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Senate

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. LEAHY).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, You are always right, just, and fair. We sing of Your steadfast love and proclaim Your faithfulness to all generations. Today, inspire our lawmakers to walk in the light of Your countenance. Abide with them so that they will not be brought to grief but will avoid the pitfalls that lead to ruin. Lord, empower them to glorify You in all they think, say, and do as they remember that all they have and are is a gift from You. This is the day that You have made. We will rejoice and be glad in You, the source of our hope and joy.

We pray in Your holy Name. Amen.

PLEDGE OF ALLEGIANCE

The President pro tempore led the Pledge of Allegiance, as follows:

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

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following my remarks and those of the Republican leader, the Senate will resume consideration of the motion to proceed to S. 1926, the flood insurance bill, postcloture.

The Senate will recess from 12:30 to 2:15 today to allow for our weekly caucus meetings.

MEASURE PLACED ON THE CALENDAR—S. 1963

Mr. REID. Mr. President, I understand that S. 1963 is at the desk and due for a second reading.

The PRESIDENT pro tempore. The clerk will read the bill by title for the second time.

The bill clerk read as follows:

A bill (S. 1963) to repeal Section 403 of the Bipartisan Budget Act of 2013.

Mr. REID. Mr. President, could I ask who the sponsors of this legislation are? Who is sponsoring it?

The PRESIDENT pro tempore. Senators PRYOR, HAGAN, SHAHEEN, and BEGICH.

Mr. REID. Mr. President, I object to any further proceedings with respect to this bill.

The PRESIDENT pro tempore. Objection having been heard, the bill will be placed on the calendar.

TRIBUTE TO DIANE SKVARLA, SENATE CURATOR

Mr. REID. Mr. President, I congratulate Diane Skvarla on her retirement after 20 years of service dedicated service as the Senate Curator.

Every day people from across the country—students on field trips, tourists, dignitaries, staffers and Senators alike—appreciate the historic treasures displayed in the hallways of the Capitol.

These works of fine art and craftsmanship are symbols of our democracy. For two decades Diane has been the steward of these treasures.

I thank Diane for her dedication, and I wish her the best in her future endeavors.

FLOOD INSURANCE

Mr. REID. Mr. President, I am gratified that we were able to get enough votes on the flood insurance bill to get us this far. We have been trying to get to it for a long time. We are very close to a consent agreement to move forward on the bill with a few relevant amendments.

We are going to move forward with the consent agreement or move forward with the bill. This bill is going to move forward this week. I hope we can work out something today to move forward. Once again, I commend Senators MENENDEZ, LANDRIEU, and ISAKSON for their hard work.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. BOOKER). The Republican leader is recognized.

STATE OF THE UNION

Mr. MCCONNELL. Mr. President, tonight Members of both parties will welcome the President to the Capitol as he lays out his plans for the year. We look forward to hearing what he has to say. We also look forward to hearing what Congresswoman MCMORRIS RODGERS has to say, too. She is a leader in our party with a compelling story, someone who truly understands what it means to overcome adversity, someone who is dedicated to helping every single American realize her greatest potential. The people of Washington's Fifth District are lucky to have her, and so are we.

As for the President's speech, this is a pivotal moment in the Obama Presidency. We are now entering our sixth year with President Obama at the helm of our economy, the sixth year of his economic policies. At this point we have seen just about everything in the President's tool box. We had a years-long clinic on the failures of liberalism: the government stimulus, the taxes, the regulations, the centralization, and the government control. It just has not worked.

So 74 percent of the American people say it still feels as if the country is in

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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a recession because to them it still feels like it. As the majority leader likes to say, the rich have gotten richer and the poor have gotten poorer, and ladders into the middle class have been kicked away, sawed off, and literally regulated into oblivion.

This is the legacy of the Obama economy, as we stand here at the start of 2014. But it does not have to be the legacy President Obama leaves behind in January of 2017, and that is why tonight's address is so important—because it will give us the clearest indication yet of whether the President is ready to embrace the future or whether he will, once again, take the easy route, the sort of reflexive liberal route, and just pivot back to the failed policies of the past. The choice the President now confronts is a pretty basic one. Does he want to be a hero to the left or a champion for the middle class? He can't be both. He has to choose.

He could double down on the failed policies that brought us to this point. It would make his base pretty happy, I am sure, but we certainly know where that path leads for the middle class. Folks can try to package it any way they like—say it is a new focus on income stagnation that has gotten so much worse under this President's watch. But it is essentially the same path we have been on since he took office. The point is this. Americans do not need a new message; they need a new direction. The problem is not the packaging. It never has been. It is the policies themselves, and President Obama is the only person who can force that turn in direction. He is the only one who can lead it.

He could reach to the center tonight and embrace change over the broken status quo, embrace hope over stale ideology—ideology that has led not just to stagnant incomes but to lower median incomes, to dramatic increases in the number of folks forced to take part-time work when what they really want is full-time work, to greater long-term unemployment, and to more poverty. He could ask Members of both parties to help him make 2014 a year of real action rather than just a talking point.

If he does, he is going to find he has a lot of support from Republicans because we want to work with him to get things done, and we always have. We will be listening closely to see if he is finally prepared to meet us in the political middle so we can finally get some important work done for the middle class. Let's be honest; there is a lot that can be done.

For instance, he could call on Senate Democrats to stop blocking all the job-creation bills the House of Representatives has already passed. He could call for revenue-neutral tax reform that would abolish loopholes, lower tax rates for everyone, and jump-start job creation where it counts—in the private sector. He could push his party to join Republicans supporting bipartisan trade promotion legislation, something the President has said is a priority, and work aggressively to clinch the kind of job-creating trade agreements our allies in places such as Canada and Europe and Australia have already been seeking.

He could work with us to reduce the debt and deficit to ensure the programs Americans count on will be there when they retire, to make government smarter and leaner, and to unshackle the growth potential of small businesses and entrepreneurs to address the massive dissatisfaction out there with the size and the scope of government.

If President Obama wants to score an easy win for the middle class, he could simply put the politics aside and approve the Keystone pipeline. The Keystone pipeline is thousands of American jobs very soon. With regard to the Keystone pipeline, he will not even need to use the phone—just the pen. One stroke and the Keystone pipeline is approved.

I know the Keystone issue is difficult for him because it involves a choice between pleasing the left and helping the middle class, but that is exactly the type of decision he needs to make. He needs to make it now. It is emblematic of the larger choices he will need to make about the direction of our country too, because for all of his talk of going around Congress, he would not have to if he actually tried to work with the people's elected representatives every now and then. I am saying don't talk about using the phone, just use the phone and please be serious when you call.

Take the income inequality issue we hear he will address tonight. Is this going to be all rhetoric or is he actually serious, because he is correct to point out that the past few years have been very tough on the middle class. As I indicated, median household income has dropped by thousands since he took office. Republicans want to work with him on this issue but only if he is serious about it. He could show us he is by calling for more choices for underprivileged children trapped in failing schools or he could agree to work with Senator RAND and me to implement Economic Freedom Zones in our poorest communities.

Here is something else: He could work with us to relieve the pain ObamaCare is causing for so many Americans across the country, across all income brackets. I asked him last year to prepare Americans for the consequences of this law. He did not do it. Today those consequences are plain for anyone to see.

Just last night I hosted a tele-town-hall meeting where Kentuckians shared their stories about the stress that ObamaCare is causing them and their families: restricted access to doctors and hospitals, lost jobs, lower wages, fewer choices, and higher costs. I assure you these folks will not be applauding when the President is trying to spin this law as a success tonight. More than a quarter million Kentuckians lost the plans that they had and presumably wanted to keep, despite the President's promises to the contrary. This is a law that caused premiums to increase an average of 47 percent in Kentucky and in some cases more than 100 percent. This is a law that in some parts of my State is limiting choices to health care coverage to just two companies in the individual exchange market.

At what cost to the taxpayer for all of this? It is $253 million. That is how much Washington has spent so far for these results in my State—a quarter of a billion dollars to essentially limit care, cancel plans, and increase costs.

Kentucky has gotten more money to set up its exchange than every State except for California, New York, Oregon, and Washington—that is a lot of money—and they still only enrolled 30 percent of the people they were supposed to at this point. How in the world could that be considered a success?

So President Obama and Governor Beshear can keep telling Americans to ''get over it'' if they don't like this law, but sooner or later they are going to have to come to terms with reality. They are going to have to accept that ObamaCare hasn't worked as the administration promised in Kentucky and across America, and it is time to start over with real reform.

That is why tonight I hope the President will make change. I hope he will announce his willingness to work with both parties to start over with real bipartisan reform that can actually lower costs and improve quality of care. That is the kind of reform Kentuckians and Americans want, and that is the way President Obama can show he is serious about having a year of action. This time next year we will be able to judge if he was serious.

If the President is still talking about unemployment benefits next January rather than how to manage new growth, if he is still forced to address the pain of ObamaCare rather than touting the benefits of bipartisan health care reform, if we are trapped in these endless cul de sacs of Keystone and trade and tax reform, then we will know what choice the President made. We will know the special interests won and the middle class lost.

I hope we won't get there. I hope he will reach out tonight. I hope he will be serious. I hope he will help us chart a new path for the American people both parties can support. That may sound like a fantasy to some on the hard left who think tonight is all about them, but the fact is there have always been good ideas the two parties can agree on in Washington—ideas that would make life easier, not harder, for working Americans. Until now the President has mostly chosen to ignore them. Here is hoping for something different tonight.

TRIBUTE TO DIANE SKVARLA

Mr. MCCONNELL. Mr. President, I wish to say a fond farewell to the Senate's long-term curator Diane Skvarla, who has been such a tremendous asset to the institution over the years and a very good friend to our office as well. All of our dealings with Diane over the years have been marked by her great professionalism and her deep knowledge of and respect for the Senate and its history.

Diane and her staff have been invaluable in the multiyear restoration of the Strom Thurmond room and keeping up the rest of our historic suite. My staff has always enjoyed working with Diane and her staff, and I hope we have been as gracious in return.

For a lot of young people who wring their hands or wander around for a while after college, Diane started working full time in the Senate the Monday after she graduated and has been here off and on ever since.

She witnessed a lot of changes in the curator's office over the years. When Diane started here full time in 1979, there were only three staffers in the office, but in the years leading up to and after the Nation's bicentennial when preservation came back into vogue, there was no shortage of new work.

Diane went on to earn a master's degree in museum studies from George Washington University in 1987, and it paid off when she helped put together a major exhibit for the Senate's own bicentennial in 1989. Diane collaborated on the exhibit with Don Ritchie, and together they set a new high standard for projects of this kind. At the time Diane was the associate curator and Don was the associate historian. They both rose through the ranks of their respective offices, so it has been a fruitful collaboration for many years.

Diane spent most of her early childhood in England where she first learned the sport of dressage. She gave up horses during college at Colgate University in upstate New York and went back to England in 1991 to become certified in teaching the sport. She kept up her riding after she returned to the States and came back to the Senate as head curator in late 1994, replacing the widely admired Jim Ketchum.

With Jim's support and encouragement, Diane learned the ropes and has doggedly pursued the legislative mandate of the Senate curator's office ever since, and that mandate is to protect, preserve, and educate.

Some of the biggest challenges Diane has faced have involved dealing with disasters. In 1983, a bomb planted near the Senate Chamber destroyed portions of the corridor—including a portrait of Daniel Webster. Under Diane's supervision, a conservator put the pieces back together and restored it.

Other projects Diane has been particularly proud of over the years include the publication of the U.S. Senate Catalogue of Fine Art, a 481-page book that took years to complete, and the restoration of a giant portrait of Henry Clay, from my State, that was given to the Senate after being discovered in the basement of a historical society. This magnificent painting of Clay now hangs in the stairway off the Brumidi corridor. The restoration of the Old Senate Chamber was also a proud achievement.

The entire Senate family is grateful to Diane for her many years of devoted service to this institution. Through her work, she has helped preserve and bring to life the shared objects of our collective history as a people—precious objects that belong to all Americans and to our posterity. Her legacy is literally all around us.

We thank her for her work and wish her and her husband Chris all the very best in the years ahead.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT OF 2014—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 1926, which the clerk will report.

The bill clerk read as follows:

Motion to proceed to the consideration of Calendar No. 294, S. 1926, a bill to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I wish to speak for up to 10 minutes. I think we are in morning business.

The PRESIDING OFFICER. The Senate is moving to proceed to consider S. 1926.

Ms. LANDRIEU. Wonderful. I thank the Presiding Officer. I will then speak on the bill that is before us.

I appreciate the cooperation of so many Members who voted last night to move forward on the debate of the fix to Biggert-Waters. We had a very strong and very impressive vote. I think 83 Members, Republicans and Democrats, came together from all parts of the country, from all different areas and districts and backgrounds to vote to move forward on the debate on flood insurance. I am grateful.

We have been working on this for about a year and a half. It has been a tough slog because 2 years ago a bill called Biggert-Waters was passed, named after the two cosponsors in the House, Congresswoman Biggert and Congresswoman WATERS. They passed a bill with very good intentions. They were thinking they were going to strengthen the flood insurance program. The bill had wonderful intentions, but unfortunately, the way it was drafted in the conference committee has resulted in disastrous results.

Some of us knew that 2 years ago and started working literally the moment the conference bill was passed to begin changing it. So we have worked diligently and together and built a great coalition. I thank the 200 organizations that quickly came together over the last year and a half—as quickly as any of these things can happen in a practical sense—to understand what went wrong in the first bill and how we could fix it so we could accomplish two important goals for the National Flood Insurance Program: first, that the program could be self-sustaining. In other words, it could pay for itself with limited or minimal taxpayer burden.

The other equally important goal—and the Presiding Officer, who represents New Jersey, knows, as I do, how important this is—is that the program would be affordable to middle-class families. If it is not affordable to middle-class families, they will not participate in it and the program will go bankrupt due to lack of participation.

The idea of insurance is to have a large pool to spread the risk, and that is how an insurance system works. If we don't fix it, it is going to make that pool get smaller and smaller and smaller. Because people will not be able to afford it, the program will collapse and the taxpayers will be saddled with debt.

The goal of our coalition—led by Senator MENENDEZ, the senior Senator from New Jersey who is on the Banking Committee and has been one of the great spokesmen and leaders for this bill, and Senator ISAKSON from Georgia, who is literally the most respected Member in this whole body on issues related to real estate because he had one of the largest real estate companies in Atlanta and knows the issue well. He is very respected on both sides of the aisle. These two gentlemen have led this effort and have built a bipartisan coalition.

So we are now ready this week, of all weeks. It is the State of the Union week. We would have probably preferred another week, but that is how this worked out. We are ready to debate the bill on the floor of the Senate. At last count, when we left, there were about six or seven relevant amendments. We are only going to accept relevant amendments to this bill. We are not going to accept amendments on other subjects by Members who are attempting to derail the Senate, get us off topic, et cetera, et cetera. We will only accept relevant amendments to this bill.

The happy thing is we think we only have about seven or eight amendments. Some amendments are Republican, some amendments are Democratic.

We just received an amendment from one of the opponents of our bill, the good Senator from Pennsylvania, who has not been supportive of our bill and has not worked with the coalition and has not cooperated in any way. We got his amendment an hour ago. We have been actually waiting for a year and a half.

Last May he opposed the bill, and we couldn't even get to the debate because he wasn't happy with the direction we were going. So that happened in May. What is this month? It is January. We are now in the month of January, and he opposed the bill in May. It set us back 7 months. We tried to explain to the Senator from Pennsylvania that 74,000 people in his State have these policies and they too need help. Whether he has been able to reconcile that with his constituents I don't know, but we literally asked him to please let us know what we could do. We told him we would be happy to meet with him. The homebuilders and the realtors were willing to sit down and speak to him. We finally got a draft of his amendment in the last hour. We are literally reading it for the first time. I don't think that is cooperation, but he may have a different definition of it. We are reading that amendment now. I don't believe this amendment is going to help our cause. I think it is going to undermine what we are trying to do.

I will have more comments about the specifics of it, but the Senator from Pennsylvania, for whatever reason, has not been cooperative the whole time. We will be happy to vote on his amendment. I think the amendment is going to do great harm to the bill, and I think I would urge our coalition at this point to vote no, but I am going to look at it.

Senator ISAKSON has just received a copy of it in the last hour, and all I can do is ask our colleagues to be patient while we review his 13-page amendment. We have 200 organizations that have been working on this. We are trying to be fair and get their input, and then we will know how to proceed.

The bottom line is this: This week we are going to pass a flood insurance relief bill off the floor of the Senate. I wish to put everybody on notice that we have run out of patience. We have been working on this for a year and a half. We were told before Christmas we could have a vote, and then we were told we could have a vote when we got back. Then we were told we could have a vote before we left.

This is it. There is no more time. We are voting on this legislation this week. We are either going to do it the easy way or the hard way. We are either going to have a few amendments the Republicans put up, the Democrats put up, and we get back to legislating as we should or the leader is going to file cloture on this bill and we are going to pass it without an amendment. If one single Republican comes to this floor and says they did not have time to discuss their amendment, we will debate until the cows come home because I am not leaving this floor until every single person in America knows the games that can be played here.

I have been more than transparent. I have been more than honest. I have come here more than any Senator. I don't know if this is good or bad; it is the only way I know how to lead, which is to be forthright and honest with myself, with my constituents, and with people who need to know what in the heck is going on. I don't know how else to do it. I am not going to apologize. I am not going to read about how to do this in a book. There are no books on this. This is about leadership from the inside, and the only people who taught me this were my parents.

I am just saying, if anyone in this Chamber thinks they are going to get away with trying to give some flimsy-limsy excuse about how they didn't get their amendment considered, how they are upset with the leader, they will have to go through me, and I am not moving because I have people all over this country who are desperate. We passed the wrong bill. We should not have passed it. We must fix it, and we are going to fix it this week in the Senate.

What the House does, what Speaker BOEHNER does—he made some negative comments about the bill last week. My comments back were the Speaker has his hands full. He has been busy. I understand it. I wouldn't want his job. He has a tough job with a lot of issues to juggle. But I said, and I will say again, when this bill goes to the House, which it will after it passes the Senate this week, he will hear from millions and millions of Americans who paid their mortgage every month, who went to work every day, who honor their family by building homes in places they have been for generations, and they are about ready to take those front-door keys and turn them in to the local bank and walk away from their house. Speaker BOEHNER is going to hear that. I hope those words, those expressions, those pictures, those letters will hit his heart the way they have hit mine and that he will have a softened heart and an open mind and he will consider what we are trying to do.

I realize our way may not be the most perfect way, but it is a good way, and if somebody wants to improve it, fine. But don't scuttle it, pretending to be helping. Don't scuttle it by pretending to be for some kind of better approach. If there was a better approach, we would have found it in the last year and a half we have been searching. We are not going to find it in the last 3 minutes of this debate.

We are reviewing the Toomey amendment. He has been the lead opponent of our effort. I don't believe his amendment is helpful, but until I read it, I will not be able to give a definitive assessment. Senator ISAKSON will have to give his views on it, as will Senator MENENDEZ, and we will figure it out. But we are going to bring relief to the 5 million people who have done nothing wrong—middle-class families, some of them very poor families—who have been living in these places for generations, and because FEMA can't get its flood maps right, because FEMA can't get the affordability study done, they are going to be kicked out of their homes.

Talk about misguided regulation. I hope MITCH MCCONNELL, our Republican leader, talking about misguided regulation, will put a little muscle into helping us. He has been cooperative, and I thank him. Senator REID has been putting a lot of muscle into this, and I thank him.

I hope people will come to the floor and speak about the importance of this bill. We will figure out this amendment process—all germane amendments—and get the final vote this week. This is going to get done this week, the easy way or the hard way, and we are done. The vote is going to happen this week. We are going to move this bill from the floor to the President, who put out a statement—and his administration—they didn't have many positive things to say about this. Let me just say I think their statement is misinformed. It is misguided. I am hoping the White House will reconsider. The President is coming here tonight to speak about the importance of strengthening the middle class. I would think that allowing middle-class people to stay in their homes would be a good place to start. So I hope the administration will take a second look and join us and help us to let middle-class families stay in their homes.

Let me conclude. Colorado is a beautiful State. I have been there many times. However, not everybody can live in the mountains of Colorado. There are some of us who have to live along rivers and streams and ports to build and to support the infrastructure that helps to make this country grow. My people who fish every day, who harvest the oysters, who put seafood on the table, who bring those huge and magnificent barges up and down the river, can't live in Vail, CO. I am sorry. They don't like the snow and they couldn't afford to live there anyway. They live in little places such as Burris and Venice and Plackman, and the lower ninth ward that got flooded out, every single home destroyed. They can go back if we use our science, our engineering, our brains, and lead with our hearts and our heads. This can work. But if people are playing political games, if they are trying to score political points or if they are not working hard enough to understand the issue, then I feel sorry for them because the public needs our help.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MERKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MERKLEY. Mr. President, I have come to the floor to talk about the

Homeowner Flood Insurance Affordability Act. This bill is a bill that is designed to fix the damage that has been done by the Biggert-Waters Act, and this damage is extensive. This bill would freeze dramatic rate hikes, and these rate hikes have several impacts.

We have, of course, the impact on families who currently have flood insurance who will be paying much higher levels than they bargained for when they bought their home and may not be able to afford those much higher levels, raising questions about their ability to stay in those homes.

We have the impact on commercial enterprises and the fact that now that they are paying higher rates, they may not feel they can add on to their business in that location.

Then we have the impact, of course, on selling your property, whether you are a homeowner or you are a business, because the folks who might be buying might have to jump to a full rate that would be many times—in some cases 10 times—the price the current owner is paying, and when that happens the property becomes unaffordable and, therefore, the value that one has in their home or business drops dramatically.

All of this is of great concern, and we need to reverse the features of Biggert-Waters that are causing this economic havoc.

This bill comes out of discussions that were in my Subcommittee on Economic Policy several months ago. This discussion is now led by Senator MENENDEZ, and he has been ably assisted and partnered with Senator MARY LANDRIEU and Senator ISAKSON and Senator VITTER and I compliment them all for being vocal advocates and instrumental in helping to move this bill forward.

The Biggert-Waters Act, while well intentioned, is creating massive burdens for our middle-class homeowners in Oregon and certainly across the Nation. Flooding is something of an equal opportunity disaster. For some, it is the coastlines. For others, it is broad flood plains along major rivers. For others, it is narrow valleys and flash floods. But in all of these situations, the common impact is dramatic devastation.

Something is very wrong though when families are more worried about dramatic spikes in their flood insurance premiums than they are worried about dramatic floods, and that is where my Oregon families are right now. I wish to share a letter from Kelly. She lives in Tigard. She says, in her own words, she is ''a middle class, single mother currently working to get [her] daughter through college.''

She bought her home 13 years ago to provide stability for her daughter. This is a goal of so many parents, to have a piece of the American dream, to have the stability that goes with home ownership, to have the equity that you build in your home as a financial reservoir with which to assist your children going forward in life.

She thought about selling a few years ago but decided to stay in that house and keep that financial foundation. But now, with Biggert-Waters going into effect, she has been caught between two bad choices. If she stays in her home, her flood insurance rates will go up precipitously, making her home increasingly unaffordable and squeezing an already tight budget. But should she try to sell, the new owner will face annual flood insurance premiums of $15,000 or more, making her home completely unaffordable for middle-class buyers.

Keep this in mind: For every $1,000 a buyer pays in flood insurance per year, the value of a home drops by about $20,000. So if the flood insurance is $15,000, we are talking about a value of a home dropping $300,000. Many middle-class homes in Oregon are not priced at $300,000. They might be valued at $200,000 or $220,000 or $250,000 or, in more rural areas, $150,000 or $175,000. So we can wipe out the complete value of a home and certainly easily wipe out the equity a homeowner has built over a number of years. Essentially, you have to give the home away. That makes no sense.

To read from Kelly's letter, she says:

Here is where I see a problem. There is an old saying, ''you can't get blood from a stone.''

She continues:

I know I am not alone in my predicament of barely getting by financially.

Middle income folks like me are squeezed from all sides. . . .

While living expenses rise every year, our income generally does not raise enough to make up for it. . . .

We tighten our belts and wait for better times. So, the problem here is, we can't afford to pay these, much higher rates. We just don't have the money.

She continues in her analysis:

There are options, of course. We can come up with many 10's of thousands of dollars to raise our houses up and make them flood friendly. . . .

But wait—we don't have 10's of thousands of dollars. And, we can't sell—that's the beauty here. Who will buy a small, middle income type home that has a flood insurance bill annually of 15–30k [a year]?

She continues:

So what will we do, the over 1 million homeowners in this situation? To our utter frustration and humiliation, many of us have no choice but to walk away. . . .

Whatever the attitudes about us are, most of us are good Americans who believe in paying our debts. We have worked hard our entire lives, and asked for little or no help along the way.

This will crush us, and since we don't have the money to give, there is no benefit to be had.

That is how she concludes her letter: ''This will crush us. . . . '' She is right. It will crush her family. It will crush millions of families across this country. It will include foreclosures. It will include equity wiped out. It will result in families having to walk away from their home and hope they are not pursued by their mortgage company that will be unable to sell the home on a secondary market for the debt owed and, therefore, could pursue the owners.

It is wrong and counterproductive to squeeze middle-class homeowners such as Kelly when it will only result in more foreclosures or families trapped in their homes unable to sell them.

Making flood insurance more solvent is a laudable goal, but it is one we have to approach in a manner that involves fairness over time. Achieving solvency by putting a huge burden, a huge financial shock on the backs of our middle-class families is not just wrong, it is a financial disaster that is unfolding now and will continue to unfold across this country.

We cannot get to solvency by asking families to pay sums they simply do not have or, as Kelly said, ''You can't get blood from a stone.''

We need to immediately stop these dramatic rate hikes for our homeowners and our businesses while FEMA goes back to the drawing board to figure out how to make this program affordable and effective for our middle-class families.

That is exactly what this bill does. This bill has several important provisions that help ensure affordability and fairness for our middle-class families.

The first is it delays implementation of flood insurance rate increases. It does so on primary residences and on businesses until FEMA can complete an affordability study, propose regulations to address the problem of affordability, and give Congress time to weigh in.

Second, unlike Biggert-Waters, the bill ensures that FEMA will truly have the funding they need to complete a comprehensive affordability study.

Third, this bill takes on a catch-22 in the current system, which is that when homeowners face unaffordable rates that they think are inaccurate, they have to pay out of their pocket for a flood map appeal to prove that their premiums should be lowered. So when someone else makes a mistake, they have to pay for that mistake, and that is wrong.

The studies necessary for an appeal can cost between $500 and $2,000. It is a prohibitive cost for many families to undertake. This bill ensures that any homeowner who can successfully appeal a flood map finding will be reimbursed by FEMA for their expense, making the system fairer for the homeowner and giving FEMA an added incentive to get it right.

Finally, this bill does something very important in creating a flood insurance rate map advocate within FEMA, someone to educate and advocate for homeowners. One of the complaints my office has heard is that FEMA has not been responsive to homeowners' concerns or questions about changes in their policy.

It creates this position. An advocate will do several things. The advocate will educate policyholders about their flood risks and their options in choosing a policy. The advocate will assist those who believe a flood map is wrong and assist them through the appeal process. The advocate will improve outreach and coordination with local officials, community leaders, and Congress.

My colleagues Senators HOEVEN and HEITKAMP have also done great work on this bill to ensure that homeowners in certain communities are not hit by unfair rules on how their basements impact a flood policy.

I would like to address one other issue that is not in this bill that hopefully I will be able to offer an amendment on; that is, protection for consumers whose policies are purchased by their mortgage servicer or their bank rather than by themselves. This is the issue of predatory force-placed premiums.

Let me explain. Let's say, for example, that you are notified by your servicer that they have reviewed the records and they now consider you to be in a flood plain they had not noticed before and you have to get flood insurance. But that flood insurance, unsubsidized, is so expensive you cannot afford it. So then the servicer says: Well, we are going to put on flood insurance for you. The rate might be 5 to 10 times the market rate. In other words, the homeowner who already cannot afford flood insurance is gouged by predatory premiums on force-placed insurance.

Let's consider that perhaps you had a transition in your family. Maybe you have one partner paying the bills and another partner takes it over while the first partner is sick and you miss the fact that your annual premium was due on your flood insurance. So what happens? That lapse can trigger much higher rates that you cannot afford. Then suddenly you are in the situation of force-placed insurance.

How about if new maps are issued. The new maps now put you into a 100-year flood plain that you were not in previously. It is not that the geography changed; it is that a different set of engineers, doing a different study, different assumptions about where the rain will fail, which creek will swell the quickest, puts you into this 100-year flood plain.

So now what are you going to do? You are going to be in this situation. You cannot afford that insurance, that newly placed requirement for insurance, so the servicer or bank puts it on for you. Well, they should put it in at a fair market rate, not at a rate which is 5 to 10 times the fair market rate and which is designed to gouge.

I have an amendment that addresses this by saying the servicers or banks cannot take fees—or, as some would say, ''kickbacks''—for placing this insurance and therefore have an incentive to do a nonmarket rate policy that is 5 or 10 times higher than the actual market rate.

This is a significant problem in force-placed home insurance. Certainly, we do not need to add to this problem by allowing predatory premiums on force-placed policies in the realm of flood insurance. I encourage my colleagues on both sides of the aisle to take a look at this issue, to support banning the anticompetitive features of the market that have led to these predatory premiums on force-placed flood insurance.

In closing, I again thank my colleagues who have worked so hard. This is an important issue, an incredibly important issue for families across Oregon. Let's stop these dramatic rate hikes. Let's work together for an affordable flood insurance program that will be effective and fair for all Americans.

I yield the floor.

The PRESIDING OFFICER (Mr. SCHATZ). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak in morning business for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCOME INEQUALITY

Mr. GRASSLEY. I ask unanimous consent that the letters I will be speaking about be printed in the RECORD at the end of my remarks.

Recently the Obama administration has been talking a lot about income inequality and poverty. Yesterday I spoke about the issue, about the war on poverty, its successes and its failures. As I said yesterday, the United States has spent trillions of dollars in the last 50 years fighting the so-called war on poverty. I said yesterday that the results have been marginal, in some cases successful, reducing the poverty rate from 19 percent down to the 15 percent it is now. But a lot more needs to be done.

Now, in the fight against the war on poverty, this administration, like a lot of administrations, wants to spend more money on more programs. Some of that may be justified, but that does not seem to fix the problems. If you just hand this money out with no strings and no oversight, it gets diverted and misused. That is the purpose of my speaking today on the subject of public housing.

Wasted money does not help the poor. There are a lot of people who make a nice profit from the poverty of others. This administration has been helping a number of these profiteers while the poor suffer. I want to be clear as to some of these issues I am talking about—their genesis goes back to previous administrations as well. Through my oversight work, I have seen this happen over and over, that a few people profit from trying to help the poor, but the money does not go there. The Department of Housing and Urban Development hands out $4 billion in Federal money every year to local housing authorities. This money is supposed to help provide clean, affordable, safe housing for the poor. But, while no one is watching, much of the money gets spent on high salaries and perks for the people who run the housing authorities. These housing authorities have other sources of money. For most of them, up to 90 percent of their total funding comes from the $4 billion contributed by the Federal taxpayers.

Housing and Urban Development argues that because housing authorities are State and local government entities, there is no reason to scrutinize them from here in Washington, DC. As far as I am concerned, HUD is missing the point for 4 billion reasons. Those are dollar reasons. Taxpayer money should come with Federal oversight. We need to make sure that the Federal authorities who disburse it make sure they oversee that it is spent in the legal way—to help the people who need the help.

I have been conducting oversight of the wasteful spending at housing authorities for almost 4 years. I have been urging the Obama administration to look at what is happening and to take action. But there is little if any interest in the oversight of these Federal dollars by the folks writing the checks here in Washington, DC. They just want to send the checks and pat themselves on the back. They do not want to talk about what actually happens to the money once it is disbursed.

Federal funds end up feathering the nests of local housing bureaucrats instead of housing the poor. I will show you how that is done. Here are some of the most egregious examples of how ineffective the Department of Housing and Urban Development has been at policing local housing authorities.

Bradenton, FL, is an area of the country which was hit extremely hard during the foreclosure crisis, but employees at Bradenton Housing Authority only have to work 4 days a week. They get 2 weeks off at Christmas, bonuses in June and December, and the option to cash out up to a month of sick leave twice per year. They get free use of a car purchased by the housing authority. After 15 years of employment, they get to keep the car when they leave or take $10,000 instead; it is their choice.

There are generous fringe benefits, but many housing authorities also provide very lucrative salaries. These salaries far exceed the salaries of Federal employees right here in Washington, DC, who hand out the taxpayers' money to the housing authorities. The biggest salary jackpot winner I have encountered so far is the Atlanta Housing Authority. At least 22 employees there earn between $150,000 and $303,000 per year. The Atlanta Housing Authority benefits from a special HUD designation called ''moving to work.'' That program exempts designated housing authorities from certain requirements, including salary justification. This is not just an isolated example. The executive director of the Raleigh, NC, housing authority receives about $280,000 in salary and benefits, plus up to 30 vacation days. He also accumulates comp time for any hours he works over 7½ hours per day. He has used over 20 days of comp time per year since 2009. Add that to his regular vacation time, and he is out of the office nearly 3 months per year. Nine months of work for $280,000 is an annualized salary of $375,000 per year. Very few taxpayer-funded jobs pay anything close to that amount.

So what is the justification for such high salaries, particularly considering the fact that they are supposed to provide safe, affordable housing for low-income people? After years of ignoring the issue, HUD finally capped Federal funding for executive salaries at $155,500 per employee. Of course, this was only after various local media and I exposed deep-rooted problems and pushed the Department of Housing and Urban Development to act. But now housing authority executives have turned to creative accounting tricks to get around that limit of $155,500 per employee. Since some of their money comes from other sources, the housing authorities simply claim that any salary over the Federal limit comes from one of those other sources, whereas the money from those other sources ought to be used to help low-income people have affordable, clean, and safe housing.

Because of my oversight letters on this subject, HUD recently notified the housing authorities that they must document the original source of the funding used to pay salaries over the Federal limit. That is good news, but there are still larger problems. The Department is still not making this salary data public in a reasonable timeframe. I will give an example. This administration refused to release the 2010 set of data for almost a year. I hope we do not have to wait a year to get the most recent data.

Like many of our Federal agencies, some housing authorities spend large amounts of money on travel for conferences and training. Some of that may be legitimate, but I am raising questions about the extent to which it is done and the amount of money that is consumed. Staff and board members often attend the same conferences throughout the United States year after year. They often attend multiple conferences in a single year. In addition to travel costs, housing authorities must pay a conference fee for each attendee they send, often ranging from $400 at the low end to $1,000 per employee at the higher end.

That money could easily be used to improve conditions and make needed repairs in public housing facilities. Instead, it is frittered away on conferences. In other words, forget the low-income people they are supposed to be helping and spend the money someplace else.

The Tampa Housing Authority has spent more than $860,000 since 2009 for staff and board members to attend various conferences, seminars, and training programs—$860,000 that could have been used to provide affordable housing for low-income people. Tampa also has been sending 20 or more employees per year to conferences sponsored by the National Association of Housing and Redevelopment Officials. That alone costs more than $177,000 per year.

The Atlanta Housing Authority spent more than $480,000 since 2009 for the employees to attend conferences and training sessions. In fact, the housing authority paid over $68,000 in conference fees to a software company after giving them a multimillion-dollar contract for a new computer system.

I wonder—I don't know, but I think it is legitimate to question—if the housing authority executive director thought to ask for a discount. Many of the housing authorities with questionable spending don't limit the abuses to salaries or travel.

The Tampa Housing Authority purchased a new $7 million administrative office that includes nearly $3 million in renovations and upgrades. That could have helped hundreds, if not thousands, of poor people needing the housing. They are also paying nearly $800,000 in salary and benefits for a public relations department while at the same time paying an employee another $170,369 as a PR consultant.

Other housing authorities are also spending exorbitant amounts for outside consultants. Some of these consultants are former employees of the local housing authority.

In 2013, the Pittsburgh Housing Authority retained 10 law firms for a total of $3.5 million over 3 years. One law firm has been representing the housing authority during inquiries by the Department of Housing and Urban Development Office of Inspector General and the city controller.

Think about that. It is bad enough that taxpayers' money meant to help the poor is wasted, but when the taxpayer also pays the lawyers to defend the very organization from scrutiny about whether the taxpayers' money was wasted is even more outrageous. Of course, that adds insult to injury.

In Philadelphia, outside lawyers blocked the inspector general's office from assessing spending data for months, and that cost the taxpayers millions of dollars.

The Pittsburgh Housing Authority also paid an outside consulting firm $1.25 million in the year 2012. The vice president at the consulting company billed the housing authority $404,000 for 2,400 hours of work. That is 48 hours a week for a year. It is more than double the $168,000 salary of the housing authority executive director.

Harris County, TX, is one of the most egregious examples of out-of-control spending. In 2013, the HUD inspector general questioned the mismanagement of over $27 million in Federal funding for Harris County. The IG provided the following examples of fraud and abuse: over $1.7 million in excessive payroll expenses; $190,000 for statues and monuments; $66,000 for employees' shirts embossed with logos; $27,000 for trophies, plaques, and awards; $14,500 for a helicopter, a chartered bus, and golf cart rentals for a grand opening; and $18,000 for letters written by Abraham Lincoln.

I continue to send my oversight letters to the Senate appropriators and the Senate banking committee. These are the letters I received permission to put in the RECORD at the end of my statement.

The Senate appropriators and the Senate banking committee members have jurisdiction over the Department of Housing and Urban Development. They have the authority to do something about these abuses. My colleagues need to know the extent of the problems, and that I am ready to work with the Members of this body to address these issues.

Employment at public housing authorities should be about public service. That is why we have a program serving the needs of low-income people. It is supposed to be providing clean, safe, affordable housing for those in need, not helping bureaucrats live high on the hog on the taxpayers' dime.

As I said in my opening, this problem didn't start with this administration. There is a culture here that had to start back a long time ago. But now, bringing these problems to the attention of this administration, I hope it will take them seriously. If this administration is truly serious about income inequality—and not only using it for political purposes—it would stop shoveling taxpayers' money out the door with practically no oversight, no controls, no limits, and the waste of money I have just expressed. If President Obama is truly serious about income inequality, he would take the money high-income public housing authorities waste and give it to the benefit of low-income patrons of public housing to provide what the law is meant to provide these people: safe, affordable, healthy housing.

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

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, July 16, 2013.

Hon. SHAUN DONOVAN,
Secretary, U.S. Department of Housing and Urban Development, Washington, DC.

DEAR SECRETARY DONOVAN: The Department of Housing and Urban Development (HUD) awarded high performer status to the Harris County Housing Authority (HCHA) ''for eight consecutive years'' between 2004 and 2011. In the 2009 Consolidated On-Site Review, the HUD field office director, Dan Rodriguez, even stated that, HCHA ''practices are some of the best throughout our region.'' Following revelations of possible mismanagement in 2012, Mr. Rodriguez then told the Houston Chronicle, ''We didn't expect that anything was actually going on here of concern.'' He further stated, ''We in the field office here have always had the privilege of having one of the highest-performing housing authorities in the country.''

On June 19, 2013, the HUD Office of Inspector General (OIG) released an audit report raising concerns about HCHA mismanagement of over $27 million in federal funding. In addition to over $7 million spent on an unauthorized disaster assessment and over $8 million for the now-defunct Patriots on the Lake development, the OIG provided numerous examples of fraud and abuse of taxpayer dollars. These include:

Over $1.7 million in excessive payroll expenses;

$190,000 for statues and monuments;

$66,000 for employee shirts embossed with HCHA logos;

$54,000 for apartment rental for housing consultants;

$24,000 for a book writing project about disaster housing;

$27,000 for trophies, plaques and awards;

$14,500 for helicopter, chartered bus and golf cart rentals for a grand opening;

$18,000 for letters written by Abraham Lincoln; and

Over $150,000 in missing electronic equipment including computers and electronic tablets.

The OIG found that both HCHA management and the Board failed to fulfill their oversight responsibilities. Specifically, ''the Authority expended funds for many items that were not reasonable or necessary and did not support the Authority's mission.'' Moreover, ''they neglected their management and oversight responsibilities; wasted Authority funds, at times for personal gain; circumvented existing internal controls; and manipulated accounting records. These conditions occurred because the Authority's management and Board failed to exercise their fiduciary responsibilities and did not act in the best interest of the Authority.''

HUD also failed to ensure that millions in Disaster Housing Assistance Program (DHAP) funding, awarded following Hurricane Ike, were used properly or as intended. Instead, HCHA awarded a lucrative consulting contract to the former HCHA Board chairman Odysseus Lanier's firm just two months after he resigned from the Board. The conflict-of-interest waiting period is one year. Mr. Lanier's consulting firm received ''$11.3 million from HCHA, according to agency director Tom McCasland, most of it for work on some sort of multi-state disaster response survey that nobody wanted. Harris County tried to get $7 million in reimbursement for it from the Federal Emergency Management Agency, but was denied, according to the audit.'' Additionally, in 2008 the housing authority purchased at least five high-end SUVs which were subsequently donated to the Harris County Office of Emergency Management and earmarked for five specific employees.

Purchasing $18,000 historic documents, spending $190,000 on statues and monuments, and paying for chartered helicopter flights is not a hallmark of ''one of the highest performing housing authorities in the country.'' This is money that should have been used to provide clean, safe, and affordable housing for those in need. HUD must take greater steps to safeguard taxpayer dollars, especially during this time of budget cuts due to sequestration. Please provide the following information:

1. What steps are being taken by HUD to recoup as much of the $27 million in questionable spending outlined in the OIG audit report?

Given the efforts that Mr. Rankin and other officials at HCHA took to hide their questionable spending, have criminal referrals been made to the Department of Justice? If so, for what offenses? Who has been referred?

2. I have raised concerns about unreported conflicts-of-interest at HCHA and other housing authorities that have cost taxpayers millions. What steps are being taken by HUD to tighten up conflict-of-interest reporting requirements and increased oversight to reduce the questionable payments in the future?

3. It is my understanding that HUD has conducted no oversight of the billions in Disaster Housing Assistance Program (DHAP) funding granted to HCHA and other housing authorities along the Gulf Coast impacted by Hurricanes Katrina, Rita and Ike. Please explain why this has not been done and, given the recent financial problems at HCHA and billions provided for Hurricane Sandy efforts, when we might expect an audit to be conducted?

4. It is my understanding that neither the former HCHA executive director, Guy Rankin IV, nor his new company, International Housing Solutions, has been suspended or disbarred from receiving federal funding through HUD. In fact, Mr. Rankin may be trying to obtain or has already received Hurricane Sandy funding even after allegedly wasting millions in Hurricane Ike funding.

Please state whether HUD has suspended or disbarred Mr. Rankin and/or International Housing Solutions, as well as other bad housing authority actors, from receiving federal funding.

Please also explain what steps HUD is taking to ensure that Hurricane Sandy funding is used as Congress intended and not lost to waste, fraud and abuse.

5. What specific changes have been and will be made to the housing authority assessment program that will address the many deficiencies in the current self-assessment program? When will these changes be fully implemented?

6. Currently, the housing authorities' financial and management audits are paid for by the housing authorities themselves, which may result in conflicts of interest. What alternatives to auditor contracting awards and payments are being considered by in order to ensure that the auditors are serving the taxpayers instead of housing authority management?

Thank you in advance for your prompt attention to this matter. I would appreciate receiving your response to this matter by July 31, 2013. Should you have any questions regarding this matter, please do not hesitate to contact Janet Drew of my staff.

Sincerely,

CHARLES E. GRASSLEY,
Ranking Member,
Committee on the Judiciary.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, November 20, 2013

Hon. SHAUN DONOVAN,
Secretary, Department of Housing and Urban Development, Washington, DC.

DEAR SECRETARY DONOVAN: I have been raising concerns about questionable spending at public housing authorities (PHA) across the United States. I have questioned excessive travel spending at public housing authorities in the past, but the Tampa Housing Authority (THA), a HUD high performer, appears to have far surpassed those housing authorities in travel and conference spending.

Recent investigative reports by Channel 10 News in Tampa found that THA has spent in excess of $860,000 since 2009 for staff and Board members to attend various conferences, seminars and training programs. According to travel documents provided by THA (see attached), staff and board members often attend the same conferences throughout the United States, some for the same organizations year after year, and often attend multiple conferences in a single year. In addition to travel costs, THA pays a conference fee for each attendee, ranging between $400 and $1000. Every dollar that goes to airfare, meals, lodging and conference fees, is another dollar that cannot be used to help house homeless Tampa Bay residents.

Additionally, these trips amount to thousands of man hours spent away from the office and not serving the citizens of Tampa. According to the travel documents, THA staff and board members annually spend more than 500 work days outside the office. While THA may argue the necessity for the conference and training attendance, a vast majority of these trips appear to be non-critical to housing authority business and give the impression of being an excuse to take expensive vacations paid for with taxpayer dollars.

Like other housing authorities I have been investigating, THA has been spending limited federal funding for other questionable expenses. The executive director, Jerome Ryans, receives an annual salary of $214,000 plus a compensation package which puts him well over the $155,500 salary cap. Additional examples include: a new $7 million administrative office with nearly $3 million in renovations and upgrades, nearly $800,000 on salary and benefits for the public relations department while paying $170,369 for a PR consultant, $2.8 million in outside legal fees since 2009 while one outside lawyer is also married to a housing authority employee.

In August, Executive Director Ryans complained that ''the agency will also lose approximately 1 million dollars in administrative fees that cover operational costs due to sequestration.'' He also stated that ''it is our goal to continually find ways or opportunities to reduce overall departmental costs.'' I strongly suggest that Mr. Ryans and HUD start by curtailing attendance at conferences and training seminars, excessive salaries, consulting and legal fees.

Please provide the following:

1. Please describe the steps being taken by HUD to rein in excessive spending on travel, conferences and training at THA and other housing authorities across the country and explain why those steps have been ineffective in preventing the abuses described above.

2. The complete annual compensation packages of all THA employees, including salaries, bonuses and any other compensation (health care, retirement, etc).

3. A copy of most recent employment contracts for the executive director and all THA financial statements filed with HUD, including any statements made about executive director salary and all benefits.

4. Complete documentation of the remodeling expenditures for the new headquarters building.

5. The total number of credit cards issued to THA, including any provided to THA board members.

6. All legal bills and professional service and consulting fees paid by the PHAs. Please also document all conflict of interest waivers.

7. A list of all take-home vehicles provided by the housing authorities and the names of the employees who drive them.

Thank you in advance for your prompt attention to this matter. I would appreciate your response by December 6, 2013. Should you have any questions, please do not hesitate to contact Janet Drew of my staff.

Sincerely,

CHARLES E. GRASSLEY,
Ranking Member.

U.S. SENATE,
COMMITTE ON THE JUDICIARY,
Washington, DC, January 8, 2014.

Hon. SHAUN DONOVAN,
Secretary, Department of Housing and Urban Development, Washington, DC.

DEAR SECRETARY DONOVAN: The Dayton Daily News recently reported questionable management decisions at the Dayton (Ohio) Housing Authority, renamed Greater Dayton Premier Management (GDPM). I want to ensure that HUD taxpayer dollars are used for safe, affordable housing instead of questionable compensation packages.

According to the article, the GDPM Board of Commissioners recently fired the interim CEO, Al Prude. Mr. Prude was removed by a Board resolution which stated that the housing authority ''is going to a 'new business model' that consists of four agency directors acting as a team that will meet twice a day to run the agency.'' Instead of hiring a new CEO immediately, the housing authority is paying the four department heads each an additional $1,000 per week to cover the CEO duties. At that rate, the housing authority is spending $16,000 per month or $192,000 per year for the department directors to cover the CEO duties, with no time frame for naming a replacement. The former CEO was paid just over $123,000 per year which now looks like a bargain.

It also appears that prior to his removal, Mr. Prude received two very lucrative pay raises on one day last year. The first bumped his salary ''from $98,542 to $123,157 on Aug. 30, 2012, along with a check for back pay through June 1, when he was appointed interim CEO.'' The second was an increase ''from $81,000 to $98,542, retroactive to the date of his hire on Jan. 31, 2011.'' He also received a lump-sum payment for back pay back to his hire date. The raises were signed by himself, the board chairman and the chief financial officer.

Although the GDPM Board decided to terminate Mr. Prude, the decision to pay the department heads to cover his duties indefinitely appears to be even more expensive than the previous CEO. Therefore, I am requesting the following information for the period of 2008 to the present:

1. Please provide an explanation for why a housing authority is allowed to pay an additional $16,000 per month for four individuals to act as CEO. Please also document how HUD intends to enforce the $155,000 salary limit when the duties are split among several individuals.

2. The complete annual compensation packages of all GDPM employees, including salaries, bonuses, retroactive pay, separation pay and any other compensation (health care, retirement, etc.).

3. Provide a list of all legal bills and professional service and consulting fees paid by GDPM.

4. Please document any Conflict of Interest waivers filed by the GDPM and Board of Commissioners with HUD.

5. What additional oversight is being conducted by HUD regarding payments to outside consultants and law firms by all housing authorities across the country to ensure that all federal funds, including stimulus and disaster funds, are protected against waste, fraud and abuse? Please be specific.

6. Provide all travel records for all employees at GDPM as well as the GDPM Board members.

7. Please provide the names of all nonprofit affiliates with ties to GDPM. Please include the names of all officers and their salary/benefit packages.

Accordingly, please provide responses by no later than January 24, 2014. If you have any questions regarding this letter, please have your respective staff members contact Janet Drew.

Sincerely,

CHARLES E. GRASSLEY,
Ranking Member.

CONGRESS OF THE UNITED STATES,
Washington, DC, January 9, 2014.

Hon. SHAUN DONOVAN,
Secretary, U.S. Department of Housing and Urban Development, Washington, DC.

DEAR SECRETARY DONOVAN: Recent reports in the Raleigh News & Observer, which we have attached to this letter, have shone a light on the situation surrounding the executive director of the Raleigh, North Carolina Housing Authority (RHA) and his extremely generous salary and fringe benefits. Specifically, we are concerned that the RHA—a HUD ''high performer''—allows its executive director, Steve Beam, to be on paid vacation from the housing authority for nearly three months a year to pursue his outside hobbies and interests.

According to the article, Mr. Beam is one of the most highly paid housing authority executive directors in the country. His compensation package, which includes ''salary, bonuses, longevity payments and car allowance,'' totals approximately $280,000 per year. This year, the RHA board also increased his annual vacation time from 24 days to 30 days per year. In return for the high salary, Mr. Beam is only required to work 7.5 hours per day.

In addition to the generous salary and vacation days he receives through his contract, Mr. Beam also accumulates comp-time for any hours he works over 7.5 hours. This benefit is extremely unusual for such a highly paid manager and Mr. Beam has used it to rack up over four months of paid vacation from 2010 to the present. In fact, because of Mr. Beam's unique 7.5 hour work day, over the course of one year he accrues an additional two weeks of comp-time simply by working a traditional eight hour day. All told, he used 22.5 comp days in 2009, 23.5 in 2010, 20 in 2011, 20.5 in 2012, and only 14 through October 2013.

It appears however, that despite these extremely generous benefits, Mr. Beam still uses government funded time to indulge his interest in magic tricks, which he referred to as his ''business/hobby'' in a statement to the News & Observer. The newspaper spotlighted several examples of Mr. Beam's using work time to pursue his hobby including posting to a website called ''The Magic Café.'' Given that the RHA board specifically gives Mr. Beam months of vacation unavailable to other housing authority executives in order to pursue his interest in magic, it is extremely concerning that Mr. Beam was unable to confine his ''business/hobby'' to his multiple months of vacation which suggests the RHA does not have sufficient oversight controls over Mr. Beam's activities.

The RHA executive director and board believe that RHA functions well while the executive director is away from the office for nearly three months a year mainly because RHA has a ''capable'' deputy executive director to pick up the slack. As the RHA receives the vast majority of its funds from HUD, it is important for HUD to hold Mr. Beam and the RHA board accountable for their actions. To examine the extent of HUD's oversight over Mr. Beam in the RHA, please answer the following questions and provide the requested documents:

1. An explanation for why Mr. Beam is allowed to accumulate up to three weeks of comp time while working less than the standard 40 hour work week.

2. An explanation for how RHA is deemed a ''high performer'' when the executive director is away from the office for nearly three months per year.

3. The complete list of annual compensation packages of all RHA employees, including salaries, bonuses, longevity pay, car allowance and/or take-home vehicle, vacation and comp time and any other compensation (health care, retirement, etc).

4. Please review and document the executive director's use of RHA office equipment to conduct non-RHA business.

5. Provide a list of all legal bills and professional service and consulting fees paid by RHA.

6. Please provide copies of all employee financial disclosure forms and document any Conflict of Interest waivers filed by the RHA and RHA board with HUD.

7. Provide all travel records for all employees at RHA as well as the RHA board members.

8. Please provide the names of all nonprofit affiliates with ties to RHA. Please include the names of all officers and their salary/benefit packages.

Accordingly, please provide responses by no later than January 24, 2014. If you have any questions regarding this letter, please have your respective staff members contact Janet Drew with Senator Grassley or Kris Denzel with Congressman Holding.

Sincerely,

CHARLES E. GRASSLEY,
U.S. Senator.
GEORGE HOLDING,
U.S. Congressman.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, January 16, 2014.

Hon. SHAUN DONOVAN,
Secretary, U.S. Department of Housing and Urban Development, Washington, DC.

DEAR SECRETARY DONOVAN: A recent series of articles in the Bradenton Herald describe very serious financial mismanagement issues at the Bradenton (Florida) Housing Authority (BHA). Specifically BHA—a HUD ''high performer''—has provided lucrative employee compensation packages that helped put the housing authority $400,000 in debt. HUD has already removed both employees for attendance and vacation time infractions, but there appear to be other financial and management problems as well.

The BHA employee manual contains very questionable provisions for take-home vehicles, lucrative bonus and leave policies, and retirement benefits. According to an October 6, 2013 Bradenton Herald article, at least half of the ten person staff have take-home vehicles. According to page 49 of the BHA employee handbook, the take-home vehicles are ''available for both business and personal use,'' and ''BHA issues a fuel credit card for each vehicle user.'' Additionally, the employee is required to ''arrange for routine vehicle servicing . . . through the Development Director'' and the vehicle must be ''cleaned every other week inside and out at a designated car wash.''

If employees with fifteen or more years of service like their take-home vehicles, they have the option of keeping them when they retire or voluntarily leave. According to the employee handbook, the employee ''will be entitled to either the vehicle that they are driving at the time of the separation or $10,000.'' Moreover, the policy provides that ''if said vehicle is leased, the Housing Authority will immediately pay the lease in full.'' Interestingly, the policy places no limit on the value of the vehicle or the lease to be paid off.

Most BHA employees are given two bonuses every year, one in June and one in December. According to the employee handbook, employees who have been with BHA for at least a year are eligible for a bonus of up to ten percent which is determined by the executive director. The bonus is paid in June and even employees who retire or voluntarily leave during the year receive a prorated bonus. According to an October 20, 2013, Bradenton Herald article, BHA instituted a new bonus policy in February 2013, without Board approval, that gave every employee a ten percent raise in March 2013. The second bonus, a longevity award, is paid in December of each year (see Table below). Even employees who voluntarily left BHA after five or more years of employment are paid a prorated amount.

For service of at least:	But less than:	The Amount is:
2 years	3 years	$100
3 years	4 years	$200
4 years	5 years	$300
5 years	10 years	1 Weeks Pay
10 years	15 years	Two Weeks Pay
15 years	20 years	Three Weeks Pay
20 years		4 Weeks Pay

The BHA has very liberal leave policies including 15 hours of vacation and 15 hours of sick leave per month and bonus vacation hours after five years of service. Although the employee handbook allows for two days off for Christmas and one for New Year's Day, BHA had been closing between December 20th and January 2nd for the Christmas and New Year's holidays. Plus, an employee can, according to the employee handbook, cash out between 40 and 160 sick leave hours twice per year and may convert vacation hours to sick leave hours in order to cash them out. In fact, the Bradenton Herald estimates that the former executive could cash out ''between $7127.50 and $28,510 at a time'' so he could have pocketed an extra $14,225 to $57,020 per year.

Meanwhile, BHA board members failed due diligence and oversight responsibilities. The board consistently passed ''resolutions without seeing the language'' and the chairman now wants to review employee policies only after the executive director was fired. Another board member stated ''HUD is the official agency.'' And, ''They didn't call me and say, 'Did you know your budget is in deficit.' ''

To examine the extent of HUD's oversight over BHA management, please answer the following questions and provide the requested documents from years 2008 to present:

1. A copy of the former BHA executive director's most recent employment contract.
2. The total amount of salary and compensation paid to the former executive director.
3. The complete annual compensation payments to all BHA employees, including salaries, bonuses, longevity awards and cashed out sick time any other compensation (health care, retirement, take-home vehicle).
4. The total number and description of BHA take-home vehicles. The number of BHA vehicles or $10,000 payments given as a retirement/separation benefit, as well as whether or not the housing authority paid off the vehicle lease.
5. The total number of fuel and other credit cards authorized by BHA. Please include the names of each employee provided with a fuel or other credit card, and the monthly fuel charges paid by BHA.
6. In addition to every Friday, please document every week day (both full and half) per year that the BHA has been closed and for what reason.
7. A list of all legal bills and professional service and consulting fees paid by BHA, including all vehicle service bills.
8. Please provide all financial disclosure forms completed by BHA employees and document any Conflict of Interest waivers filed by the BHA and Board of Commissioners with HUD.
9. Provide all travel records for employees at BHA as well as the BHA Board members.

Accordingly, please provide responses by no later than January 31, 2014. If you have any questions regarding this letter, please have your respective staff members contact Janet Drew.

Sincerely,

CHARLES E. GRASSLEY,
Ranking Member.

Mr. GRASSLEY. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BLUMENTHAL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. HEITKAMP). Without objection, it is so ordered.

WOMEN'S HEALTH PROTECTION ACT

Mr. BLUMENTHAL. Madam President, this month we recognize the 41st anniversary of the Supreme Court decision in Roe v. Wade, a ruling that assured every woman her constitutional right to make her own decision about whether and when to have a child based on her fundamental right to have her privacy protected.

I had the honor to clerk for the author of Roe v. Wade, Justice Harry Blackmun, shortly after that decision in 1974. Few of us expected we would be here 41 years later facing the kind of attacks—in fact, the onslaught on women's health care and on their right to privacy—that we see again and again and again on the part of States, and even in this Congress.

Today the House of Representatives will debate and probably vote on a bill that would severely restrict—very practically constrict—a women's right to choose. H.R. 7 is a threat to that right of privacy. Instead of moving forward in protecting women's health, all too often we have seen ongoing attacks. After four decades, this judgment is threatened by onerous and ongoing limitations repeatedly passed by State legislators and this body.

I am very proud to be joined today by two of my most distinguished colleagues, Senator MURRAY of the State of Washington and Senator BALDWIN of Wisconsin, who have been tireless champions for women's rights—for our constitutional rights—and for women's health care. I am humbled and admiring of the work they have already done and the work we have ahead of us.

With their support, I have introduced—particularly with the active work of Senator BALDWIN—a measure that will proactively and preventively protect women's rights against this onslaught at the State level.

The Women's Health Protection Act is designed to stop restrictions that purportedly protect women's health but really use that cause as a ruse and a ploy to impose physical layouts on clinics, admitting privileges on doctors, and other kinds of severely burdensome restrictions—such as ultrasound requirements when there is no real medical reason for them—and basically apply to abortion health care the same kinds of restrictions with no more limitations than are required for medically comparable procedures. That is the basic principle.

The goal is to push back the offensive onslaught on women's health care. We want to be on the offense rather than the defense because undoubtedly most of these restrictions, if not all, will eventually be struck down by the courts. The resources which are required are burdensome on the organizations and groups and individuals who are forced to carry on that fight.

I know about that fight because I helped to wage it as an attorney general in the State of Connecticut for 20 years. I am very proud that I enforced many of the laws that are designed to protect a woman's right to choose, including the FACE statute. I was the first attorney general to enforce the FACE statute.

We have many issues that are now before the Supreme Court, such as the McCullen v. Coakley case—which I hope will be decided—to uphold the buffer zone that makes women's rights real against the intimidation and deterrents that anti-choice groups try to bring.

Making these rights real—the right of privacy, the right to be left alone—is the fundamental reason that we have introduced the Women's Health Protection Act.

The President tonight will talk about many of the most important issues that matter to this country, including economic opportunity, job creation, recovery from the deepest recession in recent history; giving people a greater sense of confidence and trust in their ability to gain the skills they need to move forward in their lives. Economic mobility in this country is one of the greatest challenges we face for our children and our grandchildren. Those issues of job creation and economic growth are what we should be debating, not H.R. 7, not the restrictions at the State level that seek to inhibit and impede the ability of a woman to exercise her fundamental right to privacy. Let's keep in mind what is important to the American people who sense deeply, because it is part of our cultural DNA, part of our fundamental reason for being as a nation, that we have a right to privacy over a personal decision that should be made by a woman in consultation with her doctor, her health care provider, and her family, without interference from government bureaucrats or politicians. That is what is important. Ending the chilling effect of those State restrictions is also one of the goals—the chilling effect that deters women from exercising those rights, making those rights real, protecting a woman's right to decide whether and when to have a child. Every pregnant woman faces her own unique circumstances and challenges, and she has a right to make her own decision based on her own values, guidance from a physician she trusts, a family member she loves and her personal goals and what is right for her family.

In the 40 years since Roe v. Wade, the attacks on this right have not been slowed; they have merely evolved, and they have taken new forms. I stand with my colleagues today and ask that we recognize together these pervasive threats, that we counter them and stand together in fighting back.

I am very proud to stand with Senator BALDWIN and Senator MURRAY, and I am proud to yield for Senator BALDWIN.

The PRESIDING OFFICER. The Senator from Wisconsin.

Ms. BALDWIN. Madam President, I thank the Senator from Connecticut.

Last week marked the 41st anniversary of the landmark Supreme Court decision in Roe v. Wade, which affirmed that women have the right to make their own personal health care decisions and to have access to safe and legal reproductive care.

The anniversary of Roe should commemorate how far our country has progressed in the last 40 years in safeguarding women's reproductive freedoms and access to quality health care. But today I rise to recognize that history has been made in another way; that is, turning back the clock.

Americans across the country expect to have access to high-quality, dependable health care when they and their families need it. Unfortunately, for women across this country, this access has come under attack.

As my colleagues and I have worked to reform our health care system, to expand access to quality, affordable health care, too many States have enacted record numbers of laws that restrict a woman's access to comprehensive reproductive health services and the freedom to make her own health care decisions. In the past 3 years, States across the country have enacted a total of 205 provisions that restrict women's access to safe abortion services. In 2013 alone, States enacted 70 of these measures.

In my home State of Wisconsin, we are now ranked as one of the worst States when it comes to a woman's reproductive rights, thanks to our Republican Governor and legislature. Wisconsin women, families, and their doctors are facing a slew of new and radical restrictions to health services mandated by one-party—Republican—rule in my State.

Most recently, our Governor has enacted four new restrictions on women's access to safe and legal abortion care in our State. For one, he signed a law that not only forces women to undergo unnecessary medical procedures but also imposes unreasonable requirements on doctors who deliver care to women.

I recently heard from a mother in Middleton, WI. She found out her baby had severe fetal anomalies and would not survive delivery. She had to undergo an emergency termination, and a clinic in Milwaukee was the only place that would do the procedure. But because the Governor was set to sign this law imposing unreasonable requirements on providers, the clinic was preparing to close its doors and wouldn't schedule her for an appointment. She and her husband were forced to find childcare for their two sons and leave the State and travel to Minnesota just to get the medical care she needed. If not for a Federal court order blocking the law shortly after the Governor signed it, the admitting privileges provision would have reduced women's access to safe and legal abortions in Wisconsin by 66 percent, closing several health care clinics and leaving women out in the cold. But unfortunately for this woman in Middleton, the court order did not come fast enough and the Governor's law disrupted her family during a deeply personal and trying time.

The threat in Wisconsin and in States across the country is clear. Politicians are doing this because they think they know better than women and their doctors. The fact is they don't. It is not the job of politicians to play doctor and to dictate how these professionals practice medicine, nor is it their job to intrude in the private lives and important health decisions of American families.

That is why I am proud to stand with my colleagues, including my good friend from Connecticut and my good friend from Washington State, and challenge these attacks on women's freedoms. I am proud to have introduced the Women's Health Protection Act because every American woman deserves the freedom to exercise her constitutional rights by making personal health decisions for herself and for her family with a trusted doctor and without political interference.

Our bill makes it clear that States can no longer enact laws that unduly limit access to reproductive health care and that do nothing to further women's health or safety. The Women's Health Protection Act creates Federal protections against State restrictions that fail to ensure women's health and intrude upon personal decisionmaking. It promotes and protects a woman's individual constitutional rights and guarantees that she can make her own responsible health care decisions no matter where she lives.

Elected officials should not put politics before women's health and women's safety. Women are more than capable of making their own personal medical decisions without consulting their legislator. Every woman in America deserves the freedom to plan her own family, to make her own health care decisions, and to have access to essential and quality women's health care services. We need to act now to guarantee that women will continue to have that freedom.

Today I stand with 33 of my Senate colleagues and 99 Members of the House of Representatives to move our country forward with the Women's Health Protection Act and to safeguard women's constitutional rights under Roe. We need to act now to protect a woman's access to care and her constitutional rights, no matter where she lives, by enacting the Women's Health Protection Act.

Again, I thank my colleagues, in particular my good friend from Connecticut, in leading us in this discussion on the Senate floor but also with the introduction of the bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I thank my colleagues from Connecticut and Wisconsin for their strong voices in support of a woman's right to make her own health care decisions in this country. I appreciate them being here today to talk about that and to stand with me to remind our colleagues that 41 years ago last week, just about 400 yards from where we are standing today, the course of history for women in the United States was changed forever.

After over one century of struggle, a new generation of American women had access to safe and legal abortion. With one case, American women gained the ability to make their own decisions about their own health care and their own bodies. At a time when some Members of this body were far too young to remember, women stood up to the restrictive laws of States and the Federal Government and to the men who at that time wrote them.

I would like to think that after four decades, many of those who want to make women's health care decisions for them have come to grips with the fact that Roe v. Wade is settled law. But unfortunately that notion is quickly shattered with one look at our legislatures across the country and efforts right here in Congress. In fact, tomorrow the House of Representatives is slated to vote on their misleadingly named ''No Taxpayer Funding for Abortion Act.'' That bill severely undermines a woman's access to insurance coverage of comprehensive health care and fails to allow her to get the care she needs, even when her own health is at risk. It is nothing more than an attempt to eliminate access to abortion services while restricting a woman's ability to make personal decisions about her own care. I guess we shouldn't be surprised.

The truth is that the tide of these politically driven, extreme, and unconstitutional laws continues to rise. In 2013, our Nation saw yet another record-breaking year of State legislatures passing restrictive legislation barring women's access to abortion services. In fact, in the past 3 years, the United States has enacted more of these restrictions than in the previous 10 years combined. That means that now, more than ever, it is our job to protect this decision for women, to fight for women's health, and to ensure that women's health does not become a political football.

For that reason today I will, along with 18 other Members of my caucus, file a brief with the Supreme Court of the United States in the case of Hobby Lobby Stores, Inc., v. Sebelius. Just as in the many attempts before this case, there are those out there who would like the American public to believe that this conversation is anything but an attack on women's health care. To them, it is a debate about freedom—except, of course, for the freedom of women to access their own care.

It is no different than when we are told that attacks on abortion rights aren't an infringement on a woman's right to choose, they are about religion or States' rights, or when we are told that restricting emergency contraception isn't about limiting women's ability to make their own family planning decisions, it is about protecting pharmacists, or when last week we were told that a certain former Republican Governor's comments about women's libido was a ''tone'' issue rather than a direct reflection of the Republican Party's misguided and arcane policies.

The truth is this is about contraception. This is an attempt to limit a woman's ability to access care. This is about women.

Allowing a woman's boss to call the shots about her access to birth control should be inconceivable to all Americans in this day and age and takes us back to a place in history when women had no voice or no choice.

In fact, contraception was included as a required preventive service in the Affordable Care Act on the recommendation of the independent, nonprofit Institute of Medicine and other medical experts because it is essential to the health of women and their families. After many years of research, we know ensuring access for effective birth control has a direct impact on improving the lives of women and families in America. We have been able to directly link it to declines in maternal and infant mortality, reduced risk of ovarian cancer, better overall health care outcomes for women, and far fewer unintended pregnancies and abortions, which is a goal we should all share.

But what is at stake in this case before the Supreme Court is whether a CEO's personal belief trumps a woman's right to access free or low-cost contraception under the Affordable Care Act. Every American deserves to have access to high-quality health care coverage, regardless of where they work, and each of us should have the right to make our own medical and religious decisions without being dictated to or limited by our employer. Contraceptive coverage is supported by the vast majority of Americans who understand how important it is for women and families.

In weighing this case, my hope is the Court realizes that women working for private companies should be afforded the same access to medical care regardless of who signs their paycheck.

We cannot allow for-profit, secular corporations or their shareholders to deny female employees' access to comprehensive women's health care under the guise of a religious exemption. It is as if we are saying that because you are a CEO or a shareholder in a corporation, your rights are more important than your employees who happen to be women. That is a very slippery slope that could lead to employers cutting off coverage for childhood immunizations, if they object to it, or prenatal care for children born to unmarried parents, if they thought that was wrong, or an employee's ability to access HIV treatment.

I am proud to be joined in this effort by 18 other Senators who were here when Congress enacted the religious protections through the Religious Freedom Restoration Act in 1993 and who also were here when Congress made access to women's health available through the Affordable Care Act in 2010. They are Senators who know that Congress never intended for a corporation—or furthermore, its shareholders—to restrict a woman's access to preventive health care, because we all know that improving access to birth control is good health policy and good economic policy. We know it will mean healthier women, healthier children, and healthier families. And we know it will save money for businesses and consumers.

So today we are taking another step forward to uphold the promise we made to women and provide this access broadly, and I believe our Nation will be better for it.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Madam President, I ask unanimous consent to speak for no longer than 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATE OF THE UNION ADDRESS

Mr. THUNE. Madam President, tonight the President of the United States will come before the Congress and make his State of the Union Address. That is an annual ritual we go through around here every year, and I have been through State of the Union speeches through multiple administrations. I sort of liken them to somebody making New Year's resolutions at the beginning of the new year, filled with lots of rhetoric and promises, most of which get left on the cutting-room floor when the speech concludes. But that being said, it is something that gives the President an opportunity to lay out his agenda for the coming year.

Rumor has it that this year the President's speech is going to focus on income inequality and economic opportunity. Well, that is good to hear because these last 5 years of the Obama administration have been devastating to Americans who are trying to advance economically.

Nobody can deny that the President inherited a difficult economic situation. I think we would all concede that at the very outset. But he has had now 5 years, going on 6, to make things better. Unfortunately, he has not made much progress.

For the majority of Americans, things do not look much better today than they did 5 years ago. The economy still is not working; unemployment remains at historic recession-level highs; income inequality is at the highest point literally in 86 years; household income has dropped by nearly $4,000 since the President took office.

I would like to quote from a piece that was published on Sunday. It said this:

> The last five years have been cataclysmic. . . . The average income of the top 1 percent of earners increased about 31.4 percent from 2009 to 2012, while wages for the other 99 percent essentially stood still. The proportion of economic gains going to the very wealthy under the Obama administration is greater than it was under Mr. Bush.

Those are not Republican talking points. That is from a column published in the New York Times. The column goes on to state:

> The rich-poor gap in the United States is now greater than in any other industrialized country. Upward mobility, a staple of the American Dream, is eroding compared with more than a few nations.

That again is from the New York Times.

Whether the author intended it that way, it is a pretty damning indictment of the economic policies of the past 5 years.

So I am glad to hear that the President is planning to focus on income inequality and economic opportunity tonight. These statistics make it very clear just how important it is we have that discussion right now. And they also make it clear we cannot continue the economic policies of the past 5 years because these policies have clearly failed.

The President has tried throwing taxpayer money at the problem—witness the failed trillion-dollar stimulus bill. He has tried economic bandaids that attempt to alleviate some of the symptoms of economic stagnation without doing anything to address the cause. Neither of those strategies has been successful in doing the one thing that will turn our economy around; that is, creating full-time, well-paying jobs for the American people.

Extending unemployment benefits or offering food stamps may provide short-term relief, but no government assistance is going to provide a stable, secure, prosperous future like a good job will. Real long-term economic security and prosperity comes when families have access to stable well-paying jobs, with the potential for advancement.

If we really want to help Americans, if we really want to get our economy growing, that is where our focus needs to be: creating the kind of environment where job creation can flourish. That means making it easier and less expensive for businesses—particularly small businesses, which create a majority of the jobs in this country—to expand and hire new workers.

Unfortunately, the President has spent much of his Presidency making it more difficult. ObamaCare, for example, saddled businesses with a host of new taxes and regulations that have made it difficult or in some cases impossible for businesses to hire new employees.

CBS reported in December that—and I quote—''Nearly half of U.S. companies said they are reluctant to hire full-time employees because of the [ObamaCare] law.'' That is not how you want businesses to feel if you are looking to encourage them to grow and create jobs.

So I am hoping that this evening the President will turn away from the policies that have made nearly half of U.S. companies too worried to hire new full-time employees and turn toward policies that will enable real job creation in our economy.

According to his advisors, the President wants 2014 to be a year of action. Republicans could not agree more, and there are a number of actions we think the President can take, and I hope he will announce them tonight.

One thing Republicans and Democrats agree on, and would like the President to do, is grant immediate approval of the Keystone pipeline. According to the President's own State Department, the Keystone pipeline would support 42,000 jobs that would provide $2 billion—$2 billion—in wages and earnings without taxpayers having to spend a dime. All that is required for the creation of these jobs is the President's approval, which he has inexplicably delayed now for 5 years, despite numerous reports testifying to the benefits of the project and its low environmental impact.

The President's staff has spent a lot of time over the last week talking about the President's intention of acting without Congress when Congress disagrees with him. Well, here is something the President can legitimately do unilaterally. He has the authority to open the door to these 42,000 jobs, and I hope this evening he will announce his intention of acting on approval of the Keystone pipeline.

Another thing I hope the President will do tonight is encourage the majority leader to take up dozens of jobs bills that have been passed by the House of Representatives. Many of these bills passed the House with bipartisan support and could pass the Senate the same way. There is no good reason why the majority leader has decided to let them languish. Surely we could take up a few of those bills. The President ought to call on his party to pass these bills to get Americans back to work.

In the same spirit, I hope the President will call on his party in the Senate to approve trade promotion authority legislation, which would help create U.S. jobs by giving farmers, ranchers, entrepreneurs, and job creators in this country access to 1 billion new consumers around the globe.

Republicans hope the President will use that phone of his that he keeps talking about to call the majority leader here in the Senate and encourage him to pass trade promotion authority as soon as possible.

Of course, no discussion of relief for middle-class Americans and job creators is complete without discussing ObamaCare, which is putting an intolerable burden on middle-class families and small businesses.

I am not very hopeful that the President is going to announce his intention tonight of working with Congress to repair some of the worst parts of his signature law, but for all Americans' sake, I hope he does.

Around the country, families are reeling under the impact of ObamaCare: higher insurance premiums, higher out-of-pocket costs, reduced access to doctors and hospitals. Meanwhile, businesses are cutting workers' hours, eliminating health care plans, or declining to expand their businesses to protect themselves from ObamaCare's burdensome taxes and regulations.

There is bipartisan support for more than one change to ObamaCare, and there is particularly strong support for repealing the job-killing medical device tax, which is forcing medical device companies to send American jobs overseas.

In March of last year, the Senate voted 79 to 20—79 to 20—against the tax. More than 30 Democrats voted for repeal. If the President is really serious about putting Americans back to work, he will announce his intention of working with Congress to repeal this job-destroying portion of his legislation.

Last month almost 350,000 Americans gave up looking for jobs and dropped out of the labor force altogether. That is 350,000 Americans in 1 month—1 month—who gave up looking for a job.

The labor force participation rate is at its lowest level in 36 years. More than 10 million Americans are looking for work, and nearly 4 million of them have been unemployed for more than 6 months. In fact, if you had the labor participation rate today that we had when the President took office, the unemployment rate today would be about 11 percent.

It is definitely—it is definitely—time for a year of action. It is time to leave behind the economic bandaids of the past 5 years and focus on policies that will not address just the symptoms but the cause of our weak economic growth.

We need to remove the obstacles facing our Nation's job creators so that struggling Americans can finally get back to work. We need to help create a future where every American has the opportunity for a well-paying, full-time job, with the possibility of advancement. You are not going to see that as long as the policies coming out of Washington, DC, and this administration make it more expensive and more difficult to create jobs for the American people.

And you are not going to do anything about income inequality if you drive people's cost of living higher, which is what ObamaCare's premium increases, higher out-of-pocket increases, energy-cost increases—there are new regulations coming out today that are going to put new requirements and regulations on existing coal-fired powerplants that are going to drive electricity costs through the roof for people whom I represent in South Dakota.

Fifty percent of the electricity in South Dakota comes from coal-fired power. We are told the administration is coming out with regulations that are going to apply those same things that apply to new plants to existing coal-fired power. So you are going to have not only new plants that are going to be prevented from being constructed but those that are existing that are going to have to modify their plants at enormous cost, in many cases with technologies that do not exist. All that does is put people out of work and makes it more expensive for middle-class Americans to make ends meet.

If you want to do something about income inequality, provide good-paying jobs for middle-class families in this country. Put policies in place that make it less expensive, less difficult to create those jobs, and then drive down the cost for middle-class Americans rather than raising them—rather than having higher energy costs, higher health care costs, higher this, higher that, all because of policies coming out of Washington.

We can do better. The President has not always shown his eagerness to work with Congress in the past. I am told that tonight he is going to talk about all the things he can do unilaterally. I hope that tonight's State of the Union Address will mark a new start. Republicans are ready to get to work. I hope the President is too. I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

There upon, the Senate, at 12:45 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Ms. BALDWIN).

HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT OF 2014—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from Tennessee.

SCHOLARSHIPS FOR KIDS ACT

Mr. ALEXANDER. Madam President, this morning the Senator from South Carolina, Mr. SCOTT, and I went to the American Enterprise Institute and outlined two bills that together represent the most ambitious proposals ever to enable States to use Federal dollars to allow parents to find a better school for their child.

I would like to take a few minutes to talk about my proposal, which is called the Scholarships for Kids Act, and the context in which we find ourselves today as we look forward to the President's State of the Union address. I would also like to briefly mention the proposal of Senator SCOTT from South Carolina. He has already introduced his bill. He will be on the floor at another time to talk about it. But these are big ideas. Together they represent redirecting about 35 billion Federal dollars that are now being spent through a series of programs and instead spend them in a way that better fits the age in which we find ourselves, an age in which the best Federal investments can be made in things that enable Americans to do things for ourselves to make our lives better and happier and safer and longer.

Let me talk first about Scholarships for Kids. I ask unanimous consent that an article describing the bill be printed following my remarks.

The legislation that I am introducing today would allow approximately 11 million new Federal scholarships to follow low-income children to any school their parents choose as long as it is accredited. It is not a Federal mandate. It would enable States to create those choice options. But it would mean about a $2,100 scholarship of Federal dollars on top of the money that States already spend on elementary and secondary education for each child.

The State of Tennessee, for example, spends nearly $8,000 per child on public elementary and secondary education. This would be providing a $2,100 scholarship to the one-fifth of students who are low income and allowing that money to follow them to the school they attend.

Our country is united, not by race, but by a set of principles upon which we agree. One of the most important of these is the principle of equal opportunity. For me, equal opportunity means creating an environment where the largest number of people can begin at the same starting line. I believe this is a real answer to the inequality in America that we hear so much about, giving children more opportunity to attend a better school.

The Scholarships for Kids Act will cost $24 billion a year. It will be paid for by redirecting about 41 percent of all the dollars we now directly spend on Federal elementary and secondary education programs. About 90 percent of all of the spending on our elementary and secondary schools is State and local spending, and about 10 percent is Federal spending. This is 41 percent of that 10 percent.

It includes all of the money the Federal Government spends on elementary and secondary education except money for children with disabilities—and Senator SCOTT's legislation addresses that. It does not touch the Student School Lunch Program. It does not affect Federal research in education, and it does not affect Impact Aid.

The whole purpose of Federal aid to elementary and secondary education is to help low-income students. But unfortunately, often the Federal dollars are diverted to schools with wealthier students. The left and the right both have noticed this and would like to change it.

Scholarships for Kids would benefit only children that fit the Federal definition of ''poverty'' which is about one-fifth of all school children. That is because it would pin the $2,100 scholarship to the blouse or the shirt of the child, and it would follow that child to the school the child attends.

Allowing Federal dollars to follow students to a school has been a successful strategy in American education for more than 70 years. Last year, $33 billion in Federal Pell Grants and $106 billion in Federal loans followed students to the public and private colleges of their choice. Since the GI bill began in 1944, these vouchers—that is what they are—have helped to create a marketplace of about 6,000 autonomous institutions and a higher education system that is regarded by almost everyone as the best in the world.

Our elementary and secondary education system is not the best in the world. U.S. 15-year-olds rank 28th in science and 36th in math. I believe one reason for this is that more than 93 percent of the dollars that we spend through the Federal Government for higher education follows students to the colleges of their choice, but Federal dollars do not automatically follow students to the elementary or secondary school of their choice.

Instead, with our elementary schools and our middle schools and our high schools, money is sent directly to the schools. Local government monopolies run most of those schools. They tell most students exactly which school to attend. There is little choice and no K-through-12 marketplace as there is in higher education. Again, in higher education, you have 6,000 autonomous institutions. You have generous amounts of Federal dollars. They can follow you to the college or university of your choice, whether it is public or private or nonprofit or for-profit, as long as it is accredited. So students may go to Harvard, Yeshiva or Notre Dame, or to Nashville's Auto Diesel College or to the University of Tennessee or to the community college nearby. The former Librarian of Congress, Daniel Boorstin, often wrote that American creativity has flourished during ''fertile verges,'' times when Americans became more self-aware and creative.

In his book, ''Breakout,'' Newt Gingrich argues that society is on the edge of such an era, the Internet age, an age where everything will change, like everything changed at the time of the new internal combustion engine.

Newt Gingrich in his book cites computer handbook writer Tim O'Reilly for his suggestion about how the Internet could transform government. Here is how Tim O'Reilly says we ought to do our job as we try to help use the government to help Americans during this period of time:

> The best way for government to operate is to figure out what kinds of things are enablers of society and make investments in those things. The same way that Apple figured out, ''If we turn the IPhone into a platform, outside developers will bring hundreds of thousands of applications to the table.''

Already 16 States have begun a variety of innovative programs supporting private school choice. Private organizations in many parts of our country supplement these efforts. Scholarships For Kids, allowing $2,100 Federal scholarships to follow 11 million children, would enable other school choice innovations in the same way that developers rushed to provide applications for the iPhone platform.

Senator TIM SCOTT has proposed what he calls the CHOICE Act. It would allow 11 billion other Federal dollars that the Federal Government now spends through programs for children with disabilities to follow these 6 million children to the schools their parents believe provide the best services.

So there might be a child in Tennessee or Wisconsin or South Carolina who is eligible for both—the Scholarship For Kids, because he or she comes from a family that fits the Federal poverty definition. So there is $2,100. Then, if that child is also disabled, the child might be eligible for a scholarship under the CHOICE Act of several thousand dollars. That would then be in addition to the amount of money that South Carolina, let's say, spends on education per child, which is in the neighborhood of $9,000.

So to take the case of Tennessee again, $8,000 or so for the State, $2,100 more Federal dollars through Scholarship For Kids, a few more thousand dollars, depending upon circumstances, for the scholarship under Senator SCOTT's proposal, and you have a significant amount of money that a parent could use to follow a child to the school that helps that child succeed.

Especially in the case of children with disabilities, that seems to make so much good sense to me. Senator SCOTT tells a poignant story of a young girl in South Carolina who was in a kindergarten. She has Down syndrome. She was in a kindergarten that helped her succeed. But then her parents moved. They had to fight for a year to get her new school to treat her in a mainstream way. Then they realized that the school they had been fighting for a year was the one they were counting on.

Why not let that family take the $13,000, $14,000, $15,000 or $16,000 for that child with Down syndrome, pick a school that treasures that child, and let the money follow the child to the school the child attends.

So a student with a disability and from a low-income family would benefit under both programs. As I said when I began my remarks, taken together with Senator SCOTT's proposal, Scholarship For Kids constitutes the most ambitious proposal ever to use existing Federal dollars to enable States to expand school choice.

Importantly, this is not a Federal mandate. Washington is full of politicians who fly an hour or an hour and a half from their home town, and they get here and think they have suddenly gotten smarter. They have a good idea and they say: Oh, let's apply that in Wisconsin and in Tennessee and in South Carolina. I try not to do that. I am a very strong believer, for example, in teacher evaluations. I led the fight for teacher evaluations as Governor of Tennessee 30 years ago. We were the first State to do it. When I came to Washington people said: Well then, you will want to make everybody do that? My answer was no, I will not. States have the opportunity to be right, and they have the opportunity to be wrong.

The last thing Tennessee needs is the Federal Government peering over the shoulders of communities and school districts and legislators and governors and school boards who are trying to work out the very difficult problem of teacher evaluations. It is the holy grail of education reform as far as I am concerned, but it should not be mandated from Washington. I very much believe in school choice, but it should not be mandated from Washington. So under Scholarships For Kids, States still would govern pupil assignments, deciding, for example, whether parents could choose private schools.

When I was Secretary of Education years ago, Milwaukee was in the midst of a major program to try to give low-income parents more choice of schools, including private schools. So along with President George H. W. Bush, we proposed what we called a GI bill for kids to allow Milwaukee and Wisconsin to do it if it wished to do it. But it did not impose what we thought was a good idea from Washington. Under Scholarship For Kids, schools that parents chose for their child with their $2,100 scholarship would have to be accredited. Federal civil rights rules would apply. My proposal does not affect school lunches. There also is an independent evaluation after 5 years so that Congress can assess the effectiveness of the new tool for innovation.

In remarks that Senator SCOTT and I made this morning, the issue of private schools came up, which always does when we talk about expanding school choice. But in this case, we are not necessarily talking about private schools. Most schools are public schools. I would assume that most of these $2,100 scholarships would follow students to the school they attend, which would be a public school.

So if a State chose to create a program whereby its low-income citizens could choose a private school, as long as it was accredited, that would be appropriate under the law. Why shouldn't a low-income family have the same opportunities for a better school for its child that a wealthier family, who may move to a different part of town or may be able to afford a private school, does?

The idea of allowing dollars to follow students to the school of their choice has not exclusively been an idea of the left or of the right in our country. In the late 1960s, the most conspicuous proposal for school choice was from Ted Sizer, then Harvard University's education dean. He suggested a $5,000 scholarship in his poor children's bill of rights. That $5,000 scholarship would be worth two or three times as much today.

In 1992, when I was the U.S. Secretary of Education, President George H. W. Bush proposed a GI bill for kids, a $1½ billion Federal pilot program for States creating school choice opportunities. Yet despite its success in higher education, and despite the fact that it has had powerful advocates on both the left and the right, the word ''voucher'' remains a bad word among most of the kindergarten-through-12th-grade education establishment, and the idea has not spread widely. Equal opportunity in America should mean that everyone, as much as possible, has the same starting line.

During this week celebrating school choice, there would be no better way to help children move up from the back of the line than by allowing States to use Federal dollars to create 11 million opportunities to choose a better school.

STATE OF THE NATION

If I may conclude with a word about the context in which we find ourselves today, Senator SCOTT and I made our remarks today at American Enterprise Institute. I am speaking on the floor of the Senate on a very important day in our country's history. It is not only National School Choice Week, but it is the day the President of the United States makes his annual state of the Union address. Every President has done that except two—as the Senate historian told us today—and those two died before it was time to make the address, so it is a tradition that goes back to the beginning of the country. We will all go over to the House of Representatives, listen carefully, and the country will watch to listen to what the President has to say.

We are told the issue the President will address is the one of income inequality. If that is what he does, that is certainly an appropriate issue for any American President. Because if equal opportunity is central to the American character, so is the idea of the American dream, the idea that anything is possible, that anyone can go from the back to the front of the line with hard work; and equal opportunity, therefore, helps to create a starting line from which we move.

If the President makes that proposal, I think we know the kind of agenda we are likely to hear. It will have to do with a higher minimum wage that would actually cost jobs. It will have to do with more compensation for perpetual unemployment. It will have to do with canceling more health insurance policies, which is what ObamaCare will be doing in 2014—much more so than it did in 2013.

There is another agenda, another picture, another vision of how we can help the largest number of Americans realize the American dream; that is, more jobs, more job training, and more choices for low-income parents of better schools for their children so they can get a better job.

Instead of a higher minimum wage, which actually reduces the number of jobs, we would liberate the free enterprise system of the wet blanket of ObamaCare, other Obama rules and regulations, and create many more jobs with good wages. Instead of more compensation for long-term unemployment, we would say let's have more job training so they can take one of these good new jobs we propose to create.

Then, instead of directing the money to a model that hasn't worked as well over the last 70 years, let us take the Federal dollars we are now spending on elementary and secondary education and let them follow low-income children and disabled children to the schools of their parents' choice, So they have an opportunity to go to a better school, just as children who aren't disabled and with parents who have more money do.

We will be arguing that a better agenda for income equality to realize the American dream, to help Americans move from the back to the front of the line, is more jobs, more job opportunities, and more choices of better schools for low-income children. That agenda is especially right for the age we are in.

I mentioned the discussion Daniel Boorstin had about America's fertile verges, Newt Gingrich's new book, and the suggestion by the computer programmer that the best way for government to operate is not with Washington mandates or Washington programs but to spend money on things that enable each of us as Americans to do things for ourselves—to live a happier life, to live a better life, to live a wealthier life, to live a safer life.

I hope in the remarks I have made today that I have done that, because we have 70 years of experience with such programs in education. I would argue there may be no more successful social program in American history than the GI bill for veterans. It began 70 years ago in 1944. It did not send money to the University of Chicago, Tennessee, Michigan, and Harvard. It followed the soldier, the airman, and the Navy veteran to the college of his or her choice. We began that practice in 1944. We continue it with the Pell grants today. We continue it with the student loans today. Why should we not follow it with the Federal dollars we spend for elementary and secondary education?

If Federal dollars following students to the colleges of their choice helped to produce the finest higher education system in the world, why should we not allow States to try to create the best schools in the world for our children—especially our low-income children?

I hope my colleagues on both sides of the aisle will recognize this isn't the proposal of the left or the right. I don't know many Democrats who want to get rid of Pell grants or student loans. They are vouchers, pure and simple, that have lasted for 70 years and may be the most successful social program we have. Why not allow States in this Internet age to take the Federal dollars we are already spending for low-income children and make sure the money gets directly to them—and for disabled children, and make sure it goes to directly to them—and give their parents an opportunity to exercise the same kinds of decisions wealthier parents do? They would say: What school would be the best school for my child.

Would that not be a way to help a young American get a leg up on moving to the same starting line that children from wealthier families have—and maybe even a chance to move to the head of the line?

I hope my colleagues and American people will take a good look at the Scholarships for Kids Act, and Senator SCOTT's CHOICE Act. Together they constitute the most ambitious proposal ever to use existing Federal dollars to enable States, and to allow parents—especially low-income parents—to choose a better school for their child. There is no better way to create opportunity in America.

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

11 MILLION $2,100 "SCHOLARSHIPS FOR KIDS": A REAL ANSWER TO INEQUALITY

Today I am introducing legislation that would allow $2,100 federal scholarships to follow 11 million low-income children to any public or private accredited school of their parents' choice.

This is a real answer to inequality in America: giving more children more opportunity to attend a better school.

The "Scholarships for Kids Act" will cost $24 billion a year—paid for by redirecting 41 percent of the dollars now directly spent on federal K–12 education programs. Often these dollars are diverted to wealthier schools. "Scholarships for Kids" would benefit only children of families that fit the federal definition of poverty, which is about one-fifth of all school children.

Allowing federal dollars to follow students has been a successful strategy in American education for 70 years. Last year, $33 billion in federal Pell grants and $106 billion in loans followed students to public and private colleges. Since the GI Bill began in 1944, these vouchers have helped create a marketplace of 6,000 autonomous higher education institutions—the best in the world.

Our elementary and secondary education system is not the best in the world. U.S. 15-year olds rank 28th in science and 36th in math. I believe one reason for this is that while more than 93 percent of federal dollars spent for higher education follow students to colleges of their choice, federal dollars do not automatically follow K–12 students to schools of their choice.

Instead, money is sent directly to schools. Local government monopolies run most schools and tell most students which school to attend. There is little choice and no K–12 marketplace as there is in higher education.

Former Librarian of Congress Daniel Boorstin often wrote that American creativity has flourished during "fertile verges," times when citizens became more self-aware and creative. In his book Breakout, Newt Gingrich argues that society is on the edge of such an era and cites computer handbook writer Tim O'Reilly's suggestion for how the Internet could transform government.

"The best way for government to operate," O'Reilly says, "is to figure out what kinds of things are enablers of society and make investments in those things. The same way that Apple figured out, 'If we turn the iPhone into a platform, outside developers will bring hundreds of thousands of applications to the table.' "

Already 16 states have begun a variety of innovative programs supporting private school choice. Private organizations supplement these efforts. Allowing $2,100 federal scholarships to follow 11 million children would enable other school choice innovations, in the same way that developers rushed to provide applications for the iPhone platform.

Sen. Tim Scott (R-S.C.) has proposed the CHOICE Act, allowing 11 billion other dollars the federal government now spends through the program for children with disabilities to follow those 6 million children to the schools their parents believe provide the best services.

A student who is both low income and has a disability would benefit under both programs. Especially when taken together with Sen. Scott's proposal, "Scholarships for Kids" constitutes the most ambitious proposal ever to use existing federal dollars to enable states to expand school choice.

Under "Scholarships for Kids," states still would govern pupil assignment, deciding, for example, whether parents could choose private schools. Schools chosen would have to be accredited. Federal civil rights rules would apply. The proposal does not affect school lunches. So that Congress can assess the effectiveness of this new tool for innovation, there is an independent evaluation after five years.

In the late 1960s, Ted Sizer, then Harvard University's education dean, suggested a $5,000 scholarship in his "Poor Children's Bill of Rights." In 1992, when I was U.S. education secretary, President George H.W. Bush proposed a "GI Bill for Kids," a half-billion-federal-dollar pilot program for states creating school choice opportunities. Yet, despite its success in higher education, voucher remains a bad word among most of the K–12 educational establishment and the idea has not spread widely.

Equal opportunity in America should mean that everyone has the same starting line. During this week celebrating school choice, there would be no better way to help children move up from the back of the line than by allowing states to use federal dollars to create 11 million new opportunities to choose a better school.

Mr. ALEXANDER. I yield the floor.

HEALTH CARE REFORM

Mr. MURPHY. Madam President, it has been 1,406 days since the President signed into law the Affordable Care Act. Since that time, about 10 million Americans who have not had access to affordable insurance have gotten it and patients have been reempowered, along with their doctors, to take control of their own health care, taking power away from the insurance company which had run our medical lives for too long.

The Presiding Officer and I lived through dozens of votes in the House of Representatives to repeal the bill, as the Senate saw as well, but absolutely no genuine effort to replace the health care bill. I was sitting in the Chair yesterday when one of our colleagues, Senator HATCH, came to the floor to talk about a new proposal—I would probably argue the first proposal from Republicans in 1,406 days to actually talk about what their vision—what Republicans' vision—for health care reform would be. This is just a framework, not a bill, that has been suggested by our colleagues, Senator HATCH and Senator COBURN and Senator BURR. So I wanted to come to the floor to talk about the implications of this framework for affordability and patient protections all across this country.

First of all, I give some credit to our colleagues because it has been 1,406 days of complaints, of politics, of obfuscation, of obstruction. So for the first time we are at least beginning to see what the Republican vision is for the future of health care in this country. Although we don't have a bill—all we have at this point is a framework—it is a pretty scary future because the proposal from our Republican colleagues would dramatically increase the cost of health care for millions of Americans and would put the insurance companies back in charge of our health care.

So for a few minutes I wish to talk in real terms about what this proposal will actually do for health care in this country. I only have a few minutes, so it is hard to go through the litany of backward steps we would take were we to adopt the proposal that has been laid out by a couple of our very brave Republican colleagues.

But the first thing it would do is it would reinstate the fact that being a woman for decades in this country was considered to be a preexisting condition. The health care reform bill says very simply there can be no difference in the amount of money one pays for health care based on gender. The facts are plain: Women have historically paid 50 percent more in terms of health care costs than men have across this country; $1 billion more is the total amount of money women have paid more than men simply because insurance companies believe that being a woman is a preexisting condition. That is no longer the law of the land. Women pay the same rate as men. There is no difference based on gender. But that would be eliminated by this plan. Once again, being a woman could be considered a preexisting condition.

Second, annual limits on the ability to recoup the cost of your health care from your insurance company would be reimposed. The health care bill says: Listen. It isn't fair that you buy an insurance policy, and when you get very sick, you are told at some point midway through the year your insurance is up. That is not real insurance. The idea of insurance is that we all pool our risks together, and then if one of us, through no fault of our own, gets sick, we actually get those insurance bills paid.

The Affordable Care Act says there can't be any more of those annual limits, but the proposal from our Republican friends says that annual limits can come back from insurance companies. To someone such as Debra Gauvin from Connecticut, who had a $20,000 limit and who was diagnosed with stage II breast cancer and hit her limit about halfway through the year and then incurred about $18,000 of additional costs, causing her to basically forgo treatment, that was a painful reality of an insurance plan not delivering on insurance simply because she got so sick she had big costs. That would once again be the reality. The Republican plan would once again allow for annual limits.

Our friends talk about the fact that they address the issue of preexisting conditions, but they don't. They truly don't. Because all their plan says is that if you switch plans and you have no gap, the new plan has to cover whatever illness you may have. But that is not how life works. There are 89 million Americans, in an average year, who have at least a 1-month gap in coverage. That 1-month gap in coverage under the Republican plan—the one shown to us in a basic framework—would allow for preexisting condition discrimination to once again be the law.

Betty Berger, one of my constituents, had insurance her entire life except for basically about a 1- or 2-month period of time where her husband was switching jobs. During that time, their son was diagnosed with cancer. The new insurance company at her husband's new employer wouldn't cover the preexisting condition, and the Bergers lost everything. They lost their home, they lost their savings, and their lives were financially ruined.

The Affordable Care Act ends that nightmare for families. Fifty percent of bankruptcies in this country are caused by medical debt. The Republican plan does not fix the preexisting condition discrimination. All it says is, if you don't have any change, any gap in your coverage, then the new insurance company has to cover your preexisting condition. But for millions of families that is not how life works.

Lastly, although the Republican plan does acknowledge the basic underlying wisdom of the Affordable Care Act is right, in that the best way to get coverage to people is to give them a tax credit with which to go buy private insurance—that is the foundation of the Affordable Care Act, and the Republican alternative that our colleagues introduced basically adopts that as their framework for expanding coverage as well—it is at a much lesser subsidy rate, with much greater tax consequences to Americans than the Affordable Care Act has in it.

For instance, the Republican alternative says, if you hit 300 percent of the poverty level, that is it, no more subsidy. Well, 300 percent sounds like a lot. Three hundred is a big number. But the poverty level is pretty measly in this country. If someone is making 300 percent of the poverty level, they are making $34,000 a year. I don't know about the State of the Presiding Officer, but in Connecticut it is hard to put food on the table on a consistent basis at $34,000 a year. Then to have no help from the government to buy insurance essentially means we will have a huge class of people making $30,000 to $40,000 a year who under the Affordable Care Act are getting helped by insurance but whom under this alternative plan will get no help.

But here is how it is even worse. The Republican alternative we have seen this framework on says that one of the ways we are going to pay for this is by taxing people for the health care they are getting. Right now, if someone gets health care coverage through their employer, which 150 million Americans do, they get to essentially exclude that money from taxation. They get those benefits in pretax dollars. The Republicans have said: Well, we are going to allow that to happen but only for about 65 percent of your benefit. So just under half of your health care is now going to be taxable. That is a massive tax increase on the people of this country.

We can debate whether there is policy wisdom in limiting the tax exclusion of health care, but let us just admit that if you are going to fund your proposal based on eliminating the tax exclusion of employer-sponsored benefits to employees, then you are dramatically raising taxes on middle-class Americans all across this country.

So while I give a lot of credit to the Senators who have put this framework out there, because it is the first time we have seen any alternative, it is a pretty miserable alternative for consumers all across this country who have finally for the first time, because of the Affordable Care Act, gotten access to affordable insurance and for countless more Americans who have been insured and who finally feel as though all of the tricks and the gimmicks they have seen from insurance companies, such as excluding people from coverage because of a preexisting condition or putting an annual limit on their coverage, that those days are over.

So as we go into the debate about the effective implementation of the Affordable Care Act and as we talk about these alternatives that are now being promoted, it is important we do that with eyes wide open. Nobody on our side of the aisle who supported the health care bill is going to tell you it is perfect. No one on our side of the aisle is going to defend every step of the implementation, but it is changing the lives of millions of Americans. It is reducing the overall health care expenditure of this government, and it is putting Americans back in charge of their health care.

Now is not the time to be discussing going back to the good old days when millions of Americans were left out of the rolls and the ranks of those who are insured and insurance companies dictated the day-to-day, week-to-week, and month-to-month health care that is so critical to the lives of middle-class families.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

THE ECONOMY

Mr. BARRASSO. Madam President, tonight President Obama is going to deliver his State of the Union Address. It will be in front of Congress and the TV cameras, and he will be talking to the American people as well. He and his advisers are probably working right now on some last-minute sound bites and applause lines. But I would say, instead of that, they should be working on an agenda that actually helps unemployed Americans, an agenda that will get our economy back on track.

The President doesn't have very many big opportunities left to do this. He is quickly becoming a lameduck President. The President is going to become a lameduck even faster if he comes to the Capitol tonight and delivers a lengthy speech that just attacks Republicans.

The economic recession ended 4½ years ago. Many Americans have still not seen their careers or their finances or their quality of life improve. That is what Americans are looking for. Unfortunately, they haven't found it because of the Obama economy. That is what the Obama economy has done to Americans.

Millions of Americans have actually, regrettably, given up looking for work. They are falling further and further behind, further and further away from achieving the dreams they have had. Is the President going to tell those people he has no new ideas about how to actually help them?

President Obama is failing. He is failing to make it easier for the American economy to recover and he is failing to help Americans who desperately want to work. He is failing because he is focused on things such as extending emergency unemployment benefits and raising the minimum wage. While an unemployment check can be a vital safety net for families, it is not a long-term solution for what is becoming a part-time economy under President Obama.

Tonight the President can deliver yet another partisan political speech—he may get a standing ovation here and there from the most liberal side of the aisle—or he can do what he should do as President: focus on solutions with proven bipartisan support.

The President has made a point of saying lately that 2014 will be, as he calls it, a year of action. He said he intends to act on his own, without waiting for Congress. I believe that would be the wrong course. President Obama has had trouble getting some of his policies through Congress, and the main reason is the American people do not support his policies. He should use this speech tonight to move to the center, to show he is willing to work with others. He shouldn't give a speech that shows he is moving further to the left. We have had too much of the President's politics of division.

The politics of division is hurting the economy and it is hurting the country. Democrats and Republicans on Capitol Hill already agree on ideas to get America and Americans back to work.

There are many policies that President Obama can talk about in his speech tonight that will not require him to go around Congress but, rather, to come to Congress. I would like to suggest three of them that he should announce tonight.

First is the Keystone XL Pipeline. The President should say he will stop blocking construction of the Keystone XL Pipeline. His own State Department says that the pipeline construction could support over 42,000 jobs across the country, and a bipartisan group of 62 Senators, 62 Members of this body, backs the project. Early in 2013 President Obama met with Senate Republicans. He told us we would have an answer about the pipeline by the end of the year. That was 2013. The year has come, gone, and the Keystone XL Pipeline approval is still sitting on the President's desk. The American people deserve an answer, and the answer should be yes.

Second, the President really should address his reckless Environmental Protection Agency—the EPA—and how its regulations are putting Americans out of work. Recently the EPA released new requirements for powerplants. The requirements are unachievable and they are unnecessary. Ironically, the EPA did this on the exact same day as the 50th anniversary of the start of the war on poverty declared by LBJ. These harsh new regulations are going to cause energy costs to go up, and they are going to cause people to lose their jobs as coal plants are forced to close. The job losses and higher prices are going to fall most heavily on people struggling in Appalachia and across coal country. Higher energy costs clearly hurt our economy. The President must sensibly rein in his EPA before it does even more economic damage.

Third, the President should support bipartisan efforts to repeal his medical device tax. This is a destructive tax, and it was part of the health care law. It has been estimated by some that the tax puts thousands of American jobs at risk because it helps to push manufacturing overseas. An amendment to repeal that medical device tax passed right here in the Senate last year with a bipartisan vote of 79 to 20. With all the changes President Obama has made to his health care law, it is barely recognizable. Repealing this tax would be a change that actually helps Americans and not just the President's poll numbers.

There are many things the President can talk about tonight that have this sort of bipartisan support. These are just three, but they would be a good place to start.

When the President leaves here after the State of the Union, he is going to go visit four States: Maryland, Pennsylvania, Wisconsin, and then Tennessee—four States, eight U.S. Senators. When we take a look at who they are, four are Republicans, four are Democrats. All 8 of them—4 Democrats and 4 Republicans—were part of the 79 Members of this body who voted to repeal the medical device tax.

When the President's spokesman the other day on Sunday's TV shows said the President is going to use his phone and his pen, I would say he ought to use the phone to call the eight Senators to say: I am going to use my pen, after you vote to repeal the medical device tax, to sign that into law. That is something which would show bipartisanship on the part of the President as well as really help with our economy.

Nearly 21 million Americans are out of work or they are trapped in part-time jobs. It is time for President Obama to talk less about divisive ways to redistribute Americans' prosperity and more about helping all Americans increase their own prosperity. America is a strong and resilient nation. We can overcome the Obama economy, and we will. We can overcome—and we will—the bad policies of this administration. The President should come tonight to the Capitol and say he is willing to help Americans return to prosperity.

If the President announces these three policies tonight, the country and the economy will benefit and a bipartisan group of Republicans and Democrats will all be able to stand and applaud.

I yield the floor.

The PRESIDING OFFICER (Mr. MANCHIN.) The Republican whip.

Mr. CORNYN. Mr. President, I would also like to address the matter of the President's State of the Union speech tonight. I am sure that, as has been the rule, President Obama will make an eloquent speech. He is very good at that. There is just one problem: The President's credibility has been shattered. Indeed, on issue after issue we see a massive gap between his rhetoric and the reality. You might say that the two biggest challenges the President faces tonight are those two challenges. One is to his credibility, and the other is to his competence and the competence of the Federal Government, actually, to be able to deliver on the promises it makes.

The most obvious example is the health care law, which we have heard a lot about and will continue to hear a lot about in this ensuing year. I was visiting with one health insurance company executive who told me that basically the bad news is going to continue to unroll and unravel over the coming months. There will be nowhere to hide.

Perhaps what people want most from Washington, DC, is accountability. I hear it all the time. People say what does it take to get fired? Do people promise the Sun and the Moon and deliver nothing without any consequences? How about people who were charged with implementing the policies of the administration, whether it is the Web site contractor or whomever. The Web site contractor finally did get fired and a new one hired, so I assume that sooner or later the Web site will actually work as advertised. But that still leaves us with the flaws in the underlying policy, which will not work. The American people understand that and they are looking to Washington for help, saying please deliver us from this epic failure which is not what we were promised. In the event there is not a response to that that they deem credible, I promise there will be an accounting come November 2014.

The President said repeatedly that under his signature health care law, if you liked the coverage you had you could keep it. Public opinion polls then showed that roughly 90 percent of the American people liked their health care coverage. Why in the world did we undermine or did ObamaCare undermine the existing coverage people liked just in order to cover more people, which in fact it did not do. We know ObamaCare has forced millions of Americans to lose their preferred coverage, the coverage they said they liked back in 2009. The President repeatedly said ObamaCare will reduce your premiums, make them lower—for a family of 4, about $2,500. The stories we see, day after day, of American citizens signing up on the health care exchanges is just the opposite. They are experiencing premium shock, and the fact is it is going to continue to get nothing but worse as people realize that the ones who are signing up for ObamaCare are older, sicker Americans and that young healthy Americans are simply taking a pass, saying I cannot afford it and if I have a problem I will take care of it later.

Premiums are going to continue to skyrocket, and Americans who are looking for more affordable health care coverage will find out that indeed it has been priced beyond their ability to pay.

Here is the rub. The President said—and I think this was the implicit, underlying promise of ObamaCare: If you pass ObamaCare, Congress, everybody will have coverage. We will have universal coverage. The Congressional Budget Office has projected that ObamaCare, even if it were implemented to perfection, exactly as the proponents and the President had expected, it would still leave 30 million people uninsured—30 million people uninsured.

The President said this new law would bring a greater sense of certainty to the U.S. health care system. Instead, we see one of the credit rating agencies actually slashing the credit rating of America's health insurers, citing the uncertainty generated by the implementation of ObamaCare—the opposite, again, of what was promised.

The President also said the Web site, when you plug in your personal information—your Social Security number, your health information that is protected already by Federal law—if you plug it into the ObamaCare Web site it is going to be safe and secure. Cyber experts have testified, particularly in the House of Representatives, that the security of the Web site is worse today than it was several months ago. There is no guarantee that if you put your personal information, your private information, your confidential information into the Web site, it is going to be protected.

Here is the real surprise: I remember when Secretary Sebelius appeared before the Senate Finance Committee just a couple of months ago. I asked her about the navigator program. You remember, the navigator program was supposed to get people to help you sign up for ObamaCare. I said: There is no background check, is there, to be a navigator.

She said no.

I asked: So is it possible that a convicted felon could be a navigator, somebody you are giving your personal information to, to help you sign up for ObamaCare?

To her credit she said, in all candor: Yes; that is possible.

I nearly fell out of my chair.

ObamaCare's broken promises have caused enormous pain and anxiety in millions of Americans in Texas and all around the country. We see from the Wall Street Journal poll that came out this morning, which had to be a wake-up call to the administration and its allies, the American people are anxious, they are dissatisfied, they are wondering what has gone so terribly wrong in Washington, DC, and ObamaCare is exhibit 1. That is why we are committed on this side of the aisle to working with our colleagues, when they are ready to talk to us, and to replacing ObamaCare with patient-centered alternatives that will actually bring down the cost and make it more affordable.

What better way to get more people covered than to make it more affordable and to make sure government does not make these private decisions for us and our family when it comes to health care but that we, families, get to make that decision in consultation with their family doctor.

When you begin to scrape the surface, the President's problem of credibility and competence—those are the two crises he confronts tonight as he addresses the Nation—all we have to do, beyond ObamaCare, is look at what is happening in the economy. After raising taxes $1.7 trillion, that was about 1 year ago, during the time President Obama has been President of the United States, the national debt has gone up $6.6 trillion. But my friends across the aisle, many of them—I would exclude the present occupant of the Chair who I know is concerned about this—my friends across the aisle think nothing of bringing legislation to the floor that is unpaid for that would add to the national deficit and national debt. That is the reason we now have a national debt in excess of $17 trillion.

That is more than any of us can possibly conceive. When President Obama became President, the national debt was about $10 trillion. That is bad enough. But in the last 5 years it has gone up $6.6 trillion—or more than $6.6 trillion. It is no coincidence that he has presided over the weakest recovery and highest unemployment since the Great Depression back in the 1930s.

President Obama has this very strange idea that the best way to get the economy going is to raise taxes and spend more money. It is just not working. As a matter of fact, we have great debates in Congress about the role and the size of the Federal Government. But perhaps the best example of why big government does not work has been the lousy economy, the slow economic growth, the high unemployment, and the number of people who have actually dropped out of the workforce.

The Bureau of Labor Statistics has this figure that it calculates. It is called the labor participation rate. You can Google Bureau of Labor Statistics or labor participation rate. That will show you that the percentage of people between the ages of 25 and 54 who are actively engaged and looking for work is lower today than it was at the height of the recession in 2008. Another 347,000 people dropped out of the workforce in December alone.

I know when we look at the unemployment rates that are released from time to time, we see the rate coming down a little bit, and we say: That is great. The unemployment rate is coming down. The problem is that in December alone almost 350,000 people quit looking for work. They gave up. We know that nearly 4 million people who are still looking for work have been out of a job for more than 6 months. That is not an economy to be proud of.

Let me just contrast that with what happened in the 1980s during the Reagan recovery. Typically, what economists will tell you is that when we have a recession, it is sort of a V shape. So when it hits bottom, it actually bounces up pretty quickly because there is nothing but the upside left to go. Yet this recession has been more of a U shape. In other words, we hit bottom, and we are still bouncing along the bottom. We haven't seen the kind of economic growth that we need to get people back to work, to grow our economy, and to get our budget balanced. I think the reason for that is some of the very policies I talked about a moment ago. It is due to the same misguided policies that the President has advocated and will no doubt talk about again tonight in his State of the Union Address.

I heard my colleague Senator BARRASSO from Wyoming talk about the Keystone XL Pipeline. The President likes to say: I have a pen, I have a phone, and I'm going to go it alone. Of course he can't do that under our Constitution. We all learned in high school about the checks and balances of the three coequal branches of government. The President can't spend a penny without Congress appropriating the money.

If we take him at his word, and he really wants to do something about the economy and reduce our dependence on imported oil from dangerous sources abroad, he could use that pen he talked about to authorize the Canadian-American connection of the Keystone XL Pipeline. You would then see a lot of the oil and energy produced in Canada, which is combined with the energy added to that pipeline, make its way down to southeast Texas where the refineries will turn it into gasoline and jet fuel, and in the process create thousands of new jobs.

Rather than using that pen to put people back to work and make sure that we have safe sources of energy, his administration is working behind the scenes to kill the Keystone XL Pipeline. Politics is the only explanation.

The President should not be surprised at what this Wall Street Journal poll showed this morning—that most of the voters disapprove of how he handled the economy. Likewise, he should not be surprised that trust in the Federal Government has also fallen to historic lows; that is the credibility problem. You can't promise the Sun and the Moon and deliver squat and expect people to trust you next time when you make another promise.

Then there is this. The Obama administration has repeatedly ignored or waived laws that prove inconvenient—from ObamaCare to immigration to welfare reform to education, energy, and drug policy.

One of the most frequent questions my constituents ask me back home in Texas is: How can the President do that? I thought we were a Nation that believed in the rule of law, that the law applied to everybody in America no matter how humble your station in life or how exalted—whether you are the commander in chief. I guess we have to revisit that when the President picks and chooses which laws he wants to enforce. Of course, Congress can pass laws. That is what Congress does.

The executive branch is the one that is supposed to enforce the law. So unless someone files a lawsuit—not Eric Holder in the Department of Justice, one of the most politicized Departments of Justice I can even remember. When some private organization or individual—such as the one who recently challenged the contraception mandate in ObamaCare that was recently stayed by the Supreme Court of the United States—or some association or business files a lawsuit that culminates in a judgment of a court years later, but for that, there really isn't much of a check on President Obama. But that can change, and the voters know how to do it: By changing who is in charge in the Senate in November.

Here is another place where the President overreached and recently had his hands slapped by the courts. This had to do with his claimed authority to do another end run around Congress to make recessed appointments. We all know that under the Constitution the advise and consent function of the Senate is to act on the President's nominees and to vote to confirm them or not. Again, in a case of the President trying to go it alone, the court of appeals slapped down his attempt to do this end run around the Constitution and the advise and consent rule of the Senate. But that didn't stop him. Now he is threatening to take even more unilateral action: I have my phone, I have a pen—he is ready to do it again. That is not how the Federal Government is supposed to operate.

For example, after the President made these unconstitutional recess appointments, the DC Circuit of Appeals ruled on them and said: If the President's claim to make that appointment would be upheld, it would ''eviscerate the Constitution's separation of powers''—the three coequal branches of government, checks and balances. What could be more fundamental to our form of government? The court of appeals said that if they upheld the President's claimed power to make those appointments, it would ''eviscerate the Constitution's separation of powers.''

We know how important the role of checks and balances is in our form of government and in our democracy. Indeed, our democracy would not be able to survive without them. The people who founded this great country knew that the greatest threat to their freedom and their individual liberties and their most basic rights was the concentration of power, so that is why they separated power at the Federal and State level in the Tenth Amendment, but they also separated the power at the Federal level between the judicial, executive, and the legislative branches. Yet this President and his administration have shown repeated contempt for the checks and balances that are so essential to our form of government.

I have said many times that no President has the authority to disregard or selectively enforce the law based on political expediency. If he or she can, then we are nothing better than a banana republic. We are no longer a Nation that believes in the rule of law, which has really been the competitive edge that this country has had over other countries. People know if you come and do business in the United States, you are going to have access to the courts, your contracts are going to be enforced, and the laws that are written will actually be enforced by an impartial judiciary. That gives us a competitive advantage economically, morally, and otherwise, but it is being undermined.

Republicans are not the only ones that are worried about the President's willingness to bypass the normal legislative process. Yesterday my colleague from Maine, a Democratic caucus member, urged the White House not to treat Congress as—what he called—an afterthought.

In that spirit, I would like to remind the President of something he said just a few months ago. He said:

> We've got this Constitution; we've got this whole thing about separation of powers. So there is no shortcut to politics, and there's no shortcut to democracy.

That is what the President of the United States said just a few months ago. Yet now he is claiming: I have a phone, I have a pen, and I'm going to go it alone. I would like to remind him of something he also said back in 2006, which is very similar. He said:

> The Founders designed this system, as frustrating as it is, to make sure that there's a broad consensus before the country moves forward.

I couldn't agree more with the Barack Obama of 2006 or the Barack Obama of a few months ago, but I couldn't disagree more with President Barack Obama of today who somehow has this fantasy—it is nothing better than a fantasy—that somehow he can rise above Congress and the Constitution and the separation of powers and don the robe of a virtual dictator, force new laws down our throat or force the country in a direction that it doesn't want to go. It is a fantasy. It ain't gonna happen.

Yet on issue after issue the President still likes to tell the American people that he can move forward without any regard to consensus or constitutional checks and balances. It is a terrible mistake, and I wish he would reconsider.

In addition to its assault on the separation of powers, this administration has targeted other enemies, such as its intrusive monitoring of journalists' phone records. It has attempted to shake down private companies to get them to fund ObamaCare. It has fostered a culture of intimidation and punished whistleblowers. There have been scandals from Benghazi to Fast and Furious and those responsible for the attempt to intimidate the American people—or some part of the American people—from participating in the political process through the IRS scandal.

We know this administration has repeatedly obstructed the investigations and refused to cooperate with the inquiries that would bring the facts out into the light of day so we can all know what happened, make sure that those responsible are held accountable and, more importantly, make sure it never happens again.

I am confident that this is not the record President Obama will talk about tonight. Although this is his record, it is not too late to change. His own record is what has destroyed his credibility, as well as caused people to question his competence and the Federal Government's ability to actually deliver on the extravagant promises he has made time and time again.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I grew up in East Saint Louis, IL, on the banks of the Mississippi River. As a child, it was a dominant feature in my life—crossing that river, watching that river. It didn't take long as I grew up to realize that that river has a mind of its own.

Last year, because of drought conditions in the Midwest, the Mississippi River was so low in January and February of 2013 that the Army Corps of Engineers had to come out on an emergency basis and literally scour the bottom of the river of rock formation so that navigation could continue. We were worried that we would have to shut down this major economic artery in the Midwest because the river was so low. The Army did a great job. The navigation continued with only slight delays and no major interruptions. Within 60 to 90 days, that same river was at flood stage. That is what those of us who grew up in the Midwest come to expect and understand—the unpredictability of that river. As we grew up and started to look around, we realized there were bluffs behind us that at one point were the banks of this great river and that we were living in the flood plain, if you will—that area close to the river that once was totally under water, way back when.

So there were flooding episodes, as most communities went through, and efforts made to deal with that flooding, including the building of levees. Those levees, for the most part, on the Illinois side of the river have been reliable. Some have questioned whether they can meet 500-year standards or these epic floods, and I think the question is well worth asking. But the fact is that the efforts made on the Illinois side—I can't speak for others, but at least in that region—have really been up to the task and we have not had serious flooding in a long time in that part of the world.

Because of concerns raised by the Army Corps of Engineers about whether these levees that protect the towns and businesses and families were up to the job, something remarkable occurred. Leaders who lived in the counties—and I will be more specific in a moment—closest to that area got together and said, We are not going to wait on the Federal Government. We are going to impose a tax on ourselves and raise tens of millions of dollars to start fortifying these levees to protect our towns and businesses. I don't know if that has ever happened anywhere else. We have to salute them. They weren't waiting for Uncle Sam to show up and ride to the rescue; they took it into their own hands. Well, I salute them because they did raise the money and they are prepared and they are fortifying those levees.

I love the Army Corps of Engineers. They came to our rescue last year. But the locals have asked the Army Corps of Engineers to come in and certify these levees, that they are stronger now than they ever were, and the Army Corps has been slow to do it. It is frustrating. The locals are doing everything we could ask of them and they aren't getting at least a timely response from the Army Corps of Engineers. So, as a consequence, we are living in this uncertain world.

All of these businesses, all of these towns, all of these families in this so-called flood plain believe they are protected by the levees, the levees have not been certified by the Corps, and now comes the new National Flood Insurance Program which says to the people living there that they are going to have to pay higher premiums for flood protection in the future. The people rightly said, Wait a minute. We are paying higher sales taxes; we voted to pay higher sales taxes to protect ourselves, and now we are being told we still have to pay higher premiums. That gets to the heart of why we are on the floor discussing the National Flood Insurance Program.

Now I wish to say a few words about my position on this issue because it is one I have struggled with, to try to find the right answer in light of what I think is an extraordinary, if not heroic, effort by local people to address their problem and not wait for the Federal Government, their frustration of not having at least a timely cooperation by the Army Corps of Engineers, and now the prospect that the premiums for their flood insurance are going to go up despite their best efforts to protect themselves. If they were doing nothing, standing back and saying, This isn't our worry; if something bad happens, Washington will ride to the rescue, that is one thing. But they are doing something specific that costs them money and they are trying to protect themselves.

Rapid increases in flood insurance premiums, which are on the horizon, are hard for many people in my State. For the people in Metro East, which is the area I just described which is on the eastern side of the Mississippi River across from St. Louis—the southwestern part of Illinois—for many of them this increase in these premiums would be impossible for them to pay. Forty percent of the Metro East I have just described is mapped as flood plain, and most of the National Flood Insurance Program policyholders there have their premiums subsidized. This meant that instead of paying $500 a year, they were paying about $150. It made it more affordable to them. However, the new increases that are anticipated could be as much as 400 percent.

In Granite City, IL, policyholders paid $585 last year for flood insurance, but with the new increases, the premiums are expected to rise to $1,500 or even $2,000 a year. For some people, $2,000 a year may not sound like a sacrifice. But for hard-working families in small homes they have worked hard to buy and build, another $2,000 a year can make some real impact on their lives.

Additionally, 30,000 new structures in Metro East could be newly mapped into a flood plain when FEMA finally finalizes its flood maps. These homeowners could end up paying $500 to $2,000 a year for flood insurance. Allowing their premiums to rise so high so quickly is unacceptable, especially given how the people in Metro East have worked together over the last 7 years at significant expense to themselves to improve the 74-mile levee system.

In 2007, the Army Corps notified Metro East locals that their levees needed improvement. The next year FEMA notified them that much of the area would be mapped into a flood plain, triggering mandatory flood insurance purchase requirements unless the levee was improved. In response, the three Metro East counties I mentioned earlier—Madison, Monroe, and St. Clair, where I grew up—taxed themselves to pay for the improvements to their levees. They raised $150 million. I believe this type of local commitment is unprecedented. I don't know if anyone else is doing this. They did it.

There have been a number of setbacks, but when they occurred, I have tried to work with the Army Corps and with my colleagues in Congress to get these projects back on track. I commend the people in Metro East for working together to honestly address the threat of flooding. No community wants to go through the pain and loss of damaging flooding. The Presiding Officer has been through it in West Virginia. I have been through it. Twenty years ago, in 1993, there was horrific flooding on the Mississippi River and there have been several instances since. I was out there piling up the sandbags with a lot of folks trying to protect homes and businesses.

These communities in Metro East are actively doing something to prevent the recurrence of that kind of a disaster. So while the locals continue to work with the Army Corps to achieve the highest level of levee protection as quickly as possible, I am going to continue to make their work a priority in my efforts. Because the residents of Metro East have taken on a significant financial commitment to protect homes and businesses, I will work to ensure that flood insurance premiums are affordable.

I wanted to draw attention to the way the residents of Metro East have taken the initiative to help protect themselves from the risk of flooding, because not every community is engaged as directly with this threat as they have been. My constituents in this part of the country, for the most part, cannot afford to buy flood insurance at the new levels and the new rates.

I agree with the effort underway by Senators MENENDEZ, ISAKSON, LANDRIEU, and others to slow down these increases, and that is why I am supporting their effort. But we need to do this with our eyes wide open. The National Flood Insurance Program is not going to keep up with the costs of recovery from severe weather events that we see on the horizon.

The National Flood Insurance Program provides nearly 6 million business owners, homeowners, and renters $1.2 trillion in coverage. The problem is the program simply doesn't collect enough money to cover the costs of rebuilding communities from floods, hurricanes, and other disasters.

The flood insurance program will be more than $20 billion in debt after making payments for Superstorm Sandy. If we in Congress continue to ignore the structural weakness in the flood insurance program, that deficit, that debt, that shortfall is going to grow in the future. We can and should, sadly, expect more intense extreme weather events. According to computer models, the changing climate means the storms we are seeing will become stronger and more extreme in the future, causing even greater amounts of damage. Nationwide, the financial consequences of weather-related disasters and climate change hit an historic high in 2012, causing over $55 billion in damages.

I had a hearing on this issue, and I thought: If I bring in environmentalists, a lot of folks will discount it completely when they start talking about climate change. They may not attend. They may walk out of the room. So instead I brought in people from the property and casualty industry, the insurance industry. What do they do for a living? They watch the weather. They watch it more closely than any politician ever did, and they decide adequate premiums to cover the reserves needed to protect from these weather disasters.

The story they told us was: Get ready. The weather is going to get more extreme, and the costs and damages are going to grow dramatically. Some insurance companies—major insurance companies—have walked away from States, saying: There is just too much exposure there. We cannot charge premiums and collect enough to create a reserve in the instance of a natural disaster.

Now, that is the reality of the private sector analysis of this issue. This is not some—pejorative term—tree-hugging environmentalist musing about possibilities. These are hard-hearted actuaries and accountants taking a hard look at what the future holds. The private insurance industry has looked at the scientific data, and they have made changes in the way they do business. They are adjusting their operations to prepare for worse weather and bigger losses. They have begun raising premiums for wind, earthquake, and flood insurance in areas where disasters are likely, ensuring the rates accurately reflect the risk of damage. The industry has also begun to refuse insuring properties in states where there is just too much risk. In contrast, the Federal Government has not adequately prepared to handle the growing number of severe weather events.

Well, Senator DURBIN, where does this leave you? You do not think your people can afford to pay the higher premiums, and yet you do not think the reserves set aside for the flood insurance program are adequate.

I think that is the reality of what this political vote is likely to show.

Yesterday the vote on the floor was an overwhelming bipartisan vote to go forward on this measure. We know the Flood Insurance Program will not be able to keep up with the damage inflicted on our communities. The cost—asking homeowners and businesses to pay dramatically more in flood insurance premiums—is too high to make the National Flood Insurance Program viable in the near future.

We need to recognize that losses from future floods will likely cost more than the National Flood Insurance Program can cover. And then—and that is why I think we need a dose of reality in this Chamber and on Capitol Hill—Congress has to step up. That is a reality. We know these disasters are likely to occur, and we cannot—will not—collect the premiums necessary to create the reserves to cover them. It will be our responsibility to ensure that help is there. Whether that disaster is in Kansas, Illinois, West Virginia, or anywhere across the United States, Congress cannot deny that help.

It is time that we seriously address the effects of climate change and rethink how we protect and provide disaster assistance to communities on a regular basis. Those who choose to ignore the overwhelming scientific evidence of climate change cannot ignore the overwhelming accounting evidence that the National Flood Insurance Program will not be able to meet the increasing expense of natural flooding disasters.

Our votes—if we pass this measure before us—may spare families from an unacceptable financial burden if flood premiums skyrocket, but they do not spare us from the reality that the damages from future flooding disasters will be nationalized, as the damages of Katrina and Sandy were.

Those who vote for this Menendez-Isakson-Landrieu measure—as I will—are voting at the same time to nationalize the cost and damages of future disasters, to say that this is going to be something we will respond to as needed. I have done that throughout my congressional career in the House and Senate, stood up to help those regions of the country in trouble, from California all the way to the east coast, and I will do it again because I think it is an American family responsibility. There is a limitation to what this National Flood Insurance Program can achieve. There is certainly a limit to how much working families can pay for these premiums. And we have to accept the reality that when these flooding events occur, when these disasters occur, we have to accept that responsibility.

I yield the floor.

The PRESIDING OFFICER. The senior Senator from Kansas.

FARM BILL

Mr. ROBERTS. Mr. President, I rise today to discuss the Agriculture Act of 2014. That is the new name of the farm bill.

After over 3 years of hard work by the House and Senate Agriculture Committees and other interested Members, we are finally nearing the finish line for this version of the Nation's farm and food policy.

As all Kansans and all farmers and ranchers from every State know, the farm bill impacts not only our farmers and ranchers but also businesses up and down Main Street, as well as families in our rural towns and urban cities.

Everyone in Kansas, people who work in agriculture or are impacted by its success—which, by the way, is every single American—and my colleagues in the Congress deserve to know why I was the only Senator on the conference committee not to sign the conference report as of last night. I am here today to fully explain my reasoning and why I cannot and will not vote for this legislation.

It all comes down to this simple question: Does the new farm bill improve agriculture in America? I believe the answer is, unfortunately, no.

While we all want to provide long-overdue certainty to producers—something lacking for over 400 days, for 2 years; a record—the conference missed an opportunity for greater and necessary reforms to our Nation's farm programs, Federal nutrition programs, and burdensome regulations.

We should not march backward and pass a farm bill with more government subsidies, more regulations, and more waste.

How on Earth did we get to this point today?

Back in 2011 Chairperson STABENOW and I started the process of writing a new farm bill with a field hearing in her home State of Michigan. Later that year we held another successful hearing in Wichita, KS. After more formal hearings in the Senate and conversations with Kansas producers, Michigan producers, producers all over this country, it was clear to me that this farm bill would have to be reform-oriented, reduce the deficit, and be responsible—not only to farmers and ranchers but also to consumers and taxpayers. Unfortunately, as I stand here today, this farm bill does not meet those standards, and, taken as a whole, the conference report fails to move both Federal farm and food programs forward.

I previously voted against the Senate bill, which looked too much in the rearview mirror for outdated programs, but this report is even worse. Just listen to this: Last year's House bill was officially called the Federal Agriculture Reform and Risk Management Act—''reform,'' ''risk management''—and here in the Senate we passed the Agriculture Reform, Food, and Jobs Act. The final report now is reduced to the Agriculture Act, the farm bill.

Today I will focus my comments on my three biggest concerns: commodity subsidy programs, nutrition program spending, and the lack of regulatory reforms so sorely needed.

Considering we all commonly refer to the legislation as the farm bill, my first concern and criticism is the new price loss coverage program. The acronym for that is PLC. It is a subsidy program.

Back in 2012, 2 years ago, I was pleased that the Senate Agriculture Committee and the full Senate passed a bipartisan commodity title that contained real reform. We ended the current countercyclical commodity subsidy program and got the government out of the business of sending signals to producers essentially telling them which crops to plant by setting target price guarantees for producers—farming for the government, not farming for the market. Unfortunately, that reform was replaced in the latest Senate bill with a new target price subsidy program, doubled down in the House version with even higher target prices, and manipulated even more in the conference report to suit the desire of specific crops over the objections of others in different regions.

The new Price Loss Coverage Program repeats a classic government subsidy mistake: setting high fixed target prices or subsidies, which only guarantees overproduction, with long periods of low crop prices, leading to more expensive farm programs funded directly by taxpayers.

Why do we have to go down that road again? I have yet to hear one legitimate explanation for why Congress is about to tell all producers across this country that the Federal Government will guarantee the price of your wheat at $5.50 per bushel—by the way, it is a little over $6 right now at the country elevator in Dodge City—and rice at $14 per hundredweight for the next 5 years regardless of what happens in the market. We have done this before, and we know it creates planting and marketing distortions instead of letting our producers respond to market conditions.

After the World Trade Organization—the WTO—ruled against the United States for our cotton programs, I thought we had learned a lesson. I have said it before and will say it again: The WTO stove is hot. Why would we reach out and touch it again? Remember that we are still required to pay Brazil millions of dollars a year under that decision.

The Amber Box subsidy programs in this bill will open American agriculture to global trade disputes—which we have already lost and will likely lose again if challenged.

To date, objections and solutions from me and my colleagues—ranging from South Dakota, Senator THUNE; Nebraska, Senator JOHANNS; Iowa, Senator GRASSLEY; and even Ohio, Representative BOB GIBBS—have all fallen on deaf and stubborn ears. Our efforts to add market orientation to the price loss coverage subsidy program, as well as attempts to end it outright, have all been blocked and are certainly not reflected in the final report.

I am equally unhappy with the final outcome of the nutrition title of the farm bill.

Partisan politics has unnecessarily infiltrated this debate, with many Members on the other side of the aisle drawing a line in the sand at zero savings or real reform to the expensive and unrestricted Supplemental Nutrition Assistance Program. That is called SNAP. It is really the food stamp program. Facts are stubborn things. Despite good intentions, SNAP—food stamps—now makes up more than 80 percent of the Department of Agriculture's budget and was previously exempted from across-the-board sequestration cuts.

What we have here today is a ballooning and expensive set of Federal nutrition programs, with a patchwork of eligibility standards, loopholes, and, frankly, unneeded bonuses to State governments for simply administering the program. If you administer the program right, you get a bonus.

I understand and sympathize with the need for nutrition assistance for hard-working families. I have championed their efforts. However, we cannot and simply should not box off SNAP from unnecessary and timely reforms.

While the Senate version of the bill in 2012 and 2013 did tighten the Low Income Home Energy Assistance Program—LIHEAP—loophole to save roughly $4 billion over 10 years, there have always been additional needed reforms to the program.

At the end of the 2012 Senate bill, I included my personal views in the report. I identified eight additional ways to rein in the out-of-control spending and reinstitute program integrity for the SNAP program.

Last year, in 2013, I introduced a stand-alone piece of legislation that would have saved a total of $36 billion in SNAP without ever touching individual monthly benefits, and it failed on a party-line vote.

Eventually, the House of Representatives passed nearly $40 billion in savings—after intense debate over there—within the SNAP program. That is a 5-percent reduction over a 10-year period. I do not see how the final legislation, amounting to a 1-percent reduction in SNAP spending, is a fair compromise between both versions of the legislation. This just does not add up.

In every single one of my townhall meetings in Kansas—and I know the Presiding Officer from West Virginia finds the same thing true in his home State—the first question fed-up producers and business owners ask is, How can we stop or even slow down the onslaught—the onslaught—of regulations?

This farm bill had great potential to help producers and ranchers and all of agriculture with reducing the crushing regulatory burden from the government's rules and requirements. They just want relief.

Despite years of work in both committees and strong provisions in the House-passed farm bill, the final legislation lacks key, commonsense, and sound science regulatory reforms.

I am more than disappointed that a WTO-compliant resolution to mandatory country-of-origin labeling—it is called COOL—was not reached. As a result, our livestock producers who were already facing drought and high feed prices, now are going to have to worry about retaliatory actions by the Governments of Canada and Mexico.

Our ranchers are equally troubled that provisions in the House bill directing the USDA to refocus their efforts on the Grain Inspection Packers and Stockyards Act, the acronym for that is GIPSA, they were excluded. Another regulatory relief provision was already cleared by the full House and the Senate ag committee would have ended the duplicative National Pollutant Discharge Elimination System. I will not try the acronym for that.

These are pesticide permits required by the Environmental Protection Agency. We had an opportunity to protect human health and eliminate duplicative, unnecessary regulatory actions, and instead, despite all of our commitments to work together to resolve the issue, we were all blocked from including the simple and necessary regulatory relief.

Each of these regulatory reforms had bipartisan support. But now producers across the country are left without an explanation and, much worse, no needed relief. I am shocked at how far some Members will go to protect this administration's regulatory agenda instead of protecting real hard-working Americans.

After all of that, let me point out that with any large piece of legislation one can usually find some positives to point to and today's farm bill is no different. While I support many of the programs in the less talked about titles of the farm bill, I am especially appreciative of the inclusion of strong crop insurance provisions and livestock disaster programs. The No. 1 issue we heard over and over again from our producers across the country and in every corner of Kansas was that crop insurance was their No. 1 one priority for the farm bill; secondly, they said get the regulations off our backs.

The policies in the final bill protect the commitment to producers by strengthening crop insurance as the cornerstone of our farm safety net, regardless of the size of their farm or the commodity they grow. As this bill moves forward, the Risk Management Agency, RMA, will be busy offering expanded coverage for commodities such as cotton that have not traditionally participated in the program as much as other crops.

However, I am concerned that the conservation compliance requirement included in the legislation on crop insurance, not on cropping operations, not on being a farmer but on crop insurance, will unnecessarily burden producers who are already good stewards of their land and already subjected to conservation requirements in the commodity programs. This is a duplication—more paperwork.

As the western half of Kansas continues to linger in a historic drought, the lack of livestock disaster programs that expired in 2011 is truly upsetting. We should have never let the programs expire in the first place. We had an opportunity in 2012 to reauthorize them, but the Senate failed to act, over my calls of action.

All of the livestock disaster programs are finally retroactively authorized. But the assistance will be too little and too late in many parts of cattle country. Some have lost part of their herds and even strains of cattle genetics.

Unfortunately, as a Kansan, as well as a member of the Senate Agriculture Committee and the farm bill conference committee, I am disappointed to say that the final policies of this farm bill do not outweigh the positives. While we all want to provide certainty to producers, the conference has missed an opportunity for greater and necessary reforms to our Nation's farm programs, Federal nutrition programs, and burdensome regulations.

After over 3 years of debate, the challenges that agriculture faces at home and across the world have only continued to grow. We need 21st century policies and innovative solutions. Instead, this bill misses the mark and goes backward to protectionist programs.

The issues I raise deserve to be debated fully and publicly. I know time is of the essence. Yet the full conference committee met only once for opening statements last October. With all of the ramifications of the farm bill, we met once last October—for 3 minutes apiece.

In truth, the majority of this bill was negotiated behind closed doors without the opportunity for votes, amendments or discussion. There is too much of that around here. Producers, consumers, and our global trading partners expected more. Unfortunately, the

U.S. taxpayers deserve better than this conference report. I did not sign this conference report last night and cannot in good conscience vote for this legislation.

But I will promise this to all of the Members who worked so hard to at least get a bill. I will continue to work and advocate on behalf of advancing agriculture.

I yield the floor.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCHOOL CHOICE WEEK

Mr. McCONNELL. Mr. President, in America, education is one of the keys to success—but too many Kentucky children are trapped in failing schools. This week is National School Choice Week, an ideal time to remember that school choice can be an important option for children living in poverty.

Over 10,000 young Kentuckians a year drop out of school, with little likelihood to return and reduced prospects for the future. Dropping out before graduating high school very often subjects kids to added hardship. Studies by the U.S. Census Bureau show that the average high school dropout earns 42 percent less than a high school graduate without a college degree. And these failures of our school system fall hardest on minority and low-income children.

But the big government-educational complex too often cares more about the bricks and mortar of a failing school than the children attending it. Special interests, like those of unions, can outweigh the interests of individual students.

We need to provide increased opportunities for families to choose the education environment that best meets the needs of their children. School choice programs do just that—they empower parents.

There are two types of school choice programs. One program provides financial assistance for disadvantaged students to enroll in private schools. The second charter schools—are public schools that are entrepreneurial and free from many of the constraints of school district bureaucracies. Rather than focusing on red tape, they are singularly focused on academic achievement, and give parents the opportunity to choose the best school for their child.

Both types of programs offer families the opportunity to send their child to safer schools with a proven track record of success. They allow public education dollars to follow the student to the school of their parents' choosing and improve student performance. Surely parents, not bureaucrats, are the best judges of what school is right for their child.

In Washington, DC, studies have shown that the city's private school scholarship program has increased graduation rates by 21 percent. In Indiana, enrollment in the State's private school scholarship program has more than doubled this year, to nearly 20,000 students. Clearly parents in Indiana are pleased with the availability of this option.

Indiana charter school students also saw improvements in learning for math and reading compared to their traditional public school counterparts. If Indiana and Washington, DC, can offer their children better choices, why can't Kentucky do the same?

A recent poll shows that 72 percent of Kentuckians favor charter schools, and yet Kentucky is one of only seven States that does not allow them. I agree with the vast majority of Kentuckians who favor charter schools and have supported Federal incentives for States that permit them, and will continue to do so.

For these reasons, I am a proud sponsor of legislation in the Senate that would expand school choice and allow 11 million low-income students to take Federal funding to the public or private school they choose. This would give parents, not Washington or bloated school bureaucracies, the power to decide how to best use the education money allocated for their children. It would also ensure that students trapped in failing schools don't have to wait for those schools to get better to get a quality education.

While I was encouraged to see Kentucky's ranking among States has improved, more is still needed. Last year, 18 of Kentucky's 22 failing schools were in Jefferson County. Students trapped in failing schools, such as those in the Louisville area, need options before they fall too far behind.

School choice is a way out. For low-income families, it can break the cycle of poverty. Thanks to school choice, many young men and women who would otherwise not have had the opportunity to excel can grow up to become leaders in their communities and their country.

The current one-size-fits-all education system is not the best approach. Our Commonwealth needs to make fundamental changes so that that every child has the opportunity to leave a failing school. I'm grateful for the organizations across the Bluegrass State which are fighting to make that happen. Kentucky's school children are capable of great things; let's make sure we empower their parents to help their children succeed.

TRIBUTE TO DR. LOUIS ARNOLD

Mr. McCONNELL. Mr. President, I come to the floor today in celebration of the anniversary of Dr. Louis Arnold's birth. Dr. Arnold, or ''the Flying Evangelist'' as he is known by many in our home State, was born 100 years ago on January 19, 1914, in Buckeye, KY, and has spent his life in service to the Baptist church. He is the founding pastor of Clays Mill Road Baptist Church.

Dr. Arnold felt the call to preach early in life. At age 11, he began preaching to his classmates while they walked to and from school. Then, at 19, he publicly announced his call to preach and held his first sermon in the Mitchellsburg Baptist Church. Following that first sermon—the story goes—he gazed up into the stars with a Bible in hand and said, ''Lord, I'd rather be a preacher than to be President of the United States.''

Dr. Arnold got the nickname ''the Flying Evangelist'' during the second World War. Already the pastor of a church in Lexington, KY, he was called to pastor another church in Cincinnati, OH. The churches were separated by 85 miles of country road—too far of a drive to be able to preach at both Sunday services. Undeterred, Dr. Arnold bought an interest in a small plane and learned to fly. Now, not only could he easily commute between the two churches, but he could also fly to revivals and churches across the region. He even equipped his plane with a loudspeaker so he could preach from the sky over cities and towns.

Although Dr. Arnold was born in the Commonwealth of Kentucky, his message has spread far and wide. He has his own radio broadcast, ''Preaching at Your Church,'' and his paper, ''The Arnold Report,'' is mailed to all 50 States. He's organized churches and revivals in his home State of Kentucky as well as travelled abroad to places such as Mexico, Central America, Europe, and the Bahamas. He's written numerous books of sermon and Bible study, and dozens of inspirational novels which have sold in all 50 States and several foreign countries.

Dr. Arnold celebrated his 100th birthday by preaching at the Clays Mill Road Baptist Church; a remarkable testament to his conviction and faith that have not wavered in the more than 80 years since his first sermon. I ask my Senate colleagues to join me in recognizing Dr. Louis Arnold, an upstanding Kentucky citizen, on the occasion of his 100 years of life and his unwavering devotion to his faith.

TRIBUTE TO IRENE GAINER

Mr. DURBIN. Mr. President, I want to congratulate Irene Gainer on her upcoming retirement from Federal service. Most of my colleagues know Irene through her husband, Senate Sergeant at Arms Terry Gainer, but today Irene gets the spotlight as I take a few minutes to recognize her impressive career.

Many great things come from Chicago, including Irene, who was born and raised in Chicago. Chicago is also where she met her husband Terry and started her first career as a nurse. She attended the College of St. Francis and St. Bernard's School of Nursing. During the early years of their marriage, Irene joined Terry as the Navy moved them around the country from Rhode Island to Virginia and then to California. In each State Irene worked as a nurse, and to this day she maintains her licenses and professional credentials in all three States.

Irene also worked in Illinois hospitals, including St. Bernard's Hospital, Christ Hospital, Central Community Hospital, and for 14 years at the Little Company of Mary Hospital.

In 1988, Irene started her second career—she began law school at John Marshall. Irene attended law school during the day, continued working nights as a nurse at Little Company of Mary Hospital, and—did I mention?—she and her husband were raising their six children.

After law school graduation in 1990, Irene accepted a job as Clerk in the Circuit Court of Cook County. She also worked for the State of Illinois as Assistant Director of Health and Energy Policy, served as General Counsel and Executive Director of the Illinois Alcoholism and Drug Dependence Association, and as an associate in a law firm.

Irene and Terry moved to Washington, DC in 1998. While living here in DC, Irene has worked for the National Treatment Accountability for Safer Communities, Sibley Memorial Hospital, and the Peace Corps. And for the past 5 years, she has been Director of the Hearing Office for the Department of Health and Human Services' Office of Medicare Hearings and Appeals.

If Irene's busy career is any indication, there is little chance she will spend much idle time in retirement. Between volunteering with her local Catholic church and staying in touch with her six children spread around the world, she is sure to stay active.

I thank Irene for her many years of Federal service and wish her all the best in retirement. And I especially hope that she and Terry find lots of time to spend with their 14 grandchildren.

REMEMBERING ALEXIS ''LEXIE'' KAMERMAN

Mr. DURBIN. Mr. President, on January 17, just days before our Nation observed a day in remembrance of Martin Luther King, Jr., a man recognized for his nonviolent activism during the civil rights movement, a restaurant in Kabul, Afghanistan, popular with foreigners and expatriates, including Americans, was rocked by a terrorist attack, killing 21 people.

Tragically, we lost one of our own from Illinois during this act of senseless violence: Ms. Alexis ''Lexie'' Kamerman, a Chicago native who for years had dedicated herself to serving others and only the year prior had moved to Afghanistan, working with the American University there to help increase access to education for Afghan girls and women.

Lexie grew up in Chicago in my home State. She was a 2004 graduate of the Latin School of Chicago, a 2008 graduate of Knox College—where she was also an all-star conference water polo player—and she went on to receive her Masters in Higher Education from the University of Arizona.

Countless friends and family have described Lexie as generous, fearless, and passionate about helping to create a better world. It's no surprise that the 27-year-old found herself in Kabul, working as a student development specialist with American University of Afghanistan. American University of Afghanistan has been committed for years to extend high-quality, affordable education for Afghans, especially girls, who may not have had access to it otherwise.

Sadly, American University of Afghanistan lost another member of its family in the same attack: 29-year-old political science professor Alexandros Petersen from Washington, DC. He and Lexie both were too young, too bright, and too dedicated to helping others to be leaving the world so soon.

Afghanistan has seen many ups and downs over the years. But these heinous attacks on innocent civilians, people such as Lexie who work every day to help the Afghan people achieve a better future, are among the lowest of lows.

My deepest sympathies go out to Lexie's parents, Jack and Alison, and the rest of her family, as well as the family at American University of Afghanistan and to all victims of the attack and their loved ones. It is only fitting that Knox College has created a scholarship in Lexie's name, a well-deserved tribute for a young woman who was so dedicated to others and to the value of education during her all-too-short life.

DEPARTMENT OF DEFENSE MEDICAL RESEARCH

Mr. HARKIN. Mr. President, I rise today to correct some unfortunate remarks made on the floor this month and reaffirm my long-standing support for the medical research programs at the Department of Defense, most of which fall under the Congressionally Directed Medical Research Program, or CDMRP. This program has led to major scientific breakthroughs since its creation in 1992 and it is one of my proudest accomplishments here in the U.S. Senate.

This program was created by me and together with my Defense Appropriations colleagues Senator Ted Stevens and Senator Daniel Inouye specifically in response to grassroots advocacy spearheaded by those who suffer from breast cancer, those who have survived it, and their families. The Department of Defense runs one of the largest health systems in the country, serving 9.6 million servicemembers, their families and military retirees, and as a result offered a unique opportunity to undertake Breast Cancer Research. Military families suffer from the same conditions and diseases that affect our society at large, and they also have disproportionate rates of some diseases as a result of their service. My colleagues and I believed that offering potentially lifesaving research specifically focused on this population was a logical step.

So we started with Breast Cancer research in 1992. In the 22 years this program has been funded, we have spent almost $3 billion on Breast Cancer research, and $7.5 billion overall on important research on numerous conditions through the Department of Defense. Millions of Americans, including those who receive their health care from DOD, have been touched by conditions such as amyotrophic lateral sclerosis—or Lou Gehrig's disease—autism, lung cancer, multiple sclerosis, neurofibromatosis, ovarian cancer, prostate cancer, tuberous sclerosis complex and many others.

And what has that investment yielded? It has paid dividends, with breakthroughs in our understanding of breast cancer. It led to the development of the revolutionary drug Herceptin that is saving and prolonging the lives of millions of American women every day. DOD breast cancer research directly contributed to the discovery of a frequently mutated gene that contributes to several cancers and the OncoVue breast cancer risk assessment test.

But this program's payoff has not been limited to breast cancer: Those who receive Coenzyme Q10 treatment for gulf war illness can thank DOD medical research. The prostate cancer treatment Zytiga received FDA approval in 2011 due to the rapid early-phase clinical testing funded by DOD. Research jointly funded by CDMRP, the National Institutes of Health—NIH—and the Defense Advanced Research Projects Agency are creating advanced prosthetics that are accurately recreating the movement of the human hand—which in recent trial allowed a quadriplegic to feed herself for the first time in years. These are just a few small examples of the many research, diagnosis, and treatment breakthroughs this research has brought about.

DOD medical research has also made direct contributions to the understanding and treatment of medical conditions that uniquely or acutely affect those who serve. In addition to the research on gulf war illness, servicemembers and veterans who suffer from traumatic brain injury, tinnitus, or vision problems know that they can receive the most advanced treatment possible thanks to this medical research. DOD medical research is also finding biomarkers to better treat mental illness, so individual servicemembers do not have to go through the trial and error of being prescribed psychotropic medications that may or may not be effective for them. These research programs are helping to provide a better quality of life for those who have recently served in Iraq and Afghanistan.

For a number of years now, some in Congress have made the argument that this program does not belong at the Department of Defense, suggesting that these programs are duplicative and that this funding should be spent elsewhere. In fact, the medical research done at the Department of Defense is complementary to and coordinated with the research done at NIH, and other Federal agencies including the Department of Veterans Affairs. While the medical research done at DOD and NIH may have overlapping goals, including many research grants that have been jointly funded, CDMRP has a different mandate, uses different criteria in selecting grants, and uses a unique two-tiered review process that assures high quality of research.

I simply say to those critics of the program, the outcomes speak for themselves. Any suggestion that I believe this program should have been created elsewhere or should be moved is incorrect, and I want to make sure the RECORD is clear on this point.

I thank my colleagues on the Defense Appropriations Subcommittee, Chairman DURBIN and Ranking Member COCHRAN, and the chair and ranking member of the Appropriations Committee, Senator MIKULSKI and Senator SHELBY, for providing $1.55 billion in funding for these critical and successful medical research programs in Fiscal Year 2014. I look forward to many more years of breakthrough medical research conducted by the DOD that will directly address the needs of our military members and that will have broad application to millions of Americans.

MENTAL EXERCISES FOR SENIORS

Mr. NELSON. Mr. President, today I wish to call attention to the ACTIVE, or Advanced Cognitive Training for Independent and Vital Elderly, study on mental exercises for seniors. The study, conducted by researchers at the University of Florida College of Public Health and Health Professions, showed that older adults who receive cognitive training can significantly improve their reasoning and mental processing skills. Elderly patients were coached and assessed in memory, reasoning, and processing speed at baseline. The study participants were then reassessed at intervals of 2, 3, 5, and 10 years. The result was that participants who received cognitive training reported significantly less difficulty with activities of daily living. Most patients achieved improved reasoning and mental processing speed at the end of the study, the results of which may be found in the January 13 online issue of the Journal of the American Geriatrics Society.

These results echo findings from Senate Special Committee on Aging in its recent work on improving quality of life for seniors who suffer from Alzheimer's and dementia. The Committee's 2012 report, entitled ''Alzheimer's Disease and Dementia: A Comparison of International Approaches,'' stated that ''individuals who are cognitively active—such as individuals who regularly read or do crossword puzzles—are at a lower risk of developing mild cognitive impairment (MCI)—an early symptom of dementia and AD, Alzheimer's disease—because they have increased cognitive reserve.''

The Senate Special Committee on Aging is also committed to embracing innovative brain health care advances for seniors. During our committee's recent Healthy Aging Forum, various groups invested in senior health care shared novel ideas for better mental health care and quality of life. These included research and medical technology devices that sharpen senior memory, thinking, and cognitive processing skills. Among these were Microsoft Kinect software, which uses cognitive and mental diagnostic, rehabilitative, and routine mental game-based exercises to help improve senior brain health and fine motor skills. Loneliness, which adversely impacts brain health and increases risk for dementia in seniors, can be minimized by engaging seniors with the Gerijoy avatar—also showcased at the Healthy Aging Forum—an interactive virtual pet companion that strengthens seniors' mental capabilities by providing opportunities for meaningful interaction.

The University of Florida Institute on Aging, another invited exhibitor at the Senate Health Aging Forum, is currently conducting a LIFE, Lifestyle Interventions and Independence for Elders, study in which the effect of physical activity and/or aging health education on senior mobility and independence are being assessed. Cognitive function and impairment are also being examined as a part of the study.

The Senate Special Committee on Aging has conducted numerous hearings on Alzheimer's in recent years, coinciding with my cosponsorship of the HOPE for Alzheimer's Act, S.709/H.R.1507, which will improve diagnosis and care planning services for patients with Alzheimer's. A panel of witnesses from the government, academia, and the Alzheimer's Association discussed recent advancements in these areas in an April 2013 hearing entitled, ''The National Plan to Address Alzheimer's Disease: Are We On Track to 2025?'' An updated 2013 version of the national plan also highlights anticipated milestones in prevention of the disease. Lifestyle modifications and identification of Alzheimer's and dementia risk factors are included as part of the plan.

I have long been a tireless advocate in the fight against Alzheimer's and dementia. As the chairman of the Senate Special Committee on Aging, I am committed to doing whatever I can to ensure the health and well-being of our seniors. Although much progress has been made, we still have a long way to go in ensuring the best possible quality of life for Americans in their later years.

ADDITIONAL STATEMENTS

TRIBUTE TO LIEUTENANT COLONEL CATHERINE M. BLACK

• Mr. KIRK. Mr. President, I rise to pay tribute to my constituent LTC Catherine M. Black for her exemplary dedication and service to the United States Army and to the United States of America. She has served for the last 2 years as a congressional budget liaison for the Secretary of the Army.

A native of Chicago, IL, Lieutenant Colonel Black enlisted in the Army in the summer of 1994. She was selected as the Soldier of the Year at Fort Gordon, GA, and was subsequently selected for the Officer Candidate School, earning a commission as a finance officer in April 1997.

Lieutenant Colonel Black has served in a broad range of duty stations and assignments over her two decades of service. As a Lieutenant, she served as a disbursing officer in a finance group at Fort Bragg, NC. This culminated in a rotation through the U.S. Army Forces Center in Doha, Qatar. Following the horrific attacks on September 11, 2011, she provided financial management services during the ground invasion in support of Operation Enduring Freedom.

As a Captain, Catherine Black served as a finance detachment commander and battalion operations officer at Fort Richardson, AK, and later as a financial management operations officer at Fort Belvoir, VA. After promotion to major, she commanded the 126th Financial Management Unit for a year and a half, while simultaneously serving as the Battalion Executive Officer for the Special Troops Battalion, 1st Sustainment Brigade at Fort Riley, KS. She trained and deployed her three financial management detachments to both Iraq and Afghanistan. She then deployed her headquarters to Kandahar, Afghanistan and stood up financial operations throughout southern Afghanistan. There she provided finance support to joint and coalition forces and developed financial management infrastructure for the nation of Afghanistan.

Lieutenant Colonel Black was selected to serve as a congressional budget liaison officer in the Office of the Assistant Secretary of the Army for financial management and comptroller. She managed the Army's military personnel and operations and maintenance accounts, the Working Capital Fund, and activity at the depots and arsenals that support the Nation's organic industrial base, including Illinois' Rock Island Arsenal.

Lieutenant Colonel Black's leadership throughout her career has positively impacted her soldiers, peers, and superiors. As a budget liaison officer, she worked directly with the Senate and House Appropriations Committees to educate and inform Senators, Representatives, and staff for the United States Army.

Mr. President, on behalf of a grateful Nation, I thank and commend LTC Catherine Black for two decades of service to her country. I wish Catherine, her husband Geert Jacobs, and her sons Alexander, Achilles, and Elias all the best as they continue their journey of service.●

VERMONT ESSAY WINNERS

● Mr. SANDERS. Mr. President, I ask to have printed in the RECORD finalist essays written by Vermont High School students as part of the Fourth Annual State of the Union Essay contest conducted by my office. These 9 finalists were selected from over 380 entries.

The essays follow:

CARLY NEELD, CHAMPLAIN VALLEY UNION HIGH SCHOOL, GRADE 11 (FINALIST)

It is a great privilege to be a citizen of the United States. As citizens, we have a responsibility to ensure that our government is used to improve lives. Although this country has achieved much, there are many aspects that can be improved. In particular, we need to work towards reducing the unemployment rate and take meaningful steps to stop climate change. Addressing these two issues now will go a long way towards helping current and future generations.

The unemployment rate is at seven percent. It is our obligation, as a nation, to lower this rate. By lowering the unemployment rate, we could see a drop in crime and a reduction in poverty as more people are earning a steady income. Because of this steady income, there will be more tax revenue which could then support safety net programs that help the impoverished. An increased employment rate will also cause an increased access to health care and other necessities to living, strengthening families and communities.

In order to decrease the unemployment rate, there are things in our country that will need improvement and our support. Affordable childcare can benefit the employment rate, as it allows parents to be free to go to work. Access to higher education is also essential in increasing the employment rate, as more people will be able to obtain higher paying jobs or start businesses that create jobs. Quality public education, especially early childhood education, will build a strong workforce as jobs are created. It is important to acknowledge the small businesses that provide countless jobs and to ensure that the government is giving these businesses the support they need to sustain their existence.

Climate change is a pressing issue the world is now facing and, as the United States, we need to lead the world in a greener direction. Carbon dioxide emissions are growing exponentially and are hurting our environment and our people's health. We need to take meaningful steps to reduce our carbon dioxide emissions and put our energy and resources into renewable energy technologies. Not only will the environment benefit, but we will benefit economically as the prices of energy will be stable and affordable.

These goals may be difficult to achieve; however, the result will benefit the country immensely and place us as a world leader in many aspects. These issues must be addressed, as they will improve the lives of every citizen and will allow us to strengthen our union.

REBECCA PAIGE, SOUTH ROYALTON SCHOOL, GRADE 12 (FINALIST)

The rising cost of a college education is becoming a chronic problem for everyone. We want everyone to become a well-educated, informed citizen, but are doing so at a steep price. We are paying an exorbitant amount of money and are being left with large amounts of debt.

For many families, having a high school senior in the household brings mixed feelings towards college. There is the excitement towards experiencing new things, but also the concern for how they will be able to afford a college education. The worries start right at the beginning, before the senior is even accepted. Having just finished my college application, I estimate that I paid about $600 for application and testing fees. What do these fees do to help with post-secondary education? Nothing. These fees are being used as a gamble for the right to a college education. There is nothing saying that the applicant will be guaranteed admittance to college, only the chance of it. There should be a movement passed that will eliminate all application, testing, and other miscellaneous fees associated with the application process, so students have a chance to apply to the college they want without money to limit them in the pursuit of a higher education.

Even once students have been accepted to a college or university, the tuition should be lowered or subsidized by the government. Pursuing education beyond high school serves to help better society and, in turn, will help us out of the unstable state in which we find ourselves. There are many positive aspects about pursuing education beyond high school, but they are being outweighed by the financial repercussions of the decision to do so. This is not how the system should be run. We should not have to cringe at the word college; we should embrace it because of the plethora of opportunities that it will provide us.

There seems to be a double standard in this country. We want our citizens to pursue a higher education because the country will reap the benefits, yet we still limit the post-secondary education to those that can afford it and not let everyone have the opportunity to a higher education. There needs to be a change, if anything is going to move forward. Therefore, let all fees be eliminated, let there be lower tuition costs, and allow all people a chance for a college education without having to sign over their life in order to get one.

KENDALL SPAULDING, MISSISQUOI VALLEY UNION MIDDLE, HIGH SCHOOL, GRADE 11 (FINALIST)

"Success is not final, failure is not fatal: it is the courage to continue that counts," said Winston Churchill. Churchill's quote links two controversial issues that our country is now facing, education and unemployment. We have to think about the people in our state and their futures. How will they continue to succeed? If people want to continue seeking jobs, they must go through a schooling process in order for them to feel satisfied. We want to grow strong and protect our views, so, taking control of our future will make it stronger and brighter as a country. We have to start to address these topics first, so they won't become a failure, but a success for our country.

I believe education should be the government's biggest concern because of what it can push our nation to accomplish. We have to make the common core strong, so that students know what to expect. We cannot just give up after a failure, we have to be determined and think more about of our future. Marion Brady, who is a classroom teacher, asked, "What knowledge is absolutely essential for every learner?" His question is what we think the curriculum should be to everyone. I believe if any student is strong in a core of truly essential skills, they can succeed in anything they want in their future. I believe enforcing the common core will help achieve our goals and lead to courageous decisions.

Building a successful education program will begin to strengthen the unemployment rate in our country. I think benefits being extended isn't the right solution because there are so many opportunities to go towards to be successful. If the government chooses to extend the benefits, we would be spending billions of dollars in a short amount of time, which would not help our economy. We have to think about what's best for the individual, as well as the whole country. It's best if we continue to persevere by going to a job training facility to be more successful. Making no extensions would lead people to create a successful life on their own, gain confidence, and rely on only themselves. Leading people to search for a job is in their own hands and they need to have courage in order to succeed in life.

To conclude, our country has to continue to grow as a whole in order to solve the controversial issues. Making successful decisions can permanently change the way the country grows. Also, creating a confident country leads to less room for failure in the long run. Let's believe we can create a strong common core plan for education and a non-extendable unemployment plan. I believe it can be done, it just takes time and hard work to get them. Let these two topics not be an issue anymore and finally resolve them, so we all can grow to our best.

ERIC TUCKER, SPAULDING HIGH SCHOOL, GRADE 11 (FINALIST)

The year 2013 was a period of progress and setback. The government was shut down for sixteen days, the unemployment rate decreased to seven percent, the lowest unemployment rate in five years, The Affordable Care Act (ObamaCare) was passed with mixed initial success, and many other influential achievements and failures occurred. A new year is here, and now is the time to further develop 2013's successes and solve its problems. The best way to turn 2014 into a year of achievement is to unite Americans and Congress by offering multiple solutions to common disagreements and by discovering a series of common goals with the support of the entire nation.

One of the catastrophically unsolved problems in 2013 was the gap between Republicans and Democrats in America. The government was shut down from October 1st to October 16th, and it nearly defaulted on its bills during this harsh debt-ceiling debate.

This could have been avoided, if multiple choices were offered during these debates. For example, the main reason the Republicans did not want to re-open the government is they strongly opposed the Democratic principle of a government-controlled health insurance system (ObamaCare). One compromise, which could have solved this dilemma, is making ObamaCare optional. This compromise never occurred because the Democrats wanted ObamaCare nationalized with a fine on those who did not enlist and the Republicans wanted complete abolishment. Middle ground must be reached.

Further connecting Congress and America will also help eliminate some of 2013's largest problems. Sometimes Congress is split because each Congressperson is acting on behalf of his or her voters. At other times, such as the government shutdown, Republicans and Democrats disagree on the best ways to solve a problem. If Congress and the White House listened to the public more, then America can help its leaders tackle America's most difficult problems. Utilize Facebook, utilize Twitter, utilize easy, accessible websites and conduct multiple surveys concerning many issues the country faces. Have America decide if the debt ceiling should be raised; have America decide if ObamaCare should be mandatory and existent; have America become one of the mediators of public dilemma. Stop having Republicans elect Republicans and Democrats elect Democrats; have Americans elect Americans.

Unification and success can also be created through generating nationally common goals. For example, the issue of clean energy is a project being half-heartedly tackled by the government. Turn 2014 into the year that the United States of America leads the world to a greener Earth. Begin the movement that creates 4.5 million jobs, stimulates the economy, and eliminates 1.2 billion tons of carbon emissions per year by 2030. This single goal can cause America to reap the benefits of economic stimulation, energy-efficiency, and national unification.

It is time for America to raise itself to new heights as a truly united nation. Allowing the public to help its leaders compromise and work on common goals will bring this country together. Now is the time to unite the United States of America.

MADISON GILLEY, MOUTH ABRAHAM UNION MIDDLE, HIGH SCHOOL, GRADE 9 (FINALIST)

There are many factors that impact our environment. Air pollution, deforestation, and climate change are just a few. These specific problems are caused by humans. We have a responsibility to our planet, ourselves, and to the other species that live here with us. Senator BERNIE SANDERS should take a stronger stance in protecting the environment because it is important to the state and the world.

Air pollution has a vast effect on climate change and the environment. In 2012 alone, the world produced 9.7 billion metric tons of CO_2 emissions (CO_2Now). All of the carbon emissions that go into the air cause climate change because the atmosphere traps the CO_2, which causes all the extra heat. The air, in many places, is not very clean because of air pollution and smog. Some factories use green energy so they do not put out as much pollution as other factories.

Deforestation, caused by logging, farming, mining, and development is also another immense problem that needs to be addressed. Rain forests are being cut down at an alarming rate. These rainforests need to be protected. Madagascar has lost 95% of its rainforests. Sumatra only has 15% of its rainforests left. The Atlantic coast of Brazil has lost 90–95% of its rainforest (Mongabay). Rainforests are important because they provide a habitat for plants and animals, they regulate our climate, they help to prevent soil erosion, and they provide a home for indigenous people. BERNIE SANDERS needs to help protect the forests not just in Vermont, but all around the world.

Different environments around the world are in danger because of climate change. One way that climate change is caused is by carbon emissions. Air pollution causes climate change because when the air is polluted by all the CO_2 that we are producing, it damages the ozone layer. Climate change also affects forests which causes damage to the animal population and their homes. The earth isn't an unlimited supply; we need to use what we have carefully and conscientiously.

Senator BERNIE SANDERS should take a stronger stance in protecting the environment because climate change, deforestation and air pollution are major problems damaging our environment. These are all environmental issues that have social and economic impacts. We only have one planet and we need to use what we have carefully.

KYLEE DIMAGGIO, MISSISQUOI VALLEY UNION HIGH SCHOOL, GRADE 11 (FINALIST)

Barack Obama once said, "Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek." The American dream that many strive for is currently far out of reach for most. Our current economy is in such a dire state that some are even predicting another economic depression. This economic issue is vital to our future as a nation and impacts United States citizens directly. I also fear that if this issue is not addressed before long the consequences may be great. Fossil fuel usage (along with other things) have aided in the increase of unemployment rates in the United States and the poor economy. I believe that if the president were to focus on the state of the economy many other issues in the United States could be addressed as well.

Although I believe that many people blame the state of the economy on an excess of government spending, a huge expenditure of the government is in the subsidization of fossil fuels. Not only are fossil fuels harmful to the environment, but they are extremely costly. With the current economy, many citizens struggle to afford the prices of this resource. Furthermore, the large amount of dependence on fossil fuels leaves this resource an unreachable necessity. It is vital for the president to search for an alternative resource because fossil fuels are currently too costly for average citizens to afford. The president should be focused on finding an alternative resource for fossil fuels to decrease government spending and, in turn, improve the economy.

As a result of a poor economy, citizens are finding it hard to live comfortably and fulfill their ideas of the American dream. Government spending reduces the amount of money the government is able or willing to provide to the unemployed. Theodore Roosevelt said, "Behind the ostensible government sits enthroned an invisible government owing no allegiance and acknowledging no responsibility to the people." In saying this, Roosevelt infers that the president is not to blame, it is the politicians below him that do not allow him to make change. I believe that the government as a whole should be concerned with the outcome of such a poor economy. For example, jobs are extremely limited, leaving unemployment rates higher than the United States have seen in years. The unemployed are finding it hard to live comfortably on the current unemployment benefits. Therefore, the government, as a whole, should be focused on extending unemployment benefits to those in need. Citizens are suffering because of the poor economy and the government needs to take action to avoid this.

The United States economy must improve the state of our union. Government spending must also decrease to make room for citizens in need of assistance. Without government assistance the citizens turn against their government and grow unhappy. The United States should focus on decreasing government spending to improve the economy because without a stable economy, citizens suffer and the state of the union crumbles.

TREVOR MCNANEY, MILTON HIGH SCHOOL, GRADE 12 (FINALIST)

Amidst not only our challenges in the past year, but in our progress as well, we as a nation have proved our unity and strength. We have confronted issues, such as gun control and gay marriage and have worked hard to figure out how to best deal with issues like these. We have proved ourselves as pioneers; we have explored the wonders of space and have developed amazing technologies new to the world. I ask the American people, with their strength and their unity, to confront an entirely different issue. One that is so intertwined with our lives and society, yet one that is so ignored. I ask the people to confront a world issue. Today, I ask that each and every individual of this nation to consider the impacts that our society has on the environment.

We as a nation have come to understand that in order to prosper, we need to work, produce, and consume with our earnings. Companies produce goods that are meant to be broken and thrown away so that consumers will simply buy more of their product. I argue that we are smarter. A society that values monetary gain at the demise and destruction of the environment is one that will not last. Without a healthy environment, we cannot have a healthy society. We are too scared to look at the destruction and pollution that we are causing as a society and as a global economic system. I ask what is more fearful, deciding to make progress today or ignoring the issues of tomorrow? Ignoring until there are no longer any issues to worry about, until the Earth itself has perished along with its inhabitants. Now is our gateway and foundation to the future. We must change the way we live in order to live.

The exciting possibility is that we can change. We hold more knowledge and resources than we ever have before. America, it is time that we put the environment first. It is time that we alter the way that we view and interact with the world around us. By 2026, every home needs a solar panel and seventy percent of the buildings we use need to use gray water. And by 2030, seventy-five percent of the transportation industry needs to use bio-fuels. By 2035, seventy percent of vehicles need to be electric and seventy percent of America needs to be powered by clean renewable energy and resources. Dismiss the idea that it cannot be done, that we as a society and the world cannot solve the problems that we have created. And most of all, dismiss the notion that "it is not your problem." The problems are here, they are real, and they are now. This world is our home, let's treat it like one.

EMIL KOENIG, VERMONT COMMONS SCHOOL, GRADE 12 (FINALIST)

This past year has posed many serious national security and foreign policy challenges for the United States. The nation encountered various issues like the Edward Snowden's NSA leaks, chemical weapons uses in the Syrian civil war, and a government closing. While all of these issues are significant and have captured the headlines of the news media, we must also keep in mind the small issues that can potentially transform into global conflicts.

Currently, for example, one of the seemingly more exotic issues threatening world peace involves the disputed Diaoyu (or Senkaku) Islands in the South China Sea. Although these barren rocks might seem truly worthless, as they are uninhabited and lack natural resources, this fact did not stop China, Japan or South Korea from staking conflicting claims and angrily criticizing each other, escalating a small territorial issue into a potentially larger crisis. While China flaunts its growing dominance in the region, the South Koreans and Japanese reject Beijing's territorial claims.

In my conversations with various Chinese people during my last year studying abroad in Beijing, most people strongly sided with their government's territorial claims. In almost the same breath, they catalogued a long list of grievances from the turbulent history of Sino-Japanese relations. Many still vividly recalled earlier atrocities, such as the ''Rape of Nanjing,'' When Japanese troops stormed Nanjing, raping women and burying people alive.

Chinese authorities play on these popular fears, disseminating propaganda that blames Japan for countless issues. Debates about truly useless ocean rocks, therefore, become conflated with deeply felt passions from the past, which is why it is important to understand the cultural and historical backgrounds of various conflicts in order to resolve them.

Because the situation now brewing in the South China Sea stems from deeply felt cultural and historical origins, the situation is extremely volatile. When the United States flew two bombers over the islands to demonstrate close ties with Japan, we may have raised the level of tension to a still higher level. Following the flights by our bombers, the Chinese, the Japanese, and the Koreans all sent planes to fly over the islands, to demonstrate their respective ownership claims over of the islands.

As a nation, if we want to avoid potential wars, the government should consider more peaceful options, such as encouraging negotiations, before sending in war planes. The government must practice more diplomatic conversations with Chinese, Japanese and Korean partners in order to reduce the likelihood of war. Flying war planes over disputed islands never solves issues; it mainly risks causing more tensions.

In sum, to avoid international incidents, the United States must practice a more responsible system of foreign policy. The tension of the East Asian region is only one example of when America used force prior to engaging in other forms of international communication. Instead, the US government must assess historical and cultural backgrounds of various conflicts and first try to resolve them through peaceful means, rather than skyrocket the likelihood of starting wars.

ABIGAIL MORRIS, CHAMPLAIN VALLEY UNION HIGH SCHOOL, GRADE 11 (FINALIST)

Many United States issues have been the subject of attention from the media, citizens and officials. However, in my opinion the environmental issues in the US have not had their share of the spotlight. Small measures, whether involving policy or simple publicity, could change the US environment for the better. One of these measures is increased regulation of the fracking industry.

Hydraulic fracturing or ''fracking'' is the process of gathering oil by forcing highly pressurized fluid into oil or gas formations, so that the oil or gas flows to the surface. The use of fracking has jumped to 25% of oil production, up from 1% in 2000. It has spurred hopes of an energy independent United States, but there are many drawbacks, especially where the environment is concerned. Fracking endangers plants, livestock, and most importantly, human beings. Refusal or reluctance to crack down on the fracking industry could seriously harm the health of the United States and its people. We must not let ourselves be lured by the economic benefits of fracking, and instead must examine it closely to determine if energy independence is worth the risk.

Of the 750 chemicals that can be used in fracking fluid, 29 are carcinogens. In Wyoming, Pennsylvania and other states, these chemicals have contaminated drinking water in residential areas. If there is no way to change the chemical makeup of fracking fluid or illegalize fracking completely, making sure the fracking industry is subject to strict regulation is the next best course of action.

Progress is being made, however. The FRAC (Fracturing Responsibility and Awareness of Chemicals) Act was introduced in 2011, which shows that the issue has caught the attention of Congress. However, both the House and Senate versions have yet to be passed. These bills need to be brought back to the attention of Congress, because as long as the fracking industry is not subject to the same regulation as every other, the natural environment and citizens of the United States will continue to be at risk.●

REPORT ON THE STATE OF THE UNION DELIVERED TO A JOINT SESSION OF CONGRESS ON JANUARY 28, 2014—PM 27

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was ordered to lie on the table:

To the Congress of the United States:

Mr. Speaker, Mr. Vice President, Members of Congress, my fellow Americans:

Today in America, a teacher spent extra time with a student who needed it, and did her part to lift America's graduation rate to its highest level in more than three decades.

An entrepreneur flipped on the lights in her tech startup, and did her part to add to the more than eight million new jobs our businesses have created over the past 4 years.

An autoworker fine-tuned some of the best, most fuel-efficient cars in the world, and did his part to help America wean itself off foreign oil.

A farmer prepared for the spring after the strongest five-year stretch of farm exports in our history. A rural doctor gave a young child the first prescription to treat asthma that his mother could afford. A man took the bus home from the graveyard shift, bone-tired but dreaming big dreams for his son. And in tight-knit communities across America, fathers and mothers will tuck in their kids, put an arm around their spouse, remember fallen comrades, and give thanks for being home from a war that, after 12 long years, is finally coming to an end.

Tonight, this chamber speaks with one voice to the people we represent: it is you, our citizens, who make the state of our Union strong.

Here are the results of your efforts: The lowest unemployment rate in over 5 years. A rebounding housing market. A manufacturing sector that's adding jobs for the first time since the 1990s. More oil produced at home than we buy from the rest of the world—the first time that's happened in nearly 20 years. Our deficits—cut by more than half. And for the first time in over a decade, business leaders around the world have declared that China is no longer the world's number one place to invest; America is.

That's why I believe this can be a breakthrough year for America. After 5 years of grit and determined effort, the United States is better-positioned for the 21st century than any other nation on Earth.

The question for everyone in this chamber, running through every decision we make this year, is whether we are going to help or hinder this progress. For several years now, this town has been consumed by a rancorous argument over the proper size of the Federal Government. It's an important debate—one that dates back to our very founding. But when that debate prevents us from carrying out even the most basic functions of our democracy—when our differences shut down government or threaten the full faith and credit of the United States—then we are not doing right by the American people.

As President, I'm committed to making Washington work better, and rebuilding the trust of the people who sent us here. I believe most of you are, too. Last month, thanks to the work of Democrats and Republicans, this Congress finally produced a budget that undoes some of last year's severe cuts to priorities like education. Nobody got everything they wanted, and we can still do more to invest in this country's future while bringing down our deficit in a balanced way. But the budget compromise should leave us freer to focus on creating new jobs, not creating new crises.

In the coming months, let's see where else we can make progress together. Let's make this a year of action. That's what most Americans want—for all of us in this chamber to focus on their lives, their hopes, their aspirations. And what I believe unites the people of this Nation, regardless of race or region or party, young or old, rich or poor, is the simple, profound belief in opportunity for all—the notion that if you work hard and take responsibility, you can get ahead.

Let's face it: that belief has suffered some serious blows. Over more than three decades, even before the Great Recession hit, massive shifts in technology and global competition had eliminated a lot of good, middle-class jobs, and weakened the economic foundations that families depend on.

Today, after 4 years of economic growth, corporate profits and stock prices have rarely been higher, and those at the top have never done better. But average wages have barely budged. Inequality has deepened. Upward mobility has stalled. The cold, hard fact is that even in the midst of recovery, too many Americans are working more than ever just to get by—let alone get ahead. And too many still aren't working at all.

Our job is to reverse these trends. It won't happen right away, and we won't agree on everything. But what I offer tonight is a set of concrete, practical proposals to speed up growth, strengthen the middle class, and build new ladders of opportunity into the middle class. Some require Congressional action, and I'm eager to work with all of you. But America does not stand still—and neither will I. So wherever and whenever I can take steps without legislation to expand opportunity for more American families, that's what I'm going to do.

As usual, our First Lady sets a good example. Michelle's Let's Move partnership with schools, businesses, and local leaders has helped bring down childhood obesity rates for the first time in 30 years—an achievement that will improve lives and reduce health care costs for decades to come. The Joining Forces alliance that Michelle and Jill Biden launched has already encouraged employers to hire or train nearly 400,000 veterans and military spouses. Taking a page from that playbook, the White House just organized a College Opportunity Summit where already, 150 universities, businesses, and nonprofits have made concrete commitments to reduce inequality in access to higher education—and help every hardworking kid go to college and succeed when they get to campus. Across the country, we're partnering with mayors, governors, and state legislatures on issues from homelessness to marriage equality.

The point is, there are millions of Americans outside Washington who are tired of stale political arguments, and are moving this country forward. They believe, and I believe, that here in America, our success should depend not on accident of birth, but the strength of our work ethic and the scope of our dreams. That's what drew our forebears here. It's how the daughter of a factory worker is CEO of America's largest automaker; how the son of a barkeeper is Speaker of the House; how the son of a single mom can be President of the greatest nation on Earth. Opportunity is who we are. And the defining project of our generation is to restore that promise.

We know where to start: the best measure of opportunity is access to a good job. With the economy picking up speed, companies say they intend to hire more people this year. And over half of big manufacturers say they're thinking of insourcing jobs from abroad.

So let's make that decision easier for more companies. Both Democrats and Republicans have argued that our tax code is riddled with wasteful, complicated loopholes that punish businesses investing here, and reward companies that keep profits abroad. Let's flip that equation. Let's work together to close those loopholes, end those incentives to ship jobs overseas, and lower tax rates for businesses that create jobs here at home.

Moreover, we can take the money we save with this transition to tax reform to create jobs rebuilding our roads, upgrading our ports, unclogging our commutes—because in today's global economy, first-class jobs gravitate to first-class infrastructure. We'll need Congress to protect more than three million jobs by finishing transportation and waterways bills this summer. But I will act on my own to slash bureaucracy and streamline the permitting process for key projects, so we can get more construction workers on the job as fast as possible.

We also have the chance, right now, to beat other countries in the race for the next wave of high-tech manufacturing jobs. My Administration has launched two hubs for high-tech manufacturing in Raleigh and Youngstown, where we've connected businesses to research universities that can help America lead the world in advanced technologies. Tonight, I'm announcing we'll launch six more this year. Bipartisan bills in both houses could double the number of these hubs and the jobs they create. So get those bills to my desk and put more Americans back to work.

Let's do more to help the entrepreneurs and small business owners who create most new jobs in America. Over the past 5 years, my Administration has made more loans to small business owners than any other. And when 98% of our exporters are small businesses, new trade partnerships with Europe and the Asia-Pacific will help them create more jobs. We need to work together on tools like bipartisan trade promotion authority to protect our workers, protect our environment, and open new markets to new goods stamped ''Made in the USA.'' China and Europe aren't standing on the sidelines. Neither should we.

We know that the nation that goes all-in on innovation today will own the global economy tomorrow. This is an edge America cannot surrender. Federally-funded research helped lead to the ideas and inventions behind Google and smartphones. That's why Congress should undo the damage done by last year's cuts to basic research so we can unleash the next great American discovery—whether it's vaccines that stay ahead of drug-resistant bacteria, or paper-thin material that's stronger than steel. And let's pass a patent reform bill that allows our businesses to stay focused on innovation, not costly, needless litigation.

Now, one of the biggest factors in bringing more jobs back is our commitment to American energy. The all-of-the-above energy strategy I announced a few years ago is working, and today, America is closer to energy independence than we've been in decades.

One of the reasons why is natural gas—if extracted safely, it's the bridge fuel that can power our economy with less of the carbon pollution that causes climate change. Businesses plan to invest almost $100 billion in new factories that use natural gas. I'll cut red tape to help States get those factories built, and this Congress can help by putting people to work building fueling stations that shift more cars and trucks from foreign oil to American natural gas. My Administration will keep working with the industry to sustain production and job growth while strengthening protection of our air, our water, and our communities. And while we're at it, I'll use my authority to protect more of our pristine Federal lands for future generations.

It's not just oil and natural gas production that's booming; we're becoming a global leader in solar, too. Every 4 minutes, another American home or business goes solar; every panel pounded into place by a worker whose job can't be outsourced. Let's continue that progress with a smarter tax policy that stops giving $4 billion a year to fossil fuel industries that don't need it, so that we can invest more in fuels of the future that do.

And even as we've increased energy production, we've partnered with businesses, builders, and local communities to reduce the energy we consume. When we rescued our automakers, for example, we worked with them to set higher fuel efficiency standards for our cars. In the coming months, I'll build on that success by setting new standards for our trucks, so we can keep driving down oil imports and what we pay at the pump.

Taken together, our energy policy is creating jobs and leading to a cleaner, safer planet. Over the past 8 years, the United States has reduced our total carbon pollution more than any other nation on Earth. But we have to act with more urgency—because a changing climate is already harming western communities struggling with drought, and coastal cities dealing with floods. That's why I directed my Administration to work with States, utilities, and others to set new standards on the amount of carbon pollution our power plants are allowed to dump into the air. The shift to a cleaner energy economy won't happen overnight, and it will require tough choices along the way. But the debate is settled. Climate change is a fact. And when our children's children look us in the eye and ask if we did all we could to leave them a safer, more stable world, with new sources of energy, I want us to be able to say yes, we did.

Finally, if we are serious about economic growth, it is time to heed the call of business leaders, labor leaders, faith leaders, and law enforcement—

and fix our broken immigration system. Republicans and Democrats in the Senate have acted. I know that members of both parties in the House want to do the same. Independent economists say immigration reform will grow our economy and shrink our deficits by almost $1 trillion in the next two decades. And for good reason: When people come here to fulfill their dreams—to study, invent, and contribute to our culture—they make our country a more attractive place for businesses to locate and create jobs for everyone. So let's get immigration reform done this year.

The ideas I've outlined so far can speed up growth and create more jobs. But in this rapidly-changing economy, we have to make sure that every American has the skills to fill those jobs.

The good news is, we know how to do it. Two years ago, as the auto industry came roaring back, Andra Rush opened up a manufacturing firm in Detroit. She knew that Ford needed parts for the best-selling truck in America, and she knew how to make them. She just needed the workforce. So she dialed up what we call an American Job Center—places where folks can walk in to get the help or training they need to find a new job, or better job. She was flooded with new workers. And today, Detroit Manufacturing Systems has more than 700 employees.

What Andra and her employees experienced is how it should be for every employer—and every job seeker. So tonight, I've asked Vice President BIDEN to lead an across-the-board reform of America's training programs to make sure they have one mission: Train Americans with the skills employers need, and match them to good jobs that need to be filled right now. That means more on-the-job training, and more apprenticeships that set a young worker on an upward trajectory for life. It means connecting companies to community colleges that can help design training to fill their specific needs. And if Congress wants to help, you can concentrate funding on proven programs that connect more ready-to-work Americans with ready-to-be-filled jobs.

I'm also convinced we can help Americans return to the workforce faster by reforming unemployment insurance so that it's more effective in today's economy. But first, this Congress needs to restore the unemployment insurance you just let expire for 1.6 million people.

Let me tell you why.

Misty DeMars is a mother of two young boys. She'd been steadily employed since she was a teenager. She put herself through college. She'd never collected unemployment benefits. In May, she and her husband used their life savings to buy their first home. A week later, budget cuts claimed the job she loved. Last month, when their unemployment insurance was cut off, she sat down and wrote me a letter—the kind I get every day. ''We are the face of the unemployment crisis,'' she wrote. ''I am not dependent on the government. . . . Our country depends on people like us who build careers, contribute to society . . . care about our neighbors . . . I am confident that in time I will find a job . . . I will pay my taxes, and we will raise our children in their own home in the community we love. Please give us this chance.''

Congress, give these hardworking, responsible Americans that chance. They need our help, but more important, this country needs them in the game. That's why I've been asking CEOs to give more long-term unemployed workers a fair shot at that new job and new chance to support their families; this week, many will come to the White House to make that commitment real. Tonight, I ask every business leader in America to join us and to do the same—because we are stronger when America fields a full team.

Of course, it's not enough to train today's workforce. We also have to prepare tomorrow's workforce, by guaranteeing every child access to a world-class education.

Estiven Rodriguez couldn't speak a word of English when he moved to New York City at age nine. But last month, thanks to the support of great teachers and an innovative tutoring program, he led a march of his classmates—through a crowd of cheering parents and neighbors—from their high school to the post office, where they mailed off their college applications. And this son of a factory worker just found out he's going to college this fall.

Five years ago, we set out to change the odds for all our kids. We worked with lenders to reform student loans, and today, more young people are earning college degrees than ever before. Race to the Top, with the help of governors from both parties, has helped States raise expectations and performance. Teachers and principals in schools from Tennessee to Washington, D.C. are making big strides in preparing students with skills for the new economy—problem solving, critical thinking, science, technology, engineering, and math. Some of this change is hard. It requires everything from more challenging curriculums and more demanding parents to better support for teachers and new ways to measure how well our kids think, not how well they can fill in a bubble on a test. But it's worth it—and it's working.

The problem is we're still not reaching enough kids, and we're not reaching them in time. That has to change.

Research shows that one of the best investments we can make in a child's life is high-quality early education. Last year, I asked this Congress to help States make high-quality pre-K available to every four-year-old. As a parent as well as a President, I repeat that request tonight. But in the meantime, 30 states have raised pre-K funding on their own. They know we can't wait. So just as we worked with States to reform our schools, this year, we'll invest in new partnerships with States and communities across the country in a race to the top for our youngest children. And as Congress decides what it's going to do, I'm going to pull together a coalition of elected officials, business leaders, and philanthropists willing to help more kids access the high-quality pre-K they need.

Last year, I also pledged to connect 99 percent of our students to high-speed broadband over the next 4 years. Tonight, I can announce that with the support of the FCC and companies like Apple, Microsoft, Sprint, and Verizon, we've got a down payment to start connecting more than 15,000 schools and 20 million students over the next 2 years, without adding a dime to the deficit.

We're working to redesign high schools and partner them with colleges and employers that offer the real-world education and hands-on training that can lead directly to a job and career. We're shaking up our system of higher education to give parents more information, and colleges more incentives to offer better value, so that no middle-class kid is priced out of a college education. We're offering millions the opportunity to cap their monthly student loan payments to 10 percent of their income, and I want to work with Congress to see how we can help even more Americans who feel trapped by student. loan debt. And I'm reaching out to some of America's leading foundations and corporations on a new initiative to help more young men of color facing tough odds stay on track and reach their full potential.

The bottom line is, Michelle and I want every child to have the same chance this country gave us. But we know our opportunity agenda won't be complete—and too many young people entering the workforce today will see the American Dream as an empty promise—unless we do more to make sure our economy honors the dignity of work, and hard work pays off for every single American.

Today, women make up about half our workforce. But they still make 77 cents for every dollar a man earns. That is wrong, and in 2014, it's an embarrassment. A woman deserves equal pay for equal work. She deserves to have a baby without sacrificing her job. A mother deserves a day off to care for a sick child or sick parent without running into hardship—and you know what, a father does, too. It's time to do away with workplace policies that belong in a ''Mad Men'' episode. This year, let's all come together—Congress, the White House, and businesses from Wall Street to Main Street—to give every woman the opportunity she deserves. Because I firmly believe when women succeed, America succeeds.

Now, women hold a majority of lower-wage jobs—but they're not the only ones stifled by stagnant wages. Americans understand that some people will earn more than others, and we don't resent those who, by virtue of their efforts, achieve incredible success. But Americans overwhelmingly agree that no one who works full time should ever have to raise a family in poverty.

In the year since I asked this Congress to raise the minimum wage, five States have passed laws to raise theirs. Many businesses have done it on their own. Nick Chute is here tonight with his boss, John Soranno. John's an owner of Punch Pizza in Minneapolis, and Nick helps make the dough. Only now he makes more of it: John just gave his employees a raise, to ten bucks an hour—a decision that eased their financial stress and boosted their morale.

Tonight, I ask more of America's business leaders to follow John's lead and do what you can to raise your employees' wages. To every mayor, governor, and state legislator in America, I say, you don't have to wait for Congress to act; Americans will support you if you take this on. And as a chief executive, I intend to lead by example. Profitable corporations like Costco see higher wages as the smart way to boost productivity and reduce turnover. We should too. In the coming weeks, I will issue an Executive Order requiring Federal contractors to pay their federally-funded employees a fair wage of at least $10.10 an hour—because if you cook our troops' meals or wash their dishes, you shouldn't have to live in poverty.

Of course, to reach millions more, Congress needs to get on board. Today, the Federal minimum wage is worth about 20 percent less than it was when Ronald Reagan first stood here. TOM HARKIN and GEORGE MILLER have a bill to fix that by lifting the minimum wage to $10.10. This will help families. It will give businesses customers with more money to spend. It doesn't involve any new bureaucratic program. So join the rest of the country. Say yes. Give America a raise.

There are other steps we can take to help families make ends meet, and few are more effective at reducing inequality and helping families pull themselves up through hard work than the Earned Income Tax Credit. Right now, it helps about half of all parents at some point. But I agree with Republicans like Senator RUBIO that it doesn't do enough for single workers who don't have kids, So let's work together to strengthen the credit, reward work, and help more Americans get ahead.

Let's do more to help Americans save for retirement. Today, most workers don't have a pension. A Social Security check often isn't enough on its own. And while the stock market has doubled over the last 5 years, that doesn't help folks who don't have 401Ks. That's why, tomorrow, I will direct the Treasury to create a new way for working Americans to start their own retirement savings: MyRA. It's a new savings bond that encourages folks to build a nest egg. MyRA guarantees a decent return with no risk of losing what you put in. And if this Congress wants to help, work with me to fix an upside-down tax code that gives big tax breaks to help the wealthy save, but does little to nothing for middle-class Americans. Offer every American access to an automatic IRA on the job, so they can save at work just like everyone in this Chamber can. And since the most important investment many families make is their home, send me legislation that protects taxpayers from footing the bill for a housing crisis ever again, and keeps the dream of homeownership alive for future generations of Americans.

One last point on financial security. For decades, few things exposed hard-working families to economic hardship more than a broken health care system. And in case you haven't heard, we're in the process of fixing that.

A pre-existing condition used to mean that someone like Amanda Shelley, a physician assistant and single mom from Arizona, couldn't get health insurance. But on January 1st, she got covered. On January 3rd, she felt a sharp pain. On January 6th, she had emergency surgery. Just one week earlier, Amanda said, that surgery would've meant bankruptcy.

That's what health insurance reform is all about—the peace of mind that if misfortune strikes, you don't have to lose everything.

Already, because of the Affordable Care Act, more than 3 million Americans under age 26 have gained coverage under their parents' plans.

More than nine million Americans have signed up for private health insurance or Medicaid coverage.

And here's another number: zero. Because of this law, no American can ever again be dropped or denied coverage for a preexisting condition like asthma, back pain, or cancer. No woman can ever be charged more just because she's a woman. And we did all this while adding years to Medicare's finances, keeping Medicare premiums flat, and lowering prescription costs for millions of seniors.

Now, I don't expect to convince my Republican friends on the merits of this law. But I know that the American people aren't interested in refighting old battles. So again, if you have specific plans to cut costs, cover more people, and increase choice—tell America what you'd do differently. Let's see if the numbers add up. But let's not have another forty-something votes to repeal a law that's already helping millions of Americans like Amanda. The first forty were plenty. We got it. We all owe it to the American people to say what we're for, not just what we're against.

And if you want to know the real impact this law is having, just talk to Governor Steve Beshear of Kentucky, who's here tonight. Kentucky's not the most liberal part of the country, but he's like a man possessed when it comes to covering his commonwealth's families. ''They are our friends and neighbors,'' he said. ''They are people we shop and go to church with—farmers out on the tractors—grocery clerks—they are people who go to work every morning praying they don't get sick. No one deserves to live that way.''

Steve's right. That's why, tonight, I ask every American who knows someone without health insurance to help them get covered by March 31st. Moms, get on your kids to sign up. Kids, call your mom and walk her through the application. It will give her some peace of mind—plus, she'll appreciate hearing from you.

After all, that's the spirit that has always moved this Nation forward. It's the spirit of citizenship—the recognition that through hard work and responsibility, we can pursue our individual dreams, but still come together as one American family to make sure the next generation can pursue its dreams as well.

Citizenship means standing up for everyone's right to vote. Last year, part of the Voting Rights Act was weakened. But conservative Republicans and liberal Democrats are working together to strengthen it; and the bipartisan commission I appointed last year has offered reforms so that no one has to wait more than a half hour to vote. Let's support these efforts. It should be the power of our vote, not the size of our bank account, that drives our democracy.

Citizenship means standing up for the lives that gun violence steals from us each day. I have seen the courage of parents, students, pastors, and police officers all over this country who say ''we are not afraid,'' and I intend to keep trying, with or without Congress, to help stop more tragedies from visiting innocent Americans in our movie theaters, shopping malls, or schools like Sandy Hook.

Citizenship demands a sense of common cause; participation in the hard work of self-government; an obligation to serve to our communities. And I know this chamber agrees that few Americans give more to their country than our diplomats and the men and women of the United States Armed Forces.

Tonight, because of the extraordinary troops and civilians who risk and lay down their lives to keep us free, the United States is more secure. When I took office, nearly 180,000 Americans were serving in Iraq and Afghanistan. Today, all our troops are out of Iraq. More than 60,000 of our troops have already come home from Afghanistan. With Afghan forces now in the lead for their own security, our troops have moved to a support role. Together with our allies, we will complete our mission there by the end of this year, and America's longest war will finally be over.

After 2014, we will support a unified Afghanistan as it takes responsibility for its own future. If the Afghan government signs a security agreement that we have negotiated, a small force of Americans could remain in Afghanistan with NATO allies to carry out two narrow missions: training and assisting Afghan forces, and counterterrorism operations to pursue any remnants of al Qaeda. For while our relationship with Afghanistan will change, one thing will not: our resolve that terrorists do not launch attacks against our country.

The fact is, that danger remains. While we have put al Qaeda's core leadership on a path to defeat, the threat has evolved, as al Qaeda affiliates and other extremists take root in different parts of the world. In Yemen, Somalia, Iraq, and Mali, we have to keep working with partners to disrupt and disable these networks. In Syria, we'll support the opposition that rejects the agenda of terrorist networks. Here at home, we'll keep strengthening our defenses, and combat new threats like cyberattacks. And as we reform our defense budget, we have to keep faith with our men and women in uniform, and invest in the capabilities they need to succeed in future missions.

We have to remain vigilant. But I strongly believe our leadership and our security cannot depend on our military alone. As Commander in Chief, I have used force when needed to protect the American people, and I will never hesitate to do so as long as I hold this office. But I will not send our troops into harm's way unless it's truly necessary; nor will I allow our sons and daughters to be mired in open-ended conflicts. We must fight the battles that need to be fought, not those that terrorists prefer from us—large-scale deployments that drain our strength and may ultimately feed extremism.

So, even as we aggressively pursue terrorist networks—through more targeted efforts and by building the capacity of our foreign partners—America must move off a permanent war footing. That's why I've imposed prudent limits on the use of drones—for we will not be safer if people abroad believe we strike within their countries without regard for the consequence. That's why, working with this Congress, I will reform our surveillance programs—because the vital work of our intelligence community depends on public confidence, here and abroad, that the privacy of ordinary people is not being violated. And with the Afghan war ending, this needs to be the year Congress lifts the remaining restrictions on detainee transfers and we close the prison at Guantanamo Bay—because we counter terrorism not just through intelligence and military action, but by remaining true to our Constitutional ideals, and setting an example for the rest of the world.

You see, in a world of complex threats, our security and leadership depends on all elements of our power—including strong and principled diplomacy. American diplomacy has rallied more than 50 countries to prevent nuclear materials from falling into the wrong hands, and allowed us to reduce our own reliance on Cold War stockpiles. American diplomacy, backed by the threat of force, is why Syria's chemical weapons are being eliminated, and we will continue to work with the international community to usher in the future the Syrian people deserve—a future free of dictatorship, terror and fear. As we speak, American diplomacy is supporting Israelis and Palestinians as they engage in difficult but necessary talks to end the conflict there; to achieve dignity and an independent state for Palestinians, and lasting peace and security for the State of Israel—a Jewish state that knows America will always be at their side.

And it is American diplomacy, backed by pressure, that has halted the progress of Iran's nuclear program—and rolled parts of that program back—for the very first time in a decade. As we gather here tonight, Iran has begun to eliminate its stockpile of higher levels of enriched uranium. It is not installing advanced centrifuges. Unprecedented inspections help the world verify, every day, that Iran is not building a bomb. And with our allies and partners, we're engaged in negotiations to see if we can peacefully achieve a goal we all share: preventing Iran from obtaining a nuclear weapon.

These negotiations will be difficult. They may not succeed. We are clear-eyed about Iran's support for terrorist organizations like Hezbollah, which threaten our allies; and the mistrust between our nations cannot be wished away. But these negotiations do not rely on trust; any long-term deal we agree to must be based on verifiable action that convinces us and the international community that Iran is not building a nuclear bomb. It John F. Kennedy and Ronald Reagan could negotiate with the Soviet Union, then surely a strong and confident America can negotiate with less powerful adversaries today.

The sanctions that we put in place helped make this opportunity possible. But let me be clear: if this Congress sends me a new sanctions bill now that threatens to derail these talks, I will veto it. For the sake of our national security, we must give diplomacy a chance to succeed. If Iran's leaders do not seize this opportunity, then I will be the first to call for more sanctions, and stand ready to exercise all options to make sure Iran does not build a nuclear weapon. But if Iran's leaders do seize the chance, then Iran could take an important step to rejoin the community of nations, and we will have resolved one of the leading security challenges of our time without the risks of war.

Finally, let's remember that our leadership is defined not just by our defense against threats, but by the enormous opportunities to do good and promote understanding around the globe—to forge greater cooperation, to expand new markets, to free people from fear and want. And no one is better positioned to take advantage of those opportunities than America.

Our alliance with Europe remains the strongest the world has ever known. From Tunisia to Burma, we're supporting those who are willing to do the hard work of building democracy. In Ukraine, we stand for the principle that all people have the right to express themselves freely and peacefully, and have a say in their country's future. Across Africa, we're bringing together businesses and governments to double access to electricity and help end extreme poverty. In the Americas, we are building new ties of commerce, but we're also expanding cultural and educational exchanges among young people. And we will continue to focus on the Asia-Pacific, where we support our allies, shape a future of greater security and prosperity, and extend a hand to those devastated by disaster—as we did in the Philippines, when our Marines and civilians rushed to aid those battered by a typhoon, and were greeted with words like, ''We will never forget your kindness'' and ''God bless America!''

We do these things because they help promote our long-term security. And we do them because we believe in the inherent dignity and equality of every human being, regardless of race or religion, creed or sexual orientation. And next week, the world will see one expression of that commitment—when Team USA marches the red, white, and blue into the Olympic Stadium—and brings home the gold.

My fellow Americans, no other country in the world does what we do. On every issue, the world turns to us, not simply because of the size of our economy or our military might—but because of the ideals we stand for, and the burdens we bear to advance them.

No one knows this better than those who serve in uniform. As this time of war draws to a close, a new generation of heroes returns to civilian life. We'll keep slashing that backlog so our veterans receive the benefits they've earned, and our wounded warriors receive the health care—including the mental health care—that they need. We'll keep working to help all our veterans translate their skills and leadership into jobs here at home. And we all continue to join forces to honor and support our remarkable military families.

Let me tell you about one of those families I've come to know.

I first met Cory Remsburg, a proud Army Ranger, at Omaha Beach on the 65th anniversary of D-Day. Along with some of his fellow Rangers, he walked me through the program—a strong, impressive young man, with an easy manner, sharp as a tack. We joked around, and took pictures, and T. told him to stay in touch.

A few months later, on his tenth deployment, Cory was nearly killed by a massive roadside bomb in Afghanistan.

His comrades found him in a canal, face down, underwater, shrapnel in his brain.

For months, he lay in a coma. The next time I met him, in the hospital, he couldn't speak; he could barely move. Over the years, he's endured dozens of surgeries and procedures, and hours of grueling rehab every day.

Even now, Cory is still blind in one eye. He still struggles on his left side. But slowly, steadily, with the support of caregivers like his dad Craig, and the community around him, Cory has grown stronger. Day by day, he's learned to speak again and stand again and walk again—and he's working toward the day when he can serve his country again.

''My recovery has not been easy,'' he says. ''Nothing in life that's worth anything is easy.''

Cory is here tonight. And like the Army he loves, like the America he serves, Sergeant First Class Cory Remsburg never gives up, and he does not quit.

My fellow Americans, men and women like Cory remind us that America has never come easy. Our freedom, our democracy, has never been easy. Sometimes we stumble; we make mistakes; we get frustrated or discouraged. But for more than 200 years, we have put those things aside and placed our collective shoulder to the wheel of progress—to create and build and expand the possibilities of individual achievement; to free other nations from tyranny and fear; to promote justice, and fairness, and equality under the law, so that the words set to paper by our founders are made real for every citizen. The America we want for our kids—a rising America where honest work is plentiful and communities are strong; where prosperity is widely shared and opportunity for all lets us go as far as our dreams and toil will take us—none of it is easy. But if we work together; if we summon what is best in us, with our feet planted firmly in today but our eyes cast towards tomorrow—I know it's within our reach.

Believe it.

God bless you, and God bless the United States of America.

BARACK OBAMA.

THE WHITE HOUSE, *January 28, 2014.*

MESSAGE FROM THE HOUSE

At 12:08 p.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the House passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1684. An act to convey certain property to the State of Wyoming to consolidate the historic Ranch A, and for other purposes.

H.R. 2166. An act to direct the Secretary of the Interior and Secretary of Agriculture to expedite access to certain Federal lands under the administrative jurisdiction of each Secretary for good Samaritan search-and-recovery missions, and for other purposes.

H.R. 3008. An act to provide for the conveyance of a small parcel of National Forest System land in Los Padres National Forest in California, and for other purposes.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 1684. An act to convey certain property to the State of Wyoming to consolidate the historic Ranch A, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2166. An act to direct the Secretary of the Interior and Secretary of Agriculture to expedite access to certain Federal lands under the administrative jurisdiction of each Secretary for good Samaritan search-and-recovery missions, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 3008. An act to provide for the conveyance of a small parcel of National Forest System land in Los Padres National Forest in California, and for other purposes; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 1963. A bill to repeal section 403 of the Bipartisan Budget Act of 2013.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–4441. A communication from the Acting Under Secretary of Defense (Personnel and Readiness), transmitting, pursuant to law, an interim response to the Conference Report 112–705 of the National Defense Authorization Act for 2013, Section 737; to the Committee on Armed Services.

EC–4442. A communication from the President of the United States of America, transmitting, pursuant to law, a report relative to the continuation of the national emergency that was declared in Executive Order 12947 with respect to terrorists who threaten to disrupt the Middle East peace process; to the Committee on Banking, Housing, and Urban Affairs.

EC–4443. A communication from the Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Registration of Municipal Advisors'' (RIN3235–AK86) received in the Office of the President of the Senate on January 16, 2014; to the Committee on Banking, Housing, and Urban Affairs.

EC–4444. A communication from the Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Final Flood Elevation Determinations'' ((44 CFR Part 67) (Docket No. FEMA–2013–0002)) received in the Office of the President of the Senate on January 15, 2014; to the Committee on Banking, Housing, and Urban Affairs.

EC–4445. A communication from the General Counsel of the Federal Housing Finance Agency, transmitting, pursuant to law, the report of a rule entitled ''Executive Compensation'' (RIN2590–AA12) received during adjournment of the Senate in the Office of the President of the Senate on January 23, 2014; to the Committee on Banking, Housing, and Urban Affairs.

EC–4446. A communication from the General Counsel of the Federal Housing Finance Agency, transmitting, pursuant to law, the report of a rule entitled ''Golden Parachute Payments'' (RIN2590–AA08) received during adjournment of the Senate in the Office of the President of the Senate on January 23, 2014; to the Committee on Banking, Housing, and Urban Affairs.

EC–4447. A communication from the Director of Human Resources, Environmental Protection Agency, transmitting, pursuant to law, three (3) reports relative to vacancies in the Environmental Protection Agency, received during adjournment of the Senate in the Office of the President of the Senate on January 23, 2014; to the Committee on Environment and Public Works.

EC–4448. A communication from the Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Species; Designation of a Nonessential Experimental Population of Central Valley Spring-Run Chinook Salmon Below Friant Dam in the San Joaquin River, CA'' (RIN0648–BC68) received in the Office of the President of the Senate on January 15, 2014; to the Committee on Environment and Public Works.

EC–4449. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Bond Premium Carryforward'' ((RIN1545–BL28) (TD 9653)) received in the Office of the President of the Senate on January 16, 2014; to the Committee on Finance.

EC–4450. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Sales-Based Royalties and Vendor Allowances'' ((RIN1545–BI57) (TD 9652)) received in the Office of the President of the Senate on January 16, 2014; to the Committee on Finance.

EC–4451. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Computation of, and Rules Relating to, Medical Loss Ratio'' ((RIN1545–BL05) (TD 9651)) received in the Office of the President of the Senate on January 16, 2014; to the Committee on Finance.

EC–4452. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''2014 Prevailing State Assumed Interest Rates'' (Rev. Rul. 2014–4) received in the Office of the President of the Senate on January 16, 2014; to the Committee on Finance.

EC–4453. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Exclusion from Income of Payments to Care Providers from Medicaid Waiver Programs'' (Notice 2014–7) received in the Office of the President of the Senate on January 16, 2014; to the Committee on Finance.

EC–4454. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Current Refundings of Recovery Zone Facility Bonds'' (Notice 2014–9) received in the Office of the President of the Senate on January 16, 2014; to the Committee on Finance.

EC–4455. A communication from the Acting Assistant Secretary, Bureau of Political-

Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel (OSS–2014–0042); to the Committee on Foreign Relations.

EC–4456. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to groups designated by the Secretary of State as Foreign Terrorist Organizations (OSS 2014–0043); to the Committee on Foreign Relations.

EC–4457. A communication from the Assistant Administrator, Bureau for Legislative and Public Affairs, U.S. Agency for International Development (USAID), transmitting, pursuant to law, the Agency's response to the GAO report entitled ''Central America: U.S. Agencies Considered Various Factors in Funding Security Activities, but Need to Assess Progress in Achieving Interagency Objectives''; to the Committee on Foreign Relations.

EC–4458. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to section 36(c) of the Arms Export Control Act (DDTC 13–155); to the Committee on Foreign Relations.

EC–4459. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, twenty-nine (29) reports relative to vacancies in the Department of State, received in the Office of the President of the Senate on January 16, 2014; to the Committee on Foreign Relations.

EC–4460. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report entitled ''Report to Congress on the Current Disposition of Highly Enriched Uranium Exports Used as Fuel or Targets in Nuclear Research or Test Reactors''; to the Committee on Foreign Relations.

EC–4461. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to the Case-Zablocki Act, 1 U.S.C. 112b, as amended, the report of the texts and background statements of international agreements, other than treaties (List 2014–0001—2014–0010); to the Committee on Foreign Relations.

EC–4462. A communication from the Executive Analyst, Office of the Secretary, Department of Health and Human Services, transmitting, pursuant to law, four (4) reports relative to vacancies in the Department of Health and Human Services; to the Committee on Health, Education, Labor, and Pensions.

EC–4463. A communication from the Director of Regulations and Policy Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medical Devices; Pediatric Uses of Devices; Requirement for Submission of Information on Pediatric Subpopulations That Suffer From a Disease or Condition That a Device Is Intended To Treat, Diagnose, or Cure'' ((RIN0910–AG29) (Docket No. FDA–2009–N–0458)) received during adjournment of the Senate in the Office of the President of the Senate on January 17, 2014; to the Committee on Health, Education, Labor, and Pensions.

EC–4464. A communication from the Deputy General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Payment of Premiums; Large-Plan Flat-Rate Premium'' (RIN1212–AB26) received in the Office of the President of the Senate on January 15, 2014; to the Committee on Health, Education, Labor, and Pensions.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Ms. CANTWELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 611. A bill to make a technical amendment to the T'uf Shur Bien Preservation Trust Area Act, and for other purposes (Rept. No. 113–136).

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of nominations were submitted:

By Mr. LEVIN for the Committee on Armed Services.

*Brad R. Carson, of Oklahoma, to be Under Secretary of the Army.

*William A. LaPlante, Jr., of Maryland, to be an Assistant Secretary of the Air Force.

*Madelyn R. Creedon, of Indiana, to be Principal Deputy Administrator, National Nuclear Security Administration.

Air Force nomination of Col. Donald R. Lindberg, to be Brigadier General.

Air Force nomination of Brig. Gen. William D. Cobetto, to be Major General.

Air Force nomination of Brig. Gen. Bart O. Iddins, to be Major General.

Air Force nominations beginning with Colonel Roy-Alan C. Agustin and ending with Colonel Stephen C. Williams, which nominations were received by the Senate and appeared in the Congressional Record on January 7, 2014.

Air Force nominations beginning with Colonel Dennis J. Gallegos and ending with Colonel John S. Tuohy, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nominations beginning with Colonel Paul D. Jacobs and ending with Colonel Andrew E. Salas, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nominations beginning with Brigadier General Jon K. Kelk and ending with Brigadier General Kenneth W. Wisian, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nominations beginning with Brigadier General Daryl L. Bohac and ending with Brigadier General Robert S. Williams, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nominations beginning with Brigadier General Christopher J. Bence and ending with Brigadier General Mark W. Westergren, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nomination of Col. Paul W. Tibbets IV, to be Brigadier General.

Army nomination of Lt. Gen. David D. Halverson, to be Lieutenant General.

Army nomination of Col. Stuart W. Risch, to be Brigadier General, Judge Advocate General's Corps.

Mr. LEVIN. Mr. President, for the Committee on Armed Services I report favorably the following nomination lists which were printed in the RECORD on the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Air Force nomination of Teresa G. Paris, to be Lieutenant Colonel.

Air Force nomination of Joel K. Warren, to be Lieutenant Colonel.

Air Force nominations beginning with Jeffrey P. Tan and ending with Cristalle A. Cox, which nominations were received by the Senate and appeared in the Congressional Record on January 7, 2014.

Air Force nominations beginning with Robert D. Coxwell and ending with Scot L. Williams, which nominations were received by the Senate and appeared in the Congressional Record on January 7, 2014.

Air Force nominations beginning with Therese A. Bohusch and ending with James A. Stephenson, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nominations beginning with Richard T. Barker and ending with Ian P. Wiechert, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nominations beginning with Jenara L. Allen and ending with Derrick A. Zech, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nominations beginning with Erin E. Artz and ending with Todd K. Zuber, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Air Force nominations beginning with Adam L. Ackerman and ending with Kristen P. Zeligs, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Army nomination of David W. Bryant, to be Major.

Army nominations beginning with Joseph B. Berger III and ending with William D. Smoot III, which nominations were received by the Senate and appeared in the Congressional Record on January 7, 2014.

Army nominations beginning with Joseph A. Anderson and ending with D011695, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Army nominations beginning with Victor M. Anda and ending with Joshua A. Worley, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Army nominations beginning with Tracy K. Abenoja and ending with Daniel J. Yourk, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Army nominations beginning with Harris A. Abbasi and ending with David M. Zupancic, which nominations were received by the Senate and appeared in the Congressional Record on January 9, 2014.

Army nominations beginning with Stephen E. Forsyth, Jr. and ending with Eric J. Frye, which nominations were received by the Senate and appeared in the Congressional Record on January 16, 2014.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. BAUCUS (for himself and Mr. TESTER):

S. 1965. A bill to amend the East Bench Irrigation District Water Contract Extension Act to permit the Secretary of the Interior to extend the contract for certain water services; to the Committee on Energy and Natural Resources.

By Mr. BARRASSO:

S. 1966. A bill to provide for the restoration of the economic and ecological health of National Forest System land and rural communities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BARRASSO:

S. 1967. A bill to provide for the management of certain inventoried roadless areas, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ALEXANDER (for himself, Mr. COATS, Mr. CORNYN, and Mr. VITTER):

S. 1968. A bill to allow States to let Federal funds for the education of disadvantaged children follow low-income children to the accredited or otherwise State-approved public school, private school, or supplemental educational services program they attend; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. BLUMENTHAL (for himself, Mr. PORTMAN, and Mr. BOOKER):

S. Res. 340. A resolution expressing the sense of the Senate that all necessary measures should be taken to protect children in the United States from human trafficking, especially during the upcoming Super Bowl, an event around which many children are trafficked for sex; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 162

At the request of Mr. FRANKEN, the name of the Senator from Massachusetts (Mr. MARKEY) was added as a cosponsor of S. 162, a bill to reauthorize and improve the Mentally Ill Offender Treatment and Crime Reduction Act of 2004.

S. 655

At the request of Mrs. GILLIBRAND, the name of the Senator from Oregon (Mr. MERKLEY) was added as a cosponsor of S. 655, a bill to amend the Workforce Investment Act of 1998 to authorize the Secretary of Labor to provide grants for Urban Jobs Programs, and for other purposes.

S. 738

At the request of Mr. WICKER, the name of the Senator from Arkansas (Mr. BOOZMAN) was added as a cosponsor of S. 738, a bill to grant the Secretary of the Interior permanent authority to authorize States to issue electronic duck stamps, and for other purposes.

S. 913

At the request of Mrs. SHAHEEN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 913, a bill to amend the National Oilheat Research Alliance Act of 2000 to reauthorize and improve that Act, and for other purposes.

S. 1012

At the request of Mr. BLUNT, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1012, a bill to amend title XVIII of the Social Security Act to improve operations of recovery auditors under the Medicare integrity program, to increase transparency and accuracy in audits conducted by contractors, and for other purposes.

S. 1022

At the request of Mr. BROWN, the names of the Senator from Arkansas (Mr. PRYOR) and the Senator from Arkansas (Mr. BOOZMAN) were added as cosponsors of S. 1022, a bill to amend title 46, United States Code, to extend the exemption from the fire-retardant materials construction requirement for vessels operating within the Boundary Line.

S. 1137

At the request of Mr. WYDEN, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 1137, a bill to amend title XVIII of the Social Security Act to modernize payments for ambulatory surgical centers under the Medicare program, and for other purposes.

S. 1174

At the request of Mr. BLUMENTHAL, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from New Hampshire (Ms. AYOTTE) were added as cosponsors of S. 1174, a bill to award a Congressional Gold Medal to the 65th Infantry Regiment, known as the Borinqueneers.

S. 1186

At the request of Ms. WARREN, the name of the Senator from Massachusetts (Mr. MARKEY) was added as a cosponsor of S. 1186, a bill to reauthorize the Essex National Heritage Area.

S. 1406

At the request of Ms. AYOTTE, the name of the Senator from Colorado (Mr. UDALL) was added as a cosponsor of S. 1406, a bill to amend the Horse Protection Act to designate additional unlawful acts under the Act, strengthen penalties for violations of the Act, improve Department of Agriculture enforcement of the Act, and for other purposes.

S. 1456

At the request of Ms. AYOTTE, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of S. 1456, a bill to award the Congressional Gold Medal to Shimon Peres.

S. 1507

At the request of Mr. MORAN, the name of the Senator from Colorado (Mr. UDALL) was added as a cosponsor of S. 1507, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of general welfare benefits provided by Indian tribes.

S. 1658

At the request of Mr. TOOMEY, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1658, a bill to amend the Internal Revenue Code of 1986 to make permanent certain small business tax provisions, and for other purposes.

S. 1697

At the request of Mr. HARKIN, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor of S. 1697, a bill to support early learning.

S. 1704

At the request of Mr. DURBIN, the name of the Senator from Hawaii (Mr. SCHATZ) was added as a cosponsor of S. 1704, a bill to expand the use of open textbooks in order to achieve savings for students.

S. 1862

At the request of Mr. BLUNT, the name of the Senator from Arkansas (Mr. BOOZMAN) was added as a cosponsor of S. 1862, a bill to grant the Congressional Gold Medal, collectively, to the Monuments Men, in recognition of their heroic role in the preservation, protection, and restitution of monuments, works of art, and artifacts of cultural importance during and following World War II.

S. 1896

At the request of Mr. BROWN, the name of the Senator from Minnesota (Ms. KLOBUCHAR) was added as a cosponsor of S. 1896, a bill to amend the Internal Revenue Code of 1986 to extend the new markets tax credit and provide designated allocations for areas impacted by a decline in manufacturing.

S. 1902

At the request of Mr. BARRASSO, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 1902, a bill to require notification of individuals of breaches of personally identifiable information through Exchanges under the Patient Protection and Affordable Care Act.

S. 1923

At the request of Mr. MANCHIN, the name of the Senator from Oklahoma (Mr. COBURN) was added as a cosponsor of S. 1923, a bill to amend the Securities Exchange Act of 1934 to exempt from registration brokers performing services in connection with the transfer of ownership of smaller privately held companies.

S. 1926

At the request of Mr. MENENDEZ, the names of the Senator from Minnesota (Mr. FRANKEN), the Senator from Florida (Mr. NELSON) and the Senator from South Carolina (Mr. GRAHAM) were added as cosponsors of S. 1926, a bill to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes.

S. 1950

At the request of Mr. SANDERS, the names of the Senator from Alaska (Mr. BEGICH), the Senator from Connecticut (Mr. BLUMENTHAL), the Senator from Ohio (Mr. BROWN), the Senator from Montana (Mr. TESTER), the Senator from Hawaii (Mr. SCHATZ) and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of S. 1950, a bill to improve the provision of medical services and benefits to veterans, and for other purposes.

S. 1956

At the request of Mr. SCHATZ, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. 1956, a bill to direct the Secretary of Defense to review the discharge characterization of former members of the Armed Forces who were discharged by reason of the sexual orientation of the member, and for other purposes.

S. CON. RES. 26

At the request of Mr. BLUMENTHAL, the names of the Senator from New Jersey (Mr. MENENDEZ) and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of S. Con. Res. 26, a concurrent resolution recognizing the need to improve physical access to many federally funded facilities for all people of the United States, particularly people with disabilities.

S. RES. 333

At the request of Mr. TOOMEY, the name of the Senator from Indiana (Mr. COATS) was added as a cosponsor of S. Res. 333, a resolution strongly recommending that the United States renegotiate the return of the Iraqi Jewish Archive to Iraq.

At the request of Mr. BLUMENTHAL, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. Res. 333, supra.

S. RES. 339

At the request of Mr. FRANKEN, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. Res. 339, a resolution commemorating the 150th anniversary of Mayo Clinic.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 340—EXPRESSING THE SENSE OF THE SENATE THAT ALL NECESSARY MEASURES SHOULD BE TAKEN TO PROTECT CHILDREN IN THE UNITED STATES FROM HUMAN TRAFFICKING, ESPECIALLY DURING THE UPCOMING SUPER BOWL, AN EVENT AROUND WHICH MANY CHILDREN ARE TRAFFICKED FOR SEX

Mr. BLUMENTHAL (for himself, Mr. PORTMAN, and Mr. BOOKER) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 340

Whereas according to the Federal Bureau of Investigation, an estimated 200,000 to 300,000 children in the United States are at risk of commercial sexual exploitation;

Whereas the average age of victims at the time of their entry into sex trafficking is between just 12 and 14 years old;

Whereas sex trafficking victims are often abducted or lured into running away by traffickers;

Whereas sex trafficking victims are routinely raped and beaten, and sometimes even branded;

Whereas the vast majority of child victims of sex trafficking are children from the foster care system, where they have often been failed by the officials entrusted to protect them;

Whereas instances of sex trafficking occur in every state, and tens of thousands of men, women, and children are brought to the United States every year and exploited for sex and labor by traffickers;

Whereas it is widely recognized that the beloved American tradition of the Super Bowl, an event that draws tens of thousands of fans to the host city, like other major recreational events, leads to a surge in the sex trafficking of underage girls and boys in the host city; and

Whereas traffickers aggressively advertise and sell sex trafficking victims on websites like Backpage.com during the Super Bowl in order to meet the increased demand from visitors to the host city: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) law enforcement officers, the juvenile justice system, social services, and the public should recognize and treat all children being trafficked for sex as victims of human trafficking each and every day of the year; and

(2) Federal and State law enforcement agencies should take all necessary measures to protect children in the United States from harm, including arresting and prosecuting both traffickers and buyers of children for sex in accordance with the applicable State and Federal laws against child abuse, statutory rape, and human trafficking, particularly during the festivities surrounding Super Bowl XLVIII.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2692. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table.

SA 2693. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2694. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2695. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2696. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2697. Mr. COBURN (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2698. Mr. BLUNT submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2699. Ms. AYOTTE (for herself, Mr. GRAHAM, and Mr. WICKER) submitted an amendment intended to be proposed by her to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2700. Mr. HELLER (for himself and Mr. LEE) submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2701. Mr. REID (for Mr. HARKIN (for himself, Mr. ROBERTS, Mr. BAUCUS, and Mr. HATCH)) proposed an amendment to the bill S. 1302, to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide for cooperative and small employer charity pension plans.

SA 2702. Mrs. HAGAN (for herself and Mr. PRYOR) submitted an amendment intended to be proposed by her to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table.

SA 2703. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2704. Mr. RUBIO submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2705. Mr. KING (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2706. Mr. WHITEHOUSE submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2707. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2708. Mrs. GILLIBRAND submitted an amendment intended to be proposed by her to the bill S. 1926, supra; which was ordered to lie on the table.

SA 2709. Mr. MERKLEY submitted an amendment intended to be proposed by him to the bill S. 1926, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2692. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

On page 9, line 8, strike ''18 months'' and insert ''3 months''.

SA 2693. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I, insert the following:

SEC. 110. PREDISASTER HAZARD MITIGATION FUNDING.

Section 203(g) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(g)) is amended—

(1) in paragraph (9), by striking ''and'' at the end;

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting after paragraph (9) the following:

''(10) the number of properties in the State or in a community located in an area represented by the local government with a risk premium rate for flood insurance coverage provided under the National Flood Insurance Program (as established under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.)) of not less than $10,000 per year; and''.

SA 2694. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

On page 5, line 3, after the period insert the following: ''The prohibition established under this paragraph shall not apply to any residential property which is not the primary residence of an individual or any business property.''.

SA 2695. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

On page 6, between lines 4 and 5, insert the following:

(4) ELIMINATION OF OUTSTANDING SUBSIDIES FOR PRE-FIRM PROPERTIES.—

(A) ELIMINATION OF SUBSIDY.—Notwithstanding any other provision of law, upon the expiration of the period set forth under paragraph (3), the Administrator may not estimate any risk premium rate for flood insurance for any property subject to paragraph (2) of section 1307(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(2)) and not otherwise described in subparagraphs (A) through (E) of such paragraph, if such rate is less than that estimated under paragraph (1) of such section 1307(a).

(B) PHASE-IN OF CHARGEABLE RISK PREMIUM RATE.—Upon the expiration of the period set forth under paragraph (3), the chargeable risk premium rate for flood insurance under the National Flood Insurance Act of 1968 for any property described under subparagraph (A) shall be increased by 20 percent each year, until the risk premium rate for such property is equal to the full actuarial risk premium rate for that property.

SA 2696. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. MORTGAGE INTEREST DEDUCTION ALLOWED WITH RESPECT TO BOATS ONLY IF BOAT IS USED AS THE PRINCIPAL RESIDENCE OF THE TAXPAYER.

(a) IN GENERAL.—Subclause (II) of section 163(h)(4)(A)(i) of the Internal Revenue Code of 1986 is amended by inserting ''(other than a boat)'' after ''1 other residence of the taxpayer''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to indebtedness incurred after the date that is 3 months after the date of the enactment of this Act.

(2) SPECIAL RULE FOR REFINANCINGS.—For purposes of this subsection, indebtedness resulting from the refinancing of indebtedness shall be treated as incurred on the date the refinanced indebtedness was incurred (taking into account the application of this paragraph in the case of multiple refinancings) but only to the extent the indebtedness resulting from such refinancing does not exceed the refinanced indebtedness.

SA 2697. Mr. COBURN (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end of section 330 of subtitle C of title III of the Gramm-Leach-Bliley Act, as added by section 202(a), insert the following:

''(c) STATE OPT-OUT-RIGHTS.—

''(1) IN GENERAL.—Any State, as described in section 333(9)(A), may elect not to participate in the Association, and insurance producers doing business in that State shall be subject to all otherwise applicable insurance-related laws, rules, and regulations of that State.

''(2) PROCEDURE.—A State, as described in section 333(9)(A), that elects not to participate in the Association under paragraph (1) shall do so by enacting legislation indicating such election.

''(3) EFFECTIVE DATE OF OPT-OUT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the effective date of an election by a State, as described in section 333(9)(A), not to participate in the Association under paragraph (1) is 2 years after the date on which the State enacts legislation under paragraph (2).

''(B) IMMEDIATELY EFFECTIVE OPT-OUT.—An election by a State, as described in section 333(9)(A), not to participate in the Association under paragraph (1) shall take effect upon the enactment of legislation under paragraph (2) if such legislation is enacted not later than 180 days after the date of enactment of this Act.

''(4) EXCLUSION OF INSURANCE PRODUCERS.—No insurance producer, the home State, as described in section 333(9)(A), of which has made an election not to participate in the Association under paragraph (1), may become a member of the Association.

''(5) NOTIFICATION OF OPT-OUT.—A State, as described in section 333(9)(A), that elects not to participate in the Association under paragraph (1) shall notify the Board and the primary insurance regulatory authority of each State of such election.

''(6) CHANGE IN ELECTION.—

''(A) OPT-IN.—A State, as described in section 333(9)(A), that has elected not to participate in the Association under paragraph (1) may elect to participate in the Association by enacting legislation indicating such election.

''(B) EFFECTIVE DATE OF OPT-IN.—An election by a State, as described in section 333(9)(A), to participate in the Association under subparagraph (A) shall take effect upon the enactment of the legislation indicating such election.

''(C) NOTIFICATION OF OPT-IN.—A State, as described in section 333(9)(A), that has elected to participate in the Association under subparagraph (A) shall notify the Board and the primary insurance regulatory authority of each State of such election.

In section 334 of subtitle C of title III of the Gramm-Leach-Bliley Act, as added by section 202(a), strike paragraph (9) and insert the following:

''(9) STATE.—The term 'State'—

''(A) means any State, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands; and

''(B) does not include any State (as described in subparagraph (A)) that has made an election not to participate in the Association under section 330(c)(1).

SA 2698. Mr. BLUNT submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

SEC. 1____. HOME IMPROVEMENT FAIRNESS.

Section 1307(a)(2)(E)(ii) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(2)(E)(ii)) is amended by striking ''30 percent'' and inserting ''50 percent''.

SA 2699. Ms. AYOTTE (for herself, Mr. GRAHAM, and Mr. WICKER) submitted an amendment intended to be proposed by her to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. REPEAL OF REDUCTIONS MADE BY BIPARTISAN BUDGET ACT OF 2013.

(a) REPEALS.—

(1) ADJUSTMENT OF RETIREMENT PAY.—Section 403 of the Bipartisan Budget Act of 2013 is repealed as of the date of the enactment of such Act.

(2) CONFORMING AMENDMENT.—Title X of the Department of Defense Appropriations Act, 2014 (division C of Public Law 113–76) is hereby repealed.

(b) SOCIAL SECURITY NUMBER REQUIRED TO CLAIM THE REFUNDABLE PORTION OF THE CHILD TAX CREDIT.—

(1) IN GENERAL.—Subsection (e) of section 24 of the Internal Revenue Code of 1986 is amended to read as follows:

''(e) IDENTIFICATION REQUIREMENT WITH RESPECT TO QUALIFYING CHILDREN.—

''(1) IN GENERAL.—Subject to paragraph (2), no credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes the name and taxpayer identification number of such qualifying child on the return of tax for the taxable year.

''(2) REFUNDABLE PORTION.—Subsection (d)(1) shall not apply to any taxpayer with respect to any qualifying child unless the taxpayer includes the name and social security number of such qualifying child on the return of tax for the taxable year.''.

(2) OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Subparagraph (I) of section 6213(g)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(I) an omission of a correct TIN under section 24(e)(1) (relating to child tax credit) or a correct Social Security number required under section 24(e)(2) (relating to refundable portion of child tax credit), to be included on a return,''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

SA 2700. Mr. HELLER (for himself and Mr. LEE) submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

SEC. 1___. AUTHORITY OF STATES TO REGULATE PRIVATE FLOOD INSURANCE.

Section 102(b)(7) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(7)) is amended to read as follows:

''(7) PRIVATE FLOOD INSURANCE DEFINED.—In this subsection, the term 'private flood insurance' means an insurance policy that—

''(A) provides flood insurance coverage;

''(B) is issued by an insurance company that is—

''(i) licensed, admitted, or otherwise approved to engage in the business of insurance in the State or jurisdiction in which the insured building is located, by the insurance regulator of that State or jurisdiction; or

''(ii) eligible as a nonadmitted insurer to provide insurance in the State or jurisdiction where the property to be insured is located, in accordance with section 524 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (15 U.S.C. 8204); and

''(C) is issued by an insurance company that is not otherwise disapproved as a surplus lines insurer by the insurance regulator of the State or jurisdiction where the property to be insured is located.''.

SA 2701. Mr. REID (for Mr. HARKIN (for himself, Mr. ROBERTS, Mr. BAUCUS, and Mr. HATCH)) proposed an amendment to the bill S. 1302, to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide for cooperative and small employer charity pension plans; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Cooperative and Small Employer Charity Pension Flexibility Act''.

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

SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATIONS OF POLICY.

Congress finds as follows:

(1) Defined benefit pension plans are a cost-effective way for cooperative associations and charities to provide their employees with economic security in retirement.

(2) Many cooperative associations and charitable organizations are only able to provide their employees with defined benefit pension plans because those organizations are able to pool their resources using the multiple employer plan structure.

(3) The pension funding rules should encourage cooperative associations and charities to continue to provide their employees with pension benefits.

SEC. 3. EFFECTIVE DATE.

Unless otherwise specified in this Act, the provisions of this Act shall apply to years beginning after December 31, 2013.

TITLE I—AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 AND OTHER PROVISIONS

SEC. 101. DEFINITION OF COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.

Section 210 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1060) is amended by adding at the end the following new subsection:

''(f) COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.—

''(1) IN GENERAL.—For purposes of this title, except as provided in this subsection, a CSEC plan is an employee pension benefit plan (other than a multiemployer plan) that is a defined benefit plan—

''(A) to which section 104 of the Pension Protection Act of 2006 applies, without regard to—

''(i) section 104(a)(2) of such Act;

''(ii) the amendments to such section 104 by section 202(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010; and

''(iii) paragraph (3)(B); or

''(B) that, as of June 25, 2010, was maintained by more than one employer and all of the employers were organizations described in section 501(c)(3) of the Internal Revenue Code of 1986.

''(2) AGGREGATION.—All employers that are treated as a single employer under subsection (b) or (c) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer for purposes of determining if a plan was maintained by more than one employer under paragraph (1)(B).''.

SEC. 102. FUNDING RULES APPLICABLE TO COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.

(a) IN GENERAL.—Part 3 of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1081 et seq.) is amended by adding at the end the following new section:

''SEC. 306. MINIMUM FUNDING STANDARDS.

''(a) GENERAL RULE.—For purposes of section 302, the term 'accumulated funding deficiency' for a CSEC plan means the excess of the total charges to the funding standard account for all plan years (beginning with the first plan year to which section 302 applies) over the total credits to such account for such years or, if less, the excess of the total charges to the alternative minimum funding standard account for such plan years over the total credits to such account for such years.

''(b) FUNDING STANDARD ACCOUNT.—

''(1) ACCOUNT REQUIRED.—Each plan to which this section applies shall establish and maintain a funding standard account. Such account shall be credited and charged solely as provided in this section.

''(2) CHARGES TO ACCOUNT.—For a plan year, the funding standard account shall be charged with the sum of—

''(A) the normal cost of the plan for the plan year,

''(B) the amounts necessary to amortize in equal annual installments (until fully amortized)—

''(i) in the case of a plan in existence on January 1, 1974, the unfunded past service liability under the plan on the first day of the first plan year to which section 302 applies, over a period of 40 plan years,

''(ii) in the case of a plan which comes into existence after January 1, 1974, but before the first day of the first plan year beginning after December 31, 2013, the unfunded past service liability under the plan on the first day of the first plan year to which section 302 applies, over a period of 30 plan years,

''(iii) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such year, over a period of 15 plan years,

''(iv) separately, with respect to each plan year, the net experience loss (if any) under the plan, over a period of 5 plan years, and

''(v) separately, with respect to each plan year, the net loss (if any) resulting from changes in actuarial assumptions used under the plan, over a period of 10 plan years,

''(C) the amount necessary to amortize each waived funding deficiency (within the meaning of section 302(c)(3)) for each prior plan year in equal annual installments (until fully amortized) over a period of 5 plan years,

''(D) the amount necessary to amortize in equal annual installments (until fully amortized) over a period of 5 plan years any amount credited to the funding standard account under paragraph (3)(D), and

''(E) the amount necessary to amortize in equal annual installments (until fully amortized) over a period of 20 years the contributions which would be required to be made under the plan but for the provisions of section 302(c)(7)(A)(i)(I) (as in effect on the day before the enactment of the Pension Protection Act of 2006).

''(3) CREDITS TO ACCOUNT.—For a plan year, the funding standard account shall be credited with the sum of—

''(A) the amount considered contributed by the employer to or under the plan for the plan year,

''(B) the amount necessary to amortize in equal annual installments (until fully amortized)—

''(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such year, over a period of 15 plan years,

''(ii) separately, with respect to each plan year, the net experience gain (if any) under the plan, over a period of 5 plan years, and ''(iii) separately, with respect to each plan year, the net gain (if any) resulting from changes in actuarial assumptions used under the plan, over a period of 10 plan years,

''(C) the amount of the waived funding deficiency (within the meaning of section 302(c)(3)) for the plan year, and

''(D) in the case of a plan year for which the accumulated funding deficiency is determined under the funding standard account if such plan year follows a plan year for which such deficiency was determined under the alternative minimum funding standard, the excess (if any) of any debit balance in the funding standard account (determined without regard to this subparagraph) over any debit balance in the alternative minimum funding standard account.

''(4) COMBINING AND OFFSETTING AMOUNTS TO BE AMORTIZED.—Under regulations prescribed by the Secretary of the Treasury, amounts required to be amortized under paragraph (2) or paragraph (3), as the case may be—

''(A) may be combined into one amount under such paragraph to be amortized over a period determined on the basis of the remaining amortization period for all items entering into such combined amount, and

''(B) may be offset against amounts required to be amortized under the other such paragraph, with the resulting amount to be amortized over a period determined on the basis of the remaining amortization periods for all items entering into whichever of the two amounts being offset is the greater.

''(5) INTEREST.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the funding standard account (and items therein) shall be charged or credited (as determined under regulations prescribed by the Secretary of the Treasury) with interest at the appropriate rate consistent with the rate or rates of interest used under the plan to determine costs.

''(B) EXCEPTION.—The interest rate used for purposes of computing the amortization charge described in subsection (b)(2)(C) or for purposes of any arrangement under subsection (d) for any plan year shall be the greater of—

''(i) 150 percent of the Federal mid-term rate (as in effect under section 1274 of the Internal Revenue Code of 1986 for the 1st month of such plan year), or

''(ii) the rate of interest determined under subparagraph (A).

''(6) AMORTIZATION SCHEDULES IN EFFECT.—Amortization schedules for amounts described in paragraphs (2) and (3) that are in effect as of the last day of the last plan year beginning before January 1, 2014, by reason of section 104 of the Pension Protection Act of 2006 shall remain in effect pursuant to their terms and this section, except that such amounts shall not be amortized again under this section.

''(c) SPECIAL RULES.—

''(1) DETERMINATIONS TO BE MADE UNDER FUNDING METHOD.—For purposes of this section, normal costs, accrued liability, past service liabilities, and experience gains and losses shall be determined under the funding method used to determine costs under the plan.

''(2) VALUATION OF ASSETS.—

''(A) IN GENERAL.—For purposes of this section, the value of the plan's assets shall be determined on the basis of any reasonable actuarial method of valuation which takes into account fair market value and which is permitted under regulations prescribed by the Secretary of the Treasury.

''(B) DEDICATED BOND PORTFOLIO.—The Secretary of the Treasury may by regulations provide that the value of any dedicated bond portfolio of a plan shall be determined by using the interest rate under section 302(b)(5) (as in effect on the day before the enactment of the Pension Protection Act of 2006).

''(3) ACTUARIAL ASSUMPTIONS MUST BE REASONABLE.—For purposes of this section, all costs, liabilities, rates of interest, and other factors under the plan shall be determined on the basis of actuarial assumptions and methods—

''(A) each of which is reasonable (taking into account the experience of the plan and reasonable expectations), and

''(B) which, in combination, offer the actuary's best estimate of anticipated experience under the plan.

''(4) TREATMENT OF CERTAIN CHANGES AS EXPERIENCE GAIN OR LOSS.—For purposes of this section, if—

''(A) a change in benefits under the Social Security Act or in other retirement benefits created under Federal or State law, or

''(B) a change in the definition of the term 'wages' under section 3121 of the Internal Revenue Code of 1986 or a change in the amount of such wages taken into account under regulations prescribed for purposes of section 401(a)(5) of such Code,

results in an increase or decrease in accrued liability under a plan, such increase or decrease shall be treated as an experience loss or gain.

''(5) FUNDING METHOD AND PLAN YEAR.—

''(A) FUNDING METHODS AVAILABLE.—All funding methods available to CSEC plans under section 302 (as in effect on the day before the enactment of the Pension Protection Act of 2006) shall continue to be available under this section.

''(B) CHANGES.—If the funding method for a plan is changed, the new funding method shall become the funding method used to determine costs and liabilities under the plan only if the change is approved by the Secretary of the Treasury. If the plan year for a plan is changed, the new plan year shall become the plan year for the plan only if the change is approved by the Secretary of the Treasury.

''(C) APPROVAL REQUIRED FOR CERTAIN CHANGES IN ASSUMPTIONS BY CERTAIN SINGLE-EMPLOYER PLANS SUBJECT TO ADDITIONAL FUNDING REQUIREMENT.—

''(i) IN GENERAL.—No actuarial assumption (other than the assumptions described in subsection (h)(3)) used to determine the current liability for a plan to which this subparagraph applies may be changed without the approval of the Secretary of the Treasury.

''(ii) PLANS TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to a plan only if—

''(I) the plan is a CSEC plan,

''(II) the aggregate unfunded vested benefits as of the close of the preceding plan year (as determined under section 4006(a)(3)(E)(iii)) of such plan and all other plans maintained by the contributing sponsors (as defined in section 4001(a)(13)) and members of such sponsors' controlled groups (as defined in section 4001(a)(14)) which are covered by title IV (disregarding plans with no unfunded vested benefits) exceed $50,000,000, and

''(III) the change in assumptions (determined after taking into account any changes in interest rate and mortality table) results in a decrease in the funding shortfall of the plan for the current plan year that exceeds $50,000,000, or that exceeds $5,000,000 and that is 5 percent or more of the current liability of the plan before such change.

''(6) FULL FUNDING.—If, as of the close of a plan year, a plan would (without regard to this paragraph) have an accumulated funding deficiency (determined without regard to the alternative minimum funding standard account permitted under subsection (e)) in excess of the full funding limitation—

''(A) the funding standard account shall be credited with the amount of such excess, and

''(B) all amounts described in paragraphs (2)(B), (C), and (D) and (3)(B) of subsection (b) which are required to be amortized shall be considered fully amortized for purposes of such paragraphs.

''(7) FULL-FUNDING LIMITATION.—For purposes of paragraph (6), the term 'full-funding limitation' means the excess (if any) of—

''(A) the accrued liability (including normal cost) under the plan (determined under the entry age normal funding method if such accrued liability cannot be directly calculated under the funding method used for the plan), over

''(B) the lesser of—

''(i) the fair market value of the plan's assets, or

''(ii) the value of such assets determined under paragraph (2).

''(C) MINIMUM AMOUNT.—

''(i) IN GENERAL.—In no event shall the full-funding limitation determined under subparagraph (A) be less than the excess (if any) of—

''(I) 90 percent of the current liability (determined without regard to paragraph (4) of subsection (h)) of the plan (including the expected increase in such current liability due to benefits accruing during the plan year), over

''(II) the value of the plan's assets determined under paragraph (2).

''(ii) ASSETS.—For purposes of clause (i), assets shall not be reduced by any credit balance in the funding standard account.

''(8) ANNUAL VALUATION.—

''(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary of the Treasury.

''(B) VALUATION DATE.—

''(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

''(ii) USE OF PRIOR YEAR VALUATION.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if, as of such date, the value of the assets of the plan are not less than 100 percent of the plan's current liability.

''(iii) ADJUSTMENTS.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) LIMITATION.—A change in funding method to use a prior year valuation, as provided in clause (ii), may not be made unless as of the valuation date within the prior plan year, the value of the assets of the plan are not less than 125 percent of the plan's current liability.

''(9) TIME WHEN CERTAIN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, any contributions for a plan year made by an employer during the period—

''(A) beginning on the day after the last day of such plan year, and

''(B) ending on the day which is 8½ months after the close of the plan year,

shall be deemed to have been made on such last day.

''(10) ANTICIPATION OF BENEFIT INCREASES EFFECTIVE IN THE FUTURE.—In determining projected benefits, the funding method of a collectively bargained CSEC plan described in section 413(a) of the Internal Revenue

Code of 1986 shall anticipate benefit increases scheduled to take effect during the term of the collective bargaining agreement applicable to the plan.

''(d) EXTENSION OF AMORTIZATION PERIODS.—The period of years required to amortize any unfunded liability (described in any clause of subsection (b)(2)(B)) of any plan may be extended by the Secretary of the Treasury for a period of time (not in excess of 10 years) if such Secretary determines that such extension would carry out the purposes of this Act and provide adequate protection for participants under the plan and their beneficiaries, and if such Secretary determines that the failure to permit such extension would result in—

''(1) a substantial risk to the voluntary continuation of the plan, or

''(2) a substantial curtailment of pension benefit levels or employee compensation.

''(e) ALTERNATIVE MINIMUM FUNDING STANDARD.—

''(1) IN GENERAL.—A CSEC plan which uses a funding method that requires contributions in all years not less than those required under the entry age normal funding method may maintain an alternative minimum funding standard account for any plan year. Such account shall be credited and charged solely as provided in this subsection.

''(2) CHARGES AND CREDITS TO ACCOUNT.—For a plan year the alternative minimum funding standard account shall be—

''(A) charged with the sum of—

''(i) the lesser of normal cost under the funding method used under the plan or normal cost determined under the unit credit method,

''(ii) the excess, if any, of the present value of accrued benefits under the plan over the fair market value of the assets, and

''(iii) an amount equal to the excess (if any) of credits to the alternative minimum standard account for all prior plan years over charges to such account for all such years, and

''(B) credited with the amount considered contributed by the employer to or under the plan for the plan year.

''(3) INTEREST.—The alternative minimum funding standard account (and items therein) shall be charged or credited with interest in the manner provided under subsection (b)(5) with respect to the funding standard account.

''(f) QUARTERLY CONTRIBUTIONS REQUIRED.—

''(1) IN GENERAL.—If a CSEC plan which has a funded current liability percentage for the preceding plan year of less than 100 percent fails to pay the full amount of a required installment for the plan year, then the rate of interest charged to the funding standard account under subsection (b)(5) with respect to the amount of the underpayment for the period of the underpayment shall be equal to the greater of—

''(A) 175 percent of the Federal mid-term rate (as in effect under section 1274 of the Internal Revenue Code of 1986 for the 1st month of such plan year), or

''(B) the rate of interest used under the plan in determining costs.

''(2) AMOUNT OF UNDERPAYMENT, PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1)—

''(A) AMOUNT.—The amount of the underpayment shall be the excess of—

''(i) the required installment, over

''(ii) the amount (if any) of the installment contributed to or under the plan on or before the due date for the installment.

''(B) PERIOD OF UNDERPAYMENT.—The period for which interest is charged under this subsection with regard to any portion of the underpayment shall run from the due date for the installment to the date on which such portion is contributed to or under the plan (determined without regard to subsection (c)(9)).

''(C) ORDER OF CREDITING CONTRIBUTIONS.—For purposes of subparagraph (A)(ii), contributions shall be credited against unpaid required installments in the order in which such installments are required to be paid.

''(3) NUMBER OF REQUIRED INSTALLMENTS; DUE DATES.—For purposes of this subsection—

''(A) PAYABLE IN 4 INSTALLMENTS.—There shall be 4 required installments for each plan year.

''(B) TIME FOR PAYMENT OF INSTALLMENTS.—

"In the case of the following required installments:	**The due date is:**
1st	April 15
2nd	July 15
3rd	October 15
4th	January 15 of the following year.

''(4) AMOUNT OF REQUIRED INSTALLMENT.—For purposes of this subsection—

''(A) IN GENERAL.—The amount of any required installment shall be 25 percent of the required annual payment.

''(B) REQUIRED ANNUAL PAYMENT.—For purposes of subparagraph (A), the term 'required annual payment' means the lesser of—

''(i) 90 percent of the amount required to be contributed to or under the plan by the employer for the plan year under section 302 (without regard to any waiver under subsection (c) thereof), or

''(ii) 100 percent of the amount so required for the preceding plan year.

Clause (ii) shall not apply if the preceding plan year was not a year of 12 months.

''(5) LIQUIDITY REQUIREMENT.—

''(A) IN GENERAL.—A plan to which this paragraph applies shall be treated as failing to pay the full amount of any required installment to the extent that the value of the liquid assets paid in such installment is less than the liquidity shortfall (whether or not such liquidity shortfall exceeds the amount of such installment required to be paid but for this paragraph).

''(B) PLANS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to a CSEC plan other than a plan described in section 302(d)(6)(A) (as in effect on the day before the enactment of the Pension Protection Act of 2006) which—

''(i) is required to pay installments under this subsection for a plan year, and

''(ii) has a liquidity shortfall for any quarter during such plan year.

''(C) PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1), any portion of an installment that is treated as not paid under subparagraph (A) shall continue to be treated as unpaid until the close of the quarter in which the due date for such installment occurs.

''(D) LIMITATION ON INCREASE.—If the amount of any required installment is increased by reason of subparagraph (A), in no event shall such increase exceed the amount which, when added to prior installments for the plan year, is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) to 100 percent.

''(E) DEFINITIONS.—For purposes of this paragraph—

''(i) LIQUIDITY SHORTFALL.—The term 'liquidity shortfall' means, with respect to any required installment, an amount equal to the excess (as of the last day of the quarter for which such installment is made) of the base amount with respect to such quarter over the value (as of such last day) of the plan's liquid assets.

''(ii) BASE AMOUNT.—

''(I) IN GENERAL.—The term 'base amount' means, with respect to any quarter, an amount equal to 3 times the sum of the adjusted disbursements from the plan for the 12 months ending on the last day of such quarter.

''(II) SPECIAL RULE.—If the amount determined under subclause (I) exceeds an amount equal to 2 times the sum of the adjusted disbursements from the plan for the 36 months ending on the last day of the quarter and an enrolled actuary certifies to the satisfaction of the Secretary of the Treasury that such excess is the result of nonrecurring circumstances, the base amount with respect to such quarter shall be determined without regard to amounts related to those nonrecurring circumstances.

''(iii) DISBURSEMENTS FROM THE PLAN.—The term 'disbursements from the plan' means all disbursements from the trust, including purchases of annuities, payments of single sums and other benefits, and administrative expenses.

''(iv) ADJUSTED DISBURSEMENTS.—The term 'adjusted disbursements' means disbursements from the plan reduced by the product of—

''(I) the plan's funded current liability percentage for the plan year, and

''(II) the sum of the purchases of annuities, payments of single sums, and such other disbursements as the Secretary of the Treasury shall provide in regulations.

''(v) LIQUID ASSETS.—The term 'liquid assets' means cash, marketable securities and such other assets as specified by the Secretary of the Treasury in regulations.

''(vi) QUARTER.—The term 'quarter' means, with respect to any required installment, the 3-month period preceding the month in which the due date for such installment occurs.

''(F) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as are necessary to carry out this paragraph.

''(6) FISCAL YEARS AND SHORT YEARS.—

''(A) FISCAL YEARS.—In applying this subsection to a plan year beginning on any date other than January 1, there shall be substituted for the months specified in this subsection, the months which correspond thereto.

''(B) SHORT PLAN YEAR.—This subsection shall be applied to plan years of less than 12 months in accordance with regulations prescribed by the Secretary of the Treasury.

''(g) IMPOSITION OF LIEN WHERE FAILURE TO MAKE REQUIRED CONTRIBUTIONS.—

''(1) IN GENERAL.—In the case of a plan to which this section applies, if—

''(A) any person fails to make a required installment under subsection (f) or any other payment required under this section before the due date for such installment or other payment, and

''(B) the unpaid balance of such installment or other payment (including interest), when added to the aggregate unpaid balance of all preceding such installments or other payments for which payment was not made before the due date (including interest), exceeds $1,000,000,

then there shall be a lien in favor of the plan in the amount determined under paragraph (3) upon all property and rights to property, whether real or personal, belonging to such person and any other person who is a member of the same controlled group of which such person is a member.

''(2) PLANS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to a CSEC plan for any plan year for which the funded current liability percentage of such plan is less than 100 percent. This subsection shall not apply to any plan to which section 4021 does not apply (as such section is in effect on the date of the enactment of the Retirement Protection Act of 1994).

''(3) AMOUNT OF LIEN.—For purposes of paragraph (1), the amount of the lien shall be equal to the aggregate unpaid balance of required installments and other payments required under this section (including interest)—

''(A) for plan years beginning after 1987, and

''(B) for which payment has not been made before the due date.

''(4) NOTICE OF FAILURE; LIEN.—

''(A) NOTICE OF FAILURE.—A person committing a failure described in paragraph (1) shall notify the Pension Benefit Guaranty Corporation of such failure within 10 days of the due date for the required installment or other payment.

''(B) PERIOD OF LIEN.—The lien imposed by paragraph (1) shall arise on the due date for the required installment or other payment and shall continue until the last day of the first plan year in which the plan ceases to be described in paragraph (1)(B). Such lien shall continue to run without regard to whether such plan continues to be described in paragraph (2) during the period referred to in the preceding sentence.

''(C) CERTAIN RULES TO APPLY.—Any amount with respect to which a lien is imposed under paragraph (1) shall be treated as taxes due and owing the United States and rules similar to the rules of subsections (c), (d), and (e) of section 4068 shall apply with respect to a lien imposed by subsection (a) and the amount with respect to such lien.

''(5) ENFORCEMENT.—Any lien created under paragraph (1) may be perfected and enforced only by the Pension Benefit Guaranty Corporation, or at the direction of the Pension Benefit Guaranty Corporation, by any contributing employer (or any member of the controlled group of the contributing employer).

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) DUE DATE; REQUIRED INSTALLMENT.—The terms 'due date' and 'required installment' have the meanings given such terms by subsection (f), except that in the case of a payment other than a required installment, the due date shall be the date such payment is required to be made under this section.

''(B) CONTROLLED GROUP.—The term 'controlled group' means any group treated as a single employer under subsections (b), (c), (m), and (o) of section 414 of the Internal Revenue Code of 1986.

''(h) CURRENT LIABILITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'current liability' means all liabilities to employees and their beneficiaries under the plan.

''(2) TREATMENT OF UNPREDICTABLE CONTINGENT EVENT BENEFITS.—

''(A) IN GENERAL.—For purposes of paragraph (1), any unpredictable contingent event benefit shall not be taken into account until the event on which the benefit is contingent occurs.

''(B) UNPREDICTABLE CONTINGENT EVENT BENEFIT.—The term 'unpredictable contingent event benefit' means any benefit contingent on an event other than—

''(i) age, service, compensation, death, or disability, or

''(ii) an event which is reasonably and reliably predictable (as determined by the Secretary of the Treasury).

''(3) INTEREST RATE AND MORTALITY ASSUMPTIONS USED.—

''(A) INTEREST RATE.—The rate of interest used to determine current liability under this section shall be the third segment rate determined under section 303(h)(2)(C).

''(B) MORTALITY TABLES.—

''(i) SECRETARIAL AUTHORITY.—The Secretary of the Treasury may by regulation prescribe mortality tables to be used in determining current liability under this subsection. Such tables shall be based upon the actual experience of pension plans and projected trends in such experience. In prescribing such tables, the Secretary of the Treasury shall take into account results of available independent studies of mortality of individuals covered by pension plans.

''(ii) PERIODIC REVIEW.—The Secretary of the Treasury shall periodically (at least every 5 years) review any tables in effect under this subsection and shall, to the extent the Secretary of the Treasury determines necessary, by regulation update the tables to reflect the actual experience of pension plans and projected trends in such experience.

''(C) SEPARATE MORTALITY TABLES FOR THE DISABLED.—Notwithstanding subparagraph (B)—

''(i) IN GENERAL.—In the case of plan years beginning after December 31, 1995, the Secretary of the Treasury shall establish mortality tables which may be used (in lieu of the tables under subparagraph (B)) to determine current liability under this subsection for individuals who are entitled to benefits under the plan on account of disability. The Secretary of the Treasury shall establish separate tables for individuals whose disabilities occur in plan years beginning before January 1, 1995, and for individuals whose disabilities occur in plan years beginning on or after such date.

''(ii) SPECIAL RULE FOR DISABILITIES OCCURRING AFTER 1994.—In the case of disabilities occurring in plan years beginning after December 31, 1994, the tables under clause (i) shall apply only with respect to individuals described in such subclause who are disabled within the meaning of title II of the Social Security Act and the regulations thereunder.

''(4) CERTAIN SERVICE DISREGARDED.—

''(A) IN GENERAL.—In the case of a participant to whom this paragraph applies, only the applicable percentage of the years of service before such individual became a participant shall be taken into account in computing the current liability of the plan.

''(B) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the applicable percentage shall be determined as follows:

"If the years of participation are:	**The applicable percentage is:**
1	20
2	40
3	60
4	80
5 or more	100.

''(C) PARTICIPANTS TO WHOM PARAGRAPH APPLIES.—This subparagraph shall apply to any participant who, at the time of becoming a participant—

''(i) has not accrued any other benefit under any defined benefit plan (whether or not terminated) maintained by the employer or a member of the same controlled group of which the employer is a member,

''(ii) who first becomes a participant under the plan in a plan year beginning after December 31, 1987, and

''(iii) has years of service greater than the minimum years of service necessary for eligibility to participate in the plan.

''(D) ELECTION.—An employer may elect not to have this subparagraph apply. Such an election, once made, may be revoked only with the consent of the Secretary of the Treasury.

''(i) FUNDED CURRENT LIABILITY PERCENTAGE.—For purposes of this section, the term 'funded current liability percentage' means, with respect to any plan year, the percentage which—

''(1) the value of the plan's assets determined under subsection (c)(2), is of

''(2) the current liability under the plan.

''(j) FUNDING RESTORATION STATUS.—Notwithstanding any other provisions of this section—

''(1) NORMAL COST PAYMENT.—

''(A) IN GENERAL.—In the case of a CSEC plan that is in funding restoration status for a plan year, for purposes of section 302, the term 'accumulated funding deficiency' means, for such plan year, the greater of—

''(i) the amount described in subsection (a), or

''(ii) the excess of the normal cost of the plan for the plan year over the amount actually contributed to or under the plan for the plan year.

''(B) NORMAL COST.—In the case of a CSEC plan that uses a spread gain funding method, for purposes of this subsection, the term 'normal cost' means normal cost as determined under the entry age normal funding method.

''(2) PLAN AMENDMENTS.—In the case of a CSEC plan that is in funding restoration status for a plan year, no amendment to such plan may take effect during such plan year if such amendment has the effect of increasing liabilities of the plan by means of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable. This paragraph shall not apply to any plan amendment that is required to comply with any applicable law. This paragraph shall cease to apply with respect to any plan year, effective as of the first day of the plan year (or if later, the effective date of the amendment) upon payment by the plan sponsor of a contribution to the plan (in addition to any contribution required under this section without regard to this paragraph) in an amount equal to the increase in the funding liability of the plan attributable to the plan amendment.

''(3) FUNDING RESTORATION PLAN.—The sponsor of a CSEC plan shall establish a written funding restoration plan within 180 days of the receipt by the plan sponsor of a certification from the plan actuary that the plan is in funding restoration status for a plan year. Such funding restoration plan shall consist of actions that are calculated, based on reasonably anticipated experience and reasonable actuarial assumptions, to increase the plan's funded percentage to 100 percent over a period that is not longer than the greater of 7 years or the shortest amount of time practicable. Such funding restoration plan shall take into account contributions required under this section (without regard to this paragraph). If a plan remains in funding restoration status for 2 or more years, such funding restoration plan shall be updated each year after the 1st such year within 180 days of receipt by the plan sponsor of a certification from the plan actuary that the plan remains in funding restoration status for the plan year.

''(4) ANNUAL CERTIFICATION BY PLAN ACTUARY.—Not later than the 90th day of each plan year of a CSEC plan, the plan actuary shall certify to the plan sponsor whether or not the plan is in funding restoration status for the plan year, based on the plan's funded percentage as of the beginning of the plan year. For this purpose, the actuary may conclusively rely on an estimate of—

''(A) the plan's funding liability, based on the funding liability of the plan for the preceding plan year and on reasonable actuarial estimates, assumptions, and methods, and

''(B) the amount of any contributions reasonably anticipated to be made for the preceding plan year.

Contributions described in subparagraph (B) shall be taken into account in determining the plan's funded percentage as of the beginning of the plan year.

''(5) DEFINITIONS.—For purposes of this subsection—

''(A) FUNDING RESTORATION STATUS.—A CSEC plan shall be treated as in funding restoration status for a plan year if the plan's funded percentage as of the beginning of such plan year is less than 80 percent.

''(B) FUNDED PERCENTAGE.—The term 'funded percentage' means the ratio (expressed as a percentage) which—

''(i) the value of plan assets (as determined under subsection (c)(2)), bears to

''(ii) the plan's funding liability.

''(C) FUNDING LIABILITY.—The term 'funding liability' for a plan year means the present value of all benefits accrued or earned under the plan as of the beginning of the plan year, based on the assumptions used by the plan pursuant to this section, including the interest rate described in subsection (b)(5)(A) (without regard to subsection (b)(5)(B)).

''(D) SPREAD GAIN FUNDING METHOD.—The term 'spread gain funding method' has the meaning given such term under rules and forms issued by the Secretary of the Treasury.''.

(b) SEPARATE RULES FOR CSEC PLANS.—

(1) IN GENERAL.—Paragraph (2) of section 302(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(a)) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by inserting at the end thereof the following new subparagraph:

''(D) in the case of a CSEC plan, the employers make contributions to or under the plan for any plan year which, in the aggregate, are sufficient to ensure that the plan does not have an accumulated funding deficiency under section 306 as of the end of the plan year.''.

(2) CONFORMING AMENDMENTS.—Section 302 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082) is amended—

(A) by striking ''multiemployer plan'' the first place it appears in clause (i) of subsection (c)(1)(A) and the last place it appears in paragraph (2) of subsection (d), and inserting ''multiemployer plan or a CSEC plan'',

(B) by striking ''303(j)'' in paragraph (1) of subsection (b) and inserting ''303(j) or under section 306(f)'',

(C)(i) by striking ''and'' at the end of clause (i) of subsection (c)(1)(B),

(ii) by striking the period at the end of clause (ii) of subsection (c)(1)(B), and inserting '', and'', and

(iii) by inserting the following new clause after clause (ii) of subsection (c)(1)(B):

''(iii) in the case of a CSEC plan, the funding standard account shall be credited under section 306(b)(3)(C) with the amount of the waived funding deficiency and such amount shall be amortized as required under section 306(b)(2)(C).'',

(D) by striking ''under paragraph (1)'' in clause (i) of subsection (c)(4)(A) and inserting ''under paragraph (1) or for granting an extension under section 306(d)'',

(E) by striking ''waiver under this subsection'' in subparagraph (B) of subsection (c)(4) and inserting ''waiver under this subsection or an extension under 306(d)'',

(F) by striking ''waiver or modification'' in subclause (I) of subsection (c)(4)(B)(i) and inserting ''waiver, modification, or extension'',

(G) by striking ''waivers'' in the heading of subsection (c)(4)(C) and of clause (ii) of subsection (c)(4)(C) and inserting ''waivers or extensions'',

(H) by striking ''section 304(d)'' in subparagraph (A) of subsection (c)(7) and in paragraph (2) of subsection (d) and inserting ''section 304(d) or section 306(d)'',

(I) by striking ''and'' at the end of subclause (I) of subsection (c)(4)(C)(i) and adding ''or the accumulated funding deficiency under section 306, whichever is applicable,'',

(J) by striking ''303(e)(2),'' in subclause (II) of subsection (c)(4)(C)(i) and inserting ''303(e)(2) or 306(b)(2)(C), whichever is applicable, and'',

(K) by adding immediately after subclause (II) of subsection (c)(4)(C)(i) the following new subclause:

''(III) the total amounts not paid by reason of an extension in effect under section 306(d),'',

(L) by striking ''for waivers of'' in clause (ii) of subsection (c)(4)(C) and inserting ''for waivers or extensions with respect to'', and

(M) by striking ''single-employer plan'' in subparagraph (A) of subsection (a)(2) and in clause (i) of subsection (c)(1)(B) and inserting ''single-employer plan (other than a CSEC plan)''.

(3) BENEFIT RESTRICTIONS.—Subsection (g) of section 206 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056) is amended by adding at the end thereof the following new paragraph:

''(12) CSEC PLANS.—This subsection shall not apply to a CSEC plan (as defined in section 210(f)).''.

(4) BENEFIT INCREASES.—Paragraph (3) of section 204(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(i)) is amended by striking ''multiemployer plans'' and inserting ''multiemployer plans or CSEC plans''.

(5) SECTION 103.—Subparagraph (B) of section 103(d)(8) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(d)(8)) is amended by striking ''303(h) and 304(c)(3)'' and inserting ''303(h), 304(c)(3), and 306(c)(3)''.

(6) SECTION 502.—Subsection (c) of section 502 of the Employee Retirement Income Security Act of 1974 is amended—

(A) by redesignating the last paragraph as paragraph (11), and

(B) by adding at the end the following new paragraph:

''(12) The Secretary may assess a civil penalty against any sponsor of a CSEC plan of up to $100 a day from the date of the plan sponsor's failure to comply with the requirements of section 306(j)(3) to establish or update a funding restoration plan.''.

(7) SECTION 4003.—Subparagraph (B) of section 4003(e)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1303(e)(1)) is amended by striking ''303(k)(1)(A) and (B) of this Act or section 430(k)(1)(A) and (B) of the Internal Revenue Code of 1986'' and inserting ''303(k)(1)(A) and (B) or 306(g)(1)(A) and (B) of this Act or section 430(k)(1)(A) and (B) or 433(g)(1)(A) and (B) of the Internal Revenue Code of 1986''.

(8) SECTION 4010.—Paragraph (2) of section 4010(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1310(b)) is amended by striking ''303(k)(1)(A) and (B) of this Act or section 430(k)(1)(A) and (B) of the Internal Revenue Code of 1986'' and inserting ''303(k)(1)(A) and (B) or 306(g)(1)(A) and (B) of this Act or section 430(k)(1)(A) and (B) or 433(g)(1)(A) and (B) of the Internal Revenue Code of 1986''.

(9) SECTION 4071.—Section 4071 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1371) is amended by striking ''section 303(k)(4)'' and inserting ''section 303(k)(4) or 306(g)(4)''.

SEC. 103. ELECTIONS.

(a) ELECTION NOT TO BE TREATED AS A CSEC PLAN.—Subsection (f) of section 210 of the Employee Retirement Income Security Act of 1974, as added by section 101, is amended by adding at the end the following new paragraph:

''(3) ELECTION.—

''(A) IN GENERAL.—If a plan falls within the definition of a CSEC plan under this subsection (without regard to this paragraph), such plan shall be a CSEC plan unless the plan sponsor elects not later than the close of the first plan year of the plan beginning after December 31, 2013, not to be treated as a CSEC plan. An election under the preceding sentence shall take effect for such plan year and, once made, may be revoked only with the consent of the Secretary of the Treasury.

''(B) SPECIAL RULE.—If a plan described in subparagraph (A) is treated as a CSEC plan, section 104 of the Pension Protection Act of 2006, as amended by the Preservation of Access to Care for Medicare Beneficiaries and

Pension Relief Act of 2010, shall cease to apply to such plan as of the first date as of which such plan is treated as a CSEC plan.''.

(b) ELECTION TO CEASE TO BE TREATED AS AN ELIGIBLE CHARITY PLAN.—Subsection (d) of section 104 of the Pension Protection Act of 2006, as added by section 202 of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended—

(1) by striking ''For purposes of'' and inserting ''(1) IN GENERAL.—For purposes of'', and

(2) by adding at the end the following:

''(2) ELECTION NOT TO BE AN ELIGIBLE CHARITY PLAN.—A plan sponsor may elect for a plan to cease to be treated as an eligible charity plan for plan years beginning after December 31, 2013. Such election shall be made at such time and in such form and manner as shall be prescribed by the Secretary of the Treasury. Any such election may be revoked only with the consent of the Secretary of the Treasury.

''(3) ELECTION TO USE FUNDING OPTIONS AVAILABLE TO OTHER PLAN SPONSORS.—

''(A) A plan sponsor that makes the election described in paragraph (2) may elect for a plan to apply the rules described in subparagraphs (B), (C), and (D) for plan years beginning after December 31, 2013. Such election shall be made at such time and in such form and manner as shall be prescribed by the Secretary of the Treasury. Any such election may be revoked only with the consent of the Secretary of the Treasury.

''(B) Under the rules described in this subparagraph, for the first plan year beginning after December 31, 2013, a plan has—

''(i) an 11-year shortfall amortization base,

''(ii) a 12-year shortfall amortization base, and

''(iii) a 7-year shortfall amortization base.

''(C) Under the rules described in this subparagraph, section 303(c)(2)(A) and (B) of the Employee Retirement Income Security Act of 1974, and section 430(c)(2)(A) and (B) of the Internal Revenue Code of 1986 shall be applied by—

''(i) in the case of an 11-year shortfall amortization base, substituting '11-plan-year period' for '7-plan-year period' wherever such phrase appears, and

''(ii) in the case of a 12-year shortfall amortization base, substituting '12-plan-year period' for '7-plan-year period' wherever such phrase appears.

''(D) Under the rules described in this subparagraph, section 303(c)(7) of the Employee Retirement Income Security Act of 1974 and section 430(c)(7) of the Internal Revenue Code of 1986 shall apply to a plan for which an election has been made under subparagraph (A). Such provisions shall apply in the following manner:

''(i) The first plan year beginning after December 31, 2013, shall be treated as an election year, and no other plan years shall be so treated.

''(ii) All references in section 303(c)(7) of such Act and section 430(c)(7) of such Code to 'February 28, 2010' or 'March 1, 2010' shall be treated as references to 'February 28, 2013' or 'March 1, 2013', respectively.

''(E) For purposes of this paragraph, the 11-year amortization base is an amount, determined for the first plan year beginning after December 31, 2013, equal to the unamortized principal amount of the shortfall amortization base (as defined in section 303(c)(3) of the Employee Retirement Income Security Act of 1974 and section 430(c)(3) of the Internal Revenue Code of 1986) that would have applied to the plan for the first plan beginning after December 31, 2009, if—

''(i) the plan had never been an eligible charity plan,

''(ii) the plan sponsor had made the election described in section 303(c)(2)(D)(i) of the Employee Retirement Income Security Act of 1974 and in section 430(c)(2)(D)(i) of the Internal Revenue Code of 1986 to have section 303(c)(2)(D)(i) of such Act and section 430(c)(2)(D)(iii) of such Code apply with respect to the shortfall amortization base for the first plan year beginning after December 31, 2009, and

''(iii) no event had occurred under paragraph (6) or (7) of section 303(c) of such Act or paragraph (6) or (7) of section 430(c) of such Code that, as of the first day of the first plan year beginning after December 31, 2013, would have modified the shortfall amortization base or the shortfall amortization installments with respect to the first plan year beginning after December 31, 2009.

''(F) For purposes of this paragraph, the 12-year amortization base is an amount, determined for the first plan year beginning after December 31, 2013, equal to the unamortized principal amount of the shortfall amortization base (as defined in section 303(c)(3) of the Employee Retirement Income Security Act of 1974 and section 430(c)(3) of the Internal Revenue Code of 1986) that would have applied to the plan for the first plan beginning after December 31, 2010, if—

''(i) the plan had never been an eligible charity plan,

''(ii) the plan sponsor had made the election described in section 303(c)(2)(D)(i) of the Employee Retirement Income Security Act of 1974 and in section 430(c)(2)(D)(i) of the Internal Revenue Code of 1986 to have section 303(c)(2)(D)(i) of such Act and section 430(c)(2)(D)(iii) of such Code apply with respect to the shortfall amortization base for the first plan year beginning after December 31, 2010, and

''(iii) no event had occurred under paragraph (6) or (7) of section 303(c) of such Act or paragraph (6) or (7) of section 430(c) of such Code that, as of the first day of the first plan year beginning after December 31, 2013, would have modified the shortfall amortization base or the shortfall amortization installments with respect to the first plan year beginning after December 31, 2010.

''(G) For purposes of this paragraph, the 7-year shortfall amortization base is an amount, determined for the first plan year beginning after December 31, 2013, equal to—

''(i) the shortfall amortization base for the first plan year beginning after December 31, 2013, without regard to this paragraph, minus

''(ii) the sum of the 11-year shortfall amortization base and the 12-year shortfall amortization base.

''(4) RETROACTIVE ELECTION.—Not later than December 31, 2014, a plan sponsor may make a one-time, irrevocable, retroactive election to not be treated as an eligible charity plan. Such election shall be effective for plan years beginning after December 31, 2007, and shall be made by providing reasonable notice to the Secretary of the Treasury.''.

(c) DEEMED ELECTION.—For purposes of the Internal Revenue Code of 1986, sections 4(b)(2) and 4021(b)(3) of the Employee Retirement Income Security Act of 1974, and all other purposes, a plan shall be deemed to have made an irrevocable election under section 410(d) of the Internal Revenue Code of 1986 if—

(1) the plan was established before January 1, 2014;

(2) the plan falls within the definition of a CSEC plan;

(3) the plan sponsor does not make an election under section 210(f)(3)(A) of the Employee Retirement Income Security Act of 1974 and section 414(y)(3)(A) of the Internal Revenue Code of 1986, as added by this Act; and

(4) the plan, plan sponsor, administrator, or fiduciary remits one or more premium payments for the plan to the Pension Benefit Guaranty Corporation for a plan year beginning after December 31, 2013.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply as of the date of enactment of this Act.

SEC. 104. TRANSPARENCY.

(a) NOTICE TO PARTICIPANTS.—

(1) IN GENERAL.—Paragraph (2) of section 101(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(f)) is amended by adding at the end the following new subparagraph:

''(E) EFFECT OF CSEC PLAN RULES ON PLAN FUNDING.—In the case of a CSEC plan, each notice under paragraph (1) shall include—

''(i) a statement that different rules apply to CSEC plans than apply to single-employer plans,

''(ii) for the first 2 plan years beginning after December 31, 2013, a statement that, as a result of changes in the law made by the Cooperative and Small Employer Charity Pension Flexibility Act, the contributions to the plan may have changed, and

''(iii) in the case of a CSEC plan that is in funding restoration status for the plan year, a statement that the plan is in funding restoration status for such plan year.

A copy of the statement required under clause (iii) shall be provided to the Secretary, the Secretary of the Treasury, and the Director of the Pension Benefit Guaranty Corporation.''.

(2) MODEL NOTICE.—The Secretary of Labor may modify the model notice required to be published under section 501(c) of the Pension Protection Act of 2006 to include the information described in section 101(f)(2)(E) of the Employee Retirement Income Security Act of 1974, as added by this subsection.

(b) NOTICE OF FAILURE TO MEET MINIMUM FUNDING STANDARDS.—

(1) PENDING WAIVERS.—Paragraph (2) of section 101(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(d)) is amended by striking ''303'' and inserting ''303 or 306''.

(2) DEFINITIONS.—Paragraph (3) of section 101(d) of the Employee Retirement Income Security Act of 1974 (21 U.S.C. 1021(d)) is amended by striking ''303(j)'' and inserting ''303(j) or 306(f), whichever is applicable''.

(c) ADDITIONAL REPORTING REQUIREMENTS.—Section 103 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023) is amended by adding at the end the following new subsection:

''(g) ADDITIONAL INFORMATION WITH RESPECT TO MULTIPLE EMPLOYER PLANS.—With respect to any multiple employer plan, an annual report under this section for a plan year shall include a list of participating employers and a good faith estimate of the percentage of total contributions made by such participating employers during the plan year.''.

SEC. 105. SPONSOR EDUCATION AND ASSISTANCE.

(a) DEFINITION.—In this section, the term ''CSEC plan'' has the meaning given that term in subsection (f)(1) of section 210 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1060(f)(1)) (as added by this Act).

(b) EDUCATION.—The Participant and Plan Sponsor Advocate established under section 4004 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1304) shall make itself available to assist CSEC plan sponsors and participants as part of the duties it performs under the general supervision of the Board of Directors under section 4004(b) of such Act (29 U.S.C. 1304(b)).

TITLE II—AMENDMENTS TO INTERNAL REVENUE CODE OF 1986

SEC. 201. DEFINITION OF COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.

Section 414 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(y) COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.—

''(1) IN GENERAL.—For purposes of this title, except as provided in this subsection, a CSEC plan is a defined benefit plan (other than a multiemployer plan)—

''(A) to which section 104 of the Pension Protection Act of 2006 applies, without regard to—

''(i) section 104(a)(2) of such Act;

''(ii) the amendments to such section 104 by section 202(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010; and

''(iii) paragraph (3)(B); or

''(B) that, as of June 25, 2010, was maintained by more than one employer and all of the employers were organizations described in section 501(c)(3).

''(2) AGGREGATION.—All employers that are treated as a single employer under subsection (b) or (c) shall be treated as a single employer for purposes of determining if a plan was maintained by more than one employer under paragraph (1)(B).''.

SEC. 202. FUNDING RULES APPLICABLE TO COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.

(a) IN GENERAL.—Subpart A of part III of subchapter D of chapter 1 of subtitle A of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 433. MINIMUM FUNDING STANDARDS.

''(a) GENERAL RULE.—For purposes of section 412, the term 'accumulated funding deficiency' for a CSEC plan means the excess of the total charges to the funding standard account for all plan years (beginning with the first plan year to which section 412 applies) over the total credits to such account for such years or, if less, the excess of the total charges to the alternative minimum funding standard account for such plan years over the total credits to such account for such years.

''(b) FUNDING STANDARD ACCOUNT.—

''(1) ACCOUNT REQUIRED.—Each plan to which this section applies shall establish and maintain a funding standard account. Such account shall be credited and charged solely as provided in this section.

''(2) CHARGES TO ACCOUNT.—For a plan year, the funding standard account shall be charged with the sum of—

''(A) the normal cost of the plan for the plan year,

''(B) the amounts necessary to amortize in equal annual installments (until fully amortized)—

''(i) in the case of a plan in existence on January 1, 1974, the unfunded past service liability under the plan on the first day of the first plan year to which section 412 applies, over a period of 40 plan years,

''(ii) in the case of a plan which comes into existence after January 1, 1974, but before the first day of the first plan year beginning after December 31, 2013, the unfunded past service liability under the plan on the first day of the first plan year to which section 412 applies, over a period of 30 plan years,

''(iii) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such year, over a period of 15 plan years,

''(iv) separately, with respect to each plan year, the net experience loss (if any) under the plan, over a period of 5 plan years, and

''(v) separately, with respect to each plan year, the net loss (if any) resulting from changes in actuarial assumptions used under the plan, over a period of 10 plan years,

''(C) the amount necessary to amortize each waived funding deficiency (within the meaning of section 412(c)(3)) for each prior plan year in equal annual installments (until fully amortized) over a period of 5 plan years,

''(D) the amount necessary to amortize in equal annual installments (until fully amortized) over a period of 5 plan years any amount credited to the funding standard account under paragraph (3)(D), and

''(E) the amount necessary to amortize in equal annual installments (until fully amortized) over a period of 20 years the contributions which would be required to be made under the plan but for the provisions of section 412(c)(7)(A)(i)(I) (as in effect on the day before the enactment of the Pension Protection Act of 2006).

''(3) CREDITS TO ACCOUNT.—For a plan year, the funding standard account shall be credited with the sum of—

''(A) the amount considered contributed by the employer to or under the plan for the plan year,

''(B) the amount necessary to amortize in equal annual installments (until fully amortized)—

''(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such year, over a period of 15 plan years,

''(ii) separately, with respect to each plan year, the net experience gain (if any) under the plan, over a period of 5 plan years, and

''(iii) separately, with respect to each plan year, the net gain (if any) resulting from changes in actuarial assumptions used under the plan, over a period of 10 plan years,

''(C) the amount of the waived funding deficiency (within the meaning of section 412(c)(3)) for the plan year, and

''(D) in the case of a plan year for which the accumulated funding deficiency is determined under the funding standard account if such plan year follows a plan year for which such deficiency was determined under the alternative minimum funding standard, the excess (if any) of any debit balance in the funding standard account (determined without regard to this subparagraph) over any debit balance in the alternative minimum funding standard account.

''(4) COMBINING AND OFFSETTING AMOUNTS TO BE AMORTIZED.—Under regulations prescribed by the Secretary, amounts required to be amortized under paragraph (2) or paragraph (3), as the case may be—

''(A) may be combined into one amount under such paragraph to be amortized over a period determined on the basis of the remaining amortization period for all items entering into such combined amount, and

''(B) may be offset against amounts required to be amortized under the other such paragraph, with the resulting amount to be amortized over a period determined on the basis of the remaining amortization periods for all items entering into whichever of the two amounts being offset is the greater.

''(5) INTEREST.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the funding standard account (and items therein) shall be charged or credited (as determined under regulations prescribed by the Secretary) with interest at the appropriate rate consistent with the rate or rates of interest used under the plan to determine costs.

''(B) EXCEPTION.—The interest rate used for purposes of computing the amortization charge described in subsection (b)(2)(C) or for purposes of any arrangement under subsection (d) for any plan year shall be the greater of—

''(i) 150 percent of the Federal mid-term rate (as in effect under section 1274 for the 1st month of such plan year), or

''(ii) the rate of interest determined under subparagraph (A).

''(6) AMORTIZATION SCHEDULES IN EFFECT.—Amortization schedules for amounts described in paragraphs (2) and (3) that are in effect as of the last day of the last plan year beginning before January 1, 2014, by reason of section 104 of the Pension Protection Act of 2006 shall remain in effect pursuant to their terms and this section, except that such amounts shall not be amortized again under this section.

''(c) SPECIAL RULES.—

''(1) DETERMINATIONS TO BE MADE UNDER FUNDING METHOD.—For purposes of this section, normal costs, accrued liability, past service liabilities, and experience gains and losses shall be determined under the funding method used to determine costs under the plan.

''(2) VALUATION OF ASSETS.—

''(A) IN GENERAL.—For purposes of this section, the value of the plan's assets shall be determined on the basis of any reasonable actuarial method of valuation which takes into account fair market value and which is permitted under regulations prescribed by the Secretary.

''(B) DEDICATED BOND PORTFOLIO.—The Secretary may by regulations provide that the value of any dedicated bond portfolio of a plan shall be determined by using the interest rate under section 412(b)(5) (as in effect on the day before the enactment of the Pension Protection Act of 2006).

''(3) ACTUARIAL ASSUMPTIONS MUST BE REASONABLE.—For purposes of this section, all costs, liabilities, rates of interest, and other factors under the plan shall be determined on the basis of actuarial assumptions and methods—

''(A) each of which is reasonable (taking into account the experience of the plan and reasonable expectations), and

''(B) which, in combination, offer the actuary's best estimate of anticipated experience under the plan.

''(4) TREATMENT OF CERTAIN CHANGES AS EXPERIENCE GAIN OR LOSS.—For purposes of this section, if—

''(A) a change in benefits under the Social Security Act or in other retirement benefits created under Federal or State law, or

''(B) a change in the definition of the term 'wages' under section 3121 or a change in the amount of such wages taken into account under regulations prescribed for purposes of section 401(a)(5),

results in an increase or decrease in accrued liability under a plan, such increase or decrease shall be treated as an experience loss or gain.

''(5) FUNDING METHOD AND PLAN YEAR.—

''(A) FUNDING METHODS AVAILABLE.—All funding methods available to CSEC plans under section 412 (as in effect on the day before the enactment of the Pension Protection Act of 2006) shall continue to be available under this section.

''(B) CHANGES.—If the funding method for a plan is changed, the new funding method shall become the funding method used to determine costs and liabilities under the plan only if the change is approved by the Secretary. If the plan year for a plan is changed, the new plan year shall become the plan year for the plan only if the change is approved by the Secretary.

''(C) APPROVAL REQUIRED FOR CERTAIN CHANGES IN ASSUMPTIONS BY CERTAIN SINGLE-EMPLOYER PLANS SUBJECT TO ADDITIONAL FUNDING REQUIREMENT.—

''(i) IN GENERAL.—No actuarial assumption (other than the assumptions described in subsection (h)(3)) used to determine the current liability for a plan to which this subparagraph applies may be changed without the approval of the Secretary.

''(ii) PLANS TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to a plan only if—

''(I) the plan is a CSEC plan,

''(II) the aggregate unfunded vested benefits as of the close of the preceding plan year (as determined under section 4006(a)(3)(E)(iii) of the Employee Retirement Income Security Act of 1974) of such plan and all other plans maintained by the contributing sponsors (as defined in section 4001(a)(13) of such Act) and members of such sponsors' controlled groups (as defined in section 4001(a)(14) of such Act) which are covered by title IV (disregarding plans with no unfunded vested benefits) exceed $50,000,000, and

''(III) the change in assumptions (determined after taking into account any changes in interest rate and mortality table) results in a decrease in the funding shortfall of the plan for the current plan year that exceeds $50,000,000, or that exceeds $5,000,000 and that is 5 percent or more of the current liability of the plan before such change.

''(6) FULL FUNDING.—If, as of the close of a plan year, a plan would (without regard to this paragraph) have an accumulated funding deficiency (determined without regard to the alternative minimum funding standard account permitted under subsection (e)) in excess of the full funding limitation—

''(A) the funding standard account shall be credited with the amount of such excess, and

''(B) all amounts described in paragraphs (2)(B), (C), and (D) and (3)(B) of subsection (b) which are required to be amortized shall be considered fully amortized for purposes of such paragraphs.

''(7) FULL-FUNDING LIMITATION.—For purposes of paragraph (6), the term 'full-funding limitation' means the excess (if any) of—

''(A) the accrued liability (including normal cost) under the plan (determined under the entry age normal funding method if such accrued liability cannot be directly calculated under the funding method used for the plan), over

''(B) the lesser of—

''(i) the fair market value of the plan's assets, or

''(ii) the value of such assets determined under paragraph (2).

''(C) MINIMUM AMOUNT.—

''(i) IN GENERAL.—In no event shall the full-funding limitation determined under subparagraph (A) be less than the excess (if any) of—

''(I) 90 percent of the current liability (determined without regard to paragraph (4) of subsection (h)) of the plan (including the expected increase in such current liability due to benefits accruing during the plan year), over

''(II) the value of the plan's assets determined under paragraph (2).

''(ii) ASSETS.—For purposes of clause (i), assets shall not be reduced by any credit balance in the funding standard account.

''(8) ANNUAL VALUATION.—

''(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

''(B) VALUATION DATE.—

''(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

''(ii) USE OF PRIOR YEAR VALUATION.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if, as of such date, the value of the assets of the plan are not less than 100 percent of the plan's current liability.

''(iii) ADJUSTMENTS.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) LIMITATION.—A change in funding method to use a prior year valuation, as provided in clause (ii), may not be made unless as of the valuation date within the prior plan year, the value of the assets of the plan are not less than 125 percent of the plan's current liability.

''(9) TIME WHEN CERTAIN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, any contributions for a plan year made by an employer during the period—

''(A) beginning on the day after the last day of such plan year, and

''(B) ending on the day which is 8½ months after the close of the plan year,

shall be deemed to have been made on such last day.

''(10) ANTICIPATION OF BENEFIT INCREASES EFFECTIVE IN THE FUTURE.—In determining projected benefits, the funding method of a collectively bargained CSEC plan described in section 413(a) shall anticipate benefit increases scheduled to take effect during the term of the collective bargaining agreement applicable to the plan.

''(d) EXTENSION OF AMORTIZATION PERIODS.—The period of years required to amortize any unfunded liability (described in any clause of subsection (b)(2)(B)) of any plan may be extended by the Secretary for a period of time (not in excess of 10 years) if the Secretary determines that such extension would carry out the purposes of the Employee Retirement Income Security Act of 1974 and provide adequate protection for participants under the plan and their beneficiaries, and if the Secretary determines that the failure to permit such extension would result in—

''(1) a substantial risk to the voluntary continuation of the plan, or

''(2) a substantial curtailment of pension benefit levels or employee compensation.

''(e) ALTERNATIVE MINIMUM FUNDING STANDARD.—

''(1) IN GENERAL.—A CSEC plan which uses a funding method that requires contributions in all years not less than those required under the entry age normal funding method may maintain an alternative minimum funding standard account for any plan year. Such account shall be credited and charged solely as provided in this subsection.

''(2) CHARGES AND CREDITS TO ACCOUNT.—For a plan year the alternative minimum funding standard account shall be—

''(A) charged with the sum of—

''(i) the lesser of normal cost under the funding method used under the plan or normal cost determined under the unit credit method,

''(ii) the excess, if any, of the present value of accrued benefits under the plan over the fair market value of the assets, and

''(iii) an amount equal to the excess (if any) of credits to the alternative minimum standard account for all prior plan years over charges to such account for all such years, and

''(B) credited with the amount considered contributed by the employer to or under the plan for the plan year.

''(3) INTEREST.—The alternative minimum funding standard account (and items therein) shall be charged or credited with interest in the manner provided under subsection (b)(5) with respect to the funding standard account.

''(f) QUARTERLY CONTRIBUTIONS REQUIRED.—

''(1) IN GENERAL.—If a CSEC plan which has a funded current liability percentage for the preceding plan year of less than 100 percent fails to pay the full amount of a required installment for the plan year, then the rate of interest charged to the funding standard account under subsection (b)(5) with respect to the amount of the underpayment for the period of the underpayment shall be equal to the greater of—

''(A) 175 percent of the Federal mid-term rate (as in effect under section 1274 for the 1st month of such plan year), or

''(B) the rate of interest used under the plan in determining costs.

''(2) AMOUNT OF UNDERPAYMENT, PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1)—

''(A) AMOUNT.—The amount of the underpayment shall be the excess of—

''(i) the required installment, over

''(ii) the amount (if any) of the installment contributed to or under the plan on or before the due date for the installment.

''(B) PERIOD OF UNDERPAYMENT.—The period for which interest is charged under this subsection with regard to any portion of the underpayment shall run from the due date for the installment to the date on which such portion is contributed to or under the plan (determined without regard to subsection (c)(9)).

''(C) ORDER OF CREDITING CONTRIBUTIONS.—For purposes of subparagraph (A)(ii), contributions shall be credited against unpaid required installments in the order in which such installments are required to be paid.

''(3) NUMBER OF REQUIRED INSTALLMENTS; DUE DATES.—For purposes of this subsection—

''(A) PAYABLE IN 4 INSTALLMENTS.—There shall be 4 required installments for each plan year.

''(B) TIME FOR PAYMENT OF INSTALLMENTS.—

"In the case of the following required installments:	The due date is:
1st	April 15
2nd	July 15
3rd	October 15
4th	January 15 of the following year.

''(4) AMOUNT OF REQUIRED INSTALLMENT.—For purposes of this subsection—

''(A) IN GENERAL.—The amount of any required installment shall be 25 percent of the required annual payment.

''(B) REQUIRED ANNUAL PAYMENT.—For purposes of subparagraph (A), the term 'required annual payment' means the lesser of—

''(i) 90 percent of the amount required to be contributed to or under the plan by the employer for the plan year under section 412 (without regard to any waiver under subsection (c) thereof), or

''(ii) 100 percent of the amount so required for the preceding plan year.

Clause (ii) shall not apply if the preceding plan year was not a year of 12 months.

''(5) LIQUIDITY REQUIREMENT.—

''(A) IN GENERAL.—A plan to which this paragraph applies shall be treated as failing to pay the full amount of any required installment to the extent that the value of the liquid assets paid in such installment is less than the liquidity shortfall (whether or not such liquidity shortfall exceeds the amount of such installment required to be paid but for this paragraph).

''(B) PLANS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to a CSEC plan other than a plan described in section 412(l)(6)(A) (as in effect on the day before the enactment of the Pension Protection Act of 2006) which—

''(i) is required to pay installments under this subsection for a plan year, and

''(ii) has a liquidity shortfall for any quarter during such plan year.

''(C) PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1), any portion of an installment that is treated as not paid under subparagraph (A) shall continue to be treated as unpaid until the close of the quarter in which the due date for such installment occurs.

''(D) LIMITATION ON INCREASE.—If the amount of any required installment is increased by reason of subparagraph (A), in no event shall such increase exceed the amount which, when added to prior installments for the plan year, is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) to 100 percent.

''(E) DEFINITIONS.—For purposes of this paragraph—

''(i) LIQUIDITY SHORTFALL.—The term 'liquidity shortfall' means, with respect to any required installment, an amount equal to the excess (as of the last day of the quarter for which such installment is made) of the base amount with respect to such quarter over the value (as of such last day) of the plan's liquid assets.

''(ii) BASE AMOUNT.—

''(I) IN GENERAL.—The term 'base amount' means, with respect to any quarter, an amount equal to 3 times the sum of the adjusted disbursements from the plan for the 12 months ending on the last day of such quarter.

''(II) SPECIAL RULE.—If the amount determined under subclause (I) exceeds an amount equal to 2 times the sum of the adjusted disbursements from the plan for the 36 months ending on the last day of the quarter and an enrolled actuary certifies to the satisfaction of the Secretary that such excess is the result of nonrecurring circumstances, the base amount with respect to such quarter shall be determined without regard to amounts related to those nonrecurring circumstances.

''(iii) DISBURSEMENTS FROM THE PLAN.—The term 'disbursements from the plan' means all disbursements from the trust, including purchases of annuities, payments of single sums and other benefits, and administrative expenses.

''(iv) ADJUSTED DISBURSEMENTS.—The term 'adjusted disbursements' means disbursements from the plan reduced by the product of—

''(I) the plan's funded current liability percentage for the plan year, and

''(II) the sum of the purchases of annuities, payments of single sums, and such other disbursements as the Secretary shall provide in regulations.

''(v) LIQUID ASSETS.—The term 'liquid assets' means cash, marketable securities and such other assets as specified by the Secretary in regulations.

''(vi) QUARTER.—The term 'quarter' means, with respect to any required installment, the 3-month period preceding the month in which the due date for such installment occurs.

''(F) REGULATIONS.—The Secretary may prescribe such regulations as are necessary to carry out this paragraph.

''(6) FISCAL YEARS AND SHORT YEARS.—

''(A) FISCAL YEARS.—In applying this subsection to a plan year beginning on any date other than January 1, there shall be substituted for the months specified in this subsection, the months which correspond thereto.

''(B) SHORT PLAN YEAR.—This subsection shall be applied to plan years of less than 12 months in accordance with regulations prescribed by the Secretary.

''(g) IMPOSITION OF LIEN WHERE FAILURE TO MAKE REQUIRED CONTRIBUTIONS.—

''(1) IN GENERAL.—In the case of a plan to which this section applies, if—

''(A) any person fails to make a required installment under subsection (f) or any other payment required under this section before the due date for such installment or other payment, and

''(B) the unpaid balance of such installment or other payment (including interest), when added to the aggregate unpaid balance of all preceding such installments or other payments for which payment was not made before the due date (including interest), exceeds $1,000,000,

then there shall be a lien in favor of the plan in the amount determined under paragraph (3) upon all property and rights to property, whether real or personal, belonging to such person and any other person who is a member of the same controlled group of which such person is a member.

''(2) PLANS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to a CSEC plan for any plan year for which the funded current liability percentage of such plan is less than 100 percent. This subsection shall not apply to any plan to which section 4021 of the Employee Retirement Income Security Act of 1974 does not apply (as such section is in effect on the date of the enactment of the Retirement Protection Act of 1994).

''(3) AMOUNT OF LIEN.—For purposes of paragraph (1), the amount of the lien shall be equal to the aggregate unpaid balance of required installments and other payments required under this section (including interest)—

''(A) for plan years beginning after 1987, and

''(B) for which payment has not been made before the due date.

''(4) NOTICE OF FAILURE; LIEN.—

''(A) NOTICE OF FAILURE.—A person committing a failure described in paragraph (1) shall notify the Pension Benefit Guaranty Corporation of such failure within 10 days of the due date for the required installment or other payment.

''(B) PERIOD OF LIEN.—The lien imposed by paragraph (1) shall arise on the due date for the required installment or other payment and shall continue until the last day of the first plan year in which the plan ceases to be described in paragraph (1)(B). Such lien shall continue to run without regard to whether such plan continues to be described in paragraph (2) during the period referred to in the preceding sentence.

''(C) CERTAIN RULES TO APPLY.—Any amount with respect to which a lien is imposed under paragraph (1) shall be treated as taxes due and owing the United States and rules similar to the rules of subsections (c), (d), and (e) of section 4068 of the Employee Retirement Income Security Act of 1974 shall apply with respect to a lien imposed by subsection (a) and the amount with respect to such lien.

''(5) ENFORCEMENT.—Any lien created under paragraph (1) may be perfected and enforced only by the Pension Benefit Guaranty Corporation, or at the direction of the Pension Benefit Guaranty Corporation, by any contributing employer (or any member of the controlled group of the contributing employer).

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) DUE DATE; REQUIRED INSTALLMENT.—The terms 'due date' and 'required installment' have the meanings given such terms by subsection (f), except that in the case of a payment other than a required installment, the due date shall be the date such payment is required to be made under this section.

''(B) CONTROLLED GROUP.—The term 'controlled group' means any group treated as a single employer under subsections (b), (c), (m), and (o) of section 414.

''(h) CURRENT LIABILITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'current liability' means all liabilities to employees and their beneficiaries under the plan.

''(2) TREATMENT OF UNPREDICTABLE CONTINGENT EVENT BENEFITS.—

''(A) IN GENERAL.—For purposes of paragraph (1), any unpredictable contingent event benefit shall not be taken into account until the event on which the benefit is contingent occurs.

''(B) UNPREDICTABLE CONTINGENT EVENT BENEFIT.—The term 'unpredictable contingent event benefit' means any benefit contingent on an event other than—

''(i) age, service, compensation, death, or disability, or

''(ii) an event which is reasonably and reliably predictable (as determined by the Secretary).

''(3) INTEREST RATE AND MORTALITY ASSUMPTIONS USED.—

''(A) INTEREST RATE.—The rate of interest used to determine current liability under this section shall be the third segment rate determined under section 430(h)(2)(C).

''(B) MORTALITY TABLES.—

''(i) SECRETARIAL AUTHORITY.—The Secretary may by regulation prescribe mortality tables to be used in determining current liability under this subsection. Such tables shall be based upon the actual experience of pension plans and projected trends in such experience. In prescribing such tables, the Secretary shall take into account results of available independent studies of mortality of individuals covered by pension plans.

''(ii) PERIODIC REVIEW.—The Secretary shall periodically (at least every 5 years) review any tables in effect under this subsection and shall, to the extent the Secretary determines necessary, by regulation update the tables to reflect the actual experience of pension plans and projected trends in such experience.

''(C) SEPARATE MORTALITY TABLES FOR THE DISABLED.—Notwithstanding subparagraph (B)—

''(i) IN GENERAL.—In the case of plan years beginning after December 31, 1995, the Secretary shall establish mortality tables which may be used (in lieu of the tables under subparagraph (B)) to determine current liability under this subsection for individuals who are entitled to benefits under the plan on account of disability. The Secretary shall establish separate tables for individuals whose disabilities occur in plan years beginning before January 1, 1995, and for individuals whose disabilities occur in plan years beginning on or after such date.

''(ii) SPECIAL RULE FOR DISABILITIES OCCURRING AFTER 1994.—In the case of disabilities occurring in plan years beginning after December 31, 1994, the tables under clause (i) shall apply only with respect to individuals described in such subclause who are disabled within the meaning of title II of the Social Security Act and the regulations thereunder.

''(4) CERTAIN SERVICE DISREGARDED.—

''(A) IN GENERAL.—In the case of a participant to whom this paragraph applies, only the applicable percentage of the years of service before such individual became a participant shall be taken into account in computing the current liability of the plan.

''(B) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the applicable percentage shall be determined as follows:

"If the years of participation are:	The applicable percentage is:
1	20
2	40
3	60
4	80
5 or more	100.

''(C) PARTICIPANTS TO WHOM PARAGRAPH APPLIES.—This subparagraph shall apply to any participant who, at the time of becoming a participant—

''(i) has not accrued any other benefit under any defined benefit plan (whether or not terminated) maintained by the employer or a member of the same controlled group of which the employer is a member,

''(ii) who first becomes a participant under the plan in a plan year beginning after December 31, 1987, and

''(iii) has years of service greater than the minimum years of service necessary for eligibility to participate in the plan.

''(D) ELECTION.—An employer may elect not to have this subparagraph apply. Such an election, once made, may be revoked only with the consent of the Secretary.

''(i) FUNDED CURRENT LIABILITY PERCENTAGE.—For purposes of this section, the term 'funded current liability percentage' means, with respect to any plan year, the percentage which—

''(1) the value of the plan's assets determined under subsection (c)(2), is of

''(2) the current liability under the plan.

''(j) FUNDING RESTORATION STATUS.—Notwithstanding any other provisions of this section—

''(1) NORMAL COST PAYMENT.—

''(A) IN GENERAL.—In the case of a CSEC plan that is in funding restoration status for a plan year, for purposes of section 412, the term 'accumulated funding deficiency' means, for such plan year, the greater of—

''(i) the amount described in subsection (a), or

''(ii) the excess of the normal cost of the plan for the plan year over the amount actually contributed to or under the plan for the plan year.

''(B) NORMAL COST.—In the case of a CSEC plan that uses a spread gain funding method, for purposes of this subsection, the term 'normal cost' means normal cost as determined under the entry age normal funding method.

''(2) PLAN AMENDMENTS.—In the case of a CSEC plan that is in funding restoration status for a plan year, no amendment to such plan may take effect during such plan year if such amendment has the effect of increasing liabilities of the plan by means of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable. This paragraph shall not apply to any plan amendment that is required to comply with any applicable law. This paragraph shall cease to apply with respect to any plan year, effective as of the first day of the plan year (or if later, the effective date of the amendment) upon payment by the plan sponsor of a contribution to the plan (in addition to any contribution required under this section without regard to this paragraph) in an amount equal to the increase in the funding liability of the plan attributable to the plan amendment.

''(3) FUNDING RESTORATION PLAN.—The sponsor of a CSEC plan shall establish a written funding restoration plan within 180 days of the receipt by the plan sponsor of a certification from the plan actuary that the plan is in funding restoration status for a plan year. Such funding restoration plan shall consist of actions that are calculated, based on reasonably anticipated experience and reasonable actuarial assumptions, to increase the plan's funded percentage to 100 percent over a period that is not longer than the greater of 7 years or the shortest amount of time practicable. Such funding restoration plan shall take into account contributions required under this section (without regard to this paragraph). If a plan remains in funding restoration status for 2 or more years, such funding restoration plan shall be updated each year after the 1st such year within 180 days of receipt by the plan sponsor of a certification from the plan actuary that the plan remains in funding restoration status for the plan year.

''(4) ANNUAL CERTIFICATION BY PLAN ACTUARY.—Not later than the 90th day of each plan year of a CSEC plan, the plan actuary shall certify to the plan sponsor whether or not the plan is in funding restoration status for the plan year, based on the plan's funded percentage as of the beginning of the plan year. For this purpose, the actuary may conclusively rely on an estimate of—

''(A) the plan's funding liability, based on the funding liability of the plan for the preceding plan year and on reasonable actuarial estimates, assumptions, and methods, and

''(B) the amount of any contributions reasonably anticipated to be made for the preceding plan year.

Contributions described in subparagraph (B) shall be taken into account in determining the plan's funded percentage as of the beginning of the plan year.

''(5) DEFINITIONS.—For purposes of this subsection—

''(A) FUNDING RESTORATION STATUS.—A CSEC plan shall be treated as in funding restoration status for a plan year if the plan's funded percentage as of the beginning of such plan year is less than 80 percent.

''(B) FUNDED PERCENTAGE.—The term 'funded percentage' means the ratio (expressed as a percentage) which—

''(i) the value of plan assets (as determined under subsection (c)(2)), bears to

''(ii) the plan's funding liability.

''(C) FUNDING LIABILITY.—The term 'funding liability' for a plan year means the present value of all benefits accrued or earned under the plan as of the beginning of the plan year, based on the assumptions used by the plan pursuant to this section, including the interest rate described in subsection (b)(5)(A) (without regard to subsection (b)(5)(B)).

''(D) SPREAD GAIN FUNDING METHOD.—The term 'spread gain funding method' has the meaning given such term under rules and forms issued by the Secretary.

''(E) PLAN SPONSOR.—The term 'plan sponsor' means, with respect to a CSEC plan, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.''.

(b) CSEC PLANS.—Section 413 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) CSEC PLANS.—Notwithstanding any other provision of this section, in the case of a CSEC plan—

''(1) FUNDING.—The requirements of section 412 shall be determined as if all participants in the plan were employed by a single employer.

''(2) APPLICATION OF PROVISIONS.—Paragraphs (1), (2), (3), and (5) of subsection (c) shall apply.

''(3) DEDUCTION LIMITATIONS.—Each applicable limitation provided by section 404(a) shall be determined as if all participants in the plan were employed by a single employer. The amounts contributed to or under the plan by each employer who maintains the plan (for the portion of the taxable year included within a plan year) shall be considered not to exceed such applicable limitation if the anticipated employer contributions for such plan year of all employers (determined in a reasonable manner not inconsistent with regulations prescribed by the Secretary) do not exceed such limitation. If such anticipated contributions exceed such limitation, the portion of each such employer's contributions which is not deductible under section 404 shall be determined in accordance with regulations prescribed by the Secretary.

''(4) ALLOCATIONS.—Allocations of amounts under paragraph (3) and subsection (c)(5) among the employers maintaining the plan shall not be inconsistent with the regulations prescribed for this purpose by the Secretary.''.

(c) SEPARATE RULES FOR CSEC PLANS.—

(1) IN GENERAL.—Paragraph (2) of section 412(a) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by inserting at the end thereof the following new subparagraph:

''(D) in the case of a CSEC plan, the employers make contributions to or under the plan for any plan year which, in the aggregate, are sufficient to ensure that the plan does not have an accumulated funding deficiency under section 433 as of the end of the plan year.''.

(2) CONFORMING AMENDMENTS.—Section 412 of such Code is amended—

(A) by striking ''multiemployer plan'' in paragraph (A) of subsection (a)(2), in clause (i) of subsection (c)(1)(B), the first place it appears in clause (i) of subsection (c)(1)(A), and the last place it appears in paragraph (2) of subsection (d), and inserting ''multiemployer plan or a CSEC plan'',

(B) by striking ''430(j)'' in paragraph (1) of subsection (b) and inserting ''430(j) or under section 433(f)'',

(C)(i) by striking ''and'' at the end of clause (i) of subsection (c)(1)(B),

(ii) by striking the period at the end of clause (ii) of subsection (c)(1)(B) and inserting '', and'', and

(iii) by inserting the following new clause after clause (ii) of subsection (c)(1)(B):

''(iii) in the case of a CSEC plan, the funding standard account shall be credited under section 433(b)(3)(C) with the amount of the waived funding deficiency and such amount shall be amortized as required under section 433(b)(2)(C).'',

(D) by striking ''under paragraph (1)'' in clause (i) of subsection (c)(4)(A) and inserting ''under paragraph (1) or for granting an extension under section 433(d)'',

(E) by striking ''waiver under this subsection'' in subparagraph (B) of subsection (c)(4) and inserting ''waiver under this subsection or an extension under 433(d)'',

(F) by striking ''waiver or modification'' in subclause (I) of subsection (c)(4)(B)(i) and inserting ''waiver, modification, or extension'',

(G) by striking ''waivers'' in the heading of subsection (c)(4)(C) and of clause (ii) of subsection (c)(4)(C) and inserting ''waivers or extensions'',

(H) by striking ''section 431(d)'' in subparagraph (A) of subsection (c)(7) and in paragraph (2) of subsection (d) and inserting ''section 431(d) or section 433(d)'',

(I) by striking ''and'' at the end of subclause (I) of subsection (c)(4)(C)(i) and inserting ''or the accumulated funding deficiency under section 433, whichever is applicable,'',

(J) by striking ''430(e)(2),'' in subclause (II) of subsection (c)(4)(C)(i) and inserting ''430(e)(2) or 433(b)(2)(C), whichever is applicable, and'',

(K) by adding immediately after subclause (II) of subsection (c)(4)(C)(i) the following new subclause:

''(III) the total amounts not paid by reason of an extension in effect under section 433(d),'', and

(L) by striking ''for waivers of'' in clause (ii) of subsection (c)(4)(C) and inserting ''for waivers or extensions with respect to''.

(3) BENEFIT RESTRICTIONS.—

(A) IN GENERAL.—Paragraph (29) of section 401(a) of such Code is amended by striking ''multiemployer plan'' and inserting ''multiemployer plan or a CSEC plan''.

(B) CONFORMING CHANGE.—Subsection (a) of section 436 of such Code is amended by striking ''single-employer plan'' and inserting ''single-employer plan (other than a CSEC plan)''.

(4) BENEFIT INCREASES.—Subparagraph (C) of section 401(a)(33) of such Code is amended by striking ''multiemployer plans'' and inserting ''multiemployer plans or CSEC plans''.

(5) LIQUIDITY SHORTFALLS.—

(A) IN GENERAL.—Subparagraph (A) of section 401(a)(32) of such Code is amended by striking ''430(j)(4)'' each place it appears and inserting ''430(j)(4) or 433(f)(5)''.

(B) PERIOD OF SHORTFALL.—Subparagraph (C) of section 401(a)(32) of such Code is amended by striking ''430(j)(3) by reason of section 430(j)(4)(A) thereof'' and inserting ''430(j)(3) or 433(f) by reason of section 430(j)(4)(A) or 433(f)(5), respectively''.

(6) DEDUCTION LIMITS.—Subsection (o) of section 404 of such Code is amended by adding at the end the following new paragraph:

''(8) CSEC PLANS.—Solely for purposes of this subsection, a CSEC plan shall be treated as though section 430 applied to such plan and the minimum required contribution for any plan year shall be the amount described in section 412(a)(2)(D).''.

(7) SECTION 420.—Paragraph (5) of section 420(e) of such Code is amended by striking ''section 430'' each place it appears and inserting ''sections 430 and 433''.

(8) COORDINATION WITH SECTION 4971.—

(A) Subsection (a) of section 4971 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) in the case of a CSEC plan, 10 percent of the CSEC accumulated funding deficiency as of the end of the plan year ending with or within the taxable year.''.

(B) Subsection (b) of section 4971 of such Code is amended—

(i) by striking ''or'' at the end of paragraph (1), by adding ''or'' at the end of paragraph (2), and by inserting immediately after paragraph (2) the following new paragraph:

''(3) a tax is imposed under subsection (a)(3) on any CSEC accumulated funding deficiency and the CSEC accumulated funding deficiency is not corrected within the taxable period,'', and

(ii) by striking ''minimum required contributions or accumulated funding deficiency'' and inserting ''minimum required contribution, accumulated funding deficiency, or CSEC accumulated funding deficiency''.

(C) Subsection (c) of section 4971 of such Code is amended—

(i) by striking ''accumulated funding deficiency'' each place it appears in paragraph (2) and inserting ''accumulated funding deficiency or CSEC accumulated funding deficiency'',

(ii) by striking ''accumulated funding deficiency or unpaid minimum required contribution'' each place it appears in paragraph (3) and inserting ''accumulated funding deficiency, CSEC accumulated funding deficiency, or unpaid minimum required contribution'', and

(iii) by adding at the end the following new paragraph:

''(5) CSEC ACCUMULATED FUNDING DEFICIENCY.—The term 'CSEC accumulated funding deficiency' means the accumulated funding deficiency determined under section 433.''.

(D) Paragraph (1) of section 4971(d) of such Code is amended by striking ''accumulated funding deficiency or unpaid minimum required contribution'' and inserting ''accumulated funding deficiency, CSEC accumulated funding deficiency, or unpaid minimum required contribution''.

(E) Subsection (f) of section 4971 of such Code is amended—

(i) by striking ''430(j)(4)'' in paragraph (1) and inserting ''430(j)(4) or 433(f)'',

(ii) by striking ''430(j)'' in paragraph (1)(B) and inserting ''430(j) or 433(f), whichever is applicable'', and

(iii) by striking ''412(m)(5)'' in paragraph (3)(A) and inserting ''430(j) or 433(f), whichever is applicable''.

(9) EXCISE TAX ON FAILURE TO ADOPT FUNDING RESTORATION PLAN.—Section 4971 of such Code is amended by redesignating subsection (h) as subsection (i), and by inserting after subsection (g) the following new subsection:

''(h) FAILURE OF A CSEC PLAN SPONSOR TO ADOPT FUNDING RESTORATION PLAN.—

''(1) IN GENERAL.—In the case of a CSEC plan that is in funding restoration status (within the meaning of section 433(j)(5)(A)), there is hereby imposed a tax on the failure of such plan to adopt a funding restoration plan within the time prescribed under section 433(j)(3).

''(2) AMOUNT OF TAX.—The amount of the tax imposed under paragraph (1) with respect to any plan sponsor for any taxable year shall be the amount equal to $100 multiplied by the number of days during the taxable year which are included in the period beginning on the day following the close of the 180-day period described in section 433(j)(3) and ending on the day on which the funding restoration plan is adopted.

''(3) WAIVER BY SECRETARY.—In the case of a failure described in paragraph (1) which the Secretary determines is due to reasonable cause and not to willful neglect, the Secretary may waive a portion or all of the tax imposed by such paragraph.

''(4) LIABILITY FOR TAX.—The tax imposed by paragraph (1) shall be paid by the plan sponsor (within the meaning of section 433(j)(5)(E)).''.

(10) REPORTING.—

(A) IN GENERAL.—Paragraph (2) of section 6059(b) of such Code is amended by striking ''430,'' and inserting ''430, the accumulated funding deficiency under section 433,''.

(B) ASSUMPTIONS.—Subparagraph (B) of section 6059(b)(3) of such Code is amended by striking ''430(h)(1) or 431(c)(3)'' and inserting ''430(h)(1), 431(c)(3), or 433(c)(3)''.

SEC. 203. ELECTION NOT TO BE TREATED AS A CSEC PLAN.

(a) IN GENERAL.—Section 414(y) of the Internal Revenue Code of 1986, as added by section 201, is amended by adding at the end the following new paragraph:

''(3) ELECTION.—

''(A) IN GENERAL.—If a plan falls within the definition of a CSEC plan under this subsection (without regard to this paragraph), such plan shall be a CSEC plan unless the plan sponsor elects not later than the close of the first plan year of the plan beginning after December 31, 2013, not to be treated as a CSEC plan. An election under the preceding sentence shall take effect for such plan year and, once made, may be revoked only with the consent of the Secretary.

''(B) SPECIAL RULE.—If a plan described in subparagraph (A) is treated as a CSEC plan, section 104 of the Pension Protection Act of 2006, as amended by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, shall cease to apply to such plan as of the first date as of which such plan is treated as a CSEC plan.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as of the date of enactment of this Act.

SA 2702. Mrs. HAGAN (for herself and Mr. PRYOR) submitted an amendment intended to be proposed by her to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered

Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

SEC. 1___. EXCEPTIONS TO ESCROW REQUIREMENT FOR FLOOD INSURANCE PAYMENTS.

(a) IN GENERAL.—Section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)) is amended—

(1) in subparagraph (A), in the second sentence, by striking ''subparagraph (C)'' and inserting ''subparagraph (B)''; and

(2) in subparagraph (B)—

(A) in clause (ii), by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively, and adjusting the margins accordingly;

(B) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins accordingly;

(C) in the matter preceding subclause (I), as redesignated by subparagraph (B), by striking ''(A) or (B), if—'' and inserting the following: ''(A)—

''(i) if—'';

(D) by striking the period at the end and inserting ''; or''; and

(E) by adding at the end the following

''(ii) in the case of a loan that—

''(I) is in a junior or subordinate position to a senior lien secured by the same residential improved real estate or mobile home for which flood insurance is being provided at the time of the origination of the loan;

''(II) is secured by residential improved real estate or a mobile home that is part of a condominium, cooperative, or other project development, if the residential improved real estate or mobile home is covered by a flood insurance policy that—

''(aa) meets the requirements that the regulated lending institution is required to enforce under subsection (b)(1);

''(bb) is provided by the condominium association, cooperative, homeowners association, or other applicable group; and

''(cc) the premium for which is paid by the condominium association, cooperative, homeowners association, or other applicable group as a common expense;

''(III) is secured by residential improved real estate or a mobile home that is used as collateral for a business purpose;

''(IV) is a home equity line of credit;

''(V) is a nonperforming loan; or

''(VI) has a term of not longer than 12 months.''.

(b) APPLICABILITY.—

(1) IN GENERAL.—

(A) REQUIRED APPLICATION.—The amendments to section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)) made by section 100209(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 920) and by subsection (a) of this section shall apply to any loan that is originated, refinanced, increased, extended, or renewed on or after January 1, 2016.

(B) OPTIONAL APPLICATION.—

(i) DEFINITIONS.—In this subparagraph—

(I) the terms ''Federal entity for lending regulation'', ''improved real estate'', ''regulated lending institution'', and ''servicer'' have the meanings given the terms in section 3 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003);

(II) the term ''outstanding loan'' means a loan that—

(aa) is outstanding as of January 1, 2016;

(bb) is not subject to the requirement to escrow premiums and fees for flood insurance under section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)) as in effect on July 5, 2012; and

(cc) would, if the loan had been originated, refinanced, increased, extended, or renewed on or after January 1, 2016, be subject to the requirements under section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended; and

(III) the term ''section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended'' means section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)(A)), as amended by—

(aa) section 100209(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 920); and

(bb) subsection (a) of this section.

(ii) OPTION TO ESCROW FLOOD INSURANCE PAYMENTS.—Each Federal entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, direct that each regulated lending institution or servicer of an outstanding loan shall offer and make available to a borrower the option to have the borrower's payment of premiums and fees for flood insurance under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), including the escrow of such payments, be treated in the same manner provided under section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended.

(2) REPEAL OF 2-YEAR DELAY ON APPLICABILITY.—Subsection (b) of section 100209 of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 920) is repealed.

(3) RULE OF CONSTRUCTION.—Nothing in this section or the amendments made by this section shall be construed to supersede, during the period beginning on July 6, 2012 and ending on December 31, 2015, the requirements under section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)), as in effect on July 5, 2012.

SA 2703. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. ___. STUDY OF VOLUNTARY COMMUNITY-BASED FLOOD INSURANCE OPTIONS.

(a) STUDY.—

(1) STUDY REQUIRED.—The Administrator shall conduct a study to assess options, methods, and strategies for making available voluntary community-based flood insurance policies through the National Flood Insurance Program.

(2) CONSIDERATIONS.—The study conducted under paragraph (1) shall—

(A) take into consideration and analyze how voluntary community-based flood insurance policies—

(i) would affect communities having varying economic bases, geographic locations, flood hazard characteristics or classifications, and flood management approaches; and

(ii) could satisfy the applicable requirements under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a); and

(B) evaluate the advisability of making available voluntary community-based flood insurance policies to communities, subdivisions of communities, and areas of residual risk.

(3) CONSULTATION.—In conducting the study required under paragraph (1), the Administrator may consult with the Comptroller General of the United States, as the Administrator determines is appropriate.

(b) REPORT BY THE ADMINISTRATOR.—

(1) REPORT REQUIRED.—Not later than 18 months after the date of enactment of this Act, the Administrator shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that contains the results and conclusions of the study conducted under subsection (a).

(2) CONTENTS.—The report submitted under paragraph (1) shall include recommendations for—

(A) the best manner to incorporate voluntary community-based flood insurance policies into the National Flood Insurance Program; and

(B) a strategy to implement voluntary community-based flood insurance policies that would encourage communities to undertake flood mitigation activities, including the construction, reconstruction, or improvement of levees, dams, or other flood control structures.

(c) REPORT BY COMPTROLLER GENERAL.—Not later than 6 months after the date on which the Administrator submits the report required under subsection (b), the Comptroller General of the United States shall—

(1) review the report submitted by the Administrator; and

(2) submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that contains—

(A) an analysis of the report submitted by the Administrator;

(B) any comments or recommendations of the Comptroller General relating to the report submitted by the Administrator; and

(C) any other recommendations of the Comptroller General relating to community-based flood insurance policies.

SA 2704. Mr. RUBIO submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end of section 103, add the following:

(h) DISCLOSURE.—

(1) CHANGE IN RATES UNDER BIGGERT-WATERS.—Not later than the date that is 6 months before the date on which any change in risk premium rates for flood insurance coverage under the National Flood Insurance Program resulting from the amendment made by section 100207 of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 919) is implemented, the Administrator shall make publicly available the rate tables and underwriting guidelines that provide the basis for the change.

(2) CHANGE IN RATES UNDER THIS ACT.—Not later than the date that is 6 months before the date on which any change in risk premium rates for flood insurance coverage under the National Flood Insurance Program resulting from this Act or any amendment made by this Act is implemented, the Administrator shall make publicly available the rate tables and underwriting guidelines that provide the basis for the change.

(3) REPORT ON POLICY AND CLAIMS DATA.—

(A) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Administrator shall submit to Congress a report on the feasibility of—

(i) releasing property-level policy and claims data for flood insurance coverage under the National Flood Insurance Program; and

(ii) establishing guidelines for releasing property-level policy and claims data for flood insurance coverage under the National Flood Insurance Program in accordance with section 552a of title 5, United States Code (commonly known as the ''Privacy Act of 1974'').

(B) CONTENTS.—The report submitted under subparagraph (A) shall include—

(i) an analysis and assessment of how releasing property-level policy and claims data for flood insurance coverage under the National Flood Insurance Program will aid policy holders and insurers to understand how the Administration determines actuarial premium rates and assesses flood risks; and

(ii) recommendations for protecting personal information in accordance with section 552a of title 5, United States Code (commonly known as the ''Privacy Act of 1974'').

At the end of title I, add the following:

SEC. 110. MONTHLY INSTALLMENT PAYMENTS FOR PREMIUMS.

Section 1308(g) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(g)) is amended by striking ''either annually or in more frequent installments'' and inserting ''annually, monthly, or in other installments that are more frequent than annually''.

SEC. 111. ACCOUNTING FOR FLOOD MITIGATION ACTIVITIES IN ESTIMATES OF PREMIUM RATES.

Section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)) is amended by amending subparagraph (A) to read as follows:

''(A) based on consideration of—

''(i) the risk involved and accepted actuarial principles; and

''(ii) the flood mitigation activities that an owner or lessee has undertaken on a property, including differences in the risk involved due to land use measures, floodproofing, flood forecasting, and similar measures,''.

SA 2705. Mr. KING (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

In section 106, strike subsection (a) and insert the following:

(a) IN GENERAL.—Section 1363(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(f)) is amended—

(1) in the first sentence, by inserting after ''as the case may be,'' the following: ''or, in the case of an appeal that is resolved by submission of conflicting data to the Scientific Resolution Panel provided for in section 1363A, the community,''; and

(2) by striking the second sentence and inserting the following: ''The Administrator may use such amounts from the National Flood Insurance Fund established under section 1310 as may be necessary to carry out this subsection.''.

SA 2706. Mr. WHITEHOUSE submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. EXEMPTION FROM FEES FOR CERTAIN MAP CHANGE REQUESTS.

Notwithstanding any other provision of law, a requester shall be exempt from submitting a review or processing fee for a request for a flood insurance rate map change based on a habitat restoration project that is funded in whole or in part with Federal or State funds, including dam removal, culvert redesign or installation, or the installation of fish passage.

SA 2707. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

Strike sections 103 through 109 and insert the following:

SEC. 103. PHASE-IN OF FLOOD INSURANCE RATE INCREASES.

(a) MAP CHANGES.—Section 1308(h) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(h)) is amended—

(1) in the second sentence, by striking ''shall be phased in over a 5-year period'' and all that follows and inserting the following: ''shall be implemented by increasing the risk premium rate by 25 percent each year following such effective date until the risk premium rate accurately reflects the current risk of flood to such property.''; and

(2) in the third sentence, by striking ''shall be phased in over a 5-year period'' and all that follows and inserting the following: ''shall be phased in by increasing the risk premium rate by 25 percent each year following the effective date of such issuance, revision, updating, or change.''.

(b) HOME SALE TRIGGER.—

(1) PHASE-IN.—Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) described in section 1307(g)(2) that are principal residences shall be increased by 25 percent each year, beginning in the year after the first sale of such a property that occurs after the date of enactment of the Biggert-Waters Flood Insurance Reform Act of 2012 and continuing in each successive year regardless of any further sale or resale of the property, until the risk premium rate charged for the property accurately reflects the current risk of flood to the property.''.

(2) APPLICATION OF PHASE-IN TO PRINCIPAL RESIDENCES PURCHASED BETWEEN JULY 7, 2012 AND APRIL 1, 2013.—

(A) DEFINITION.—In this paragraph, the term ''eligible policy'' means a flood insurance policy—

(i) that covers a principal residence that was purchased during the period beginning on July 7, 2012 and ending on April 1, 2013; and

(ii) for which the risk premium rate charged was increased, after the purchase described in clause (i), to the full risk premium rate estimated under subsection (a)(1) of section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) as required under subsection (g)(2) of such section (as in effect on the day before the date of enactment of this Act).

(B) APPLICATION OF PHASE-IN TO RISK PREMIUM RATE UPON POLICY RENEWAL.—The risk premium rate charged for an eligible policy shall—

(i) on the date on which the policy is first renewed after the date of enactment of this Act, be adjusted to be the rate that would have been charged as of that date if the phase-in provision under paragraph (3) of section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)), as added by paragraph (1) of this subsection, had been in effect when the property covered by the eligible policy was purchased; and

(ii) be increased by 25 percent each year thereafter, in accordance with paragraph (3) of section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)), as added by paragraph (1) of this subsection.

(c) PROMULGATION OF REGULATIONS AND RATE TABLES.—

(1) IN GENERAL.—The Administrator shall promulgate such regulations and make available such rate tables as necessary to implement subsections (a) and (b) and the amendments made by those subsections, as though those subsections were enacted as part of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 916).

(2) PUBLIC PARTICIPATION.—To ensure community, stakeholder, and expert participation in the promulgation of regulations and the establishment of rate tables under this subsection, the Administrator shall—

(A) publish the regulations and rate tables in the Federal Register; and

(B) before promulgating final regulations and making available final rate tables, provide a period for public comment on the regulations and rate tables published under subparagraph (A) that is not shorter than 45 days.

(3) TIMING OF PREMIUM CHANGES.—To allow for appropriate implementation of subsections (a) and (b) and the amendments made by those subsections, the Administrator may not implement any premium changes with respect to policy holders, including charges or rebates, that are necessary to implement subsections (a) and (b) and the amendments made by those subsections until the date that is 6 months after the date on which the Administrator promulgates final regulations and makes available final rate tables under this subsection.

(d) FLOOD INSURANCE FEE.—

(1) IN GENERAL.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following:

''(j) FEE TO OFFSET PHASE-IN OF CERTAIN PREMIUM RATE INCREASES.—

''(1) IN GENERAL.—The Administrator shall charge an annual fee to each holder of a flood insurance policy issued under this Act to offset the costs of the Homeowner Flood Insurance Affordability Act of 2014 and the amendments made by that Act.

''(2) AMOUNT.—In establishing an amount of the fee to be charged under paragraph (1), the Administrator shall charge a policyholder with an annual household income that is not less than $500,000 twice the amount that the Administrator charges a policyholder with an annual household income that is less than $500,000.''.

(2) APPLICABILITY.—The Administrator shall charge the fee required under section 1308(j) of the National Flood Insurance Act of 1968, as added by paragraph (1), with respect to any flood insurance policy that is issued or renewed on or after the date of enactment of this Act.

SEC. 104. AFFORDABILITY STUDY AND REPORT.

Notwithstanding the deadline under section 100236(c) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–

141; 126 Stat. 957), not later than 2 years after the date of enactment of this Act, the Administrator shall submit to the full Committee on Banking, Housing, and Urban Affairs and the full Committee on Appropriations of the Senate and the full Committee on Financial Services and the full Committee on Appropriations of the House of Representatives the affordability study and report required under such section.

SEC. 105. AFFORDABILITY STUDY FUNDING.

Section 100236(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 957) is amended by striking ''not more than $750,000'' and inserting ''such amounts as may be necessary''.

SEC. 106. FUNDS TO REIMBURSE HOMEOWNERS AND COMMUNITIES FOR SUCCESSFUL MAP APPEALS.

(a) IN GENERAL.—Section 1363(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(f)) is amended—

(1) in the first sentence, by inserting after ''as the case may be,'' the following: ''or, in the case of an appeal that is resolved by submission of conflicting data to the Scientific Resolution Panel provided for in section 1363A, the community,''; and

(2) by striking the second sentence and inserting the following: ''The Administrator may use such amounts from the National Flood Insurance Fund established under section 1310 as may be necessary to carry out this subsection.''.

(b) CONFORMING AMENDMENT.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(8) for carrying out section 1363(f).''.

SEC. 107. FLOOD PROTECTION SYSTEMS.

(a) ADEQUATE PROGRESS ON CONSTRUCTION OF FLOOD PROTECTION SYSTEMS.—Section 1307(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(e)) is amended—

(1) in the first sentence, by inserting ''or reconstruction'' after ''construction'';

(2) by striking the second sentence and inserting the following: ''The Administrator shall find that adequate progress on the construction or reconstruction of a flood protection system, based on the present value of the completed flood protection system, has been made only if (1) 100 percent of the cost of the system has been authorized, (2) at least 60 percent of the cost of the system has been appropriated, (3) at least 50 percent of the cost of the system has been expended, and (4) the system is at least 50 percent completed.''; and

(3) by adding at the end the following: ''Notwithstanding any other provision of law, in determining whether a community has made adequate progress on the construction, reconstruction, or improvement of a flood protection system, the Administrator shall consider all sources of funding, including Federal, State, and local funds.''.

(b) COMMUNITIES RESTORING DISACCREDITED FLOOD PROTECTION SYSTEMS.—Section 1307(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(f)) is amended by striking the first sentence and inserting the following: ''Notwithstanding any other provision of law, this subsection shall apply to riverine and coastal levees that are located in a community which has been determined by the Administrator of the Federal Emergency Management Agency to be in the process of restoring flood protection afforded by a flood protection system that had been previously accredited on a Flood Insurance Rate Map as providing 100-year frequency flood protection but no longer does so, and shall apply without regard to the level of Federal funding of or participation in the construction, reconstruction, or improvement of the flood protection system.''.

SEC. 108. TREATMENT OF FLOODPROOFED RESIDENTIAL BASEMENTS.

In implementing section 1308(h) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(h)), the Administrator shall rate a covered structure using the elevation difference between the floodproofed elevation of the covered structure and the adjusted base flood elevation of the covered structure.

SEC. 109. DESIGNATION OF FLOOD INSURANCE ADVOCATE.

(a) IN GENERAL.—The Administrator shall designate a Flood Insurance Advocate to advocate for the fair treatment of policy holders under the National Flood Insurance Program and property owners in the mapping of flood hazards, the identification of risks from flood, and the implementation of measures to minimize the risk of flood.

(b) DUTIES AND RESPONSIBILITIES.—The duties and responsibilities of the Flood Insurance Advocate designated under subsection (a) shall be to—

(1) educate property owners and policyholders under the National Flood Insurance Program on—

(A) individual flood risks;

(B) flood mitigation;

(C) measures to reduce flood insurance rates through effective mitigation; and

(D) the flood insurance rate map review and amendment process;

(2) assist policy holders under the National Flood Insurance Program and property owners to understand the procedural requirements related to appealing preliminary flood insurance rate maps and implementing measures to mitigate evolving flood risks;

(3) assist in the development of regional capacity to respond to individual constituent concerns about flood insurance rate map amendments and revisions;

(4) coordinate outreach and education with local officials and community leaders in areas impacted by proposed flood insurance rate map amendments and revisions; and

(5) aid potential policy holders under the National Flood Insurance Program in obtaining and verifying accurate and reliable flood insurance rate information when purchasing or renewing a flood insurance policy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the duties and responsibilities of the Flood Insurance Advocate.

SEC. 110. HOME IMPROVEMENT FAIRNESS.

Section 1307(a)(2)(E)(ii) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(2)(E)(ii)) is amended by striking ''30 percent'' and inserting ''50 percent''.

SEC. 111. EXCEPTIONS TO ESCROW REQUIREMENT FOR FLOOD INSURANCE PAYMENTS.

(a) IN GENERAL.—Section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)) is amended—

(1) in subparagraph (A), in the second sentence, by striking ''subparagraph (C)'' and inserting ''subparagraph (B)''; and

(2) in subparagraph (B)—

(A) in clause (ii), by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively, and adjusting the margins accordingly;

(B) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins accordingly;

(C) in the matter preceding subclause (I), as redesignated by subparagraph (B), by striking ''(A) or (B), if—'' and inserting the following: ''(A)—

''(i) if—'';

(D) by striking the period at the end and inserting ''; or''; and

(E) by adding at the end the following

''(ii) in the case of a loan that is—

''(I) in a junior or subordinate position to a senior lien secured by the same property for which flood insurance is being provided at the time of the origination of the loan;

''(II) secured by residential improved real estate or a mobile home that is part of a condominium, cooperative, or other project development, if the residential improved real estate or mobile home is covered by a flood insurance policy that—

''(aa) meets the requirements that the regulated lending institution is required to enforce under subsection (b)(1);

''(bb) is provided by the condominium association, cooperative, homeowners association, or other applicable group; and

''(cc) the premium for which is paid by the condominium association, cooperative, homeowners association, or other applicable group as a common expense;

''(III) secured by residential improved real estate or a mobile home that is used as collateral for a business purpose; or

''(IV) a home equity line of credit or a home equity loan.''.

(b) APPLICABILITY.—

(1) IN GENERAL.—

(A) REQUIRED APPLICATION.—The amendments to section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)) made by section 100209(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 920) and by subsection (a) of this section shall apply to any loan that is originated, refinanced, increased, extended, or renewed on or after January 1, 2016.

(B) OPTIONAL APPLICATION.—

(i) DEFINITIONS.—In this subparagraph—

(I) the terms ''Federal entity for lending regulation'', ''improved real estate'', ''regulated lending institution'', and ''servicer'' have the meanings given the terms in section 3 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003);

(II) the term ''outstanding loan'' means a loan that—

(aa) is outstanding as of January 1, 2016; and

(bb) would, if the loan had been originated, refinanced, increased, extended, or renewed on or after January 1, 2016, be subject to the requirements under section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended; and

(III) the term ''section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended'' means section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)(A)), as amended by—

(aa) section 100209(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 920); and

(bb) subsection (a) of this section.

(ii) OPTION TO ESCROW FLOOD INSURANCE PAYMENTS.—Each Federal entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, direct that each regulated lending institution or servicer of an outstanding loan shall offer and make available to a borrower the option to have the borrower's payment of premiums and fees for flood insurance under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), including the escrow of such payments, be treated in the same manner provided under section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended.

(2) REPEAL OF 2-YEAR DELAY ON APPLICABILITY.—Subsection (b) of section 100209 of the Biggert-Waters Flood Insurance Reform

Act of 2012 (Public Law 112–141; 126 Stat. 920) is repealed.

SA 2708. Mrs. GILLIBRAND submitted an amendment intended to be proposed by her to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

SEC. 1___. FLOOD MITIGATION METHODS FOR URBAN BUILDINGS.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall issue guidelines for property owners that—

(1) provide alternative methods of mitigation, other than building elevation, to reduce flood risk to urban residential buildings that cannot be elevated due to their structural characteristics, including—

(A) types of building materials; and

(B) types of floodproofing; and

(2) inform property owners about how the implementation of mitigation methods described in paragraph (1) may affect risk premium rates for flood insurance coverage under the National Flood Insurance Program.

(b) CALCULATION OF RISK PREMIUM RATES.—In calculating the risk premium rate charged for flood insurance for a property under section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), the Administrator shall take into account the implementation of any mitigation method identified by the Administrator in the guidance issued under subsection (a) of this section.

SA 2709. Mr. MERKLEY submitted an amendment intended to be proposed by him to the bill S. 1926, to delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

SEC. 110. LIMITATIONS ON FORCE-PLACED INSURANCE.

Section 102(e) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(e)) is amended—

(1) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and

(2) by inserting after paragraph (2) the following:

''(3) LIMITATIONS ON LENDERS AND SERVICERS.—

''(A) PAYMENTS FROM INSURANCE COMPANIES.—An lender or servicer, or an affiliate of a lender or servicer, may not receive a commission or any other payment from an insurance company in connection with securing business under paragraph (2) from the insurance company.

''(B) PURCHASE FROM AFFILIATED INSURANCE COMPANIES.—

''(i) IN GENERAL.—Except as provided in clause (ii), a lender or servicer, or an affiliate of a lender or servicer, that purchases insurance under paragraph (2) may not purchase the insurance from an insurance company that is affiliated with the lender or servicer.

''(ii) EXCEPTION.—Clause (i) shall not apply to the purchase of insurance under paragraph (2) by a lender or servicer, or an affiliate of a lender or servicer, that is a bank, or a Federal credit union or State credit union (as those terms are defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)), with assets of not more than $1,000,000,000.''.

NOTICE OF INTENT TO SUSPEND THE RULES

Mr. COBURN. Mr. President, I submit the following notice in writing: In accordance with Rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend Rule XXII, including germaneness requirements, for the purpose of proposing and considering amendment no. 2606 on S. 1845, as follows:

At the end, add the following:

SEC. 7. ENDING UNEMPLOYMENT PAYMENTS TO JOBLESS MILLIONAIRES AND BILLIONAIRES.

(a) PROHIBITION.—Notwithstanding any other provision of law, no Federal funds may be used to make payments of unemployment compensation (including such compensation under the Federal-State Extended Compensation Act of 1970 and the emergency unemployment compensation program under title IV of the Supplemental Appropriations Act, 2008) to an individual whose adjusted gross income in the preceding year was equal to or greater than $1,000,000.

(b) COMPLIANCE.—Unemployment Insurance applications shall include a form or procedure for an individual applicant to certify the individual's adjusted gross income was not equal to or greater than $1,000,000 in the preceding year.

(c) AUDITS.—The certifications required by subsection (b) shall be auditable by the U.S. Department of Labor or the U.S. Government Accountability Office.

(d) STATUS OF APPLICANTS.—It is the duty of the states to verify the residency, employment, legal, and income status of applicants for Unemployment Insurance and no Federal funds may be expended for purposes of determining an individual's eligibility under this Act.

(e) EFFECTIVE DATE.—The prohibition under subsection (a) shall apply to weeks of unemployment beginning on or after the date of the enactment of this Act.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, January 28, 2014, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, January 28, 2014, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate in order to conduct a hearing on Tuesday, January 28, 2014, at 10:00 a.m., in room SD–366 of the Dirksen Senate Office Building.

For further information please contact David Berick at (202) 224–2209, Megan Brewster (202) 224–6689 or Brian Hughes, (202) 224–7555.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, January 28, 2014, at 10:00 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, January 28, 2014, at 10:00 a.m., in room SD–226 of the Dirksen Senate Office Building, to conduct a hearing entitled ''Judicial Nominations.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, January 28, 2014, at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE EFFICIENCY AND EFFECTIVENESS OF FEDERAL PROGRAMS AND THE FEDERAL WORKFORCE

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce of the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, January 28, 2014, at 2:30 p.m. in order to conduct a hearing entitled ''Examining the Use and Abuse of Administratively Uncontrollable Overtime at the Department of Homeland Security.''

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mrs. MURRAY. Mr. President, I ask unanimous consent that Rose Mutiso, a fellow in Senator COONS's office, be given floor privileges for Wednesday, January 29, 2014.

The PRESIDING OFFICER. Without objection, it is so ordered.

COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION FLEXIBILITY ACT

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to

Calendar No. 230, S. 1302; that the committee-reported substitute be considered; the Harkin-Roberts substitute amendment which is at the desk be agreed to; the committee-reported substitute, as amended, be agreed to; the bill, as amended, be read a third time and passed, the motions to reconsider be considered made and laid upon the table, with no intervening action or debate; further, that if the Senate receives a bill from the House that is identical to the text of S. 1302 as passed by the Senate, then the House bill be read three times and passed with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill (S. 1302) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide for cooperative and small employer charity pension plans, which had been reported from the Committee on Health, Education, Labor, and Pensions, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Cooperative and Small Employer Charity Pension Flexibility Act''.

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

SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATIONS OF POLICY.

Congress finds as follows:

(1) Defined benefit pension plans are a cost-effective way for cooperative associations and charities to provide their employees with economic security in retirement.

(2) Many cooperative associations and charitable organizations are only able to provide their employees with defined benefit pension plans because those organizations are able to pool their resources using the multiple employer plan structure.

(3) The pension funding rules should encourage cooperative associations and charities to continue to provide their employees with pension benefits.

SEC. 3. DEFINITION OF COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.

(a) AMENDMENT TO ERISA.—Section 210 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1060) is amended by adding at the end the following new subsection:

''(f) COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.—

''(1) IN GENERAL.—For purposes of this title, except as provided in this subsection, a CSEC plan is an employee pension benefit plan (other than a multiemployer plan) that is a defined benefit plan—

''(A) to which section 104 of the Pension Protection Act of 2006 applies, without regard to—

''(i) section 104(a)(2) of such Act;

''(ii) the amendments to such section 104 by section 202(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010; and

''(iii) paragraph (3)(B); or

''(B) that, as of January 1, 2013, was maintained by more than one employer and all of the employers were organizations described in section 501(c)(3) of the Internal Revenue Code of 1986.

''(2) AGGREGATION.—All employers that are treated as a single employer under subsection (b) or (c) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer for purposes of determining if a plan was maintained by more than one employer under paragraph (1)(B).''.

(b) AMENDMENT TO CODE.—Section 414 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(y) COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.—

''(1) IN GENERAL.—For purposes of this title, except as provided in this subsection, a CSEC plan is a defined benefit plan (other than a multiemployer plan)—

''(A) to which section 104 of the Pension Protection Act of 2006 applies, without regard to—

''(i) section 104(a)(2) of such Act;

''(ii) the amendments to such section 104 by section 202(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010; and

''(iii) paragraph (3)(B); or

''(B) that, as of January 1, 2013, was maintained by more than one employer and all of the employers were organizations described in section 501(c)(3).

''(2) AGGREGATION.—All employers that are treated as a single employer under subsection (b) or (c) shall be treated as a single employer for purposes of determining if a plan was maintained by more than one employer under paragraph (1)(B).''.

SEC. 4. FUNDING RULES APPLICABLE TO COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLANS.

(a) AMENDMENTS TO ERISA.—

(1) MINIMUM FUNDING STANDARDS UNDER ERISA.—Part 3 of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1081 et seq.) is amended by adding at the end the following new section:

''SEC. 306. MINIMUM FUNDING STANDARDS.

''(a) GENERAL RULE.—For purposes of section 302, the term 'accumulated funding deficiency' for a CSEC plan means the excess of the total charges to the funding standard account for all plan years (beginning with the first plan year to which section 302 applies) over the total credits to such account for such years or, if less, the excess of the total charges to the alternative minimum funding standard account for such plan years over the total credits to such account for such years.

''(b) FUNDING STANDARD ACCOUNT.—

''(1) ACCOUNT REQUIRED.—Each plan to which this section applies shall establish and maintain a funding standard account. Such account shall be credited and charged solely as provided in this section.

''(2) CHARGES TO ACCOUNT.—For a plan year, the funding standard account shall be charged with the sum of—

''(A) the normal cost of the plan for the plan year,

''(B) the amounts necessary to amortize in equal annual installments (until fully amortized)—

''(i) in the case of a plan in existence on January 1, 1974, the unfunded past service liability under the plan on the first day of the first plan year to which section 302 applies, over a period of 40 plan years,

''(ii) in the case of a plan which comes into existence after January 1, 1974, but before the first day of the first plan year beginning after December 31, 2013, the unfunded past service liability under the plan on the first day of the first plan year to which section 302 applies, over a period of 30 plan years,

''(iii) in the case of a plan that is subject to section 303 for the last plan year beginning before January 1, 2014, the sum of—

''(I) the plan's funding standard carryover balance and prefunding balance (as such terms are defined in section 303(f)) as of the end of such plan year, and

''(II) the unfunded past service liability under the plan for the first plan year beginning after December 31, 2013,

over a period of 15 years,

''(iv) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such year, over a period of 15 plan years,

''(v) separately, with respect to each plan year, the net experience loss (if any) under the plan, over a period of 5 plan years, and

''(vi) separately, with respect to each plan year, the net loss (if any) resulting from changes in actuarial assumptions used under the plan, over a period of 10 plan years,

''(C) the amount necessary to amortize each waived funding deficiency (within the meaning of section 302(c)(3)) for each prior plan year in equal annual installments (until fully amortized) over a period of 5 plan years,

''(D) the amount necessary to amortize in equal annual installments (until fully amortized) over a period of 5 plan years any amount credited to the funding standard account under paragraph (3)(D), and

''(E) the amount necessary to amortize in equal annual installments (until fully amortized) over a period of 20 years the contributions which would be required to be made under the plan but for the provisions of section 302(c)(7)(A)(i)(I) (as in effect on the day before the enactment of the Pension Protection Act of 2006).

''(3) CREDITS TO ACCOUNT.—For a plan year, the funding standard account shall be credited with the sum of—

''(A) the amount considered contributed by the employer to or under the plan for the plan year,

''(B) the amount necessary to amortize in equal annual installments (until fully amortized)—

''(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such year, over a period of 15 plan years,

''(ii) separately, with respect to each plan year, the net experience gain (if any) under the plan, over a period of 5 plan years, and

''(iii) separately, with respect to each plan year, the net gain (if any) resulting from changes in actuarial assumptions used under the plan, over a period of 10 plan years,

''(C) the amount of the waived funding deficiency (within the meaning of section 302(c)(3)) for the plan year,

''(D) in the case of a plan year for which the accumulated funding deficiency is determined under the funding standard account if such plan year follows a plan year for which such deficiency was determined under the alternative minimum funding standard, the excess (if any) of any debit balance in the funding standard account (determined without regard to this subparagraph) over any debit balance in the alternative minimum funding standard account, and

''(E) for the first plan year beginning after December 31, 2013, in the case of a plan that is subject to section 303 for the last plan year beginning before January 1, 2014, the sum of the plan's funding standard carryover balance and prefunding balance (as such terms are defined in section 302(f)) as of the end of the last plan year beginning before January 1, 2014.

''(4) COMBINING AND OFFSETTING AMOUNTS TO BE AMORTIZED.—Under regulations prescribed

by the Secretary of the Treasury, amounts required to be amortized under paragraph (2) or paragraph (3), as the case may be—

''(A) may be combined into one amount under such paragraph to be amortized over a period determined on the basis of the remaining amortization period for all items entering into such combined amount, and

''(B) may be offset against amounts required to be amortized under the other such paragraph, with the resulting amount to be amortized over a period determined on the basis of the remaining amortization periods for all items entering into whichever of the two amounts being offset is the greater.

''(5) INTEREST.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the funding standard account (and items therein) shall be charged or credited (as determined under regulations prescribed by the Secretary of the Treasury) with interest at the appropriate rate consistent with the rate or rates of interest used under the plan to determine costs.

''(B) EXCEPTION.—The interest rate used for purposes of computing the amortization charge described in subsection (b)(2)(C) or for purposes of any arrangement under subsection (d) for any plan year shall be the greater of (i) 150 percent of the Federal mid-term rate (as in effect under section 1274 of the Internal Revenue Code of 1986 for the 1st month of such plan year), or (ii) the rate of interest determined under subparagraph (A).

''(6) AMORTIZATION SCHEDULES IN EFFECT.—Amortization schedules for amounts described in paragraphs (2) and (3) that are in effect as of the last day of the last plan year beginning before January 1, 2014, by reason of section 104 of the Pension Protection Act of 2006 shall remain in effect pursuant to their terms and this section, except that such amounts shall not be amortized again under this section. In the case of a plan that is subject to section 303 for the last plan year beginning before January 1, 2014, any amortization schedules and bases for plan years beginning before such date shall be reduced to zero.

''(c) SPECIAL RULES.—

''(1) DETERMINATIONS TO BE MADE UNDER FUNDING METHOD.—For purposes of this section, normal costs, accrued liability, past service liabilities, and experience gains and losses shall be determined under the funding method used to determine costs under the plan.

''(2) VALUATION OF ASSETS.—

''(A) IN GENERAL.—For purposes of this section, the value of the plan's assets shall be determined on the basis of any reasonable actuarial method of valuation which takes into account fair market value and which is permitted under regulations prescribed by the Secretary of the Treasury.

''(B) DEDICATED BOND PORTFOLIO.—The Secretary of the Treasury may by regulations provide that the value of any dedicated bond portfolio of a plan shall be determined by using the interest rate under section 302(b)(5) (as in effect on the day before the enactment of the Pension Protection Act of 2006).

''(3) ACTUARIAL ASSUMPTIONS MUST BE REASONABLE.—For purposes of this section, all costs, liabilities, rates of interest, and other factors under the plan shall be determined on the basis of actuarial assumptions and methods—

''(A) each of which is reasonable (taking into account the experience of the plan and reasonable expectations) or which, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption and method were reasonable, and

''(B) which, in combination, offer the actuary's best estimate of anticipated experience under the plan.

''(4) TREATMENT OF CERTAIN CHANGES AS EXPERIENCE GAIN OR LOSS.—For purposes of this section, if—

''(A) a change in benefits under the Social Security Act or in other retirement benefits created under Federal or State law, or

''(B) a change in the definition of the term 'wages' under section 3121 of the Internal Revenue Code of 1986 or a change in the amount of such wages taken into account under regulations prescribed for purposes of section 401(a)(5) of such Code,

results in an increase or decrease in accrued liability under a plan, such increase or decrease shall be treated as an experience loss or gain.

''(5) FUNDING METHOD AND PLAN YEAR.—

''(A) FUNDING METHODS AVAILABLE.—All funding methods available to CSEC plans under section 302 (as in effect on the day before the enactment of the Pension Protection Act of 2006) shall continue to be available under this section.

''(B) NOT AFFECTED BY CESSATION OF BENEFIT ACCRUALS.—The availability of any funding method, including all spread gain funding methods, shall not be affected by whether benefit accruals under a plan have ceased. Except as otherwise provided in subparagraph (C) or in regulations prescribed by the Secretary of the Treasury, if benefit accruals have ceased under a plan, the spread gain funding methods may be applied by amortizing over the average expected future lives of all participants.

''(C) MINIMUM AMOUNT.—In the case of a plan amortizing over the average expected future lives of all participants pursuant to the second sentence of subparagraph (B), such amortization amount for any plan year shall not be less than the sum of—

''(i) the amount determined by amortizing, as of the first year for which the plan amortizes over the average future lives of all participants, the entire unfunded past service liability in equal installments over 15 years, and

''(ii) the amount determined by amortizing any increase or decrease in such unfunded past service liability in any subsequent year, other than an increase or decrease attributable to contributions or expected experience, in equal installments over 15 years.

''(D) CHANGES.—If the funding method for a plan is changed, the new funding method shall become the funding method used to determine costs and liabilities under the plan only if the change is approved by the Secretary of the Treasury. The preceding sentence shall not apply to any change made pursuant to, or permitted by, the second sentence of subparagraph (B) if such change is made for the first plan year beginning after December 31, 2013. Any such change may be made without the approval of the Secretary of the Treasury. If the plan year for a plan is changed, the new plan year shall become the plan year for the plan only if the change is approved by the Secretary of the Treasury.

''(E) APPROVAL REQUIRED FOR CERTAIN CHANGES IN ASSUMPTIONS BY CERTAIN SINGLE-EMPLOYER PLANS SUBJECT TO ADDITIONAL FUNDING REQUIREMENT.—

''(i) IN GENERAL.—No actuarial assumption (other than the assumptions described in subsection (h)(3)) used to determine the current liability for a plan to which this subparagraph applies may be changed without the approval of the Secretary.

''(ii) PLANS TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to a plan only if—

''(I) the plan is a CSEC plan,

''(II) the aggregate unfunded vested benefits as of the close of the preceding plan year (as determined under section 4006(a)(3)(E)(iii)) of such plan and all other plans maintained by the contributing sponsors (as defined in section 4001(a)(13)) and members of such sponsors' controlled groups (as defined in section 4001(a)(14)) which are covered by title IV (disregarding plans with no unfunded vested benefits) exceed $50,000,000, and

''(III) the change in assumptions (determined after taking into account any changes in interest rate and mortality table) results in a decrease in the funding shortfall of the plan for the current plan year that exceeds $50,000,000, or that exceeds $5,000,000 and that is 5 percent or more of the current liability of the plan before such change.

''(6) FULL FUNDING.—If, as of the close of a plan year, a plan would (without regard to this paragraph) have an accumulated funding deficiency (determined without regard to the alternative minimum funding standard account permitted under subsection (e)) in excess of the full funding limitation—

''(A) the funding standard account shall be credited with the amount of such excess, and

''(B) all amounts described in paragraphs (2)(B), (C), and (D) and (3)(B) of subsection (b) which are required to be amortized shall be considered fully amortized for purposes of such paragraphs.

''(7) FULL-FUNDING LIMITATION.—For purposes of paragraph (6), the term 'full-funding limitation' means the excess (if any) of—

''(A) the accrued liability (including normal cost) under the plan (determined under the entry age normal funding method if such accrued liability cannot be directly calculated under the funding method used for the plan), over

''(B) the lesser of—

''(i) the fair market value of the plan's assets, or

''(ii) the value of such assets determined under paragraph (2).

''(C) MINIMUM AMOUNT.—

''(i) IN GENERAL.—In no event shall the full-funding limitation determined under subparagraph (A) be less than the excess (if any) of—

''(I) 90 percent of the current liability (determined without regard to paragraph (4) of subsection (h)) of the plan (including the expected increase in such current liability due to benefits accruing during the plan year), over

''(II) the value of the plan's assets determined under paragraph (2).

''(ii) ASSETS.—For purposes of clause (i), assets shall not be reduced by any credit balance in the funding standard account.

''(8) ANNUAL VALUATION.—

''(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary of the Treasury.

''(B) VALUATION DATE.—

''(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

''(ii) USE OF PRIOR YEAR VALUATION.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if, as of such date, the value of the assets of the plan are not less than 100 percent of the plan's current liability.

''(iii) ADJUSTMENTS.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) LIMITATION.—A change in funding method to use a prior year valuation, as provided in clause (ii), may not be made unless as of the valuation date within the prior plan year, the value of the assets of the plan are not less than 125 percent of the plan's current liability.

''(9) TIME WHEN CERTAIN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, any contributions for a plan year made by an employer during the period—

''(A) beginning on the day after the last day of such plan year, and

''(B) ending on the day which is 8½ months after the close of the plan year,

shall be deemed to have been made on such last day.

''(10) ANTICIPATION OF BENEFIT INCREASES EFFECTIVE IN THE FUTURE.—In determining projected benefits, the funding method of a collectively bargained CSEC plan described in section 413(a) of the Internal Revenue Code of 1986 (other than a multiemployer plan) shall anticipate benefit increases scheduled to take effect during the term of the collective bargaining agreement applicable to the plan.

''(d) EXTENSION OF AMORTIZATION PERIODS.—The period of years required to amortize any unfunded liability (described in any clause of subsection (b)(2)(B)) of any plan may be extended by the Secretary for a period of time (not in excess of 10 years) if such Secretary determines that such extension would carry out the purposes of this Act and provide adequate protection for participants under the plan and their beneficiaries, and if such Secretary determines that the failure to permit such extension would result in—

''(1) a substantial risk to the voluntary continuation of the plan, or

''(2) a substantial curtailment of pension benefit levels or employee compensation.

''(e) ALTERNATIVE MINIMUM FUNDING STANDARD.—

''(1) IN GENERAL.—A CSEC plan which uses a funding method that requires contributions in all years not less than those required under the entry age normal funding method may maintain an alternative minimum funding standard account for any plan year. Such account shall be credited and charged solely as provided in this subsection.

''(2) CHARGES AND CREDITS TO ACCOUNT.—For a plan year the alternative minimum funding standard account shall be—

''(A) charged with the sum of—

''(i) the lesser of normal cost under the funding method used under the plan or normal cost determined under the unit credit method,

''(ii) the excess, if any, of the present value of accrued benefits under the plan over the fair market value of the assets, and

''(iii) an amount equal to the excess (if any) of credits to the alternative minimum standard account for all prior plan years over charges to such account for all such years, and

''(B) credited with the amount considered contributed by the employer to or under the plan for the plan year.

''(3) SPECIAL RULES.—The alternative minimum funding standard account (and items therein) shall be charged or credited with interest in the manner provided under subsection (b)(5) with respect to the funding standard account.

''(f) QUARTERLY CONTRIBUTIONS REQUIRED.—

''(1) IN GENERAL.—If a CSEC plan which has a funded current liability percentage for the preceding plan year of less than 100 percent fails to pay the full amount of a required installment for the plan year, then the rate of interest charged to the funding standard account under subsection (b)(5) with respect to the amount of the underpayment for the period of the underpayment shall be equal to the greater of—

''(A) 175 percent of the Federal mid-term rate (as in effect under section 1274 of the Internal Revenue Code of 1986 for the 1st month of such plan year), or

''(B) the rate of interest used under the plan in determining costs.

''(2) AMOUNT OF UNDERPAYMENT, PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1)—

''(A) AMOUNT.—The amount of the underpayment shall be the excess of—

''(i) the required installment, over

''(ii) the amount (if any) of the installment contributed to or under the plan on or before the due date for the installment.

''(B) PERIOD OF UNDERPAYMENT.—The period for which interest is charged under this subsection with regard to any portion of the underpayment shall run from the due date for the installment to the date on which such portion is contributed to or under the plan (determined without regard to subsection (c)(9)).

''(C) ORDER OF CREDITING CONTRIBUTIONS.—For purposes of subparagraph (A)(ii), contributions shall be credited against unpaid required installments in the order in which such installments are required to be paid.

''(3) NUMBER OF REQUIRED INSTALLMENTS; DUE DATES.—For purposes of this subsection—

''(A) PAYABLE IN 4 INSTALLMENTS.—There shall be 4 required installments for each plan year.

''(B) TIME FOR PAYMENT OF INSTALLMENTS.—

''In the case of the following required installments:	*The due date is:*
1st	*April 15*
2nd	*July 15*
3rd	*October 15*
4th	*January 15 of the following year.*

''(4) AMOUNT OF REQUIRED INSTALLMENT.—For purposes of this subsection—

''(A) IN GENERAL.—The amount of any required installment shall be 25 percent of the required annual payment.

''(B) REQUIRED ANNUAL PAYMENT.—For purposes of subparagraph (A), the term 'required annual payment' means the lesser of—

''(i) 90 percent of the amount required to be contributed to or under the plan by the employer for the plan year under section 302 (without regard to any waiver under subsection (c) thereof), or

''(ii) 100 percent of the amount so required for the preceding plan year.

Clause (ii) shall not apply if the preceding plan year was not a year of 12 months.

''(5) LIQUIDITY REQUIREMENT.—

''(A) IN GENERAL.—A plan to which this paragraph applies shall be treated as failing to pay the full amount of any required installment to the extent that the value of the liquid assets paid in such installment is less than the liquidity shortfall (whether or not such liquidity shortfall exceeds the amount of such installment required to be paid but for this paragraph).

''(B) PLANS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to a CSEC plan other than a plan described in section 302(d)(6)(A) (as in effect on the day before the enactment of the Pension Protection Act of 2006) which—

''(i) is required to pay installments under this subsection for a plan year, and

''(ii) has a liquidity shortfall for any quarter during such plan year.

''(C) PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1), any portion of an installment that is treated as not paid under subparagraph (A) shall continue to be treated as unpaid until the close of the quarter in which the due date for such installment occurs.

''(D) LIMITATION ON INCREASE.—If the amount of any required installment is increased by reason of subparagraph (A), in no event shall such increase exceed the amount which, when added to prior installments for the plan year, is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) to 100 percent.

''(E) DEFINITIONS.—For purposes of this paragraph:

''(i) LIQUIDITY SHORTFALL.—The term 'liquidity shortfall' means, with respect to any required installment, an amount equal to the excess (as of the last day of the quarter for which such installment is made) of the base amount with respect to such quarter over the value (as of such last day) of the plan's liquid assets.

''(ii) BASE AMOUNT.—

''(I) IN GENERAL.—The term 'base amount' means, with respect to any quarter, an amount equal to 3 times the sum of the adjusted disbursements from the plan for the 12 months ending on the last day of such quarter.

''(II) SPECIAL RULE.—If the amount determined under subclause (I) exceeds an amount equal to 2 times the sum of the adjusted disbursements from the plan for the 36 months ending on the last day of the quarter and an enrolled actuary certifies to the satisfaction of the Secretary of the Treasury that such excess is the result of nonrecurring circumstances, the base amount with respect to such quarter shall be determined without regard to amounts related to those nonrecurring circumstances.

''(iii) DISBURSEMENTS FROM THE PLAN.—The term 'disbursements from the plan' means all disbursements from the trust, including purchases of annuities, payments of single sums and other benefits, and administrative expenses.

''(iv) ADJUSTED DISBURSEMENTS.—The term 'adjusted disbursements' means disbursements from the plan reduced by the product of—

''(I) the plan's funded current liability percentage for the plan year, and

''(II) the sum of the purchases of annuities, payments of single sums, and such other disbursements as the Secretary of the Treasury shall provide in regulations.

''(v) LIQUID ASSETS.—The term 'liquid assets' means cash, marketable securities and such other assets as specified by the Secretary of the Treasury in regulations.

''(vi) QUARTER.—The term 'quarter' means, with respect to any required installment, the 3-month period preceding the month in which the due date for such installment occurs.

''(F) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as are necessary to carry out this paragraph.

''(6) FISCAL YEARS AND SHORT YEARS.—

''(A) FISCAL YEARS.—In applying this subsection to a plan year beginning on any date other than January 1, there shall be substituted for the months specified in this subsection, the months which correspond thereto.

''(B) SHORT PLAN YEAR.—This subsection shall be applied to plan years of less than 12 months in accordance with regulations prescribed by the Secretary of the Treasury.

''(g) IMPOSITION OF LIEN WHERE FAILURE TO MAKE REQUIRED CONTRIBUTIONS.—

''(1) IN GENERAL.—In the case of a plan to which this section applies, if—

''(A) any person fails to make a required installment under subsection (f) or any other payment required under this section before the due date for such installment or other payment, and

''(B) the unpaid balance of such installment or other payment (including interest), when added to the aggregate unpaid balance of all preceding such installments or other payments for which payment was not made before the due date (including interest), exceeds $1,000,000,

then there shall be a lien in favor of the plan in the amount determined under paragraph (3) upon all property and rights to property, whether real or personal, belonging to such person and any other person who is a member of the same controlled group of which such person is a member.

''(2) PLANS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to a CSEC plan for any plan year for which the funded current liability percentage of such plan is less than 100 percent. This subsection shall not apply to any plan to which section 4021 does not apply (as such section is in effect on the date of the enactment of the Retirement Protection Act of 1994).

''(3) AMOUNT OF LIEN.—For purposes of paragraph (1), the amount of the lien shall be equal to the aggregate unpaid balance of required installments and other payments required under this section (including interest)—

''(A) for plan years beginning after 1987, and

''(B) for which payment has not been made before the due date.

''(4) NOTICE OF FAILURE; LIEN.—

''(A) NOTICE OF FAILURE.—A person committing a failure described in paragraph (1) shall notify the Pension Benefit Guaranty Corporation of such failure within 10 days of the due date for the required installment or other payment.

''(B) PERIOD OF LIEN.—The lien imposed by paragraph (1) shall arise on the due date for the required installment or other payment and shall continue until the last day of the first plan year in which the plan ceases to be described in paragraph (1)(B). Such lien shall continue to run without regard to whether such plan continues to be described in paragraph (2) during the period referred to in the preceding sentence.

''(C) CERTAIN RULES TO APPLY.—Any amount with respect to which a lien is imposed under paragraph (1) shall be treated as taxes due and owing the United States and rules similar to the rules of subsections (c), (d), and (e) of section 4068 shall apply with respect to a lien imposed by subsection (a) and the amount with respect to such lien.

''(5) ENFORCEMENT.—Any lien created under paragraph (1) may be perfected and enforced only by the Pension Benefit Guaranty Corporation, or at the direction of the Pension Benefit Guaranty Corporation, by any contributing employer (or any member of the controlled group of the contributing employer).

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) DUE DATE; REQUIRED INSTALLMENT.—The terms 'due date' and 'required installment' have the meanings given such terms by subsection (f), except that in the case of a payment other than a required installment, the due date shall be the date such payment is required to be made under this section.

''(B) CONTROLLED GROUP.—The term 'controlled group' means any group treated as a single employer under subsections (b), (c), (m), and (o) of section 414 of the Internal Revenue Code of 1986.

''(h) CURRENT LIABILITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'current liability' means all liabilities to employees and their beneficiaries under the plan.

''(2) TREATMENT OF UNPREDICTABLE CONTINGENT EVENT BENEFITS.—

''(A) IN GENERAL.—For purposes of paragraph (1), any unpredictable contingent event benefit shall not be taken into account until the event on which the benefit is contingent occurs.

''(B) UNPREDICTABLE CONTINGENT EVENT BENEFIT.—The term 'unpredictable contingent event benefit' means any benefit contingent on an event other than—

''(i) age, service, compensation, death, or disability, or

''(ii) an event which is reasonably and reliably predictable (as determined by the Secretary of the Treasury).

''(3) INTEREST RATE AND MORTALITY ASSUMPTIONS USED.—

''(A) INTEREST RATE.—The rate of interest used to determine current liability under this section shall be the third segment rate determined under section 303(h)(2)(C).

''(B) MORTALITY TABLES.—

''(i) SECRETARIAL AUTHORITY.—The Secretary of the Treasury may by regulation prescribe mortality tables to be used in determining current liability under this subsection. Such tables shall be based upon the actual experience of pension plans and projected trends in such experience. In prescribing such tables, the Secretary of the Treasury shall take into account results of available independent studies of mortality of individuals covered by pension plans.

''(ii) PERIODIC REVIEW.—The Secretary of the Treasury shall periodically (at least every 5 years) review any tables in effect under this subsection and shall, to the extent the Secretary of the Treasury determines necessary, by regulation update the tables to reflect the actual experience of pension plans and projected trends in such experience.

''(C) SEPARATE MORTALITY TABLES FOR THE DISABLED.—Notwithstanding subparagraph (B)—

''(i) IN GENERAL.—In the case of plan years beginning after December 31, 1995, the Secretary of the Treasury shall establish mortality tables which may be used (in lieu of the tables under subparagraph (B)) to determine current liability under this subsection for individuals who are entitled to benefits under the plan on account of disability. The Secretary of the Treasury shall establish separate tables for individuals whose disabilities occur in plan years beginning before January 1, 1995, and for individuals whose disabilities occur in plan years beginning on or after such date.

''(ii) SPECIAL RULE FOR DISABILITIES OCCURRING AFTER 1994.—In the case of disabilities occurring in plan years beginning after December 31, 1994, the tables under clause (i) shall apply only with respect to individuals described in such subclause who are disabled within the meaning of title II of the Social Security Act and the regulations thereunder.

''(4) CERTAIN SERVICE DISREGARDED.—

''(A) IN GENERAL.—In the case of a participant to whom this paragraph applies, only the applicable percentage of the years of service before such individual became a participant shall be taken into account in computing the current liability of the plan.

''(B) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the applicable percentage shall be determined as follows:

''If the years of participation are:	***The applicable percentage is:***
1	*20*
2	*40*
3	*60*
4	*80*
5 or more	*100.*

''(C) PARTICIPANTS TO WHOM PARAGRAPH APPLIES.—This subparagraph shall apply to any participant who, at the time of becoming a participant—

''(i) has not accrued any other benefit under any defined benefit plan (whether or not terminated) maintained by the employer or a member of the same controlled group of which the employer is a member,

''(ii) who first becomes a participant under the plan in a plan year beginning after December 31, 1987, and

''(iii) has years of service greater than the minimum years of service necessary for eligibility to participate in the plan.

''(D) ELECTION.—An employer may elect not to have this subparagraph apply. Such an election, once made, may be revoked only with the consent of the Secretary of the Treasury.

''(i) FUNDED CURRENT LIABILITY PERCENTAGE.—For purposes of this section, the term 'funded current liability percentage' means, with respect to any plan year, the percentage which—

''(1) the value of the plan's assets determined under subsection (c)(2), is of

''(2) the current liability under the plan.

''(j) TRANSITION.—The Secretary of the Treasury may prescribe such rules as are necessary or appropriate with respect to the transition of a CSEC plan from the application of section 303 to the application of this section.''.

(2) SEPARATE RULES FOR CSEC PLANS.—

(A) IN GENERAL.—Paragraph (2) of section 302(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(a)) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by inserting at the end thereof the following new subparagraph:

''(D) in the case of a CSEC plan, the employers make contributions to or under the plan for any plan year which, in the aggregate, are sufficient to ensure that the plan does not have an accumulated funding deficiency under section 306 as of the end of the plan year.''.

(B) CONFORMING AMENDMENTS.—Section 302 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082) is amended—

(i) by striking ''multiemployer plan'' the first place it appears in clause (i) of subsection (c)(1)(A) and the last place it appears in paragraph (2) of subsection (d), and inserting ''multiemployer plan or a CSEC plan'',

(ii) by striking ''303(j)'' in paragraph (1) of subsection (b) and inserting ''303(j) or under 306(f)'',

(iii)(I) by striking ''and'' at the end of clause (i) of subsection (c)(1)(B),

(II) by striking the period at the end of clause (ii) of subsection (c)(1)(B), and inserting '', and'', and

(III) by inserting the following new clause after clause (ii) of subsection (c)(1)(B):

''(iii) in the case of a CSEC plan, the funding standard account shall be credited under section 306(b)(3)(C) with the amount of the waived funding deficiency and such amount shall be amortized as required under section 306(b)(2)(C).'',

(iv) by striking ''under paragraph (1)'' in clause (i) of subsection (c)(4)(A) and inserting ''under paragraph (1) or for granting an extension under section 306(d)'',

(v) by striking ''waiver under this subsection'' in subparagraph (B) of subsection (c)(4) and inserting ''waiver under this subsection or an extension under 306(d)'',

(vi) by striking ''waiver or modification'' in subclause (I) of subsection (c)(4)(B)(i) and inserting ''waiver, modification, or extension'',

(vii) by striking ''waivers'' in the heading of subsection (c)(4)(C) and of clause (ii) of subsection (c)(4)(C) and inserting ''waivers or extensions'',

(viii) by striking ''section 304(d)'' in subparagraph (A) of subsection (c)(7) and in paragraph (2) of subsection (d) and inserting ''section 304(d) or section 306(d)'',

(ix) by striking ''and'' at the end of subclause (I) of subsection (c)(4)(C)(i) and adding ''or the accumulated funding deficiency under section 306, whichever is applicable,'',

(x) by striking ''303(e)(2),'' in subclause (II) of subsection (c)(4)(C)(i) and inserting ''303(e)(2) or 306(b)(2)(C), whichever is applicable, and'',

(xi) by adding immediately after subclause (II) of subsection (c)(4)(C)(i) the following new subclause:

''(III) the total amounts not paid by reason of an extension in effect under section 306(d),'',

(xii) by striking ''for waivers of'' in clause (ii) of subsection (c)(4)(C) and inserting ''for waivers or extensions with respect to'', and

(xiii) by striking ''single-employer plan'' in subparagraph (A) of subsection (a)(2) and in clause (i) of subsection (c)(1)(B) and inserting ''single-employer plan (other than a CSEC plan)''.

(3) BENEFIT RESTRICTIONS.—

(A) IN GENERAL.—Subsection (g) of section 206 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056) is amended by adding at the end thereof the following new paragraph:

''(12) CSEC PLANS.—This subsection shall not apply to a CSEC plan (as defined in section 210(f)).''.

(B) EFFECTIVE DATE.—Any restriction under section 206(g) of the Employee Retirement Income Security Act of 1974 that is in effect with respect to a CSEC plan as of the last day of the last plan year beginning before January 1, 2014, shall cease to apply as of the first day of the following plan year.

(4) BENEFIT INCREASES.—Paragraph (3) of section 204(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(i)) is amended by striking ''multiemployer plans'' and inserting ''multiemployer plans or CSEC plans''.

(5) SECTION 103.—Subparagraph (B) of section 103(d)(8) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(d)(8)) is

amended by striking ''303(h) and 304(c)(3)'' and inserting ''303(h), 304(c)(3), and 306(c)(3)''.

(6) SECTION 4003.—Subparagraph (B) of section 4003(e)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1303(e)(1)) is amended by striking ''303(k)(1)(A) and (B) of this Act or section 430(k)(1)(A) and (B) of the Internal Revenue Code of 1986'' and inserting ''303(k)(1)(A) and (B) or 306(g)(1)(A) and (B) of this Act or section 430(k)(1)(A) and (B) or 433(g)(1)(A) and (B) of the Internal Revenue Code of 1986''.

(7) SECTION 4010.—Paragraph (2) of section 4010(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1310(b)) is amended by striking ''303(k)(1)(A) and (B) of this Act or section 430(k)(1)(A) and (B) of the Internal Revenue Code of 1986'' and inserting ''303(k)(1)(A) and (B) or 306(g)(1)(A) and (B) of this Act or section 430(k)(1)(A) and (B) or 433(g)(1)(A) and (B) of the Internal Revenue Code of 1986''.

(8) SECTION 4071.—Section 4071 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1371) is amended by striking ''section 303(k)(4)'' and inserting ''section 303(k)(4) or 306(g)(4)''.

(b) AMENDMENTS TO CODE.—

(1) MINIMUM FUNDING STANDARDS UNDER THE INTERNAL REVENUE CODE.—Subpart A of part III of subchapter D of chapter 1 of subtitle A of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 433. MINIMUM FUNDING STANDARDS.

''(a) GENERAL RULE.—For purposes of section 412, the term 'accumulated funding deficiency' for a CSEC plan means the excess of the total charges to the funding standard account for all plan years (beginning with the first plan year to which section 412 applies) over the total credits to such account for such years or, if less, the excess of the total charges to the alternative minimum funding standard account for such plan years over the total credits to such account for such years.

''(b) FUNDING STANDARD ACCOUNT.—

''(1) ACCOUNT REQUIRED.—Each plan to which this section applies shall establish and maintain a funding standard account. Such account shall be credited and charged solely as provided in this section.

''(2) CHARGES TO ACCOUNT.—For a plan year, the funding standard account shall be charged with the sum of—

''(A) the normal cost of the plan for the plan year,

''(B) the amounts necessary to amortize in equal annual installments (until fully amortized)—

''(i) in the case of a plan in existence on January 1, 1974, the unfunded past service liability under the plan on the first day of the first plan year to which section 412 applies, over a period of 40 plan years,

''(ii) in the case of a plan which comes into existence after January 1, 1974, but before the first day of the first plan year beginning after December 31, 2013, the unfunded past service liability under the plan on the first day of the first plan year to which section 412 applies, over a period of 30 plan years,

''(iii) in the case of a plan that is subject to section 430 for the last plan year beginning before January 1, 2014, the sum of—

''(I) the plan's funding standard carryover balance and prefunding balance (as such terms are defined in section 430(f)) as of the end of such plan year, and

''(II) the unfunded past service liability under the plan for the first plan year beginning after December 31, 2013,

over a period of 15 years,

''(iv) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such year, over a period of 15 plan years,

''(v) separately, with respect to each plan year, the net experience loss (if any) under the plan, over a period of 5 plan years, and

''(vi) separately, with respect to each plan year, the net loss (if any) resulting from changes in actuarial assumptions used under the plan, over a period of 10 plan years,

''(C) the amount necessary to amortize each waived funding deficiency (within the meaning of section 412(c)(3)) for each prior plan year in equal annual installments (until fully amortized) over a period of 5 plan years,

''(D) the amount necessary to amortize in equal annual installments (until fully amortized) over a period of 5 plan years any amount credited to the funding standard account under paragraph (3)(D), and

''(E) the amount necessary to amortize in equal annual installments (until fully amortized) over a period of 20 years the contributions which would be required to be made under the plan but for the provisions of section 412(c)(7)(A)(i)(I) (as in effect on the day before the enactment of the Pension Protection Act of 2006).

''(3) CREDITS TO ACCOUNT.—For a plan year, the funding standard account shall be credited with the sum of—

''(A) the amount considered contributed by the employer to or under the plan for the plan year,

''(B) the amount necessary to amortize in equal annual installments (until fully amortized)—

''(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such year, over a period of 15 plan years,

''(ii) separately, with respect to each plan year, the net experience gain (if any) under the plan, over a period of 5 plan years, and

''(iii) separately, with respect to each plan year, the net gain (if any) resulting from changes in actuarial assumptions used under the plan, over a period of 10 plan years,

''(C) the amount of the waived funding deficiency (within the meaning of section 412(c)(3)) for the plan year,

''(D) in the case of a plan year for which the accumulated funding deficiency is determined under the funding standard account if such plan year follows a plan year for which such deficiency was determined under the alternative minimum funding standard, the excess (if any) of any debit balance in the funding standard account (determined without regard to this subparagraph) over any debit balance in the alternative minimum funding standard account, and

''(E) for the first plan year beginning after December 31, 2013, in the case of a plan that is subject to section 430 for the last plan year beginning before January 1, 2014, the sum of the plan's funding standard carryover balance and prefunding balance (as such terms are defined in section 430(f)) as of the end of the last plan year beginning before January 1, 2014.

''(4) COMBINING AND OFFSETTING AMOUNTS TO BE AMORTIZED.—Under regulations prescribed by the Secretary, amounts required to be amortized under paragraph (2) or paragraph (3), as the case may be—

''(A) may be combined into one amount under such paragraph to be amortized over a period determined on the basis of the remaining amortization period for all items entering into such combined amount, and

''(B) may be offset against amounts required to be amortized under the other such paragraph, with the resulting amount to be amortized over a period determined on the basis of the remaining amortization periods for all items entering into whichever of the two amounts being offset is the greater.

''(5) INTEREST.—

''(A) Except as provided in subparagraph (B), the funding standard account (and items therein) shall be charged or credited (as determined under regulations prescribed by the Secretary) with interest at the appropriate rate consistent with the rate or rates of interest used under the plan to determine costs.

''(B) The interest rate used for purposes of computing the amortization charge described in subsection (b)(2)(C) or for purposes of any arrangement under subsection (d) for any plan year shall be the greater of—

''(i) 150 percent of the Federal mid-term rate (as in effect under section 1274 for the 1st month of such plan year), or

''(ii) the rate of interest determined under subparagraph (A).

''(6) AMORTIZATION SCHEDULES IN EFFECT.—Amortization schedules for amounts described in paragraphs (2) and (3) that are in effect as of the last day of the last plan year beginning before January 1, 2014, by reason of section 104 of the Pension Protection Act of 2006 shall remain in effect pursuant to their terms and this section, except that such amounts shall not be amortized again under this section. In the case of a plan that is subject to section 430 for the last plan year beginning before January 1, 2014, any amortization schedules and bases for plan years beginning before such date shall be reduced to zero.

''(c) SPECIAL RULES.—

''(1) DETERMINATIONS TO BE MADE UNDER FUNDING METHOD.—For purposes of this section, normal costs, accrued liability, past service liabilities, and experience gains and losses shall be determined under the funding method used to determine costs under the plan.

''(2) VALUATION OF ASSETS.—

''(A) IN GENERAL.—For purposes of this section, the value of the plan's assets shall be determined on the basis of any reasonable actuarial method of valuation which takes into account fair market value and which is permitted under regulations prescribed by the Secretary.

''(B) DEDICATED BOND PORTFOLIO.—The Secretary may by regulations provide that the value of any dedicated bond portfolio of a plan shall be determined by using the interest rate under section 412(b)(5) (as in effect on the day before the enactment of the Pension Protection Act of 2006).

''(3) ACTUARIAL ASSUMPTIONS MUST BE REASONABLE.—For purposes of this section, all costs, liabilities, rates of interest, and other factors under the plan shall be determined on the basis of actuarial assumptions and methods—

''(A) each of which is reasonable (taking into account the experience of the plan and reasonable expectations) or which, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption and method were reasonable, and

''(B) which, in combination, offer the actuary's best estimate of anticipated experience under the plan.

''(4) TREATMENT OF CERTAIN CHANGES AS EXPERIENCE GAIN OR LOSS.—For purposes of this section, if—

''(A) a change in benefits under the Social Security Act or in other retirement benefits created under Federal or State law, or

''(B) a change in the definition of the term 'wages' under section 3121 or a change in the amount of such wages taken into account under regulations prescribed for purposes of section 401(a)(5),

results in an increase or decrease in accrued liability under a plan, such increase or decrease shall be treated as an experience loss or gain.

''(5) FUNDING METHOD AND PLAN YEAR.—

''(A) FUNDING METHODS AVAILABLE.—All funding methods available to CSEC plans under section 412 (as in effect on the day before the enactment of the Pension Protection Act of 2006) shall continue to be available under this section.

''(B) NOT AFFECTED BY CESSATION OF BENEFIT ACCRUALS.—The availability of any funding method, including all spread gain funding methods, shall not be affected by whether benefit accruals under a plan have ceased. Except as otherwise provided in subparagraph (C) or in regulations prescribed by the Secretary, if benefit accruals have ceased under a plan, the spread

gain funding methods may be applied by amortizing over the average expected future lives of all participants.

''(C) MINIMUM AMOUNT.—In the case of a plan amortizing over the average expected future lives of all participants pursuant to the second sentence of subparagraph (B), such amortization amount for any plan year shall not be less than the sum of—

''(i) the amount determined by amortizing, as of the first year for which the plan amortizes over the average future lives of all participants, the entire unfunded past service liability in equal installments over 15 years, and

''(ii) the amount determined by amortizing any increase or decrease in such unfunded past service liability in any subsequent year, other than an increase or decrease attributable to contributions or expected experience, in equal installments over 15 years.

''(D) CHANGES.—If the funding method for a plan is changed, the new funding method shall become the funding method used to determine costs and liabilities under the plan only if the change is approved by the Secretary. The preceding sentence shall not apply to any change made pursuant to, or permitted by, the second sentence of subparagraph (B) if such change is made for the first plan year beginning after December 31, 2013. Any such change may be made without the approval of the Secretary. If the plan year for a plan is changed, the new plan year shall become the plan year for the plan only if the change is approved by the Secretary.

''(E) APPROVAL REQUIRED FOR CERTAIN CHANGES IN ASSUMPTIONS BY CERTAIN SINGLE-EMPLOYER PLANS SUBJECT TO ADDITIONAL FUNDING REQUIREMENT.—

''(i) IN GENERAL.—No actuarial assumption (other than the assumptions described in subsection (h)(3)) used to determine the current liability for a plan to which this subparagraph applies may be changed without the approval of the Secretary.

''(ii) PLANS TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to a plan only if—

''(I) the plan is a CSEC plan,

''(II) the aggregate unfunded vested benefits as of the close of the preceding plan year (as determined under section 4006(a)(3)(E)(iii) of the Employee Retirement Income Security Act of 1974) of such plan and all other plans maintained by the contributing sponsors (as defined in section 4001(a)(13) of such Act) and members of such sponsors' controlled groups (as defined in section 4001(a)(14) of such Act) which are covered by title IV (disregarding plans with no unfunded vested benefits) exceed $50,000,000, and

''(III) the change in assumptions (determined after taking into account any changes in interest rate and mortality table) results in a decrease in the funding shortfall of the plan for the current plan year that exceeds $50,000,000, or that exceeds $5,000,000 and that is 5 percent or more of the current liability of the plan before such change.

''(6) FULL FUNDING.—If, as of the close of a plan year, a plan would (without regard to this paragraph) have an accumulated funding deficiency (determined without regard to the alternative minimum funding standard account permitted under subsection (e)) in excess of the full funding limitation—

''(A) the funding standard account shall be credited with the amount of such excess, and

''(B) all amounts described in paragraphs (2)(B), (C), and (D) and (3)(B) of subsection (b) which are required to be amortized shall be considered fully amortized for purposes of such paragraphs.

''(7) FULL-FUNDING LIMITATION.—For purposes of paragraph (6), the term 'full-funding limitation' means the excess (if any) of—

''(A) the accrued liability (including normal cost) under the plan (determined under the entry age normal funding method if such accrued liability cannot be directly calculated under the funding method used for the plan), over

''(B) the lesser of—

''(i) the fair market value of the plan's assets, or

''(ii) the value of such assets determined under paragraph (2).

''(C) MINIMUM AMOUNT.—

''(i) IN GENERAL.—In no event shall the full-funding limitation determined under subparagraph (A) be less than the excess (if any) of—

''(I) 90 percent of the current liability (determined without regard to paragraph (4) of subsection (h)) of the plan (including the expected increase in such current liability due to benefits accruing during the plan year), over

''(II) the value of the plan's assets determined under paragraph (2).

''(ii) ASSETS.—For purposes of clause (i), assets shall not be reduced by any credit balance in the funding standard account.

''(8) ANNUAL VALUATION.—

''(A) IN GENERAL.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan's liability shall be made not less frequently than once every year, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

''(B) VALUATION DATE.—

''(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

''(ii) USE OF PRIOR YEAR VALUATION.—The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if, as of such date, the value of the assets of the plan are not less than 100 percent of the plan's current liability.

''(iii) ADJUSTMENTS.—Information under clause (ii) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) LIMITATION.—A change in funding method to use a prior year valuation, as provided in clause (ii), may not be made unless as of the valuation date within the prior plan year, the value of the assets of the plan are not less than 125 percent of the plan's current liability.

''(9) TIME WHEN CERTAIN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, any contributions for a plan year made by an employer during the period—

''(A) beginning on the day after the last day of such plan year, and

''(B) ending on the day which is 8½ months after the close of the plan year,

shall be deemed to have been made on such last day.

''(10) ANTICIPATION OF BENEFIT INCREASES EFFECTIVE IN THE FUTURE.—In determining projected benefits, the funding method of a collectively bargained CSEC plan described in section 413(a) (other than a multiemployer plan) shall anticipate benefit increases scheduled to take effect during the term of the collective bargaining agreement applicable to the plan.

''(d) EXTENSION OF AMORTIZATION PERIODS.—The period of years required to amortize any unfunded liability (described in any clause of subsection (b)(2)(B)) of any plan may be extended by the Secretary of Labor for a period of time (not in excess of 10 years) if such Secretary determines that such extension would carry out the purposes of the Employee Retirement Income Security Act of 1974 and provide adequate protection for participants under the plan, and their beneficiaries and if such Secretary determines that the failure to permit such extension would result in—

''(1) a substantial risk to the voluntary continuation of the plan, or

''(2) a substantial curtailment of pension benefit levels or employee compensation.

''(e) ALTERNATIVE MINIMUM FUNDING STANDARD.—

''(1) IN GENERAL.—A CSEC plan which uses a funding method that requires contributions in all years not less than those required under the entry age normal funding method may maintain an alternative minimum funding standard account for any plan year. Such account shall be credited and charged solely as provided in this subsection.

''(2) CHARGES AND CREDITS TO ACCOUNT.—For a plan year the alternative minimum funding standard account shall be—

''(A) charged with the sum of—

''(i) the lesser of normal cost under the funding method used under the plan or normal cost determined under the unit credit method,

''(ii) the excess, if any, of the present value of accrued benefits under the plan over the fair market value of the assets, and

''(iii) an amount equal to the excess (if any) of credits to the alternative minimum standard account for all prior plan years over charges to such account for all such years, and

''(B) credited with the amount considered contributed by the employer to or under the plan for the plan year.

''(3) SPECIAL RULES.—The alternative minimum funding standard account (and items therein) shall be charged or credited with interest in the manner provided under subsection (b)(5) with respect to the funding standard account.

''(f) QUARTERLY CONTRIBUTIONS REQUIRED.—

''(1) IN GENERAL.—If a CSEC plan which has a funded current liability percentage for the preceding plan year of less than 100 percent fails to pay the full amount of a required installment for the plan year, then the rate of interest charged to the funding standard account under subsection (b)(5) with respect to the amount of the underpayment for the period of the underpayment shall be equal to the greater of—

''(A) 175 percent of the Federal mid-term rate (as in effect under section 1274 for the 1st month of such plan year), or

''(B) the rate of interest used under the plan in determining costs.

''(2) AMOUNT OF UNDERPAYMENT, PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1)—

''(A) AMOUNT.—The amount of the underpayment shall be the excess of—

''(i) the required installment, over

''(ii) the amount (if any) of the installment contributed to or under the plan on or before the due date for the installment.

''(B) PERIOD OF UNDERPAYMENT.—The period for which interest is charged under this subsection with regard to any portion of the underpayment shall run from the due date for the installment to the date on which such portion is contributed to or under the plan (determined without regard to subsection (c)(9)).

''(C) ORDER OF CREDITING CONTRIBUTIONS.—For purposes of subparagraph (A)(ii), contributions shall be credited against unpaid required installments in the order in which such installments are required to be paid.

''(3) NUMBER OF REQUIRED INSTALLMENTS; DUE DATES.—For purposes of this subsection—

''(A) PAYABLE IN 4 INSTALLMENTS.—There shall be 4 required installments for each plan year.

''(B) TIME FOR PAYMENT OF INSTALLMENTS.—

''In the case of the following required installments:	*The due date is:*
1st	*April 15*
2nd	*July 15*
3rd	*October 15*
4th	*January 15 of the following year.*

''(4) AMOUNT OF REQUIRED INSTALLMENT.—For purposes of this subsection—

''(A) IN GENERAL.—The amount of any required installment shall be 25 percent of the required annual payment.

''(B) REQUIRED ANNUAL PAYMENT.—For purposes of subparagraph (A), the term 'required annual payment' means the lesser of—

''(i) 90 percent of the amount required to be contributed to or under the plan by the employer for the plan year under section 412 (without regard to any waiver under subsection (c) thereof), or

''(ii) 100 percent of the amount so required for the preceding plan year.

Clause (ii) shall not apply if the preceding plan year was not a year of 12 months.

''(5) LIQUIDITY REQUIREMENT.—

''(A) IN GENERAL.—A plan to which this paragraph applies shall be treated as failing to pay the full amount of any required installment to the extent that the value of the liquid assets paid in such installment is less than the liquidity shortfall (whether or not such liquidity shortfall exceeds the amount of such installment required to be paid but for this paragraph).

''(B) PLANS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to a CSEC plan other than a plan described in section 412(l)(6)(A) (as in effect on the day before the enactment of the Pension Protection Act of 2006) which—

''(i) is required to pay installments under this subsection for a plan year, and

''(ii) has a liquidity shortfall for any quarter during such plan year.

''(C) PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1), any portion of an installment that is treated as not paid under subparagraph (A) shall continue to be treated as unpaid until the close of the quarter in which the due date for such installment occurs.

''(D) LIMITATION ON INCREASE.—If the amount of any required installment is increased by reason of subparagraph (A), in no event shall such increase exceed the amount which, when added to prior installments for the plan year, is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) to 100 percent.

''(E) DEFINITIONS.—For purposes of this paragraph:

''(i) LIQUIDITY SHORTFALL.—The term 'liquidity shortfall' means, with respect to any required installment, an amount equal to the excess (as of the last day of the quarter for which such installment is made) of the base amount with respect to such quarter over the value (as of such last day) of the plan's liquid assets.

''(ii) BASE AMOUNT.—

''(I) IN GENERAL.—The term 'base amount' means, with respect to any quarter, an amount equal to 3 times the sum of the adjusted disbursements from the plan for the 12 months ending on the last day of such quarter.

''(II) SPECIAL RULE.—If the amount determined under subclause (I) exceeds an amount equal to 2 times the sum of the adjusted disbursements from the plan for the 36 months ending on the last day of the quarter and an enrolled actuary certifies to the satisfaction of the Secretary that such excess is the result of nonrecurring circumstances, the base amount with respect to such quarter shall be determined without regard to amounts related to those nonrecurring circumstances.

''(iii) DISBURSEMENTS FROM THE PLAN.—The term 'disbursements from the plan' means all disbursements from the trust, including purchases of annuities, payments of single sums and other benefits, and administrative expenses.

''(iv) ADJUSTED DISBURSEMENTS.—The term 'adjusted disbursements' means disbursements from the plan reduced by the product of—

''(I) the plan's funded current liability percentage for the plan year, and

''(II) the sum of the purchases of annuities, payments of single sums, and such other disbursements as the Secretary shall provide in regulations.

''(v) LIQUID ASSETS.—The term 'liquid assets' means cash, marketable securities and such other assets as specified by the Secretary in regulations.

''(vi) QUARTER.—The term 'quarter' means, with respect to any required installment, the 3-month period preceding the month in which the due date for such installment occurs.

''(F) REGULATIONS.—The Secretary may prescribe such regulations as are necessary to carry out this paragraph.

''(6) FISCAL YEARS AND SHORT YEARS.—

''(A) FISCAL YEARS.—In applying this subsection to a plan year beginning on any date other than January 1, there shall be substituted for the months specified in this subsection, the months which correspond thereto.

''(B) SHORT PLAN YEAR.—This subsection shall be applied to plan years of less than 12 months in accordance with regulations prescribed by the Secretary.

''(g) IMPOSITION OF LIEN WHERE FAILURE TO MAKE REQUIRED CONTRIBUTIONS.—

''(1) IN GENERAL.—In the case of a plan to which this section applies, if—

''(A) any person fails to make a required installment under subsection (f) or any other payment required under this section before the due date for such installment or other payment, and

''(B) the unpaid balance of such installment or other payment (including interest), when added to the aggregate unpaid balance of all preceding such installments or other payments for which payment was not made before the due date (including interest), exceeds $1,000,000,

then there shall be a lien in favor of the plan in the amount determined under paragraph (3) upon all property and rights to property, whether real or personal, belonging to such person and any other person who is a member of the same controlled group of which such person is a member.

''(2) PLANS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to a CSEC plan for any plan year for which the funded current liability percentage of such plan is less than 100 percent. This subsection shall not apply to any plan to which section 4021 of the Employee Retirement Income Security Act of 1974 does not apply (as such section is in effect on the date of the enactment of the Retirement Protection Act of 1994).

''(3) AMOUNT OF LIEN.—For purposes of paragraph (1), the amount of the lien shall be equal to the aggregate unpaid balance of required installments and other payments required under this section (including interest)—

''(A) for plan years beginning after 1987, and

''(B) for which payment has not been made before the due date.

''(4) NOTICE OF FAILURE; LIEN.—

''(A) NOTICE OF FAILURE.—A person committing a failure described in paragraph (1) shall notify the Pension Benefit Guaranty Corporation of such failure within 10 days of the due date for the required installment or other payment.

''(B) PERIOD OF LIEN.—The lien imposed by paragraph (1) shall arise on the due date for the required installment or other payment and shall continue until the last day of the first plan year in which the plan ceases to be described in paragraph (1)(B). Such lien shall continue to run without regard to whether such plan continues to be described in paragraph (2) during the period referred to in the preceding sentence.

''(C) CERTAIN RULES TO APPLY.—Any amount with respect to which a lien is imposed under paragraph (1) shall be treated as taxes due and owing the United States and rules similar to the rules of subsections (c), (d), and (e) of section 4068 of the Employee Retirement Income Security Act of 1974 shall apply with respect to a lien imposed by subsection (a) and the amount with respect to such lien.

''(5) ENFORCEMENT.—Any lien created under paragraph (1) may be perfected and enforced only by the Pension Benefit Guaranty Corporation, or at the direction of the Pension Benefit Guaranty Corporation, by any contributing employer (or any member of the controlled group of the contributing employer).

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) DUE DATE; REQUIRED INSTALLMENT.—The terms 'due date' and 'required installment' have the meanings given such terms by subsection (f), except that in the case of a payment other than a required installment, the due date shall be the date such payment is required to be made under this section.

''(B) CONTROLLED GROUP.—The term 'controlled group' means any group treated as a single employer under subsections (b), (c), (m), and (o) of section 414.

''(h) CURRENT LIABILITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'current liability' means all liabilities to employees and their beneficiaries under the plan.

''(2) TREATMENT OF UNPREDICTABLE CONTINGENT EVENT BENEFITS.—

''(A) IN GENERAL.—For purposes of paragraph (1), any unpredictable contingent event benefit shall not be taken into account until the event on which the benefit is contingent occurs.

''(B) UNPREDICTABLE CONTINGENT EVENT BENEFIT.—The term 'unpredictable contingent event benefit' means any benefit contingent on an event other than—

''(i) age, service, compensation, death, or disability, or

''(ii) an event which is reasonably and reliably predictable (as determined by the Secretary).

''(3) INTEREST RATE AND MORTALITY ASSUMPTIONS USED.—

''(A) INTEREST RATE.—The rate of interest used to determine current liability under this section shall be the third segment rate determined under section 430(h)(2)(C).

''(B) MORTALITY TABLES.—

''(i) SECRETARIAL AUTHORITY.—The Secretary may by regulation prescribe mortality tables to be used in determining current liability under this subsection. Such tables shall be based upon the actual experience of pension plans and projected trends in such experience. In prescribing such tables, the Secretary shall take into account results of available independent studies of mortality of individuals covered by pension plans.

''(ii) PERIODIC REVIEW.—The Secretary shall periodically (at least every 5 years) review any tables in effect under this subsection and shall, to the extent the Secretary determines necessary, by regulation update the tables to reflect the actual experience of pension plans and projected trends in such experience.

''(C) SEPARATE MORTALITY TABLES FOR THE DISABLED.—Notwithstanding subparagraph (B)—

''(i) IN GENERAL.—In the case of plan years beginning after December 31, 1995, the Secretary shall establish mortality tables which may be used (in lieu of the tables under subparagraph (B)) to determine current liability under this subsection for individuals who are entitled to benefits under the plan on account of disability. The Secretary shall establish separate tables for individuals whose disabilities occur in plan years beginning before January 1, 1995, and for individuals whose disabilities occur in plan years beginning on or after such date.

''(ii) SPECIAL RULE FOR DISABILITIES OCCURRING AFTER 1994.—In the case of disabilities occurring in plan years beginning after December 31, 1994, the tables under clause (i) shall apply only with respect to individuals described in such subclause who are disabled within the meaning of title II of the Social Security Act and the regulations thereunder.

''(4) CERTAIN SERVICE DISREGARDED.—

''(A) IN GENERAL.—In the case of a participant to whom this paragraph applies, only the applicable percentage of the years of service before such individual became a participant shall be taken into account in computing the current liability of the plan.

''(B) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the applicable percentage shall be determined as follows:

''If the years of participation are:	The applicable percentage is:
1	20
2	40
3	60
4	80
5 or more	100.

''(C) PARTICIPANTS TO WHOM PARAGRAPH APPLIES.—This subparagraph shall apply to any participant who, at the time of becoming a participant—

''(i) has not accrued any other benefit under any defined benefit plan (whether or not terminated) maintained by the employer or a member of the same controlled group of which the employer is a member,

''(ii) who first becomes a participant under the plan in a plan year beginning after December 31, 1987, and

''(iii) has years of service greater than the minimum years of service necessary for eligibility to participate in the plan.

''(D) ELECTION.—An employer may elect not to have this subparagraph apply. Such an election, once made, may be revoked only with the consent of the Secretary.

''(i) FUNDED CURRENT LIABILITY PERCENTAGE.—For purposes of this section, the term 'funded current liability percentage' means, with respect to any plan year, the percentage which—

''(1) the value of the plan's assets determined under subsection (c)(2), is of

''(2) the current liability under the plan.

''(j) TRANSITION.—The Secretary may prescribe such rules as are necessary or appropriate with respect to the transition of a CSEC plan from the application of section 430 to the application of this section.''.

(2) SEPARATE RULES FOR CSEC PLANS.—

(A) IN GENERAL.—Paragraph (2) of section 412(a) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by inserting at the end thereof the following new subparagraph:

''(D) in the case of a CSEC plan, the employers make contributions to or under the plan for any plan year which, in the aggregate, are sufficient to ensure that the plan does not have an accumulated funding deficiency under section 433 as of the end of the plan year.''.

(B) CONFORMING AMENDMENTS.—Section 412 of the Internal Revenue Code of 1986 is amended—

(i) by striking ''multiemployer plan'' in paragraph (A) of subsection (a)(2), in clause (i) of subsection (c)(1)(B), the first place it appears in clause (i) of subsection (c)(1)(A), and the last place it appears in paragraph (2) of subsection (d), and inserting ''multiemployer plan or a CSEC plan'',

(ii) by striking ''430(j)'' in paragraph (1) of subsection (b) and inserting ''430(j) or under 433(f)'',

(iii)(I) by striking ''and'' at the end of clause (i) of subsection (c)(1)(B),

(II) by striking the period at the end of clause (ii) of subsection (c)(1)(B) and inserting '', and'', and

(III) by inserting the following new clause after clause (ii) of subsection (c)(1)(B):

''(iii) in the case of a CSEC plan, the funding standard account shall be credited under section 433(b)(3)(C) with the amount of the waived funding deficiency and such amount shall be amortized as required under section 433(b)(2)(C).'',

(iv) by striking ''under paragraph (1)'' in clause (i) of subsection (c)(4)(A) and inserting ''under paragraph (1) or for granting an extension under section 433(d)'',

(v) by striking ''waiver under this subsection'' in subparagraph (B) of subsection (c)(4) and inserting ''waiver under this subsection or an extension under 433(d)'',

(vi) by striking ''waiver or modification'' in subclause (I) of subsection (c)(4)(B)(i) and inserting ''waiver, modification, or extension'',

(vii) by striking ''waivers'' in the heading of subsection (c)(4)(C) and of clause (ii) of subsection (c)(4)(C) and inserting ''waivers or extensions'',

(viii) by striking ''section 431(d)'' in subparagraph (A) of subsection (c)(7) and in paragraph (2) of subsection (d) and inserting ''section 431(d) or section 433(d)'',

(ix) by striking ''and'' at the end of subclause (I) of subsection (c)(4)(C)(i) and inserting ''or the accumulated funding deficiency under section 433, whichever is applicable,'',

(x) by striking ''430(e)(2),'' in subclause (II) of subsection (c)(4)(C)(i) and inserting ''430(e)(2) or 433(b)(2)(C), whichever is applicable, and'',

(xi) by adding immediately after subclause (II) of subsection (c)(4)(C)(i) the following new subclause:

''(III) the total amounts not paid by reason of an extension in effect under section 433(d),'', and

(xii) by striking ''for waivers of'' in clause (ii) of subsection (c)(4)(C) and inserting ''for waivers or extensions with respect to''.

(3) BENEFIT RESTRICTIONS.—

(A) IN GENERAL.—Paragraph (29) of section 401(a) of the Internal Revenue Code of 1986 is amended by striking ''multiemployer plan'' and inserting ''multiemployer plan or a CSEC plan''.

(B) CONFORMING CHANGE.—Subsection (a) of section 436 of the Internal Revenue Code of 1986 is amended by striking ''single-employer plan'' and inserting ''single-employer plan (other than a CSEC plan)''.

(C) EFFECTIVE DATE.—Any restriction under sections 401(a)(29) and 436 of the Internal Revenue Code of 1986 that is in effect with respect to a CSEC plan as of the last day of the last plan year beginning before January 1, 2014, shall cease to apply as of the first day of the following plan year.

(4) BENEFIT INCREASES.—Subparagraph (C) of section 401(a)(33) of the Internal Revenue Code of 1986 is amended by striking ''multiemployer plans'' and inserting ''multiemployer plans or CSEC plans''.

SEC. 5. TRANSPARENCY.

(a) NOTICE TO PARTICIPANTS.—

(1) IN GENERAL.—Paragraph (2) of section 101(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(f)) is amended by adding at the end the following new subparagraph:

''(E) EFFECT OF CSEC PLAN RULES ON PLAN FUNDING.—

''(i) IN GENERAL.—In the case of a CSEC plan, each notice under paragraph (1) shall include—

''(I) a statement that different rules apply to CSEC plans than apply to single-employer plans, and

''(II) for the first 2 plan years beginning after December 31, 2013, a statement that, as a result of changes in the law made by the Cooperative and Small Employer Charity Pension Flexibility Act, the contributions to the plan may have changed.

''(ii) APPLICABLE PLAN YEAR.—For purposes of this subparagraph, the term 'applicable plan year' means any plan year beginning after December 31, 2013, for which—

''(I) the plan has a funding shortfall (as defined in section 303(c)(4)) greater than $1,000,000, and

''(II) the plan had 50 or more participants on any day during the preceding plan year.

For purposes of any determination under subclause (II), the aggregation rule under the last sentence of section 303(g)(2)(B) shall apply.

''(iii) SPECIAL RULE FOR PLAN YEARS BEGINNING BEFORE 2014.—In the case of a preceding plan year referred to in clause (i)(III) which begins before January 1, 2014, the information described in such clause shall be provided only without regard to the different rules applicable to CSEC plans.''.

(2) MODEL NOTICE.—The Secretary of Labor may modify the model notice required to be published under section 501(c) of the Pension Protection Act of 2006 to include the information described in section 101(f)(2)(E) of the Employee Retirement Income Security Act of 1974, as added by this subsection.

(b) NOTICE OF FAILURE TO MEET MINIMUM FUNDING STANDARDS.—

(1) PENDING WAIVERS.—Paragraph (2) of section 101(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(d)) is amended by striking ''303'' and inserting ''303 or 306''.

(2) DEFINITIONS.—Paragraph (3) of section 101(d) of the Employee Retirement Income Security Act of 1974 (21 U.S.C. 1021(d)) is amended by striking ''303(j)'' and inserting ''303(j) or 306(f), whichever is applicable''.

(c) ADDITIONAL REPORTING REQUIREMENTS.—Section 103 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023) is amended by adding at the end the following new subsection:

''(g) ADDITIONAL INFORMATION WITH RESPECT TO CSEC PLANS.—With respect to any CSEC plan, an annual report under this section for a plan year shall include a list of participating employers and a good faith estimate of the percentage of total contributions made by such participating employers during the plan year.''.

SEC. 6. ELECTIONS.

(a) ELECTION NOT TO BE TREATED AS A CSEC PLAN.—

(1) AMENDMENT TO ERISA.—Subsection (f) of section 210 of the Employee Retirement Income Security Act of 1974, as added by section 3, is amended by adding at the end the following new paragraph:

''(3) ELECTION.—

''(A) IN GENERAL.—If a plan falls within the definition of a CSEC plan under this subsection (without regard to this paragraph), such plan shall be a CSEC plan unless the plan sponsor elects not later than the close of the first plan year of the plan beginning after December 31, 2013, not to be treated as a CSEC plan. An election under the preceding sentence shall take effect for such plan year and, once made, may be revoked only with the consent of the Secretary of the Treasury.

''(B) SPECIAL RULE.—If a plan described in subparagraph (A) is treated as a CSEC plan, section 104 of the Pension Protection Act of 2006, as amended by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, shall cease to apply to such plan as of the first date as of which such plan is treated as a CSEC plan.''.

(2) AMENDMENT TO THE CODE.—Section 414(y) of the Internal Revenue Code of 1986, as added by section 3, is amended by adding at the end the following new paragraph:

''(3) ELECTION.—

''(A) IN GENERAL.—If a plan falls within the definition of a CSEC plan under this subsection (without regard to this paragraph), such plan shall be a CSEC plan unless the plan sponsor elects not later than the close of the first plan year of the plan beginning after December 31, 2013, not to be treated as a CSEC plan. An election under the preceding sentence shall take effect for such plan year and, once made, may be revoked only with the consent of the Secretary.

''(B) SPECIAL RULE.—If a plan described in subparagraph (A) is treated as a CSEC plan, section 104 of the Pension Protection Act of 2006, as amended by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, shall cease to apply to such *plan as of the first date as of which such plan is treated as a CSEC plan.''.*

(b) ELECTION TO CEASE TO BE TREATED AS AN ELIGIBLE CHARITY PLAN.—

(1) IN GENERAL.—Subsection (d) of section 104 of the Pension Protection Act of 2006, as added by section 202 of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended by—

(A) striking ''For purposes of'' and inserting ''(1) IN GENERAL.—For purposes of'', and

(B) adding at the end the following:

''(2) ELECTION NOT TO BE AN ELIGIBLE CHARITY PLAN.—A plan sponsor may elect for a plan to cease to be treated as an eligible charity plan for plan years beginning after December 31, 2013. Such election shall be made at such time and in such form and manner as shall be prescribed by the Secretary of the Treasury. Any such election may be revoked only with the consent of the Secretary of the Treasury.

''(3) ELECTION TO USE FUNDING OPTIONS AVAILABLE TO OTHER PLAN SPONSORS.—

''(A) A plan sponsor that makes the election described in paragraph (2) may elect for a plan to apply the rules described in subparagraphs (B), (C), and (D) for plan years beginning after December 31, 2013. Such election shall be made at such time and in such form and manner as shall be prescribed by the Secretary of the Treasury. Any such election may be revoked only with the consent of the Secretary of the Treasury.

''(B) Under the rules described in this subparagraph, for the first plan year beginning after December 31, 2013, a plan has—

''(i) an 11-year shortfall amortization base,

''(ii) a 12-year shortfall amortization base, and

''(iii) a 7-year shortfall amortization base.

''(C) Under the rules described in this subparagraph, section 303(c)(2)(A) and (B) of the Employee Retirement Income Security Act of 1974, and section 430(c)(2)(A) and (B) of the Internal Revenue Code of 1986 shall be applied by—

''(i) in the case of an 11-year shortfall amortization base, substituting '11-plan-year period' for '7-plan-year period' wherever such phrase appears, and

''(ii) in the case of a 12-year shortfall amortization base, substituting '12-plan-year period' for '7-plan-year period' wherever such phrase appears.

''(D) Under the rules described in this subparagraph, section 303(c)(7) of the Employee Retirement Income Security Act of 1974, and section 430(c)(7) of the Internal Revenue Code of 1986 shall apply to a plan for which an election has been made under subparagraph (A). Such provisions shall apply in the following manner:

''(i) The first plan year beginning after December 31, 2013, shall be treated as an election year, and no other plan years shall be so treated.

''(ii) All references in section 303(c)(7) of such Act and section 430(c)(7) of such Code to 'February 28, 2010' or 'March 1, 2010' shall be treated as references to 'February 28, 2013' or 'March 1, 2013', respectively.

''(E) For purposes of this paragraph, the 11-year amortization base is an amount, determined for the first plan year beginning after December 31, 2013, equal to the unamortized principal amount of the shortfall amortization base (as defined in section 303(c)(3) of the Employee Retirement Income Security Act of 1974 and section 430(c)(3) of the Internal Revenue Code of 1986) that would have applied to the plan for the first plan beginning after December 31, 2009, if—

''(i) the plan had never been an eligible charity plan,

''(ii) the plan sponsor had made the election described in section 303(c)(2)(D)(i) of the Employee Retirement Income Security Act of 1974 and in section 430(c)(2)(D)(i) of the Internal Revenue Code of 1986 to have section 303(c)(2)(D)(i) of such Act and section 430(c)(2)(D)(iii) of such Code apply with respect to the shortfall amortization base for the first plan year beginning after December 31, 2009, and

''(iii) no event had occurred under paragraph (6) or (7) of section 303(c) of such Act or paragraph (6) or (7) of section 430(c) of such Code that, as of the first day of the first plan year beginning after December 31, 2013, would have modified the shortfall amortization base or the shortfall amortization installments with respect to the first plan year beginning after December 31, 2009.

''(F) For purposes of this paragraph, the 12-year amortization base is an amount, determined for the first plan year beginning after December 31, 2013, equal to the unamortized principal amount of the shortfall amortization base (as defined in section 303(c)(3) of the Employee Retirement Income Security Act of 1974 and section 430(c)(3) of the Internal Revenue Code of 1986) that would have applied to the plan for the first plan beginning after December 31, 2010, if—

''(i) the plan had never been an eligible charity plan,

''(ii) the plan sponsor had made the election described in section 303(c)(2)(D)(i) of the Employee Retirement Income Security Act of 1974 and in section 430(c)(2)(D)(i) of the Internal Revenue Code of 1986 to have section 303(c)(2)(D)(i) of such Act and section 430(c)(2)(D)(iii) of such Code apply with respect to the shortfall amortization base for the first plan year beginning after December 31, 2010, and

''(iii) no event had occurred under paragraph (6) or (7) of section 303(c) of such Act or paragraph (6) or (7) of section 430(c) of such Code that, as of the first day of the first plan year beginning after December 31, 2013, would have modified the shortfall amortization base or the shortfall amortization installments with respect to the first plan year beginning after December 31, 2010.

''(G) For purposes of this paragraph, the 7-year shortfall amortization base is an amount, determined for the first plan year beginning after December 31, 2013, equal to—

''(i) the shortfall amortization base for the first plan year beginning after December 31, 2013, without regard to this paragraph, minus

''(ii) the sum of the 11-year shortfall amortization base and the 12-year shortfall amortization base.''.

(c) DEEMED ELECTION.—For purposes of sections 4(b)(2) and 4021(b)(3) of the Employee Retirement Income Security Act of 1974, a plan shall be deemed to have made an irrevocable election under section 410(d) of the Internal Revenue Code of 1986 if—

(1) the plan was established before January 1, 2014;

(2) the plan falls within the definition of a CSEC plan;

(3) the plan sponsor does not make an election under section 210(f)(3)(A) of the Employee Retirement Income Security Act of 1974 and section 414(y)(3)(A) of the Internal Revenue Code of 1986, as added by this Act; and

(4) the plan, plan sponsor, administrator, or fiduciary remits one or more premium payments for the plan to the Pension Benefit Guaranty Corporation for a plan year beginning after December 31, 2013.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply as of the date of enactment of this Act.

SEC. 7. SPONSOR EDUCATION AND ASSISTANCE.

(a) DEFINITION.—In this section, the term ''CSEC plan'' has the meaning given that term in subsection (f)(1) of section 210 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1060(f)(1)) (as added by this Act).

(b) EDUCATION.—The Participant and Plan Sponsor Advocate established under section 4004 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1304) shall make itself available to assist CSEC plan sponsors and participants as part of the duties it performs under the general supervision of the Board of Directors under section 4004(b) of such Act (29 U.S.C. 1304(b)).

SEC. 8. EFFECTIVE DATE.

Unless otherwise specified in this Act, the provisions of this Act shall apply to years beginning after December 31, 2013.

The amendment (No. 2701) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The committee-reported substitute, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

CATHOLIC SCHOOLS WEEK

Mr. REID. Mr. President, I ask unanimous consent that the HELP Committee be discharged from further consideration of S. Res. 334.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 334) recognizing the goals of Catholic Schools Week and honoring the valuable contributions of Catholic schools in the United States.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Mr. President, I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. 334) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in the RECORD of January 16, 2014, under ''Submitted Resolutions.'')

AUTHORIZING APPOINTMENT OF ESCORT COMMITTEE

Mr. REID. I ask unanimous consent the Presiding Officer of the Senate be authorized to appoint a committee on the part of the Senate to join a like committee on the part of the House to escort President Obama into the House Chamber for the joint session to be held tonight at 9 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR RECESS AND FOR WEDNESDAY, JANUARY 29, 2014

Mr. REID. I ask unanimous consent that the Senate recess until 8:25 p.m. tonight and, upon reconvening, proceed as a body to the Hall of the House of Representatives for the joint session of Congress provided under the provisions of H. Con. Res. 75; and that upon dissolution of the joint session, the Senate adjourn until 10 a.m. on Wednesday, January 29, 2014; that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, and the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate be in a period of morning business for 1 hour with Senators permitted to speak for up to 10 minutes each and the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half; and that following morning business, the Senate resume consideration of the motion to proceed to S. 1926, the flood insurance bill, postcloture, with the time until noon equally divided and controlled between the two leaders or their designees, and that at noon all postcloture time be deemed expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. The President of the United States will deliver the State of the Union Address at 9 p.m. this evening. The Senate will begin gathering in the Senate Chamber at 8:20 p.m., depart from the Senate Chamber at 8:30 p.m., and proceed as a body to the House.

RECESS

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it recess under the previous order.

There being no objection, the Senate, at 4:15 p.m., recessed until 8:25 p.m. and reassembled when called to order by the Presiding Officer (Mr. DONNELLY).

The PRESIDING OFFICER. The majority leader.

UNANIMOUS CONSENT AGREEMENT—S. 1926

Mr. REID. I ask unanimous consent that following morning business on Wednesday, January 29, all postcloture time be yielded back and the motion to proceed to S. 1926 be agreed to; that after the bill is reported, the following amendments be agreed to: Hagan, No. 2702; Rubio, No. 2704; King, No. 2705; Blunt, No. 2698; and the amended text be considered as original text for the purposes of further amendment; that the only other amendments in order be the following: Reed of Rhode Island, No. 2703; Coburn, No. 2697; Merkley, No. 2709; Heller, No. 2700; Whitehouse, No. 2706; Toomey, No. 2707—which is a substitute; Gillibrand, No. 2708; that no second-degree amendments be in order to any of these amendments prior to votes in relation to the amendments; that it be in order for Senator TOOMEY to modify his amendment with the text of Rubio No. 2704 and Hagan No. 2702; that there be 30 minutes of debate equally divided on each amendment or motion to waive a budget point of order, if made; that there be up to 1 hour of general debate on the bill equally divided between the proponents and opponents; that amendments in this agreement must be offered prior to 3 p.m. on Wednesday, January 29, that is tomorrow; that it be in order for Senator CRAPO or designee to raise a budget point of order against the bill; that if such a point of order is raised, Senator MENENDEZ or designee be recognized to move to waive the point of order; that upon the use or yielding back of time, the Senate proceed to the vote on the motion to waive, if made; that if the motion to waive is agreed to, the Senate proceed to votes in relation to the amendments in the order listed; that upon disposition of the amendments, the bill be read a third time and the Senate proceed to vote on passage of the bill, as amended.

The PRESIDING OFFICER. Is there objection?

The Republican leader.

Mr. MCCONNELL. Reserving the right to object, and I will not be objecting, this is a good step in the direction of getting the Senate back to a process under which amendments are allowed and voted on by both sides. I particularly thank Senator ISAKSON for his hard work on this.

Obviously, I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The PRESIDING OFFICER. The Senate will proceed to the Hall of the House of Representatives to receive a message from the President of the United States.

Thereupon, the Senate, preceded by the Deputy Sergeant at Arms, Drew Willison; the Secretary of the Senate, Nancy Erickson; and the Vice President of the United States, JOSEPH R. BIDEN, Jr., proceeded to the Hall of the House of Representatives to hear the address by the President of the United States, Barack H. Obama.

The address delivered by the President of the United States to the joint session of the two Houses of Congress appears in the proceedings of the House of Representatives in today's RECORD.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered, at 10:27 p.m., the Senate adjourned until Wednesday, January 29, 2014, at 10 a.m.