about, their pension plans, and for other purposes; to the Committee on Finance.

By Mr. ROCKEFELLER:

S. 1972. A bill to amend the charter of the AMVETS organization; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 975

At the request of Mr. CHAFEE, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 975, a bill to improve environmental policy by providing assistance for State and tribal land use planning, to promote improved quality of life, regionalism, and sustainable economic development, and for other purposes.

S. 1125

At the request of Mr. MCCONNELL, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1125, a bill to conserve global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera, and for other purposes.

S. 1379

At the request of Mr. KENNEDY, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1379, a bill to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health, and for other purposes.

S. 1617

At the request of Mr. DODD, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1617, a bill to amend the Workforce Investment Act of 1998 to increase the hiring of firefighters, and for other purposes.

S. 1651

At the request of Mr. DORGAN, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1651, a bill to establish the United States Consensus Council to provide for a consensus building process in addressing national public policy issues, and for other purposes.

S. 1754

At the request of Mr. LEAHY, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 1754, a bill to authorize appropriations for the United States Patent and Trademark Office for fiscal years 2002 through 2007, and for other purposes.

S. 1850

At the request of Mr. CHAFEE, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1850, a bill to amend the Solid Waste Disposal Act to bring underground storage tanks into compliance with subtitle I of that Act, to promote cleanup of leaking underground storage tanks, to provide sufficient resources for such compliance and cleanup, and for other purposes.

S. 1867

At the request of Mr. LIEBERMAN, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1867, a bill to establish the National Commission on Terrorist Attacks Upon the United States, and for other purposes.

S. 1917

At the request of Mr. JEFFORDS, the names of the Senator from Indiana (Mr. BAYH), the Senator from South Dakota (Mr. DASCHLE), the Senator from Louisiana (Mr. BREAUX), the Senator from Maine (Ms. SNOWE), the Senator from California (Mrs. FEINSTEIN), the Senator from Mississippi (Mr. COCHRAN), the Senator from Minnesota (Mr. WELLSTONE), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 1917, a bill to provide for highway infrastructure investment at the guaranteed funding level contained in the Transportation Equity Act for the 21st Century.

S. 1969

At the request of Mr. SMITH of New Hampshire, his name was added as a cosponsor of S. 1969, a bill to amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide additional protections to participants and beneficiaries in individual account plans from excessive investment in employer securities and to promote the provision of retirement investment advice to workers managing their retirement income assets, and to amend the Securities Exchange Act of 1934 to prohibit insider trades during any suspension of the ability of plan participants or beneficiaries to direct investment away from equity securities of the plan sponsor.

At the request of Mr. HUTCHINSON, the names of the Senator from Wyoming (Mr. ENZI) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. 1969, supra.

S. RES. 185

At the request of Mr. ALLEN, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. Res. 185, a resolution recognizing the historical significance of the 100th anniversary of Korean immigration to the United States.

S. RES. 206

At the request of Mr. MURKOWSKI, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. Res. 206, a resolution designating the week of March 17 through March 23, 2002 as ''National Inhalants and Poison Prevention Week.''

S. RES. 211

At the request of Ms. COLLINS, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. TORRICELLI), the Senator from North Dakota (Mr. DORGAN), the Senator from Michigan (Mr. LEVIN), the Senator from North Dakota (Mr. CONRAD), the Senator from South Dakota (Mr. JOHNSON), the Senator from Virginia (Mr. WARNER), the Senator from Minnesota (Mr. DAYTON), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Ohio (Mr. DEWINE), the Senator from Georgia (Mr. CLELAND), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Wyoming (Mr. ENZI), and the Senator from Arkansas (Mr. HUTCHINSON) were added as cosponsors of S. Res. 211, a resolution designating March 2 , 2002, as ''Read Across America Day.''

At the request of Mr. SPECTER, his name was added as a cosponsor of S. Res. 211, supra.

AMENDMENT NO. 2937

At the request of Ms. LANDRIEU, her name was added as a cosponsor of amendment No. 2937 proposed to S. 565, a bill to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ENZI (for himself and Mr. THOMAS):

S. 1970. A bill to designate the facility of the United states Postal Service located at 2829 Commercial Way in Rock Springs, Wyoming, as the ''Teno Roncalio Post Office Building''; to the Committee on Government Affairs.

Mr. ENZI. Mr. President, I rise to introduce a bill to designate the facility of the United states Postal Service located at 2829 Commercial Way, Rock Springs, WY, as the ''Teno Roncalio Post Office Building.'' I am joined by my distinguished colleague from Wyoming, Senator THOMAS in the introduction of this bill.

Mr. Roncalio has served the great State of Wyoming and this Nation with honor and integrity throughout his public and private career. The Wyoming native was Wyoming's first five-term Representative to the U.S. House of Representatives during the 1960s and 1970s, and served as a delegate to four democratic National Conventions. He was also selected to serve for two years as a national Democratic committeeman.

Mr. Roncalio was named to the U.S. Army Officer Candidates Hall of Fame after having served in World War II and participating in beachhead invasions in Sicily and Normandy. Mr. Roncalio also received the Silver Star for gallantry in action for his service in North Africa, Italy, France, Central Europe, and Germany.

Mr. Roncalio and I have worked on some projects together, and just the friendships he has made over the years almost guarantees success. On several occasions, I have been pleased with his willingness to share his opinions with me based on his vast experience, common sense, and desire to see the ''right thing'' done. He has been a model and mentor to many.

Mr. Roncalio has committed his lifetime to public service, and I strongly encourage my colleagues to support naming the Federal post office building in Rock springs, WY after Mr. Teno Roncalio in recognition of his long, distinguished career in Wyoming and national politics.

By Mr. GRASSLEY:

S. 1971. A bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to protect the retirement security of American workers by ensuring that pension assets are adequately diversified and by providing workers with adequate access to, and information about, their pension plans, and for other purposes; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, there has been a flurry of activity surrounding the bankruptcy of the Enron Corporation. Part of the attention has focused on the company's questionable accounting practices and tax havens. Another spotlight has been focused on the Enron retirement plans, particularly its 401(k) plan.

These are legitimate areas of inquiry. The same fact pattern in the case of Enron applies to Global Crossings, a company that was founded in 1997, went public in 1998, sold shares worth $734 million before the company collapsed just this year, pauperizing its workforce and investors. In both companies, executives were lining their pockets with gold while they were duping investors and pillaging workers' retirement plans. The difference between Enron and Global Crossing is merely one of scale. Enron was the seventh largest company on the Fortune 500. Global Crossings was smaller but there are eerie similarities, both between these two bankruptcies, and the effect they have had on the way we now view pension plan security.

Any company bankruptcy will inevitably harm workers, retirees and investors. Some Enron employees, and some of those at Global Crossing, invested large amounts of their own money in company stock. In addition, both plans matched contributions made by the workers with the, now worthless, company stock. Had the company's financial statements correctly reflected the value of its stock, neither the workers, nor the investors would have purchased the shares. Unfortunately, the financial statements of those two companies were at least, highly misleading and very possibly fraudulent.

The losses by retirement plan participants are of concern to the Senate Finance Committee because it is the Committee with jurisdiction over both the Internal Revenue Code, IRC, and parts of ERISA. The Code provides generous tax benefits to retirement plan sponsors. In return for those tax preferences, plans must be established and maintained in accordance with the rules set out in the Internal Revenue Code and in the Employee Retirement Income Security Act of 1974, as amended, ERISA.

The losses in the plans sponsored by recently bankrupted companies have prompted us to reconsider some of the laws that govern retirement programs. In particular, many have questioned whether plan participants should be permitted to hold any company stock in their accounts, or only a limited amount of stock. Other questions have been raised about fiduciary obligations, so-called ''blackouts'' and about information provided to workers.

For those in the business community who are alarmed about the large number of proposals, including mine, making changes to this area of the law, I would urge caution. This bill is not written in stone. Further refinements will be made to it. I am introducing it today because the Finance Committee will be holding a hearing on this issue tomorrow. Barely three weeks thereafter, Congress will be entering another recess period. If the introduction of this bill is delayed, interested parties will not have the time they need to examine this proposal and give me their views.

This bill gives workers new diversification rights on holdings of company stock in their accounts. Some legislative proposals have called for caps on the amount of stock that can be dedicated by employers to workers' 401(k) accounts through matching contributions or through gains on the value of company stock. I believe such an approach will discourage employers from giving stock to workers through their plan and could not be administered except through the application of benefit wear-aways. During the cash balance pension plan debate, Congress found out just how unpopular benefit wear-aways are with plan participants.

Some have also suggested that employees should not be permitted to purchase employer stock in their plans. They argue the need for a paternalistic government to save employees from the ''temptation'' of investing in employer stock in their 401(k) plans. I do not believe the government should treat workers like children. American workers are intelligent, and when armed with the right information, they will exercise foresight and make decisions for the best interest of themselves and their families.

My approach does not discourage employer matching contributions in company stock. Nor would it restrict a worker choice to invest in company stock. However, once the worker has three years of service with the employer, he or she should be permitted to change investments out of the company stock and into any other investment offered by the plan. This change gives maximum flexibility to the worker and will prevent the long holding periods that some companies impose on matching contributions in their own stock.

An important exception to this rule will apply to closely held corporations. Because of the difficulty of valuing stock in closely held corporations, under my bill, these rules will not apply to closely-held companies. This bill also provides that a pure, ''standalone'' ESOP, one consisting solely of now-elective contributions is not subject to the new rule.

The current draft of the bill does not include a long phase-in of the effective date for company stock currently allocated to workers retirement accounts. Such a delayed effective date has been proposed in other legislation. However, I am open to such a recommendation, if necessary. I encourage plan sponsors and practitioners to give me their thoughts on that issue.

This legislation also provides new disclosure requirements. At the end of 2001, Enron stopped participants from trading their investments while they changed plan administrators. Its stock was declining in value at this time, and for a long period prior to the so-called ''blackout''. It is no surprise that while the plan was closed to trading, all indications are that the value of the stock continued to decline. It appears that Enron employees did receive a notice prior to the transaction suspension period. But concerns have been raised that a statutory requirement for a notice will help to protect participants in other plans from missing an opportunity to change investments prior to a transaction suspension period. I am inclined to agree.

Consequently, this bill will also impose a requirement that plans provide 30-days advance notice of transaction suspension periods, the so-called ''blackouts''. These are periods when participants are unable to change their investments. This change in law is needed so that employees have the opportunity to trade out of company stock, or for that matter, any other investment, before the beginning of a blackout period. The bill does not limit the duration of a transaction suspension period. Some companies to a remarkable job in shortening the time during which a plan is closed to transactions, however, practitioners have convinced me that it would be impractical to limit these transaction suspension periods given the number of variables involved in reconciling accounts.

New disclosure requirements for so-called blackouts will be supplemented by better information regarding the value of plan benefits. I have long been concerned that participants need better information regarding their retirement. In the 105th Congress, I introduced a bill with Senator BREAUX that would impose a requirement for periodic pension benefit statements.

Language on periodic benefit statements was included again in a bill that Senator BAUCUS and I introduced early last year. While most of that bill was enacted as the Economic Growth and Revenue Reconciliation Act of 2001, EGTRRA, Public Law 107–16, the requirement for periodic benefit statements was ''Byrded out''. In other words, it was dropped from the bill because it was revenue neutral and as such did not meet the rules governing a reconciliation measure.

Because we did not enact that provision in EGTRRA, the benefit statements language has been replicated here. Under this bill, participants will be entitled to a quarterly statement from their defined contribution plan, such as a section 401(k) plan. If the workers also have a defined benefit plan, they would be entitled to an estimated benefit statement once every three years.

Included in the periodic benefit statements will be language designed to alert workers to how much employer stock they hold in their accounts. Also included will be information regarding the importance to long-term retirement security of participants of a well-balanced an diversified portfolio. This information will encourage workers to avoid over-concentration in employer securities and to periodically re-balance their portfolio.

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

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

S. 1971

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Employee Savings and Trust Equity Guarantee Act''.

TITLE I—DIVERSIFICATION OF PENSION PLAN ASSETS

SEC. 101. DEFINED CONTRIBUTION PLANS REQUIRED TO PROVIDE EMPLOYEES WITH FREEDOM TO INVEST THEIR PLAN ASSETS.

(a) AMENDMENTS OF INTERNAL REVENUE CODE.—

(1) QUALIFICATION REQUIREMENT.—Section 401(a) of the Internal Revenue Code of 1986 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended by inserting after paragraph (34) the following new paragraph:

''(35) DIVERSIFICATION REQUIREMENTS FOR CERTAIN DEFINED CONTRIBUTION PLANS.—

''(A) IN GENERAL.—A trust which is part of an applicable defined contribution plan shall not be treated as a qualified trust unless the plan—

''(i) provides that a participant or beneficiary of a participant has the right at any time to invest any elective deferrals (and earnings thereon) contributed to his or her account in the form of publicly traded employer securities in any other investment option offered under the plan,

''(ii) provides that a participant with 3 or more years of service and any beneficiary of a participant has the right to invest any publicly traded employer securities (and earnings thereon) to which clause (i) does not apply and which are allocated to his or her account in any other investment option offered under the plan, and

''(iii) offers at least 3 investment options (not inconsistent with regulations prescribed by the Secretary).

''(B) CERTAIN RESTRICTIONS AND CONDITIONS NOT ALLOWED.—A plan shall not meet the requirements of subparagraph (A) if the plan imposes restrictions or conditions on the investment of publicly traded employer securities which are not imposed on the investment of other assets of the plan. This subparagraph shall not apply to any restrictions or conditions imposed by reason of application of securities laws.

''(C) APPLICABLE DEFINED CONTRIBUTION PLAN.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable defined contribution plan' means any defined contribution plan which holds any publicly traded employer securities.

''(ii) EXCEPTION FOR CERTAIN ESOPS.—Such term does not include an employee stock ownership plan (within the meaning of section 4975(e)(7)) if—

''(I) there are no contributions to such plan (or earnings thereunder) which are held within such plan and are subject to subsections (k)(3) or (m)(2), and

''(II) such plan is a separate plan (within the meaning of section 414(l)) with respect to any other defined benefit plan or defined contribution plan maintained by the same employer or employers.

''(D) OTHER DEFINITIONS.—For purposes of this paragraph—

''(i) PUBLICLY TRADED EMPLOYER SECURITIES.—The term 'publicly traded employer securities' means employer securities which are readily tradable on an established securities market.

''(ii) EMPLOYER SECURITIES.—The term 'employer securities' has the meaning given such term by section 407(d)(1) of the Employee Retirement Income Security Act of 1974.

''(iii) YEAR OF SERVICE.—The term 'year of service' has the meaning given such term by section 411(a)(5).''

(2) CONFORMING AMENDMENT.—Section 401(a)(28)(B) of such Code (relating to additional requirements relating to employee stock ownership plans) is amended by adding at the end the following new clause:

''(v) EXCEPTION.—This paragraph shall not apply to an applicable defined contribution plan (as defined in paragraph (35)(C)).''

(b) AMENDMENT OF ERISA.—Section 204 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054) is amended by redesignating subsection (j) as subsection (k) and by adding at the end the following new subsection:

''(j)(1) An applicable individual account plan shall provide that—

''(A) a participant or beneficiary of a participant has the right at any time to invest any elective deferrals (and earnings thereon) contributed to his or her account in the form of publicly traded employer securities in any other investment option offered under the plan,

''(B) a participant with 3 or more years of service and any beneficiary of a participant has the right to invest any publicly traded employer securities (and earnings thereon) to which subparagraph (A) does not apply and which are allocated to his or her account in any other investment option offered under the plan, and

''(C) offers at least 3 investment options (not inconsistent with regulations prescribed by the Secretary).

''(2) A plan shall not meet the requirements of paragraph (1) if the plan imposes restrictions or conditions on the investment of publicly traded employer securities which are not imposed on the investment of other assets of the plan.

''(3)(A) For purposes of this subsection, the term 'applicable individual account plan' means any individual account plan which holds any publicly traded employer securities.

''(B) Such term does not include an employee stock ownership plan (within the meaning of section 4975(e)(7) of the Internal Revenue Code of 1986) if—

''(i) there are no contributions to such plan (or earnings thereunder) which are held within such plan and subject to subsection (k)(3) or (m)(2) of section 401 of such Code, and

''(ii) such plan is a separate plan (within the meaning of section 414(l) of such Code) with respect to any other defined benefit plan or defined contribution plan maintained by the same employer or employers.

''(4) For purposes of this subsection—

''(A) the term 'publicly traded employer securities' means employer securities which are readily tradable on an established securities market,

''(B) the term 'employer security' has the meaning given such term by section 407(d)(1), and

''(C) the term 'year of service' has the meaning given such term by section 203(b)(2).''

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning on or after January 1, 2003.

(2) SPECIAL RULE FOR COLLECTIVELY BARGAINED AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified on or before the date of the enactment of this Act, subsection (a) shall be applied to benefits pursuant to, and individuals covered by, any such agreement by substituting for ''January 1, 2003'' the earlier of—

(A) the later of—

(i) January 1, 2004, or

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

(B) January 1, 2005.

TITLE II—PROTECTION OF EMPLOYEES DURING PENSION PLAN TRANSACTION SUSPENSION PERIOD

SEC. 201. PROTECTION OF PARTICIPANTS OR BENEFICIARIES FROM SUSPENSION OF ABILITY TO DIVERSIFY PLAN ASSETS.

(a) NOTICE REQUIREMENTS.—

(1) EXCISE TAX.—

(A) IN GENERAL.—Chapter 43 of the Internal Revenue Code of 1986 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

''SEC. 4980G. FAILURE OF APPLICABLE PLANS TO PROVIDE NOTICE OF TRANSACTION SUSPENSION PERIOD.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of any applicable defined contribution plan to meet the requirements of subsection (e) with respect to any participant or beneficiary.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any participant or beneficiary shall be $100 for each day in the noncompliance period with respect to the failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the

period beginning on the date the failure first occurs and ending on the date the notice to which the failure relates is provided or the failure is otherwise corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED AND REASONABLE DILIGENCE EXERCISED.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any person subject to liability for tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e).

''(2) TAX NOT TO APPLY TO FAILURES CORRECTED AS SOON AS REASONABLY PRACTICABLE.—No tax shall be imposed by subsection (a) on any failure if—

''(A) any person subject to liability for the tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), and

''(B) such person provides the notice described in subsection (e) as soon as reasonably practicable after the first date such person knew, or exercising reasonable diligence should have known, that such failure existed.

''(3) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

''(A) IN GENERAL.—If the person subject to liability for tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan.

''(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(4) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive or otherwise inequitable relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) NOTICE OF TRANSACTION SUSPENSION PERIOD.—

''(1) IN GENERAL.—The plan administrator of an applicable defined contribution plan shall provide notice of any transaction suspension period to each participant or beneficiary to whom the transaction suspension period applies (and to any employee organization representing such participants).

''(2) NOTICE.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with rules or other guidance adopted by the Secretary) to allow applicable individuals to understand the timing and effect of such transaction suspension period.

''(3) TIMING OF NOTICE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the notice required by paragraph (1) shall be provided not later than 30 days before the beginning of the transaction suspension period.

''(B) EXCEPTIONS TO 30-DAY NOTICE.—

''(i) UNPLANNED EVENTS.—In the case of any transaction suspension period which is imposed by reason of an event outside of the control of a plan sponsor or administrator, subparagraph (A) shall not apply and the notice shall be furnished as soon as reasonably possible under the circumstances.

''(ii) ACQUISITIONS, ETC.—In the case of any transaction suspension period—

''(I) in connection with an acquisition or disposition to which section 410(b)(6)(C) applies, or

''(II) due to such other circumstances specified by the Secretary,

the Secretary may provide that subparagraph (A) shall not apply and the notice shall be furnished at such time as the Secretary specifies.

''(4) FORM AND MANNER OF NOTICE.—The notice required by paragraph (1) shall be in writing, except that such notice may be in electronic or other form to the extent that such form is reasonably accessible to the applicable individual.

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

''(1) APPLICABLE DEFINED CONTRIBUTION PLAN.—The term 'applicable defined contribution plan' means a defined contribution plan which—

''(A) is a qualified retirement plan (as defined in section 4974(c)), and

''(B) permits a participant or beneficiary to exercise control over assets in his or her account.

''(2) TRANSACTION SUSPENSION PERIOD.—

''(A) IN GENERAL.—The term 'transaction suspension period' means a temporary or indefinite period of 2 or more consecutive business days during which there is a substantial reduction (other than by reason of application of securities laws) in the rights of 1 or more participants or beneficiaries to direct investments in a defined contribution plan.

''(B) BUSINESS DAY.—For purposes of this paragraph, a day shall not be treated as a business day to the extent that 1 or more established securities markets for trading securities are not open.''

(B) CLERICAL AMENDMENT.—The table of sections for chapter 43 of such Code is amended by adding at the end the following new item:

''Sec. 4980G. Failure of applicable plans to provide notice of transaction suspension period.''

(2) AMENDMENTS OF ERISA.—

(A) IN GENERAL.—Section 101 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 11021) is amended by redesignating the second subsection (h) as subsection (j) and by inserting after the first subsection (h) the following new subsection:

''(i)(1) The plan administrator of an individual account plan which permits a participant or beneficiary to exercise control over assets in his or her account applies shall provide notice of any transaction suspension period to each participant or beneficiary to whom the transaction suspension period applies (and to any employee organization representing such participants).

''(2) The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with rules or other guidance adopted by the Secretary of the Treasury) to allow applicable individuals to understand the timing and effect of such transaction suspension period.

''(3)(A) Except as provided in subparagraph (B), the notice required by paragraph (1) shall be provided not later than 30 days before the beginning of the transaction suspension period.

''(B)(i) In the case of any transaction suspension period which is imposed outside of the control of a plan sponsor or administrator, subparagraph (A) shall not apply and the notice shall be furnished as soon as reasonably possible under the circumstances.

''(ii) In the case of any transaction suspension period—

''(I) in connection with an acquisition or disposition to which section 410(b)(6)(C) of the Internal Revenue Code of 1986 applies, or

''(II) due to such other circumstances specified by the Secretary of the Treasury,

the Secretary of the Treasury may provide that subparagraph (A) shall not apply and the notice shall be furnished at such time as the Secretary specifies.

''(4) The notice required by paragraph (1) shall be in writing, except that such notice may be in electronic or other form to the extent that such form is reasonably accessible to the applicable individual.

''(5)(A) For purposes of this subparagraph, the term 'transaction suspension period' means a temporary or indefinite period of 2 or more consecutive business days during which there is a substantial reduction (other than by reason of application of securities laws) in the rights of 1 or more participants or beneficiaries to direct investments in an individual account plan.

''(B) For purposes of this paragraph, a day shall not be treated as a business day to the extent that 1 or more established securities markets for trading securities are not open.''

(B) CIVIL PENALTIES FOR FAILURE TO PROVIDE NOTICE.—Section 502 of such Act is amended—

(i) in subsection (a)(6), by striking ''or (6)'' and inserting ''(6), or (7)'';

(ii) by redesignating paragraph (7) of subsection (c) as paragraph (8); and

(iii) by inserting after paragraph (6) of subsection (c) the following new paragraph:

''(7) The Secretary may assess a civil penalty against any person of up to $100 a day from the date of the person's failure or refusal to provide notice to participants and beneficiaries in accordance with section 101(i). For purposes of this paragraph, each violation with respect to any single participant or beneficiary, shall be treated as a separate violation.''

(b) INAPPLICABILITY OF RELIEF FROM FIDUCIARY LIABILITY DURING SUSPENSION OF ABILITY OF PARTICIPANT OR BENEFICIARY TO DIRECT INVESTMENTS.—Section 404(c)(1) of such Act (29 U.S.C. 1104(c)(1)) is amended—

(1) in subparagraph (B), by inserting before the period the following: '', except that this subparagraph shall not apply for any period during which the ability of a participant or beneficiary to direct the investment of assets in his or her individual account is suspended by a plan sponsor or fiduciary''; and

(2) by adding at the end the following:

''Any limitation or restriction that may govern the frequency of transfers between investment vehicles shall not be treated as a suspension referred to in subparagraph (B) to the extent such limitation or restriction is disclosed to participants or beneficiaries through the summary plan description or materials describing specific investment alternatives under the plan.''

''(c) SAFE HARBOR GUIDANCE.—The Secretary of Labor, in consultation with the Secretary of Treasury, shall, prior to December 31, 2002, issue final regulations providing clear guidance, including safe harbors, on how plan sponsors or any other affected fiduciaries can satisfy their fiduciary responsibilities during any period which the ability of a participant or beneficiary to direct the investment of assets in his or her individual account is suspended.''

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

(2) EXCEPTIONS TO 30-DAY NOTICE.—The Secretary of the Treasury shall, no later than 120 days after the date of the enactment of this Act, specify the circumstances under section 4980G(e)(3)(B)(ii) of the Internal Revenue Code of 1986 under which the 30-day notice rule would not apply and the time by which the notice is required to be provided.

SEC. 202. CERTAIN SALES AND PURCHASES OF COMPANY STOCK BY CORPORATE INSIDERS TO BE SUBJECT TO EXCISE TAX ON GOLDEN PARACHUTE PAYMENTS.

(a) IN GENERAL.—Section 4999 of the Internal Revenue Code of 1986 (relating to golden parachute payments) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) CERTAIN SALES OF COMPANY STOCK BY CORPORATE INSIDERS.—

''(1) TREATMENT AS EXCESS PARACHUTE PAYMENT.—

''(A) IN GENERAL.—For purposes of this section, if there is a sale or exchange, or purchase, of stock in a corporation by a corporate insider during any period in which a transaction suspension period affecting the ability of participants and beneficiaries to invest stock in such corporation is in effect with respect to a defined contribution plan—

''(i) to which section 401(a) (28) or (35) applies, and

''(ii) which is maintained by such corporation (or any other entity consolidated with such corporation for purposes of reporting to the Securities and Exchange Commission),

any amount realized by the corporate insider on such sale or exchange (or the purchase price in the case of a purchase) shall be treated as an excess parachute payment.

''(B) LIMITATION.—Subparagraph (A) shall only apply to stock acquired by an individual by reason of the individual's employment with the corporation or by reason of any other relationship with the corporation that makes the individual a corporate insider.

''(2) APPLICATION TO OTHER INSTRUMENTS.—For purposes of paragraph (1)—

''(A) any sale or exchange, or purchase, of an option, warrant, or other derivative of stock in a corporation,

''(B) any transaction involving the exercise of an option, warrant, or other derivative of stock in a corporation, or

''(C) any similar transaction,

shall be treated in the same manner as a transaction involving the sale or exchange, or purchase, of stock.

''(3) CORPORATE INSIDER.—For purposes of this subsection, the term 'corporate insider' means, with respect to a corporation, any individual who is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934 with respect to such corporation.

''(4) TRANSACTION SUSPENSION PERIOD.—The term 'transaction suspension period' has the meaning given such term by section 4980G(f)(2).''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and exchanges after the 120th day after the date of the enactment of this Act.

TITLE III—PROVIDING OF INFORMATION TO ASSIST PARTICIPANTS

SEC. 301. PERIODIC PENSION BENEFITS STATEMENTS.

(a) EXCISE TAX.—

(1) IN GENERAL.—Chapter 43 of the Internal Revenue Code of 1986 (relating to qualified pension, etc., plans), as amended by this Act, is amended by adding at the end the following new section:

''SEC. 4980H. FAILURE OF CERTAIN DEFINED CONTRIBUTION PLANS TO PROVIDE REQUIRED QUARTERLY STATEMENTS.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of an applicable defined contribution plan to meet the requirements of subsection (e) with respect to any participant or beneficiary.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any participant or beneficiary shall be $100 for each day in the noncompliance period with respect to the failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the statement to which the failure relates is provided or the failure is otherwise corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED AND REASONABLE DILIGENCE EXERCISED.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any person subject to liability for tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e).

''(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

''(A) any person subject to liability for the tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), and

''(B) such person provides the statement described in subsection (e) during the 30-day period beginning on the first date such person knew, or exercising reasonable diligence should have known, that such failure existed.

''(3) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

''(A) IN GENERAL.—If the person subject to liability for tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan.

''(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(4) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive or otherwise inequitable relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) REQUIREMENT TO PROVIDE QUARTERLY STATEMENTS.—

''(1) IN GENERAL.—The administrator of an applicable defined contribution plan shall furnish a pension benefit statement—

''(A) to a plan participant at least once each calendar quarter, and

''(B) to a plan beneficiary upon written request but no more frequently than once during any 12-month period.

''(2) STATEMENT.—

''(A) IN GENERAL.—A pension benefit statement under paragraph (1) shall indicate, on the basis of the latest available information—

''(i) the total benefits accrued, and

''(ii) the nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable.

''(B) SPECIFIC INFORMATION.—A pension benefit statement under paragraph (1) shall include (together with the information required in subparagraph (A))—

''(i) the value of any assets held in the form of employer securities, without regard to whether such securities were contributed by the plan sponsor or acquired at the direction of the plan or of the participant or beneficiary, and an explanation of any limitations or restrictions on the right of the participant or beneficiary to direct an investment; and

''(ii) an explanation of the importance, for the long-term retirement security of participants and beneficiaries, of a well-balanced and diversified investment portfolio, including a discussion of the risk of holding substantial portions of a portfolio in the security of any one entity, such as employer securities.

''(3) MANNER OF STATEMENT.—A pension benefit statement under paragraph (1)—

''(A) shall be written in a manner calculated to be understood by the average plan participant, and

''(B) may be provided in written, electronic, or other appropriate form.

''(f) APPLICABLE DEFINED CONTRIBUTION PLAN.—For purposes of this section, the term 'applicable defined contribution plan' means a defined contribution plan which—

''(1) is a qualified retirement plan (as defined in section 4974(c)), and

''(2) permits a participant or beneficiary to exercise control over assets in his or her account.''

(2) CLERICAL AMENDMENT.—The table of sections for chapter 43 of such Code is amended by adding at the end the following new item:

''Sec. 4980H. Failure of certain defined contribution plans to provide required quarterly statements.''

(b) AMENDMENTS OF ERISA.—

(1) IN GENERAL.—Section 105(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025(a)) is amended to read as follows:

''(a)(1)(A) The administrator of an individual account plan shall furnish a pension benefit statement—

''(i) to a plan participant at least once annually (each calendar quarter in the case of an applicable individual account plan), and

''(ii) to a plan beneficiary upon written request.

''(B) The administrator of a defined benefit plan shall furnish a pension benefit statement—

''(i) at least once every 3 years to each participant with a nonforfeitable accrued benefit who is employed by the employer maintaining the plan at the time the statement is furnished to participants, and

''(ii) to a participant or beneficiary of the plan upon written request.

Information furnished under subparagraph (B) to a participant (other than at the request of the participant) may be based on reasonable estimates determined under regulations prescribed by the Secretary.

''(2)(A) A pension benefit statement under paragraph (1)—

''(i) shall indicate, on the basis of the latest available information—

''(I) the total benefits accrued, and

''(II) the nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable,

''(ii) shall be written in a manner calculated to be understood by the average plan participant, and

''(iii) may be provided in written, electronic, telephonic, or other appropriate form.

''(B) In the case of an applicable individual account plan, the pension benefit statement under paragraph (1) shall include (together with the information required in subparagraph (A))—

''(i) the value of any assets held in the form of employer securities, without regard to whether such securities were contributed by the plan sponsor or acquired at the direction of the plan or of the participant or beneficiary, and an explanation of any limitations or restrictions on the right of the participant or beneficiary to direct an investment, and

''(ii) an explanation of the importance, for the long-term retirement security of participants and beneficiaries, of a well-balanced and diversified investment portfolio, including a discussion of the risk of holding substantial portions of a portfolio in the security of any 1 entity, such as employer securities.

''(C) For purposes of this subsection, the term 'applicable individual account plan' means an individual account plan to which section 404(c) applies.

''(3)(A) In the case of a defined benefit plan, the requirements of paragraph (1)(B)(i) shall be treated as met with respect to a participant if the administrator provides the participant at least once each year with notice of the availability of the pension benefit statement and the ways in which the participant may obtain such statement. Such notice shall be provided in written, electronic, telephonic, or other appropriate form, and may be included with other communications to the participant if done in a manner reasonably designed to attract the attention of the participant.

''(B) The Secretary may provide that years in which no employee or former employee benefits (within the meaning of section 410(b) of the Internal Revenue Code of 1986) under the plan need not be taken into account in determining the 3-year period under paragraph (1)(B)(i).''

(c) CONFORMING AMENDMENTS.—

(1) Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by striking subsection (d).

(2) Section 105(b) of such Act (29 U.S.C. 1025(b)) is amended to read as follows:

''(b) In no case shall a participant or beneficiary of a plan be entitled to more than 1 statement described in subsection (a)(1)(A)(ii) or (B)(ii), whichever is applicable, in any 12-month period.''

(d) MODEL STATEMENTS.—The Secretary of Labor shall develop 1 or more model benefit statements, written in a manner calculated to be understood by the average plan participant, that may be used by plan administrators in complying with the requirements of section 4980H of the Internal Revenue Code of 1986 and section 105 of the Employee Retirement Income Security Act of 1974.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2003.

TECHNICAL EXPLANATION OF S. 1971

DIVERSIFICATION OF PENSION PLAN ASSETS

The bill amends the Internal Revenue Code to require a qualified defined contribution plan invested in publicly-traded employer securities to provide participants with the right to diversify their investment in employer securities. A participant must be provided with the immediate right to reinvest elective deferrals that are invested in employer securities. In addition, the participant must be provided with the right to invest employer contributions that are invested in employer securities once the participant has 3 or more years of service.

The participant must be permitted to reinvest employer securities allocated to the participant's account in any other investment option currently available to employees, and the plan must provide at least 3 alternative investment options. These diversification rights are also extended to any beneficiary of a participant.

A plan will fail to comply with this requirement if the ability of participants to diversify their investment in employer securities is restricted under the plan or in practice. For example, a plan will not comply with this requirement if it provides for diversification of investment in employer securities, but also provides for a reduced matching contribution for any participant who invests any employer securities in another investment option. The bill also amends ERISA by adding this diversification requirement to section 204.

These diversification requirements do not apply to an ESOP that provides only for nonelective employer contributions and is separate from any other qualified plan maintained by the same employer. These ESOPs continue to be subject to the diversification requirements in effect under section 401(a)(28) of the Code.

PROTECTION OF EMPLOYEES DURING PENSION PLAN TRANSACTION SUSPENSION PERIODS

Notice of transaction suspension periods

The bill requires that participants and beneficiaries who are permitted to direct the investment of their accounts in a qualified defined contribution plan must be notified by the plan administrator of any ''transaction suspension period'' no later than 30 days before the transaction suspension period begins.

A transaction suspension period is any temporary or indefinite period of 2 or more business days during which there is a substantial reduction in the rights of participant or beneficiaries to direct investments (other than by reason of the application of securities laws). The notice must provide sufficient information to allow affected participants and beneficiaries to understand the timing and effect of the transaction suspension period and must be written in a manner calculated to be understood by the average plan participant.

The notice may be provided in writing or through an electronic or other form reasonably accessible to the affected participants and beneficiaries. These requirements are not violated if 30-days notice could not be provided because of events outside of the control of the plan sponsor or administrator, provided that notice is provided as soon as is reasonably possible under the circumstances. This exception to the 30-day requirement also applies, to the extent permitted in guidance by the Secretary, in other appropriate situations such as acquisitions or dispositions.

The bill also imposes an excise tax of $100 a day on the failure of a qualified defined contribution plan to provide notice to a participant or beneficiary. The excise tax is imposed on the employer or, in the case of a multiemployer plan, on the plan. No excise tax is imposed during any period during which any person subject to liability for the tax did not know that the failure existed and exercised reasonable diligence to meet the notice requirement.

In addition, no excise tax is imposed to the extent that a person subject to liability for the tax exercised reasonable diligence and actually provided notice as soon as reasonably practicable after the first date such person knew, or exercising reasonable diligence should have known, that such failure existed. For a person who exercised reasonable diligence, the tax is limited to no more than $500,000 for the failures during a taxable year. Finally, the Secretary may waive all or part of any tax that would otherwise be imposed to the extent that payment of the tax would be excessive or otherwise inequitable.

Inapplicability of relief from fiduciary liability during transaction suspension period

The provisions of ERISA that limit fiduciary liability during periods when a participant or beneficiary exercises control over assets in his account would be amended to clarify that this limit does not apply during any transaction suspension period.

Trading in company stock by corporate insiders subject to excise tax

Under the bill, a corporate insider is subject to a 20% excise tax on any acquisition, disposition, or similar transaction involving any employer securities during any transaction suspension period that affects investment in employer securities with respect to which notice must be provided to any plan participant or beneficiary.

The excise tax is calculated based on the amount realized by the insider in any sale or other disposition or the fair market value of securities acquired by the insider during the transaction suspension period. For this purpose, ''corporate insiders'' are individuals subject to the requirements of section 16(a) of the Securities Exchange Act of 1934 with respect to the corporation.

PROVIDING OF INFORMATION TO ASSIST PARTICIPANTS

Periodic pension benefit statements

The bill amends ERISA to require the plan administrator of a qualified defined contribution plan to provide participants with benefit statements at least annually, except that benefit statements must be provided at least quarterly to participants who have the ability to direct the investment of their account in the plan. These statements must provide information on (i) the fair market value of assets in the participant's account, (ii) the portion of the assets which are nonforfeitable and the earliest date on which assets not nonforfeitable become so, (iii) the percentage (if any) which the fair market value of employer securities bears to the fair market value of assets in the account, and (iv) a reminder of the importance of having diversified investments of assets in the plan and other plans of the employer in which the individual is also a participant. In addition, statements must be provided to plan beneficiaries at least annually, if requested in writing.

The bill also amends ERISA to require that the administrator of a qualified defined benefit plan provide a benefit statement at least every 3 years to a participant with a nonforfeitable accrued benefit who is employed by the employer maintaining the plan at the time the statement is furnished. A statement is also required to be provided to any participant or beneficiary upon written request.

This benefit statement must provide information on the total benefits accrued, the

nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable. The statement must be written in a manner calculated to be understood by the average plan participant and may be provided in writing or in electronic or other form reasonably accessible by the participant.

The information provided in a defined benefit plan statement, other than a statement requested by a plan participant, may be based on reasonable estimates. The requirement to provide a defined benefit plan statement is met if the plan notifies participants annually of the availability of a statement and information on how the participant can obtain a statement.

The bill also imposes an excise tax of $100 a day during a period of noncompliance with the requirement that quarterly benefit statements be provided to participants who have the right to direct investment of their account. The excise tax is imposed on the employer or, in the case of a multiemployer plan, on the plan. No excise tax is imposed during any period during which any person subject to liability for the tax did not know that the failure existed and exercised reasonable diligence to meet the notice requirement.

In addition, no excise tax is imposed to the extent that a person subject to liability for the tax exercised reasonable diligence and actually provided notice as soon as reasonably practicable after the first date such person knew, or exercising reasonable diligence should have known, that such failure existed. For a person who exercised reasonable diligence, the tax is limited to no more than $500,000 for the failures during a taxable year. Finally, the Secretary may waive all or part of any tax that would otherwise be imposed to the extent that payment of the tax would be excessive or otherwise inequitable.

EFFECTIVE DATE

The provisions of the bill would be effective for plan years beginning on or after January 1, 2003, except that the provisions related to the provision of benefit statements would be effective for plan years beginning after December 31, 2003. The bill provides a transition period for compliance with the diversification requirements for plans maintained pursuant to collective bargaining agreements.

By Mr. ROCKEFELLER:

S. 1972. A bill to amend the charter of the AMVETS organization; to the Committee on the Judiciary.

Mr. ROCKEFELLER. Mr. President, today I introduce legislation on behalf of American Veterans of World War II, Korea, and Vietnam, AMVETS, a nonprofit veterans service organization chartered by Congress in 1947, which boasts approximately 250,000 members. Formed in the years immediately following World War II, AMVETS has served America's veterans for more than 50 years.

This bill would amend the AMVETS' congressional charter in three ways. First, it would change AMVETS' official name from ''American Veterans of World War II, Korea, and Vietnam'' to simply ''American Veterans,'' in order to more accurately reflect the group's membership; second, it would amend the charter to reflect long-standing organizational changes; and finally, it would recognize the change of address for AMVETS' headquarters from Washington, DC, to Lanham, MD.

These amendments are important to allowing AMVETS to continue its strong tradition of serving veterans. I am proud to offer them my assistance, and I ask that my colleagues act quickly to accommodate these small changes.

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

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

S. 1972

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

SECTION 1. AMENDMENTS TO AMVETS CHARTER.

(a) NAME OF ORGANIZATION.—(1) Sections 22701(a) and 22706 of title 36, United States Code, are amended by striking ''AMVETS (American Veterans of World War II, Korea, and Vietnam)'' and inserting ''AMVETS (American Veterans)''.

(2)(A) The heading of chapter 227 of such title is amended to read as follows:

''CHAPTER 227—AMVETS (AMERICAN VETERANS)''.

(B) The item relating to such chapter in the table of chapters at the beginning of subtitle II of such title is amended to read as follows:

''227. AMVETS (American veterans) .. 22701''.

(b) GOVERNING BODY.—Section 22704(c)(1) of such title is amended by striking ''seven national vice commanders'' and all that follows through ''a judge advocate,'' and inserting ''two national vice commanders, a finance officer, a judge advocate, a chaplain, six national district commanders,''.

(c) HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS.—Section 22708 of such title is amended—

(1) by striking ''the District of Columbia'' in the first sentence and inserting ''Maryland''; and

(2) by striking ''the District of Columbia'' in the second sentence and inserting ''Maryland''.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2940. Mr. BOND proposed an amendment to amendment SA 2937 submitted by Mr. SCHUMER and intended to be proposed to the bill (S. 565) to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

SA 2941. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 565, supra; which was ordered to lie on the table.

SA 2942. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 565, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2940. Mr. BOND proposed an amendment to amendment SA 2937 submitted by Mr. SCHUMER and intended to be proposed to the bill (S. 565) to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; as follows:

At the end, add the following:

SEC. . SIGNATURE VERIFICATION PROGRAMS.

Notwithstanding any other provision of this Act, a State may use a signature verification or affirmation program to meet the requirements of section 103(b) relating to the verification of the identity of individuals who register to vote by mail only if the Attorney General certifies that less than one-half of 1 percent of votes cast in the 2 most recent elections for Federal office were cast by voters who were not eligible to vote under the law of such State.

SA 2941. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 18, line 8, strike through page 19, line 24, and insert the following:

(b) REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.—

(1) IN GENERAL.—Notwithstanding section 6(c) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4(c)) and subject to paragraphs (3) and (4), a State shall, in a uniform and nondiscriminatory manner, require an individual to meet the requirements of paragraph (2) if—

(A) the individual has registered to vote in a jurisdiction by mail; and

(B) the individual has not previously voted in an election for Federal office in that State.

(2) REQUIREMENTS.—

(A) IN GENERAL.—An individual meets the requirements of this paragraph if the individual—

(i) in the case of an individual who votes in person—

(I) presents to the appropriate State or local election official a current and valid photo identification;

(II) presents to the appropriate State or local election official a copy of a current utility bill, bank statement, Government check, paycheck, or other Government document that shows the name and address of the voter;