSING SENSE OF HOUSE THAT CONGRESS SHOULD COMPLETE ACTION ON H.R. 3762, PENSION SECURITY ACT OF 2002; H. RES. 544, EXPRESSING SENSE OF HOUSE ON PERMANENCY OF PENSION REFORM PROVISIONS; AND H. RES. 543, EXPRESSING SENSE OF HOUSE THAT CONGRESS SHOULD COMPLETE ACTION ON H.R. 4019, MAKING MARRIAGE TAX RELIEF PERMANENT

Mr. SESSIONS. By direction of the Committee on Rules, I call up House Resolution 547 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 547

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the resolution (H. Res. 540) expressing the sense of the House of Representatives that Congress should complete action on H.R. 3762, the Pension Security Act of 2002. The resolution shall be considered as read for amendment. The resolution shall be debatable for one hour equally divided among and controlled by the chairmen and ranking minority members of the Committees on Education and the Workforce and Ways and Means. The previous question shall be considered as ordered on the resolution to final adoption without intervening motion.

Sec. 2. Upon the adoption of this resolution it shall be in order to consider in the House the resolution (H. Res. 544) expressing the sense of the House of Representatives on permanency of pension reform provisions. The resolution shall be considered as read for amendment. The resolution shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The previous question shall be considered as ordered on the resolution to final adoption without intervening motion.

Sec. 3. Upon the adoption of this resolution it shall be in order to consider in the House the resolution (H. Res. 543) expressing the sense of the House that Congress should complete action on H.R. 4019, making marriage tax relief permanent. The resolution shall be considered as read for amendment. The resolution shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The previous question shall be considered as ordered on the resolution to final adoption without intervening motion.

The SPEAKER pro tempore (Mr. DAN MILLER of Florida). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, the resolution before us is a closed rule that allows for consideration of three important resolutions. The rule provides for 1 hour of debate, equally divided among and controlled by the respective chairmen and ranking members of the committees of jurisdiction.

Mr. Speaker, the trio of resolutions before us today represents some of the most pressing needs for average Americans across the Nation. In politics, we often try to put a personal face to a problem that is being debated or addressed. Mr. Speaker, the face of our story today is just the average American, the average American who is a family member, a friend, a neighbor. It is a person who has worked hard and tried to invest wisely so that he or she can enjoy a retirement of independence.

The first of these resolutions, House Resolution 540, expresses the sense of the House that Congress should complete action on and present to the President before adjournment the Pension Security Act of 2002.

Although the House passed this measure more than 150 days ago by a strong bipartisan vote, the Senate has not taken up comprehensive pension protection that includes safeguards and options to help American workers preserve and enhance their retirement security.

Over the last year, we have witnessed the unraveling and breakdown of major corporations such as Enron. While Enron workers were likely victims of criminal wrongdoing, there is no question that they were most definitely the victims of outdated Federal pension laws.

The tragedy of Enron was two-fold. In addition to decimating the savings of employees, it has also undermined the confidence of American workers in this country's pension system.

The Pension Security Act includes new options and resources for workers, as well as greater accountability from companies and senior-level executives. Employees would be given new freedoms to sell and diversify company stock. The bill also creates parity between senior corporate executives and rank-and-file workers. This will help to prevent a repeat occurrence of the egregious disparity that allowed Enron executives to sell their investments and preserve their savings while rank-and-file workers were barred from making changes.

The bill also includes provisions that would ensure that employees receive accurate and timely information, along with sound advice and resources to make informed investment decisions. Mr. Speaker, let me be very clear about this: each day that we delay in enacting the Pension Security Act is another day that we leave worker retirement savings vulnerable to corporate meltdowns.

The second resolution we will consider is House Resolution 544, which expresses the sense of the House that Congress should complete work on the Retirement Savings Security Act of 2002. The tax relief package that was enacted last year included provisions that increased contribution limits for IRA and 401(k)-type plans to make it easier for companies, and particularly small businesses, to offer a retirement savings plan.

Currently, half of the Nation's workforce, roughly 70 million Americans, do not have a 401(k) plan or any other kind of pension. At the same time, much of the workforce is quickly approaching retirement. The provision enacted last year addressing this growing concern by allowing all workers to set aside more in their own retirement and IRA plans was important. I am proud of what this House did. Special considerations were also given to workers over 50 years old who were allowed to so-called ''catch up'' or accelerate contributions so that they can build up their retirement nest egg more quickly.

One group that will be particularly helped by this is women, women who come to work many times after raising their children, many times later in life.

This tax relief package also included provisions that modernize pension laws. Workers are now able to enjoy the benefits that come from having a portable defined contribution plan and are also allowed to vest in their plans more quickly.

So one might ask: What is the problem? The problem, Mr. Speaker, is that all of these very good benefits enjoyed by the American worker are set to expire on December 31, 2010, because of an arcane Senate rule. Consequently, Americans will have a difficult time planning for the future.

In order to prevent a massive overnight tax increase, this past June the

House passed a bill that would make these provisions permanent on a strongly bipartisan vote of 308 to 70. The American worker is calling for these reforms to be made permanent, and the President is ready and willing to sign these significant retirement security provisions. We just need to go through the legislative process that involves both parties here in the Capitol. This measure, too, has also not been taken up by the other body.

The last resolution addresses similarly important tax relief that is put in jeopardy by the aforementioned Senate rule. House Resolution 543 is a measure expressing the sense of the House that Congress should complete action on H.R. 4019, making marriage tax relief permanent.

Because of the Senate rule, the provisions that give relief to married couples from an additional tax burden are set to expire at the end of the year 2010. The Senate has not acted on making marriage tax relief permanent. Without enacting a law making marriage tax relief permanent at the start of the year 2011, the nearly 36 million couples in the Nation would be subject once again to this fundamentally unfair tax solely because they are married. If this provision is not made permanent, married couples across America will once again be subject to this unfair tax that is an affront to the most basic institution of marriage.

The Committee on Ways and Means report also notes that ''failure to make permanent marriage penalty tax relief would result in a $17 billion tax increase for low- and middle-income married taxpayers in the year 2011, followed by a $25 billion tax increase in the year 2012.''

Mr. Speaker, I look forward to debate on these three resolutions, which give the House the opportunity to once again reaffirm its commitment to the American workers and their families.

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. As the Chair most recently ruled on September 19, 2002, Members are reminded to confine their remarks to factual references to the other body and avoid characterizations of Senate rules, Senate action or inaction, remarks urging Senate action or inaction, or references to particular Senators.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

(Mr. FROST asked and was given permission to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, this rule and the three meaningless sense of the House resolutions it will bring to the floor represent a complete abdication of leadership by House Republicans.

On the front page of today's New York Times, the Census Bureau reports that the number of people living in poverty has increased, the median household income has decreased, and Americans are suffering under the weakest economy in 50 years. But congressional Republicans are fiddling about, cynically playing politics in order to run out the clock before the November elections.

The majority leadership should be ashamed of itself, Mr. Speaker. Republicans refuse to do the most basic job that they were elected to do: fund the Federal Government. House Republicans have passed only five of the 13 appropriation bills, and the fiscal year ends in less than 1 week.

Later today, or perhaps tomorrow, or perhaps some day next week, we will pass the first of several continuing resolutions to keep the government operating. But instead of working overtime to do their most fundamental job, Republican leaders are worried about their own political power, so they are wasting time on the meaningless bipartisan propaganda that these resolutions represent.

Never have I seen such timidity, timidity from the Republican leadership. Meanwhile, long-term unemployment is at an 8 percent high, and 2 million Americans have lost their jobs. Consumer confidence is at its lowest level since November of 2001, and prescription drug prices are still sky high, leaving senior citizens unable to afford vital prescription medicine.

Mr. Speaker, corporate scandals, the massive criminality at Enron, WorldCom, and the like have rocked the economy and devastated retirement plans of millions of Americans; but House Republicans overwhelmingly voted against real pension protection legislation a few months ago, blocking Democratic efforts to protect Americans' retirement plans.

Just yesterday, the Dow hit a 4-year low. The NASDAQ is at a 6-year low. Overall, the stock market has lost $4.5 trillion in value since Republicans took control in Washington a year ago January.

How have Republicans responded, Mr. Speaker? Last week they wasted the taxpayers' time and money on two utterly meaningless resolutions. This week they are doing it again, issuing a rule that brings three more utterly meaningless resolutions to the House floor, since we have already passed these bills that are the subject of these resolutions.

Mr. Speaker, in case anyone has any doubt as to the substantive significance of the resolutions on the floor today, let me tell the Members how we got here. Originally, Republicans had one meaningless resolution on the schedule for today. Apparently, however, that would not waste enough time, so in the middle of the Committee on Rules meeting yesterday evening, Republicans happened to mention that they were going to add two more meaningless resolutions. Then they told us that they had to adjourn the committee until the new resolutions had been written.

Mr. Speaker, this is a shameful failure to lead. It demonstrates an embarrassing intellectual bankruptcy on the part of the Republican Party. They have given up on addressing the real priorities of the American people and turned the House floor into a propaganda arm of the Republican National Committee.

In closing, Mr. Speaker, I pose a simple question to my Republican colleagues: Are they afraid to do the job their constituents elected them to do? If not, I urge them to join Democrats in opposing the previous question.

If we defeat the previous question, we will amend the rule to bring to the floor real corporate accountability legislation offered by the gentleman from California (Mr. MATSUI), the ranking member of the Subcommittee on Social Security. The Matsui measure would ensure that big corporations treat their employees the same way they treat their favorite executives: if the CEO gets a guaranteed pension, then so should the front line employees; if the company restricts employees who want to change their 401(k) plans, then it should restrict CEOs who want to cash in their stock options.

The Matsui bill embodies the values that President Bush set forth months ago. If it is good enough for the captain, it is good enough for the crew.

I urge my Republican friends to join us in defeating the previous question so this House can finally address the corporate scams that have hurt so many employees and investors.

By the way, it might be nice if the Republicans would also bring the eight appropriation bills that are still languishing in committee to the floor. They have utterly failed to do the job that they were sent here to do.

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

□ 1600

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. BALLENGER), a member of the Committee on Education and the Workforce.

Mr. BALLENGER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, over the last year thousands of Americans employed by Enron, WorldCom, Adelphia and others have watched helplessly as their companies collapsed and their retirement savings evaporated. In response, President Bush called on Congress to act in a bipartisan fashion to restore confidence in our Nation's pension and retirement security system, and I am not ashamed to say more than 150 days ago the House did its part by passing a comprehensive pension protection bill that protects workers from losing their retirement savings in Enron-style corporate meltdowns.

The House passed the Pension Security Act to protect workers' retirements by stopping harmful inside trader moves. It gives workers new freedoms to diversify their retirement savings in 3 years and allows workers to

receive sound investment advice about their retirement plans. American workers deserve no less than this from Congress. And also we need to support a 401(k) continuation and permanent renewal of the marriage penalty. The Senate has not passed any protection bill; and by supporting this bill rule, you are standing up for American workers.

Mr. FROST. Mr. Speaker, I yield 7 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I thank the gentleman from the State of Texas (Mr. FROST), the ranking member on the Committee on Rules.

Mr. Speaker, what we are really doing here today is passing three resolutions that the gentleman from Texas (Mr. FROST) said were absolutely meaningless, and I would have to say that they are probably less than absolutely meaningless.

The first resolution deals with a bill that was passed some months ago basically asking that the Senate act on it. Now, the way I would do this is you just go walk over to the Senate side, which takes about 5 minutes, and just suggest that perhaps they bring the bill up, and if they will not bring the bill up ask them why and then you will find out why because the bill that passed the House is somewhat meaningless.

The same thing on the second resolution. You want to make something permanent that will not take effect until 8 years from now. And so why talk about asking the Senate to take this bill up now when we are talking about something 8 years from now? We do not even know how this bill will work.

The last one is on the marriage penalty, again doing something that will take 8 years from now. What is odd is that we should really be addressing the shortfall on Social Security, but because the Republicans want to privatize Social Security, they want to wait until after the elections because they know they are getting really torpedoed on this. They do not want to talk about Social Security. They have a prescription drug proposal that will privatize Medicare and, obviously, that cannot pass the other body because it is so extreme that that is not going to happen.

You can go on and on and on. One of reasons the appropriations bills are not being brought up is even though the President had a wonderful Rose Garden ceremony, signing ceremony, on the education bill, Leave No Children Behind, he falls $7 billion short in actually funding that bill, which would make it impossible to implement it and create chaos in every school district in America.

So we know what is happening. We know why we are spending hours of time on this floor of this body talking about resolutions. The easiest thing in the world, as I said, is just go on the other side. Talk to these people on the other side. Do not send resolutions and waste their time.

What is really offensive is let us take the first piece of legislation that we are talking about, the first resolution. I will tell you how meaningless it is. They have basically two parts of this bill: The Boehner-Thomas bill which is supposed to really address the Enron pension problems. The first one basically says that no employee can actually sell company stock for 3 to 5 years from the date of receipt. Now, that does not mean anything from the top level management employees; the executives like Ken Lay could still sell any time they want. They get a stock option. So this does not really help the employees of these companies.

The second part of it is even more silly when you think about it. The gentleman from Texas (Mr. FROST) talked about investment advice. The only trouble is the investment advice will come from the same people that are administering the program. So you take Enron, it would have been the Enron pension managers that would have been giving investment advice to the Enron employees. Now, what do you think they are going to say? Do not buy Enron stock? Of course not. It is silly.

But you say, we do have a provision that you have to disclose a conflict of interest. Sure, that is a lot of help. That is what this bill does. It is somewhat meaningless. That is why the other body has a rough time wanting to take this up.

The bill I would like to offer and the bill we really should be debating, you can vote against it, but let us bring it to the floor so that the American public will know our values, what we stand for, exactly who does want to solve those problems. What our bill will do is basically, let us take, for example, the whole issue of diversification, the first issue about Enron employees having in their 401(k) plans Enron stock. Essentially what we would provide is that the executive employees like Ken Lay and Skilling and those folks would not be able to sell their stocks if in fact there are impediments to the employees having to sell their stocks. And if they do sell their stocks and breach the general company-wide prohibition in terms of time limits, they would just have to pay a capital gains tax that is larger than the capital gains tax they will pay now. They will have to pay a 50 percent capital gains tax. That should be a disincentive then for them to sell these stocks or at least perhaps open it up so their employees can sell their stocks.

Secondly, we all know what has been going on, and finally I think the Jack Welch situation became public knowledge about a month ago. A lot of retired top executives and CEOs get millions and millions of dollars of perks. Not only do they get wonderful pension programs, but they also get tickets free to sporting games on the front row. They get apartment complexes. They get their cleaning paid for. They get a corporate jet that is waiting for them. Millions of dollars worth of funds.

We know that they get these big benefits and we are not going to stop that. They are going to get them. But what we want is transparency. One of the reasons the market is falling apart, it was 11,700 when the President took office, and now it is down to 7,700. It lost 4,000 points in the last 2 years since President Bush has been President, about a 40 percent reduction in pension benefits.

The reason why there is no confidence in the stock market today is because there is no transparency, because the shareholders do not know what is actually being expensed. The shareholders of GE did not know that Jack Welch was actually spending millions and millions of dollars of monies that could have gone in the form of stock dividends. All we would do is just provide that when you give these benefits and perks to these top management people, that you notify the shareholders in writing. And then you allow the shareholders to vote as to whether or not they agree with it; and if they do not, these perks are not available. Very simple.

Why would anybody be opposed to that? You want transparency, you want fairness, and you want the shareholders to have their benefits. We cannot bring this bill on the floor because you, Republican leadership, will not allow us to. The American public needs to know that. Why should we not be allowed to do that?

Lastly, the whole issue of deferred compensation. Ken Lay did really well. After bankruptcy was filed, he was able to take millions of dollars in deferred compensation. You know why he was able to do it? Because he put it in a third party trust that was nontaxable to him; nontaxable trust monies of Enron money went into a third party trust. And when they filed bankruptcy, every employee of Enron corporation lost their 401(k)s and went from $100,000 to zero or whatever they had went down to zero. It was suffering, what these people went through. Ken Lay walked off with it. You know why? Because we have a provision in the Tax Code that needs to be changed because it allows a deferral of taxes, and at the same time with the third party trust he was able to take literally millions of dollars from his account.

We need a no vote on the motion on the previous question so we are able to bring up our legislation that will deal with these major points so the American public and the shareholders will understand exactly what is going on in corporate America.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DAN MILLER of Florida). Members are reminded to avoid improper references to the Senate.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we were furthering this debate that we have had

for quite some time. I completely understand where the Democrats are coming from. They completely understand where we are coming from. We would like an agenda that is going to help taxpayers. We want an agenda that will help investors. We want an agenda that will help this country to come back from the problems that it has had. But the bottom line is the consensus that these bills have represented, including just one of these bills, got 308 votes. It is a consensus about doing something that will work.

I understand how difficult it is to beat up the status quo, just beat it up. But the answers that the other side has, just like when they present their budget, it does not even come close to passing. The measures that they have time after time do not come close. But the provisions that we have put on the floor have virtually bipartisan agreement with over 308 people who vote for it.

These are the ideas that we bring back to the floor today. The ones that have received over 300 votes of this body, the votes that make a difference, the ideas that make sense. It is easy beating up these ideas. I understand that. I also understand a lot of the frustration that they have got. But now is the time for us to make sure that we are pushing these. These three provisions are important. Yes, it is true. Two of them simply make permanent the things at the end of 10 years that we passed in the past few years. But I believe they are very important and I believe they represent more than a consensus of this body. And that is why it makes sense that what we passed previously, that we will debate again.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. PORTMAN), a member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I thank my colleague from Texas (Mr. SESSIONS) for yielding me time; and I am pleased to talk about today the substance of some of the legislation before us.

The rule permits us to take up three bills. My understanding is today we will address two of them. They have just been mischaracterized in my view by my colleague from the other side of the aisle, and I just want to relate what they actually contain.

The first is H.R. 3762. This is the pension security bill. It passed the House with a vote of 255 to 163 with 46 Democrats supporting it. It does have a controversial amendment with regard to independent investment advice, but to say that it does nothing, which my colleague and friend from California (Mr. MATSUI) said earlier, is not accurate. Let me tell you just what it does.

It says to people who are currently in company plans who have 401(k)s, who get a match of stock from their employer, that they do not have to be in that stock for an unlimited period of time. Under current law if an employer wants to they can give a match under a 401(k) program and say, you can have that stock but you have got to keep it, and you can never get rid of it, because there is no current rule which says that employees, the workers, have the right to unload that stock. That is a bad situation.

What happened at Enron is they told people they had to be 50 years of age plus they have to have 10 years of service. So people literally got hold of that Enron stock and they did not have the ability to get it out of their retirement plan. That is current law. Enron could have said 65 instead of 50. They could have said 20 years of service. They chose 50 and 10.

So what this House did on a bipartisan basis is we said, Let us change these rules. Let us say that as soon as you are vested, and vesting is after 3 years of service, that is the current vesting rule. We moved it from 5 years down to 3 years in the Portman-Cardin legislation a couple years ago. As soon as someone is vested after 3 years, you can get rid of that stock. You can divest yourself of that corporate stock that that company has given you as a match. That is a huge difference. And to say that does nothing I think not only mischaracterizes the bill, but I think that is really unfair to the workers of America who want to have that flexibility. They want to have the choice. If they want to keep that stock, fine, they should be able to. But they should also have the choice to get out of it. And a lot of folks at Enron would have gotten out of it. So that is a big change from current law.

It is not something, frankly, the business community was wild about because they like the idea of giving corporate stock and tying people to that stock because they think that gives people more of a stake in that company. It enables them to have that stock be held. But we looked at it. We said it was fair. We decided to do it. The gentleman from Maryland (Mr. CARDIN) and I worked on that. The gentleman from North Dakota (Mr. POMEROY) and I worked on that and others. So to say it does nothing is just inaccurate.

Second, it provides better information to workers. That is something we agreed to on a bipartisan basis. It was not a controversial part of the bill. It does provide a lot more information and better information. For instance, now when somebody gets into a plan they have to be provided with advice that says diversify. Do not put all your eggs in one basket. A commonly accepted principle for retirement is you should not have all your eggs in one basket. People now have to be told that when they get into a plan. They also have to be told, not only when they get into it but on a quarterly basis, what that plan is doing.

□ 1615

That was not a requirement before this legislation. If we could get this out of the Senate, people would actually get quarterly statements telling them what is in their plan, what they have, how the plan is doing in plain English so they can actually have the kind of transparency that the gentleman from California (Mr. MATSUI) talked about, and I could not agree with him more. Transparency is absolutely critical.

Finally, education. Choice and information are important, but we also need to give people more tools to be able to educate themselves about how to invest their retirement savings. I think there is a consensus on doing that. There is some controversy about one element here, but it is extremely important.

There are two provisions in the bill. One says that one should be able on a pretax basis to go out and get advice wherever one wants, up to 500 bucks. Just like one can get a pretax cafeteria plan for eyeglass coverage or some other benefit, one can get investment advice. Investment advice is not cheap. So it is important that people have the ability to go out to get that advice. That is something that the gentleman from Maryland (Mr. CARDIN) and I have put together in previous legislation; it is something this House passed.

Finally, it says that companies ought to be able to allow people to come into the company and provide advice to the employees. The employer has the option to do that under this bill. It is voluntary. If the person comes forward to offer advice, the person has to disclose whatever that person is doing including being involved in a company plan, if they are. It is subject to all fiduciary responsibilities that come with that. It has to be a certified individual. So their protection is in there, but the point is there are millions of American workers today, over 42 million of them are in 401(k)s and a lot of them are getting no advice at all. In fact, 65 percent of those workers tell us they want to get education. So this is what this bill does. It is pretty simple. It says people ought to have choice. They do not have it now. And until the Senate acts, they will not have it. They ought to have better information about their plan. They ought to have better education.

A couple of other really good provisions of the bill have already been passed in the corporate accountability bill. That dealt with the blackout period. Do my colleagues remember that issue with the Enron situation because they were changing plan administrators, there was a blackout where people could not sell their stock and yet the people at the top could and there was no notice of the blackout? This House passed legislation that is part of this bill that says 30-day notice, they have to tell people about a blackout and during the blackout, the corporate executives who are not even in the plan but have stock separately cannot sell their stock. What is good for the sailor is also good for the ship captain. That was that idea and that did pass as part of the corporate accountability bill,

but it came out of this House and out of this legislation.

So what we are doing today may seem meaningless to some, but I think it is very important because it is important to the workers of America. It is to say to the United States Senate, look, we passed this thing back in April. We responded on a bipartisan basis in the House. It is time now for the United States Senate to help America's workers. Enough talk. We have got a bipartisan consensus on which way to go. We ought to get it done.

The second piece of legislation has to do with enabling people to put more in their retirement accounts, enable them to move their accounts from job to job, portability, and simplifying the rules for small business so that they can offer more accounts. We know for a fact that of the 75 million people in America who do not have any retirement savings plan at all, 75 million people are left out right now. Most of them work in small business. In fact, among small businesses, only 20 percent offer any kind of plan like a 401(k) or a similar plan. So this House, on a 308 to 70 vote and in the past on a 400 vote, passed this legislation.

And what we are saying here is we ought to now make that legislation permanent. It lets everybody save more for their retirement. It is good policy. It is already working. IRA contributions are up 25 percent this past year, and thank goodness, because some of that money is accounted for now and able to balance some of what is happening in the markets so that people have a little more retirement savings. So it is out there working. It is good policy.

Why do we think it ought to be made permanent? Because although it does not expire for 8 years, it is very difficult to plan. Most Americans are trying to plan for their retirement. They want to know that this thing is not going to expire in 8 years, which it does under the current legislation. Small businesses would like to plan. If someone is thinking about getting into a pension plan for the first time if they are one of those 80 percent of small businesses, Mom and Pop operations, and they are sort of scared about the cost and the burden of liabilities to this, we reduce some of these for them here but they are saying, gee, how do we know that if we get into this business we are not going to get knocked out of it in 8 years? We ought to make it permanent.

I hope this is something this House would agree on. We already had a vote on that in this House. All we are saying to the Senate is, please, instead of talking about this so much, let us do something. We have the ability to do something. We have a consensus on how to help every worker have a more secure retirement.

There may be other things that people would like to add. The gentleman from California (Mr. MATSUI) has talked about executive compensation. Those are important issues. We ought to address those issues. It will not help one person get a pension, I can tell you that. So let us focus on what we are about here, which is helping workers to be able to have a little nest egg for their retirement, have a little peace of mind so that when they retire, they have something to be able to use for their own retirement and pass along to their kids and grandkids. That is what we are doing today. It is very simple. I appreciate the time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DAN MILLER of Florida). Members are reminded to avoid improper references to Senators.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

I was listening to my colleague, the gentleman from Texas, a while ago; and he was talking about why we need to be voting on this today, and I think he is a little confused. I do not know, maybe he was sick the day they did the legislative process during freshman orientation. I do not know. But it sounded like he was talking about voting on a conference report. We do not have a conference report before us. We have a bill that has already passed the House, has not been taken up by the Senate. So it is meaningless to vote a second time on the same bill that has already passed the House when it has not been passed by the Senate, has not gone to conference, and has not come back to us. So this really is an extraordinary waste of everybody's time, the minority's time, the majority's time, and the taxpayers' time and money.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, I strongly support worker protection in the pension laws, but today is another wasted opportunity, another loss of an opportunity to do something positive in that direction. I strongly disagree with the partisan strategies of my Republican colleagues. We need Congress to act on pension protection. It has been a pleasure to work with the gentleman from Ohio (Mr. PORTMAN) on many of these pension issues. Yes, employees should have control over their assets in the 401(k) plan.

Yes, we need to give them advice on diversification and independent advice; and yes, we have to give them notice of blackout periods. All that is very important, but this rule, as the gentleman from Texas (Mr. FROST) has pointed out, if it passes, will allow us to consider on this floor three meaningless resolutions. They do not even reenact what we did before. These are basically political statements more than action on the floor of this body.

Instead, we could have done something here today to make it more likely we would send legislation to the President accomplishing what we are talking about today. We still have that opportunity. If we defeat the previous question, then we will be able to bring forward an issue that is extremely important to the workers of this Nation, will help bring us closer to the other body and more likely that we will get legislation enacted this year.

Mr. Speaker, I refer to the fact that under current pension law, there is preferential treatment for top management over the rank-and-file workers of a defunct company. No one can justify that. If a company cannot pay its workers, if a company cannot pay its creditors, it should not be paying these lucrative agreements to its top management, the deferred compensations and the unqualified pension plans that allow these payments to continue even though the company is in bankruptcy; and that is what the gentleman from California (Mr. MATSUI) is referring to. That is what we will be able to consider in this body if we defeat the previous question; and if we do that, we will not only be enacting the right policy, treating workers equally with top management and protecting their pension rights, but we also will make it more likely that we can get legislation enacted this year.

I urge my colleagues to listen to this debate. Why we continue to take up these resolutions that do absolutely nothing is beyond me. These are important issues. We all want to help workers. So why can we not use the time that is obviously available to us to do the work we have not done yet? We have not taken up the issue of protecting the rank and file versus the top management. Let us take that issue up during this time.

I urge my colleagues to defeat the previous question.

Mr. SESSIONS. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. WELLER), the sponsor of the Marriage Penalty Relief Act.

Mr. WELLER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding me this time.

I rise in strong support of the rule. I urge a ''yes'' vote on the previous question because this is a pretty simple debate before us today. We are debating bringing up a measure that says we need to get our work done on making elimination of the marriage tax penalty permanent; and before I discuss this marriage tax penalty, I do want to commend my friend, the gentleman from Ohio (Mr. PORTMAN), and the gentleman from Ohio (Mr. BOEHNER) for their good work on the pension legislation that is also part of this rule debate, particularly for the inclusion of the 415 pension provisions which benefit over 10 million construction and building trades people across America.

Thankfully, President Bush had the leadership to sign that legislation into law; and unfortunately, it was a temporary measure, and just imagine what it would mean to working folks back home in our districts if the rug were pulled out from them if that provision

were allowed to expire, what it means for a laborer in my district like Larry Core. That 415 provision means a doubling of his pension by removing those artificial caps that denied him the full pension that he earned and deserved.

I have often, like many of my colleagues, come to the floor and asked the very fair and basic issue of fairness, and that is, is it right, is it fair that under our Tax Code almost 42 million married working couples have suffered higher taxes historically just because they are married? It does not seem right, and it does not seem fair; but the average marriage tax penalty would be about $1,700.

Thankfully, this House, along with the Senate, and we obtained bipartisan support, succeeded in passing as part of the Bush tax cut legislation to eliminate the marriage tax penalty, helping 42 million married working couples, couples such as Jose and Magdalena Castillo, two laborers, two construction workers from Joliet, Illinois. They have a son and daughter, Eduardo and Carolina. They are good people. They work hard. They are pursuing the American dream, but they suffered the marriage tax penalty prior to President Bush signing the Bush tax cut into law.

Unfortunately, the Bush tax cut is temporary. It expires in a few years, so what that means for a couple such as Jose and Magdalena Castillo, who right now have the marriage tax penalty essentially eliminated, is they could end up paying in a few years about $1,700 more in higher taxes just because they are married; and I believe that there is bipartisan agreement in this House that it is wrong that a married couple who are both in the workforce, man and wife, should pay higher taxes. We saw that we had almost 60 Democrats join with every House Republican that rejected their leadership's call, and they voted with us in eliminating that marriage tax penalty.

We have before us today a rule which will allow us to bring up this coming week a measure which will say that we want to complete before the end of this year, making permanent the elimination of the marriage tax penalty, and this House has passed legislation to make permanent the elimination of the marriage tax penalty; and I would note that the Senate has not taken up permanency when it comes to eliminating the marriage tax penalty legislation that the House passed months ago. I think it is important that we make this a bipartisan priority.

We have that opportunity today, because think about it, for Jose and Magdalena Castillo of Joliet, Illinois, two hardworking people who have suffered the marriage tax penalty, just like 42 million American working couples, unless we make permanent the elimination of the marriage tax penalty, they are going to once again suffer higher taxes just because they are married.

We have a simple vote before us. We are voting on a rule. It is a procedural thing that we have to do, but this rule will allow us to debate the need to finish our job on eliminating the marriage tax penalty permanently; and, again, I would note that this House passed, and the votes of every House Republican and about 60 Democrats joined with us in a bipartisan effort, to eliminate the marriage tax penalty. I urge a ''yes'' vote on the rule and a ''yes'' vote on the previous question.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me the time.

Today, Mr. Speaker, we are considering more resolutions without meaning. What was great about the Seinfeld show, a show about nothing, is not so funny here in Congress when we debate bills about nothing. These empty resolutions seek to divert attention of the American voters from the Republican leadership's mediocre attempt at pension and corporate reforms.

What we should be debating today is actual legislation that deals with the important issues of pension reform and corporate accountability. My colleagues may recall, Mr. Speaker, that the first economic stimulus bill that the leadership pushed through this House, and my friend from Ohio made reference to Ma and Pa businesses they want to help, would have given $254 million with repeal of the corporate alternative minimum tax to Ma and Pa Enron.

□ 1630

Well, in the wake of Enron's spectacular demise, this House has done little to help those who were financially devastated as shareholders and workers. Pension security deserves serious debate. Establishing parity between corporate executives and rank-and-file employees regarding the buying and selling of stock is simply the right thing to do. It is imperative to strengthening the integrity and public trust in corporate America. Congress has that opportunity if we would just get to it.

President Bush, a former corporate executive himself, said, ''If it is okay for the captain, it ought to be okay for the sailor.'' Instead of debating senseless senses of the House, we should correct this system that unfortunately allowed hardworking Americans, the backbone of corporate America, to lose their retirement savings.

What we are continuing to allow by wasting our time on these resolutions is abusive corporate perks. Let us start with our friends at GE, the quintessential corporate manager who was receiving exorbitant perks at shareholders' expense and most importantly, without shareholder approval. I call Members' attention to the enviable list of perks ranging from big-ticket items to minutia, from a $15 million Manhattan apartment, to corporate jets, to membership fees at four country clubs, to sports tickets, and even expensive toiletries. It is interesting why a man whose wealth has been estimated at $900 million would feel it necessary to have the shareholders of GE pay for his laundry service.

How about the ousted CEO of Tyco, formerly of New Hampshire and now of Bermuda. Without shareholder approval, the company paid for a bizarre set of perks, including $2 million on a birthday party for his wife, $15,000 for a dog umbrella stand, and how about $445 for a pin cushion.

The CEO of Adelphia, he used company funds to construct a $13 million golf course on family property. The holidays must have been very good there.

These extravagances reflect a corporate culture gone awry. Warren Buffet summed it up best when he said, ''The ratcheting up of compensation has become obscene.'' But rather than taking up legislation to prevent or discourage such financial abuse of shareholders and investors, we debate resolutions about nothing.

Mr. Speaker, I want to join the gentleman from California (Mr. MATSUI) in urging this House to take up his legislation which would bring some sanity into the corporate compensation process. We need better protections for our investors, shareholders and workers. How can anybody look at those shareholders and employees at Enron and justify what happened to them?

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the gentleman from Texas (Mr. FROST) said this is a meaningless resolution. I beg to differ with the gentleman; I think this resolution is very meaningful because it shows that the majority in the face of real economic stress and pain in our country is more interested in positioning for the election that is coming in 6 weeks than it is in solving the country's problems.

Since the beginning of 2001, 2 million people have gone on the unemployment rolls. In the last 12 months, 1 million people have exhausted their economic unemployment benefits, have seen them run out. Since the beginning of 2001, the stock markets have seen $4.5 trillion of wealth evaporate, much of that wealth in the pension funds of American workers, American retirees.

We have seen the equity markets themselves lose 40 percent of their value. We have seen the spread between short- and long-term interest rates, a key indicator of future happenings in our economy, grow wider than it has in recent history. We have seen a Federal Government that was bringing in $108 for every $100 that we spent at the beginning of 2001, now bringing in $90 for

every $100 that we spend, and covering the difference by borrowing from the Social Security trust fund, running the government on Social Security money that should be there for the future.

The right thing to do would be to renegotiate the country's budget, to bring to this floor legislation that would really make a difference to the people that have been stressed, an extension of unemployment benefits for people who cannot find work, a means of creating more jobs in the short run for people who cannot find work, provisions that would truly strengthen pension plans, and one of those provisions can be brought to the floor if Members vote ''no'' on the previous question, and that is the idea of the gentleman from California (Mr. MATSUI), which says that a self-regulating concept in pension plans will be that whatever the top guy in the organization gets, everybody else has to get, too. If there is a restriction on what can be done with stock that applies to the person who cleans the office at night, then it applies to the person who owns the office building. If there are benefits for the person high up in the executive suite, a similar kind of a benefit has to apply to every single man and woman who stands under that person on the company's organizational table.

This is a real change that would make a real difference at a time of real problems. I regret that what we are going to do if the majority passes this rule is pass a couple of ceremonial resolutions to take note of what we wish the other body would do. We cannot control what the other body does. It has a conscience and a rhythm all of its own. That is what the framers intended. However, we ought to do something rather than nothing.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, over the course of this past year, we have watched employees of Enron and WorldCom and other companies watch their retirement savings dwindle to almost nothing. The House in a bipartisan way came together on April 11, 160 days ago, to pass the Pension Protection Act which will in fact help protect all pensions in America. Yet the Senate has not acted.

Now the Senate did in fact act along with the House when we passed the Corporate Accountability bill to put those corporate insiders who have abused their shareholders and abused the law and put them in jail. In that bill, I might add, there were two provisions from the Pension Security Act actually signed into law. One, a provision that would bar company insiders from selling their stock during a blackout period where the plan administrator is changing.

Secondly, in the Corporate Accountability bill, we do require that pension plan administrators notify their employees 30 days in advance of any blackout period. But we all know there is a lot more that needs to be done. We need to give workers more freedom to diversify their 401(k) accounts. We need to make sure that workers have access to high-quality investment advice. But the House cannot do it alone.

We all know under the Constitution that before a bill can become law and go to the President's desk, it has to be acted on by the House; it has to be acted on by the other body. Any differences have to be resolved before the bill goes to the President. The House has acted. The Senate has yet to take up pension legislation, and I believe this issue is one thing that needs to be done.

We have to remember that this bill, the Pension Security Act, passed the House with 46 Democrat members voting for it. We worked in a bipartisan way to make responsible reforms that really would in fact protect the pension assets of many of our employees. But we cannot get this bill to the President's desk until we have action. That action needs to occur, and it needs to occur now.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when people who are watching this on television, maybe listening to us on the radio, perhaps following these proceedings in the newspaper tomorrow, when members of the public get their quarterly 401(k) statements next week and the statements from their mutual funds, think of the Republicans when you open that up. Think of the Republicans and what they have not done and what they are not willing to do to improve the economy.

They are not willing to bring any legislation to the floor today that makes any difference. They bring meaningless resolutions. I urge members of the public, think of my friends on the Republican side when you open your quarterly 401(k) statement next week.

Mr. Speaker, the majority should be ashamed to bring these sense of Congress resolutions to the floor. These resolutions are pieces of paper that do nothing, help no one, and waste the time of the House of Representatives. No wonder the American people are cynical about their government. Mr. Speaker, I would be, too, if this is the best the majority can produce.

If there is any Member on the majority side who wishes to pass some actual legislation, they should join us in defeating the previous question of the rule. If that occurs, then I will offer an amendment that provides immediately after the House passes this meaningless rule, it will take up a bill that contains real corporate welfare reforms. While the Republican majority is busy indulging their aversion to passing actual legislation so close to an election, Democrats want to crack down on corporate executives who get cheap leases for their corporate jets while their company's 401(k) plan collapses. The majority allows these executives to shield their earnings and retire to their penthouses and benefits for life, while the American people are left playing for this largess.

This is wrong, Mr. Speaker. Democrats know it and are willing to do something about it, while the Republicans pretend these problems do not exist. I do not know about anybody on the other side, Mr. Speaker, but Democrats want to work. We are elected to help make things better for the American people, not to stall legislation we were afraid would hurt us with our big donors too close to an election time.

By defeating the previous question, the House can take up this bill and stop the two classes of people we now have in this country: executives who walk away with millions and live the life of luxury, and the rank-and-file worker who goes home every day hoping their 401(k) plan will last until retirement.

Mr. Speaker, Members, all a ''yes'' vote does is waste time, and Congress has done enough of that for the past 3 weeks. Let us actually pass something that matters. Let us get some work done. I urge a ''no'' vote on the previous question.

Mr. Speaker, I ask unanimous consent that the text of the amendment be printed in the RECORD immediately before the vote on the previous question.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

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

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we promised at the beginning of this debate on the rule that it would be contentious, that we understood that the Democrat Party opposed what we were doing, and we understood what we were supporting. We believe what we are talking about here is good for investors. We believe it is good for people to have 401(k)s, pension plans, the opportunity to save more money.

We have had a chance to debate these important issues. We have had any number of speakers on both sides of the aisle who have talked about the things that are good and bad about these resolutions that we are talking about; but the bottom line is that Members will get a chance to vote now after hearing this debate.

Mr. Speaker, I think the previous question will pass, that we will pass these resolutions, that the vast majority of Members will understand what we are doing, the importance to the American people, and the importance to people who are trying to make a go of it with their own savings account.

□ 1645

I think the American public understands what we are doing, and I think they understand what the Republican Party stands for.

The material previously referred to by Mr. FROST is as follows:

PREVIOUS QUESTION FOR H. RES, 547—RULE ON H. RES. 540 SENSE OF THE HOUSE THAT THE CONGRESS SHOULD COMPLETE ACTION ON H. RES. 3762, THE PENSION SECURITY ACT OF 2002, H. RES. 543 SENSE OF THE HOUSE THAT CONGRESS SHOULD COMPLETE ACTION ON H.R. 4019, MAKING MARRIAGE TAX RELIEF PERMANENT AND H. RES. 544 SENSE OF THE HOUSE OF REPRESENTATIVES ON PERMANENCY OF PENSION REFORM PROVISIONS

At the end of the resolution add the following new sections:

SEC. . Notwithstanding any other provision in this resolution, immediately after disposition of the resolution H. Res. 540, the Speaker shall declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 5432) to amend the Internal Revenue code of 1986 with respect to the amount included in gross income by reason of personal use of corporate property, to require the same holding period for company stock acquired upon exercise of options as is applicable to company stock in its 401(k) plan, to require disclosure to shareholders of the amount of corporate perks provided to retired executives, and to provide parity for secured retirement benefits between the rank and file and executives. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. . If the Committee of the Whole rises and reports that it has come to no resolution on the bill, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of rule XIV, resolve into the Committee of the Whole for further consideration of that bill.

H.R.—

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

SECTION 1. SPECIAL RULES FOR EXECUTIVE PERKS AND RETIREMENT BENEFITS.

(a) IN GENERAL.—Part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by adding at the end the following new subpart:

''SUBPART F—SPECIAL RULES FOR EXECUTIVE PERKS AND RETIREMENT BENEFITS

''Sec. 420A. Holding period requirement for stock acquired through exercise of option.

''Sec. 420B. Additional tax on nondisclosed retirement perks.

''Sec. 420C. Inclusion in gross income of funded deferred compensation of corporate insiders.

''Sec. 420D. Definitions and special rule.

''SEC. 420A. HOLDING PERIOD REQUIREMENT FOR STOCK ACQUIRED THROUGH EXERCISE OF OPTION.

''(a) IN GENERAL.—In the case of a corporate insider with respect to a corporation, the tax imposed by this chapter on a corporate insider for any taxable year shall be increased by 50 percent of the amount realized by such insider from the disqualified disposition during such year of stock acquired by the corporate insider upon the exercise of a stock option granted by the corporation with respect to which such individual is a corporate insider.

''(b) DISQUALIFIED DISPOSITION OF STOCK.—

''(1) IN GENERAL.—For purposes of subsection (a), the term 'disqualified disposition of stock' means any sale, exchange, or other disposition of stock which, if such stock were employer securities held in a qualified cash or deferred arrangement (as defined in section 401(k)(2)), would violate any restriction imposed on the sale or other disposition of such securities by the plan of which such arrangement is a part.

''(2) SPECIAL RULE FOR 2 OR MORE CASH OR DEFERRED ARRANGEMENTS.—If a corporation has more than 1 qualified cash or deferred arrangement (as so defined), the restrictions which apply for purposes of paragraph (1) shall be the most restrictive provisions relating to the disposition of employer securities held pursuant to any such arrangements.

''SEC. 420B. ADDITIONAL TAX ON NONDISCLOSED RETIREMENT PERKS.

''(a) IN GENERAL.—In the case of a publicly traded corporation, the tax imposed by this chapter for the taxable year shall be increased by 50 percent of the net cost to the corporation for the taxable year of personal perks provided to a retired executive of the corporation.

''(b) WAIVER IF PERKS PROVIDED PURSUANT TO SHAREHOLDER APPROVAL.—Subsection (a) shall not apply with respect to any personal perks provided pursuant to a contract if—

''(1) all of the material terms of such contract (including a description of the benefits to be provided to the executive and the extent of such benefits) are disclosed to shareholders, and

''(2) such contract is approved by a majority of the vote in a separate shareholder vote before any benefits are provided under the contract.

''(c) NET COST OF PERSONAL PERKS.—

''(1) IN GENERAL.—For purposes of subsection (a), the net cost of personal perks provided to a retired executive is the excess of—

''(A) the cost to the corporation of such perks, over

''(B) the amount paid in cash during the taxable year by the executive to reimburse the corporation for the cost of such perks.

''(2) PERSONAL PERKS.—For purposes of paragraph (1), the term 'personal perks' means—

''(A) the use of corporate-owned property,

''(B) travel expenses, including meals and lodging, unless such expenses are directly related to the performance of services by the executive for the corporation and the business relationship of such expenses is substantiated under the requirements of section 274,

''(C) tickets to sporting or other entertainment events,

''(D) amounts paid or incurred for membership in any club organized for business, pleasure, recreation, or other social purpose, and

''(E) other personal services, including services related to maintenance or protection of any personal residence of the executive.

''(3) COST RELATING TO USE OF CORPORATE-OWNED PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The cost taken into account with respect to the use of corporate-owned property shall be the allocable portion of the total cost of operating such property.

''(B) ALLOCABLE PORTION.—For purposes of subparagraph (A), the allocable portion of total cost is—

''(i) the portion of the total cost (including depreciation) incurred by the corporation for operating and maintaining such property during the corporation's taxable year in which such use occurred,

''(ii) which is allocable to the use (determined on the basis of the relationship of such use to the total use of the property during the taxable year).

SEC. 420C. INCLUSION IN GROSS INCOME OF FUNDED DEFERRED COMPENSATION OF CORPORATE INSIDERS.

''(a) IN GENERAL.—If an employer maintains a funded deferred compensation plan—

''(1) compensation of any corporate insider which is deferred under such funded deferred compensation plan shall be included in the gross income of the corporate insider or beneficiary for the 1st taxable year in which there is no substantial risk of forfeiture of the rights to such compensation, and

''(2) the tax treatment of any amount made available under the plan to a corporate insider or beneficiary shall be determined under section 72 (relating to annuities, etc.).

''(b) FUNDED DEFERRED COMPENSATION PLAN.—For purposes of this section—

''(1) IN GENERAL.—The term 'funded deferred compensation plan' means any plan providing for the deferral of compensation unless—

''(A) the employee's rights to the compensation deferred under the plan are no greater than the rights of a general creditor of the employer, and

''(B) all amounts set aside (directly or indirectly) for purposes of paying the deferred compensation, and all income attributable to such amounts, remain (until made available to the participant or other beneficiary) solely the property of the employer (without being restricted to the provision of benefits under the plan), and

''(C) the amounts referred to in subparagraph (B) are available to satisfy the claims of the employer's general creditors at all times (not merely after bankruptcy or insolvency).

Such term shall not include a qualified employer plan.

''(2) SPECIAL RULES.—

''(A) EMPLOYEE'S RIGHTS.—A plan shall be treated as failing to meet the requirements of paragraph (1)(A) unless—

''(i) the compensation deferred under the plan is payable only upon separation from service, death, disability, or at a specified time (or pursuant to a fixed schedule), and

''(ii) the plan does not permit the acceleration of the time such deferred compensation is payable by reason of any event.

If the employer and employee agree to a modification of the plan that accelerates the time for payment of any deferred compensation, then all compensation previously deferred under the plan shall be includible in gross income for the taxable year during which such modification takes effect and the taxpayer shall pay interest at the underpayment rate on the underpayments that would have occurred had the deferred compensation been includible in gross income on the earliest date that there is no substantial risk of forfeiture of the rights to such compensation.

''(B) CREDITOR'S RIGHTS.—A plan shall be treated as failing to meet the requirements of paragraph (1)(B) with respect to amounts set aside in a trust unless—

''(i) the employee has no beneficial interest in the trust,

''(ii) assets in the trust are available to satisfy claims of general creditors at all times (not merely after bankruptcy or insolvency), and

''(iii) there is no factor that would make it more difficult for general creditors to reach the assets in the trust than it would be if the trust assets were held directly by the employer in the United States.

Except as provided in regulations prescribed by the Secretary, such a factor shall include the location of the trust outside the United States.

''(c) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' means—

''(A) any plan, contract, pension, account, or trust described in subparagraph (A) or (B) of section 219(g)(5), and

''(B) any other plan of an organization exempt from tax under subtitle A.

''(2) PLAN INCLUDES ARRANGEMENTS, ETC.—The term 'plan' includes any agreement or arrangement.

''(3) SUBSTANTIAL RISK OF FORFEITURE.—The rights of a person to compensation are subject to a substantial risk of forfeiture if such person's rights to such compensation are conditioned upon the future performance of substantial services by any individual.

''(4) TREATMENT OF EARNINGS.—Except for purposes of subsection (a)(1) and the last sentence of (b)(2)(A), references to deferred compensation shall be treated as including references to income attributable to such compensation or such income.

''SEC. 420D. DEFINITIONS AND SPECIAL RULE.

''(a) DEFINITIONS.—For purposes of this subpart—

''(1) CORPORATE INSIDER.—The term 'corporate insider' means, with respect to a corporation, any individual—

''(A) who is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934 with respect to such corporation, or

''(B) who would be subject to such requirements if such corporation were an issuer of equity securities referred to in such section.

''(2) RETIRED EXECUTIVE.—The term 'retired executive' means any corporate insider who is no longer performing services on a substantially full time basis in the capacity that resulted in being subject to the requirements of section 16(a) of the Securities Exchange Act of 1934.

''(3) PUBLICLY TRADED CORPORATION.—The term 'publicly traded corporation' means any corporation issuing any class of securities required to be registered under section 12 of the Securities Exchange Act of 1934.

''(4) CORPORATE-OWNED PROPERTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'corporate-owned property' means any of the following property owned by a corporation—

''(i) planes,

''(ii) apartments or other residences,

''(iii) vacation, sports, and entertainment facilities, and

''(iv) cars.

Such term includes any such property which is leased or chartered by the corporation.

''(B) EXCEPTIONS.—Such term does not include any property used directly by the corporation in providing transportation, lodging, or entertainment services to the general public.

''(b) ADDITIONS TO TAX NOT TREATED AS TAX FOR CERTAIN PURPOSES.—The tax imposed by sections 420A and 420B shall not be treated as a tax imposed by this chapter for purposes of determining—

''(1) the amount of any credit allowable under this chapter, or

''(2) the amount of the minimum tax imposed by section 55.''.

(b) CLERICAL AMENDMENT.—The table of subparts for part I of subchapter D of chapter 1 of such Code is amended by adding at the end the following new item:

''Subpart F. Special Rules for Executive Perks and Retirement Benefits.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as follows:

(1) Section 420A of the Internal Revenue Code of 1986 (as added by this section) shall apply to stock acquired pursuant to the exercise of an option after the date of the enactment of this Act.

(2)(A) Except as provided by subparagraph (B), section 420B of such Code (as so added) shall apply to perks provided after the date of the enactment of this Act.

(B) In the case of perks provided pursuant to a contract in existence on the date of the enactment of this Act, such section 420B shall apply to such perks after the date of the first annual shareholders meeting after the date of the enactment of this Act.

(3) Section 420C of such Code (as so added) shall apply to amounts deferred after the date of the enactment of this Act.

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

The SPEAKER pro tempore (Mr. SIMPSON). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 217, nays 200, not voting 15, as follows:

[Roll No. 413]

YEAS—217

Aderholt
Akin
Armey
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (FL)

NAYS—200

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (TX)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Skelton
Slaughter

Smith (WA)	Taylor (MS)	Watson (CA)
Snyder	Thompson (MS)	Watt (NC)
Solis	Tierney	Waxman
Spratt	Towns	Weiner
Stark	Turner	Wexler
Stenholm	Udall (CO)	Woolsey
Strickland	Udall (NM)	Wu
Stupak	Velazquez	Wynn
Tanner	Visclosky	
Tauscher	Waters	

NOT VOTING—15

Bachus	Mascara	Roukema
Bonior	McDermott	Stump
Borski	McKinney	Thompson (CA)
Callahan	Mink	Thurman
Maloney (NY)	Radanovich	Young (AK)

□ 1733

Messrs. BRADY of Pennsylvania, WU, and BAIRD changed their vote from ''yea'' to ''nay.''

Mr. GARY G. MILLER1 of California and Mr. HEFLEY changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SENSE OF HOUSE THAT CONGRESS SHOULD COMPLETE ACTION ON H.R. 3762, PENSION SECURITY ACT OF 2002

Mr. BOEHNER. Mr. Speaker, pursuant to House Resolution 547, I call up the resolution (H. Res. 540) expressing the sense of the House of Representatives that Congress should complete action on H.R. 3762, the Pension Security Act of 2002, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

H. RES. 540

Workers with stronger pension protections and greater access to professional investment advice;

Whereas a bipartisan majority of the House of Representatives passed H.R. 3762, the Pension Security Act of 2002, on April 11, 2002, by a vote of 255 to 163;

Whereas the Pension Security Act of 2002 would provide working Americans with more investment education and information regarding their retirement plans, greater access to professional investment advice, rights to diversified pension plan assets, protections against corporate abuses and mismanagement of pensions, and other reforms that would increase pension coverage;

Whereas the pension protections and reforms contained in the Pension Security Act of 2002 would enhance the retirement security of American workers; and

Whereas the Senate has not passed the Pension Security Act of 2002 or equivalent legislation: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Congress should complete action in the 107th Congress on the Pension Security Act of 2002 and present such legislation to the President for his signature prior to adjournment so that needed pension protections and reforms may be delivered to the American people.

The SPEAKER pro tempore. Pursuant to House Resolution 547, the gentleman from Ohio (Mr. BOEHNER), the gentleman from California (Mr. GEORGE MILLER), the gentleman from Ohio (Mr. PORTMAN), and the gentleman from California (Mr. MATSUI) each will control 15 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 540.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOEHNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, over the last year, thousands of hardworking and loyal Enron and WorldCom employees watched helplessly as their companies and their retirement portfolios collapsed. We have an obligation to provide workers with the tools to help them manage their retirement savings. Let us just put the facts on the table: the House has acted on bipartisan pension protections, but the Senate has not.

Back in February, President Bush called on Congress to act in a bipartisan fashion to restore confidence in our Nation's pension and retirement security system. More than 160 days ago, the House did its part by passing a comprehensive pension protection bill that protects workers from losing their retirement savings in Enron-style corporate meltdowns. Today we wait.

One thing is very clear: worker retirement savings remain vulnerable to corporate meltdowns today, and it should not take another Enron or WorldCom for Congress to act on bipartisan pension protection that would give workers the tools they need to protect and expand their retirement savings.

That is exactly why we passed the Bipartisan Pension Security Act in April, more than 160 days ago. It takes a balanced approach by expanding worker access to investment advice and includes new safeguards to help workers preserve and enhance their retirement security, such as giving employees new freedoms to diversify their portfolios. However, it also insists on greater accountability from senior company insiders.

There are several pension provisions that the Senate has not acted on. Enron barred workers from selling company stock until age 50; the Pension Security Act gives workers new freedom to sell their company stock within 3 years. In addition, it requires companies to give workers quarterly benefit statements that include information about accounts, including the value of their assets, their right to diversify, and the importance of maintaining a diverse portfolio. The benefits of diversification will help workers better plan and save for their future over the long term.

The bill also empowers workers to hold company insiders accountable for abuses by clarifying that companies are responsible for workers' savings during blackout periods when workers cannot make changes to their 401(k)s. Under the Pension Security Act, as under current law, workers can sue company pension officials if they violate their fiduciary duty to act solely in the interests of 401(k) participants.

As we all know, defined contribution 401(k)-type accounts have become a primary vehicle for retirement savings. Yet, today, the vast majority of American workers receive no investment advice on how best to structure their 401(k) retirement plans; and most cannot afford to pay for it on their own like company insiders can. It is time to fix these outdated Federal rules that discourage employers from giving workers access to professional investment advice.

Like most U.S. companies, Enron and WorldCom did not provide their workers with access to this type of investment advice. The investment guidance would have alerted these workers to the need to diversify their accounts, which would have enabled many to preserve their retirement savings. The Pension Security Act changes these outdated rules and encourages employers to provide their workers with access to this high-quality investment advice.

We need to give investors more choices and more information to choose wisely, so they are better able to navigate their way through volatile markets and maximize the potential of their hard-earned and hard-saved retirement savings. Workers must also be fully protected and fully prepared with the tools they need to protect and enhance their retirement savings.

The Committee on Education and the Workforce, along with my colleagues from the Committee on Ways and Means, have been engaged on the issue of pension reform for several years now, looking at ways to expand worker access to high-quality investment advice and encourage employers to sponsor retirement plans for their workers.

As our committees have been doing hearings to specifically address the Enron collapse, we did so with a firm commitment to identify further reforms that promote security, education, and freedom for employees who saved all their lives for a secure retirement. Congress should move decisively to restore worker confidence in the Nation's retirement security and pension system, and the bill before us will accomplish those goals.

Unfortunately, instead of gathering the President's signature, the Pension Security Act has been gathering dust. The Senate has not acted on any pension protection bill. If we are truly concerned about protecting the pensions of American workers, the 107th Congress will complete action on this vital issue and send President Bush a bipartisan pension security bill that he can sign into law.