

EC-2180. A communication from the General Counsel of the Department of Defense, transmitting, the report of proposed legislation relative to the National Defense Authorization Bill for Fiscal Year 2006; to the Committee on Armed Services.

EC-2181. A communication from the Director, Defense Finance and Accounting Service, transmitting, pursuant to law, a report relative to an A-76 competition of the Marine Corps accounting function; to the Committee on Armed Services.

EC-2182. A communication from the Under Secretary of Defense, Personnel and Readiness, Department of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC-2183. A communication from the Assistant Secretary for Financial Markets, Department of the Treasury, transmitting, a draft bill relative to the U.S. Agriculture Department (USDA) Cushion of Credit Payments Program received on May 11, 2005; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2184. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Dimethyl Ether; Exemption from the Requirement of a Tolerance" (FRL No. 7711-4) received on May 11, 2005; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2185. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Pinene Polymers; Exemption from the Requirement of a Tolerance" (FRL No. 7710-3) received on May 11, 2005; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2186. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Red Cabbage Colot; Exemption from the Requirement of a Tolerance" (FRL No. 7711-7) received on May 11, 2005; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2187. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Emission Standards for Hazardous Air Pollutants: Asphalt Processing and Asphalt Roofing Manufacturing" ((RIN2060-AM10) (FRL No. 7911-6)) received on May 11, 2005; to the Committee on Environment and Public Works.

EC-2188. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Emission Standards for Hazardous Air Pollutants for Iron and Steel Foundries" ((RIN2060-AM85) (FRL No. 7911-8)) received on May 11, 2005; to the Committee on Environment and Public Works.

EC-2189. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Emission Standards for Hazardous Air Pollutants: Miscellaneous Coating Manufacturing" ((RIN2060-AM72) (FRL No. 7911-1)) received on May 11, 2005; to the Committee on Environment and Public Works.

EC-2190. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled

"National Emission Standards for Pharmaceuticals Production" ((RIN2060-AM52) (FRL No. 7911-3)) received on May 11, 2005; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 147. A bill to express the policy of the United States regarding the United States relationship with Native Hawaiians and to provide a process for the recognition by the United States of the Native Hawaiian governing entity (Rept. No. 109-68).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. SALAZAR (for himself, Mr. CONRAD, and Mr. JOHNSON):

S. 1036. A bill to provide assistance for rural school districts, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. AKAKA:

S. 1037. A bill to require disclosure of financial relationships between brokers and mutual fund companies, and of certain brokerage commissions paid by mutual fund companies; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LUGAR:

S. 1038. A bill to amend the Farm Security and Rural Investment Act of 2002 to enhance the ability to produce fruits and vegetables on covered commodity base acres; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH:

S. 1039. A bill to amend the Internal Revenue Code of 1986 to modify the treatment of depreciation of refinery property; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 1040. A bill to amend the Truth in Lending Act to provide for enhanced disclosure under an open end credit plan; to the Committee on Banking, Housing, and Urban Affairs.

By Mrs. FEINSTEIN:

S. 1041. A bill for the relief of Alfredo Plascencia Lopez and Maria Del Refugio Plascencia; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DORGAN (for himself and Mr. GRAHAM):

S. Res. 142. A resolution expressing the sense of the Senate that the United States Trade Representative should bring a case before the World Trade Organization regarding the violations of intellectual property rights by the People's Republic of China; to the Committee on Finance.

By Mr. FRIST (for himself and Mr. REID):

S. Res. 143. A resolution to authorize the Senate Legal Counsel to appear in legal proceedings in the name of the Permanent Sub-

committee on Investigations in connection with its investigation into the United Nations' "Oil-For-Food" Programme; considered and agreed to.

By Ms. SNOWE (for herself, Ms. CANTWELL, Mr. LEVIN, Mr. KENNEDY, Mr. McCRAIN, Mr. LIEBERMAN, Mr. KERRY, Ms. COLLINS, Mr. BIDEN, Mr. JEFFORDS, Mr. DODD, Mr. LAUTENBERG, Mr. REED, Mr. WYDEN, Mr. PRYOR, Mrs. BOXER, Mrs. FEINSTEIN, and Mr. AKAKA):

S. Con. Res. 33. A resolution expressing the sense of the Congress regarding the policy of the United States at the 57th Annual Meeting of the International Whaling Commission; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 32

At the request of Mr. DAYTON, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 32, a bill to enhance the benefits and protections for members of the reserve components of the Armed Forces who are called or ordered to extend active duty, and for other purposes.

S. 117

At the request of Mrs. FEINSTEIN, the names of the Senator from Michigan (Mr. LEVIN), the Senator from Hawaii (Mr. AKAKA) and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of S. 117, a bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

S. 132

At the request of Mr. SMITH, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 132, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums on mortgage insurance.

S. 304

At the request of Mr. LAUTENBERG, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 304, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

S. 337

At the request of Mrs. CLINTON, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 337, a bill to amend title 10, United States Code, to revise the age and service requirements for eligibility to receive retired pay for non-regular service, to expand certain authorities to provide health care benefits for Reserves and their families, and for other purposes.

S. 365

At the request of Mr. COLEMAN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 365, a bill to amend the Torture Victims Relief Act of 1998 to authorize appropriations to provide assistance for domestic and foreign centers and programs for the treatment of victims of torture, and for other purposes.

S. 398

At the request of Mr. SANTORUM, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 398, a bill to amend the Internal Revenue Code of 1986 to expand the expensing of environmental remediation costs.

S. 418

At the request of Mr. ENZI, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 418, a bill to protect members of the Armed Forces from unscrupulous practices regarding sales of insurance, financial, and investment products.

S. 484

At the request of Mr. WARNER, the names of the Senator from South Dakota (Mr. THUNE) and the Senator from Minnesota (Mr. COLEMAN) were added as cosponsors of S. 484, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

S. 515

At the request of Mr. BYRD, the names of the Senator from Oregon (Mr. SMITH) and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of S. 515, a bill to amend title 32, United States Code, to increase the maximum Federal share of the costs of State programs under the National Guard Youth Challenge Program, and for other purposes.

S. 628

At the request of Mr. LUGAR, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 628, a bill to provide for increased planning and funding for health promotion programs of the Department of Health and Human Services.

S. 633

At the request of Mr. JOHNSON, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 633, a bill to require the Secretary of the Treasury to mint coins in commemoration of veterans who became disabled for life while serving in the Armed Forces of the United States.

S. 635

At the request of Mr. SANTORUM, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 635, a bill to amend title XVIII of the Social Security Act to improve the benefits under the medicare program for beneficiaries with kidney disease, and for other purposes.

S. 642

At the request of Mr. FRIST, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 642, a bill to support certain national youth organizations, including the Boy Scouts of America, and for other purposes.

S. 711

At the request of Mr. AKAKA, the name of the Senator from Louisiana

(Ms. LANDRIEU) was added as a cosponsor of S. 711, a bill to amend the Methane Hydrate Research and Development Act of 2000 to reauthorize that Act and to promote the research, identification, assessment, exploration, and development of methane hydrate resources.

S. 756

At the request of Mr. BENNETT, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 756, a bill to amend the Public Health Service Act to enhance public and health professional awareness and understanding of lupus and to strengthen the Nation's research efforts to identify the causes and cure of lupus.

S. 770

At the request of Mr. LEVIN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 770, a bill to amend the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 to reauthorize and improve that Act.

S. 787

At the request of Mr. SCHUMER, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 787, a bill to amend the Internal Revenue Code of 1986 to equalize the exclusion from gross income of parking and transportation fringe benefits and to provide for a common cost-of-living adjustment, and for other purposes.

S. 843

At the request of Mr. SANTORUM, the names of the Senator from Arkansas (Mr. PRYOR), the Senator from Vermont (Mr. JEFFORDS) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 843, a bill to amend the Public Health Service Act to combat autism through research, screening, intervention and education.

S. 859

At the request of Mr. SANTORUM, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 859, a bill to amend the Internal Revenue Code of 1986 to allow an income tax credit for the provision of homeownership and community development, and for other purposes.

S. 894

At the request of Mr. ENZI, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 894, a bill to allow travel between the United States and Cuba.

S. 935

At the request of Mrs. FEINSTEIN, the names of the Senator from New York (Mrs. CLINTON) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 935, a bill to regulate .50 caliber sniper weapons designed for the taking of human life and the destruction of materiel, including armored vehicles and components of the Nation's critical infrastructure.

S. 956

At the request of Mr. GRASSLEY, the names of the Senator from South Da-

kota (Mr. THUNE) and the Senator from Georgia (Mr. CHAMBLISS) were added as cosponsors of S. 956, a bill to amend title 18, United States Code, to provide assured punishment for violent crimes against children, and for other purposes.

S. 962

At the request of Mr. GRASSLEY, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 962, a bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued to finance certain energy projects, and for other purposes.

S. 991

At the request of Mr. KENNEDY, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 991, a bill to amend title I of the Employee Retirement Income Security Act of 1974 to limit the availability of benefits under an employer's nonqualified deferred compensation plans in the event that any of the employer's defined benefit pension plans are subjected to a distress or PBGC termination in connection with bankruptcy reorganization or a conversion to a cash balance plan, to provide appropriate funding restrictions in connection with the maintenance of non-qualified deferred compensation plans, and to provide for appropriate disclosure with respect to nonqualified deferred compensation plans.

S. 1013

At the request of Mrs. FEINSTEIN, the names of the Senator from Florida (Mr. MARTINEZ) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 1013, a bill to improve the allocation of grants through the Department of Homeland Security, and for other purposes.

S. 1018

At the request of Ms. MIKULSKI, her name was added as a cosponsor of S. 1018, a bill to provide that transit pass transportation fringe benefits be made available to all qualified Federal employees in the National Capital Region; to allow passenger carriers which are owned or leased by the Government to be used to transport Government employees between their place of employment and mass transit facilities, and for other purposes.

At the request of Mr. WARNER, his name was added as a cosponsor of S. 1018, *supra*.

S.J. RES. 18

At the request of Mrs. FEINSTEIN, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S.J. Res. 18, a joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003.

At the request of Mr. McCONNELL, the names of the Senator from Colorado (Mr. ALLARD), the Senator from Virginia (Mr. ALLEN), the Senator from Kentucky (Mr. BUNNING), the Senator from Montana (Mr. BURNS), the Senator from Georgia (Mr. CHAMBLISS), the

Senator from Mississippi (Mr. COCHRAN), the Senator from Ohio (Mr. DEWINE), the Senator from North Carolina (Mrs. DOLE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Nevada (Mr. ENSIGN), the Senator from Tennessee (Mr. FRIST), the Senator from Nebraska (Mr. HAGEL), the Senator from Arizona (Mr. KYL), the Senator from Indiana (Mr. LUGAR), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Oregon (Mr. SMITH) and the Senator from Ohio (Mr. VOINOVICH) were added as cosponsors of S.J. Res. 18, *supra*.

S. CON. RES. 19

At the request of Mr. CHAMBLISS, the names of the Senator from Florida (Mr. MARTINEZ) and the Senator from South Dakota (Mr. THUNE) were added as co-sponsors of S. Con. Res. 19, a concurrent resolution expressing the sense of the Congress regarding the importance of life insurance and recognizing and supporting National Life Insurance Awareness Month.

S. RES. 140

At the request of Mr. MARTINEZ, the names of the Senator from Kansas (Mr. BROWNBACK), the Senator from Wyoming (Mr. ENZI) and the Senator from Nebraska (Mr. NELSON) were added as cosponsors of S. Res. 140, a resolution expressing support for the historic meeting in Havana of the Assembly to Promote the Civil Society in Cuba on May 20, 2005, as well as to all those courageous individuals who continue to advance liberty and democracy for the Cuban people.

AMENDMENT NO. 648

At the request of Mr. VOINOVICH, the name of the Senator from California (Mrs. FEINSTEIN) was added as a co-sponsor of amendment No. 648 intended to be proposed to H.R. 3, a bill to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes.

AMENDMENT NO. 652

At the request of Mr. DORGAN, the names of the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of amendment No. 652 proposed to H.R. 3, a bill to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes.

AMENDMENT NO. 654

At the request of Mr. DORGAN, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of amendment No. 654 intended to be proposed to H.R. 3, a bill to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. AKAKA:

S. 1037. A bill to require disclosure of financial relationships between brokers and mutual fund companies, and of cer-

tain brokerage commissions paid by mutual fund companies; to the Committee on Banking, Housing, and Urban Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce the Mutual Fund Transparency Act of 2005. Mutual funds are vital investment vehicles for middle-income Americans that offer diversification and professional money management. Mutual funds are what average investors rely on for retirement, savings for children's college education, or other financial goals and dreams.

I was outraged by the widespread abuses in the industry. Ordinary investors were being harmed due to the greed of brokers, mutual fund companies, and institutional and large investors. That is why I introduced the Mutual Fund Transparency Act in November 2003 with my colleagues Senator Fitzgerald and Senator LIEBERMAN.

I want to thank the Chairman of the Securities and Exchange Commission, SEC, William Donaldson, for his courageous leadership. Chairman Donaldson has demonstrated a commitment to bring about reforms that better protect investors. I applaud the SEC's enforcement and regulatory efforts in addressing weaknesses and abuses in the mutual fund industry.

The SEC has adopted several reforms that mirror provisions found in my original Mutual Fund Transparency Act. In July 2004, the SEC adopted reforms requiring mutual funds, with certain exemptive rules, to have an independent chairman and ensure that 75 percent of their board members are independent.

Although the SEC has undertaken a number of impressive reforms, I have chosen to reintroduce a modified version of my original bill to further strengthen the independence of boards, make investors more aware of the true costs of their mutual funds, and prevent several key reforms from being rolled back. It is also important to legislatively address areas where the SEC needs additional statutory authority. Legislation is needed to ensure that the increased independence rule applied universally among mutual funds.

My bill includes a number of provisions intended to strengthen mutual fund boards. It will require that mutual fund boards have independent chairmen and that 75 percent of their directors be independent. My bill strengthens the definition of who is considered an independent director and requires independent directors to be approved by shareholders. These steps are necessary to strengthen the ability of mutual fund boards to detect and prevent abuses of investor trust.

My bill will also increase the transparency of the complex financial relationships between brokers and mutual funds in ways that are both meaningful and easy to understand for investors. Shelf-space payments and revenue-sharing agreements between mutual fund companies and brokers present

conflicts of interest that must be addressed. Brokers have conflicts of interest, some of which are unavoidable, but these need to be disclosed to investors. Without such disclosure, investors cannot make informed financial decisions. Investors may believe that brokers are recommending funds based on the expectation for solid returns or low volatility, when the broker's recommendation may be influenced by hidden payments. This legislation will require brokers to disclose in writing the amount of compensation the broker will receive due to the transaction, instead of simply providing a prospectus. Currently, the prospectus fails to include the detailed relevant information that investors need to make informed decisions.

The SEC has requested comments on a proposal to require a confirmation notice, as well as increased point-of-sale disclosures, to provide investors with more information about broker conflicts in mutual fund transactions. The SEC is reviewing comments on its proposal, and studying other possibilities. I have included a point-of-sale disclosure requirement in my legislation that was absent in the prior bill. In my bill, investors would have to be provided with the amount of differential payments and average fees for comparable transactions. My legislation also requires that confirmation notices be provided for mutual fund transactions, which will include how their broker was compensated.

To further increase the transparency of the actual costs of the fund, brokerage commissions must be counted as an expense in filings with the SEC and included in the calculation of the expense ratio. Consumers often compare the expense ratios of funds when making investment decisions. However, the expense ratios fail to take into account the cost of commissions in the purchase and sale of securities. Therefore, investors are not provided with a complete and accurate idea of the expenses involved with owning that fund. Currently, brokerage commissions are disclosed to the SEC, but not to individual investors. Right now, brokerage commissions are only disclosed to the investor upon request. My bill puts teeth into brokerage commission disclosure provisions and ensures that commissions will be included in a document that investors have access to and can utilize.

The inclusion of brokerage commissions in the expense ratio creates a powerful incentive to reduce the use of soft dollars. Soft dollars can be used to lower expenses, since most purchases using soft dollars do not count as expenses and are not calculated into the expense ratio. There have been calls for the prohibition of soft dollars. This is a recommendation that needs to be further examined. My bill provides an alternative, which is an incentive for funds to limit the use of soft dollars by identifying them as expenses. If commissions are disclosed in this manner,