

treated fairly and consistently under our tax laws, I hope that you will join me in supporting the Former Insurance Agents Tax Equity Act of 2003.

HONORING GLENN RANDALL

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to rise today and recognize Glenn Randall, an outstanding young cross-country skier from Collbran, Colorado. Despite unlikely odds, Glenn won the right to compete in the Junior World Championships in February. His dedication to the sport, and his determination, is truly a credit to this young athlete.

Glenn developed asthma at the age of three, but set his mind on racing with an inhaler. After competing in five- and ten-kilometer races, Glenn decided to enter the 30K United States Cross Country Championships. His parents, both avid cross-country skiers themselves, wondered whether their son could handle the exertion.

Glenn, who is sixteen and a high school sophomore, placed twenty-first overall and second among juniors, earning him a place on the American team for the World Championships and making him the youngest member of the U.S. team. Unlike many elite skiers, Glenn still attends a public school, squeezing in training around school hours, while also participating in high school cross-country and track.

Mr. Speaker, it is a great privilege to recognize Glenn Randall for his dedication and hard work before this body of Congress and this nation. The determination of this young man to exceed all expectations and overcome all obstacles is an inspiration to his peers as well as his elders. Glenn, who has achieved so much at a young age, has great things ahead of him, and it is my distinct pleasure to wish him the best of luck.

PNTR TO RUSSIA

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. LEVIN. Mr. Speaker, today Mr. RANGEL, Mr. PITTS, Mr. CARDIN and myself introduced a bill that would grant permanent normal trade relations (PNTR) to Russia and "graduate" Russia from the application of the so-called Jackson-Vanik amendment. The legislation would provide a historic update in U.S.-Russia trade relations. It would strengthen U.S.-Russian relations and reinforce progress Russia has made in many areas. Additionally, the legislation would ensure that Congress continues to play an active role—with the Administration and with Russia—in confronting trade disputes and negotiating the terms of Russia's WTO accession.

It is useful to recall at the outset that the Jackson-Vanik amendment was itself an amendment to Title IV of the Trade Act of 1974, a trade statute. In particular, Title IV

created a framework for conducting trade relations with non-market economies. The Jackson-Vanik amendment, which has been an effective tool for raising freedom of emigration and human rights concerns, is a key element of Title IV; however, the underlying purpose and function of the statute were and remain the conduct of trade relations.

Accordingly, PNTR legislation must address fundamental trade issues. Consistent congressional practice is to grant PNTR to a country that is subject to Jackson-Vanik only at the time of the country's WTO accession, or when negotiations on accession were effectively completed. In this way, Congress' vote on PNTR has served as a way to signal approval for the country's WTO accession agreement. Under this approach, Congress was able to exercise its constitutional prerogative to regulate commerce with foreign nations, and the American people benefitted from the Administration negotiating the strongest possible agreement.

This precedent has led to an important series of successful accessions to the WTO, including most notably for China, on terms that reinforced the WTO rules-based system, and brought great benefits to the people of the United States as well as other WTO countries.

In the case of Russia, WTO accession terms are still being negotiated. I believe it is appropriate to depart from that precedent and grant Russia PNTR now, so long as Congress retains a strong and effective tool to ensure that U.S. interests are fully addressed in those negotiations. And, there are many critical issues that still need to be addressed—Russian commitments to open its auto market, commitments in the services and other sectors, ongoing problems with pricing in the industrial energy sector, intellectual property protection, to name just a few. Moreover, several recent actions by Russia—including last year's poultry ban and potential new restrictions on beef and pork—have renewed concerns in Congress about Russia's commitment to opening its market to U.S. exports and service providers and to adopting market-oriented reforms.

This legislation ensures that Congress will continue to play an active role in addressing trade problems as they emerge and in obtaining a strong WTO accession agreement from Russia. While giving up the precedent of using the PNTR vote as a proxy for approval of WTO accession, the legislation allows Congress to consider a resolution directly addressing the terms of agreement between the U.S. and Russia on Russia's WTO accession. While in its form, this resolution would be non-binding on the Executive, it would provide Congress with an important tool to assure itself of a continuing role in the formation of the terms of Russia's WTO accession and thereby implement Congress' constitutional responsibility of oversight over trade matters.

There are two sides to the PNTR coin—the trade issues and the "Jackson-Vanik" issues. The Jackson-Vanik amendment was an historic piece of legislation, aimed at addressing a serious problem in the former Soviet Union. It set forth important criteria related to freedom of emigration necessary for certain countries to obtain normal trade relations with the United States. Even from its inception, however, the Jackson-Vanik amendment was not only concerned with freedom of emigration, but also reflected the American commitment to

human rights and freedom of religion. This fact is evident not only in the preamble of the Jackson-Vanik amendment, but also in the operation of U.S. relations with the former Soviet countries for nearly thirty years.

I think it is appropriate, then, that as we consider graduating Russia from the Jackson-Vanik amendment, that we place a strong emphasis on freedom of emigration, religious freedom, and human rights issues. These were the issues at the core of the Jackson-Vanik amendment, and continue to be relevant when considering "graduation," particularly for Russia, which was and is in many ways the primary focus of the Jackson-Vanik amendment.

I am glad that we were able to craft a bill that addresses these vital issues in a responsible way, rather than giving them "check-the-box" cursory treatment. The presence of Members of the Helsinki Commission on the bill, who have a long history of dealing with human rights and religious freedoms, demonstrates that we have given these issues the careful treatment they deserve.

Earlier this week, Senator LUGAR, the distinguished Senator from Indiana and a key participant in consideration of our relations with other nations, introduced a Russia PNTR bill. This bill did not address the issue of assuring a continuing congressional role in the resolution of vital elements of an agreement on Russia's WTO accession. I believe that Congress has a substantial role to play in overseeing negotiations of Russia WTO accession agreement to ensure that it provides the strongest benefits for U.S. workers, farmers and businesses, and therefore we are introducing this legislation today.

WHAT IF A PENSION SHIFT HIT
LAWMAKERS, TOO?

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. SANDERS. Mr. Speaker, I want to share with you an article which appeared in the March 9th New York Times. It is not acceptable to me that millions of older American workers could lose the pensions they were promised by their companies because of a conversion to a cash balance pension. My experience in working with IBM employees in Vermont has shown me that these cash balance schemes are extremely unfair and could cut the expected retirement benefits of older workers by up to 50 percent.

Every member of Congress enjoys a defined benefit pension plan. We can figure out exactly how much we will receive when we retire by computing the years we have served, our salaries and the age at which we retire. A study I recently requested from the Congressional Research Service, CRS, shows very clearly that if members in Congress were in cash balance plan they would receive substantially less in pensions than in the defined benefit plan we currently enjoy.

President Bush has proposed regulations that would legalize age discrimination in cash balance pension conversion. These proposed regulations would give the green light to Fortune 500 companies to raid the pension benefits of millions of older workers. It seems to me

that if Congress allows this extremely unfair proposal to go into effect, and jeopardizes the pensions of American workers, it should be prepared to do the same thing for itself.

Mr. Speaker, if cash balance plans are good enough for American workers, they should be good enough for members of the U.S. Congress. My understanding is that the Pension Security Act is supposed to go on the floor for debate sometime this month. During that time it is my intention to offer an amendment which would give all vested employees the right to choose which pension plan works best for them under a cash balance conversion. If that amendment does not succeed, I intend to offer another amendment that would convert the traditional pensions of members of Congress into cash balance plans if the President's proposal goes into effect. What's good for the American worker should be good for members of Congress.

[From the New York Times, March 9, 2003]
WHAT IF A PENSION SHIFT HIT LAWMAKERS,
TOO?

(By Mary Williams Walsh)

As members of Congress prepare to reform the pension system, they might want to think hard about the proposals on the table. A new study has examined what would happen to their own retirement benefits if the changes that some favor for other workers were applied to them. The answer might give them pause.

Virtually every senator and representative would lose out, the study found—in some cases by hundreds of thousands of dollars—if their current Congressional pensions were switched to a controversial variant called a cash-balance pension.

One big loser, for example, would be Representative Rob Portman, a major sponsor of the House Republicans' pension legislation. He had built up a pension benefit worth \$337,857 by the end of 2002, if taken as a single payment, the study found. But if Mr. Portman had instead earned his benefits under a cash-balance plan, he would get \$239,185, based on an age of 48 and 10 years of service.

Mr. Portman will turn 48 this year. (The study used approximate ages in calculating the hypothetical totals.)

The study, done by the Congressional Research Service, shows that other members of Congress would suffer losses of varying amounts, depending on their ages and years of service.

Congress will be deliberating on significant pension legislation in the coming months, including proposals that would affect benefit levels and the strength of the pension system itself. An especially contentious debate is looming over regulations proposed by the Bush administration on how companies could convert their traditional pension plans to the cash-balance variety.

The existing Congressional pension plan is generous, and no one is really planning to trade it in for a new, stripped-down version. For years, however, private-sector employers nationwide have been replacing traditional pension plans with newer ones that are generally meant to be less costly for the companies to offer, but that in many cases yield smaller benefits, or transfer all the risk to workers.

Seen in that context, the Congressional Research Service study shows how well members of Congress are insulated from some trends in the private sector.

Since the 1980's, hundreds of large companies have switched from traditional to cash-balance plans. These plans combine features of the traditional pension with yet another

type of retirement plan, the 401(k), in which employees manage their own retirement money and sometimes receive matching contributions from employers. They are called cash-balance plans because employees periodically receive notice of a hypothetical cash balance that they can track as it grows.

In theory, the cash-balance pension has virtues that make it superior to the 401(k): it is paid for and managed by the employer, and it is guaranteed by the federal government; a 401(k) has no such guarantee. But in the real world, companies that have converted traditional pension plans to the cash-balance variety have reduced some employees' retirement benefits sharply. The worst losses have generally befallen older workers.

Statistics on the trend are sketchy. But a 2002 audit of 60 corporate pension conversions by the Labor Department's Office of Inspector General found that in 13 cases—about 20 percent—workers were deprived of retirement benefits. They were losing about \$17 million a year because companies used improper calculations in making the conversions.

Extrapolating these lost benefits to the hundreds of pension conversions across the country, the office said, the affected workers "may be underpaid between \$85 million and \$199 million annually." The office called for heightened regulatory vigilance.

Even assuming proper calculations, cash-balance pensions can mean lower payments than in the traditional approach. Cash-balance plans differ from traditional plans, which are set up to let workers build the biggest part of their benefit in the years just before they retire. The idea was to promote worker loyalty by giving workers an incentive to stay with one company.

Many graying baby boomers in traditional plans may not know it, but now that they are passing 50 and amassing the bulk of their pensions—they are becoming very expensive to their employers. Companies that have converted to cash-balance pensions have been able to reduce labor costs by ending their traditional plans before many workers enter this high-accrual stage.

Cash-balance pensions build benefits more evenly over the course of a worker's career. For some people, they can yield larger benefits than traditional plans, particularly for younger workers who often jump from job to job.

In switching to cash-balance pensions, some companies have notified employees in technical jargon or euphemisms that have left workers clueless about what is really happening. But as older employees started to realize that the conversions could mean individual losses in the tens of thousands of dollars, they began to pepper the Equal Opportunity Employment Commission with age-discrimination complaints. Some have filed class-action lawsuits against their companies. The most prominent case, still pending, affects more than 140,000 employees at I.B.M.

In 1999, the Internal Revenue Service, which regulates pensions, placed a moratorium on conversions, to give specialists a chance to sort out their legality.

Now the Bush administration has proposed regulations that would settle the issue, laying out basic rules for making cash-balance conversions legal. Public comment will be accepted until Thursday, and hearings are scheduled for April 9. If the proposed regulations take effect, the moratorium will be lifted.

Critics of cash-balance plans fear that an end to the moratorium would prompt a flood of pension conversions. They and their advocates in Congress doubt that the regulations would adequately protect older workers.

"There are millions and millions of workers today who are scared to death that the pensions they have been promised, that they have worked their whole life for, will not come through," said Representative Bernard Sanders, a Vermont independent who has long opposed cash-balance pension conversions.

Proponents of cash-balance pensions have argued that conversions are usually harmless. They note that some companies have voluntarily sweetened their cash-balance plans after older workers complained.

In general, members of Congress who have served the longest would face the greatest losses if they were given a cash-balance payout.

Patrick J. Purcell, the Congressional Research Service economist who conducted the study, said he worked with each lawmaker's age and years of service without knowing whom the numbers applied to, "so there would be less reason for people to question the results."

He then used standard actuarial methods to compress each pension—normally taken as a lifelong stream of monthly checks—into a lump-sum payment.

Calculating the lump-sum value made comparison possible with cash-balance benefits, which are normally given in a single payment.

Mr. Purcell then calculated what the lawmakers' hypothetical cash-balance benefit would be if they had had such a pension from the day they entered Congress. That approach made for a more straightforward comparison and possibly gave an advantage to the cash-balance plan. In practice, some of the most harmful effects of pension conversions occur because employees undergo the change at midcareer.

Mr. Portman, the Ohio Republican, was unavailable for comment on the study. But a spokesman, Jim Morrell, noted that in 2001, Mr. Portman sponsored legislation requiring companies to notify employees of the way their benefits would be affected in cash-balance conversions. That bill is now law.

Senator Charles E. Grassley, Republican from Iowa and chairman of the Finance Committee, earned a pension worth \$508,266 under the existing plan, based on an age of 70 and 18 years of service. Under a cash-balance plan, he would have received only \$161,623, according to the study.

Mr. Grassley is also the former chairman of the Senate Special Committee on Aging and is active on pension issues. A spokeswoman, Jill Gerber, said Mr. Grassley could not comment on the new findings without seeing the study.

The study also found that Representative Tom DeLay, the House majority leader, had earned a benefit worth \$608,143 at the end of 2002 under the current plan. In a cash-balance plan, Mr. DeLay, a Texas Republican, would receive \$251,086 or 59 percent less, based on an age of 56 and 18 years of service.

Mr. DeLay did not respond to a request for comment.

Representative J. Dennis Hastert, the House speaker, qualified for a Congressional pension worth \$540,572 at the end of 2002. He would qualify for \$164,455 in a typical cash-balance plan, the study found, based on an age of 61 and 16 years of service.

Mr. Hastert's press secretary, John Feehery, questioned whether it was fair to single out members of Congress for scrutiny when the entire federal compensation system is skewed toward smaller paychecks and larger pensions compared with the private sector.

"The Treasury Department and Congress are looking at ways to make sure that any conversion is fair," he added. "But on the other hand, many companies, given the economic downturn, are faced with the possibility of not being able to offer any plan at

all. And that also would be bad for employees."

Ms. Gerber noted that pension conversions in Iowa, Senator Grassley's state, generally make it clear that companies are backing away from traditional pensions. In the mid-1970's there were about 1,100 pension plans in Iowa, she said, but now there are fewer than 400. With some companies deciding not to offer any pensions at all, she said, Mr. Grassley sees a need to find some balance between protecting workers' benefits and offering employers incentives to stay in the pension system.

"The anti-cash-balance people are just anti-cash-balance," she said. "But if you just make cash-balance plans illegal, what are the plan sponsors going to do?"

The Congressional Research Service, a nonpartisan branch of the Library of Congress, did the study at the request of Mr. Sanders, who has introduced legislation opposing cash-balance conversions in the past—none of it successful. He said he hoped the new findings would "show the hypocrisy" of colleagues who would let other people undergo pension conversions but would not have to suffer ill effects themselves.

"If they think a cash-balance plan is good enough for American workers, why don't they convert their own pensions?" he asked in an interview.

He said he intended to introduce legislation this week that would force Congress to put its money where its mouth is: it would require the conversion of all Congressional pensions to the cash-balance type if the legislators allow the administration's proposed regulations to go forward.

Mr. Sanders himself would lose 72 percent of his pension if that happened. Based on an age of 61, with 12 years of service, he qualified for a \$416,159 lump-sum payment at the end of 2002. In a cash-balance model, he would have received \$115,850.

He would not comment on the prospects for his cash-balance legislation. Perhaps more pragmatically, he said he would also introduce legislation to require companies converting their pensions to let each worker choose whether to keep the old plan or go with the cash-balance plan.

Some companies have done this voluntarily, he noted.

"Kodak has done that," he said. "Motorola has done that. CSX, which is the new secretary of the Treasury's company," had done that, he said, referring to John W. Snow, who was chief executive of CSX, the railway company, before Mr. Bush appointed him in December to replace Paul H. O'Neill. As Treasury secretary, Mr. Snow has authority over the proposed regulations.

All of those companies converted, Mr. Sanders said, "but they gave workers the choice."

AIR TRAFFIC RETIREMENT REFORM ACT OF 2003

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. OBERSTAR. Mr. Speaker, today I rise to introduce the Air Traffic Retirement Reform Act of 2003. This legislation will grant air traffic controllers, and more specifically air traffic controller supervisors, the same treatment that Federal firefighters and law enforcement officers (LEOs) receive under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

Both the CSRS and the FERS provide early retirement benefits and require mandatory separation for safety-related occupations, including Federal firefighters, LEOs and air traffic controllers. Under both CSRS and FERS, firefighters/LEOs and controllers are eligible for retirement after 25 years of service or after becoming 50 years old and completing 20 years of service. Additionally, the annuities for firefighters, LEOs and controllers are higher than ordinary Federal employees under CSRS and FERS.

However, the current definition of an air traffic controller in both CSRS and FERS is limited to people who are actively engaged in directing air traffic or their immediate supervisors. As a result, air traffic controllers who are promoted to staff specialists or second level managers before they are eligible to retire lose all benefits currently guaranteed controllers under CSRS and FERS. Yet, firefighters and LEOs that are promoted to management positions do not need to make a similar sacrifice.

The Air Traffic Retirement Reform Act of 2003 amends the CSRS and FERS to provide a more expansive two-tier definition of air traffic controllers. The new definition will include both employees covered under the current definition of air traffic controllers and second level supervisors. Second level supervisors would be eligible for the same retirement benefits available to line-controllers.

The Air Traffic Retirement Reform Act of 2003 provides fairness and parity between air traffic controllers and other Federal safety professionals.

TRIBUTE TO BERNARD DOWIYOGO

HON. MADELEINE Z. BORDALLO

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Ms. BORDALLO. Mr. Speaker, I rise today to express condolences for the late Bernard Dowiyogo, President of Nauru, who passed away on March 9, 2003, in Washington, DC. The people of Nauru first elected President Dowiyogo to their parliament in 1973, only five years after achieving independence from Australia in 1968. Since then he was repeatedly elected to serve a number of successful terms as President of Nauru. The island nation of Nauru is a proud friend of the United States and a well respected neighbor of Guam in the Asia-Pacific community. I urge the Parliament of Nauru to put partisan differences aside and come together to commemorate the legacy of President Dowiyogo. I ask of this Congress that, in our prayers, we remember the family of President Dowiyogo, who is survived by his wife and four children.

BIRTH DEFECTS AND DEVELOPMENTAL DISABILITIES PREVENTION ACT (H.R. 398)

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. HOLT. Mr. Speaker, I don't know all of the reasons why this bill was pulled from the

suspension calendar today. But I hope it will be re-scheduled for our consideration soon. I support passage of this bill sponsored by my New Jersey colleague, Congressman MIKE FERGUSON. It will re-authorize the important work of the National Center on Birth Defects and Developmental Disabilities (NCBDDD) within the Centers for Disease Control (CDC). Statutory authorization for this particular national center expired at the end of Fiscal Year 2002.

But at the same time, I also want to underscore my concern that officials of the CDC and the National Center on Birth Defects do not currently intend to continue approximately \$1 million in annual funding beyond Fiscal Year 2003 for the New Jersey Center for Birth Defects Research and Prevention, which is located in the City of Trenton. This would be very short-sighted and inefficient.

The New Jersey Center is one of eight such state centers that CDC established in 1997, at the direction of Congress. Since then, they have been hard at work developing a statewide registry and database on the incidence of birth defects and linking them to new research. Continuing this important work will help us determine what factors might be causing birth defects. It could yield invaluable insights into whether exposure to certain environmental hazards, for example, contributes to birth defects.

Sadly, our nation is now confronting huge budget deficits for years to come. But the CDC and the National Center on Birth Defects should build upon their initial five-year investment and continue their modest funding for all of the state efforts already compiling this vital information to help determine what causes birth defects.

Doing all we can to prevent birth defects and to learn more about what contributes to them is not a partisan issue. Accordingly, I look forward to working with my colleagues on both sides of the aisle to sustain federal support for New Jersey and other states that have taken the lead in developing this tracking data, while also enabling more states to do so.

A TRIBUTE IN HONOR OF HUGH B. PRICE: AUTHOR, LAWYER, CIVIL RIGHTS LEADER, PUBLIC SERVANT

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 2003

Mr. CUMMINGS. Mr. Speaker, I rise today as Chair of the Congressional Black Caucus to pay tribute to a great man who is retiring as the leader of one of our most cherished leadership organizations.

For the past nine years, Hugh B. Price has worked tirelessly to preserve and fortify the legacy of the National Urban League—the nation's oldest and largest community-based movement dedicated to moving African Americans into the social and economic mainstream. As president and chief executive officer of this ninety-two year old organization, Hugh Price's visionary leadership has prepared the Urban League Movement for a second century of leadership and service.

Given his successful tenure, it is only fitting that the Congress honor his accomplishments and thank him for his excellent stewardship.