

our State and to retain our current jobs. Also, I should mention that President Bush recently signed into law the America COMPETES Act of 2007, which includes provisions to encourage innovation in manufacturing and to strengthen many of our Federal research and education programs. While these efforts are crucial to our Nation's future, we must do more to improve.

We should not wait for another Sputnik-like spark to bolster our Nation's math and science education programs. Fortunately, this year we have the perfect opportunity to invigorate our education system by improving upon the successful No Child Left Behind Act (NCLB). This law has helped countless students in the United States improve over the past 5 years, and it is a great launching pad for developing an educational system that will prepare our Nation for the future.

NCLB has helped shine a bright light on schools that need improvement, and has focused our Nation's attention on accountability. The result is a tangible impact on the level of proficiency in schools. NCLB has helped our children learn to read and understand math, and has closed the achievement gap between disadvantaged students and their more privileged peers.

Yet NCLB still needs additional improvements. I introduced a bill to put science on a par with reading and math. The Science Accountability Act requires that science testing, which begins this school year, be included in States' student evaluation systems starting next school year. Another bill I introduced, the Improving Mathematics and Science Teacher Quality Act, provides dedicated funding for teacher in-service or professional development training.

Furthermore, we need to ensure that States are treated equitably. Our Nation's mix of 50 different State educational standards and State tests distracts from our national focus on preparing our kids for their future. In that spirit, I worked with Senator CHRIS DODD (D-CT) to introduce the Standards to Provide Educational Achievement for Kids (SPEAK) Act, which creates rigorous, voluntary education content standards for math and science. In exchange for voluntarily adopting these math and science standards, it provides States regulatory flexibility. It is worth noting that since education is primarily a State and local responsibility the bill specifically avoids creating national curricula or tests.

We must seize this Sputnik-like opportunity and strengthen NCLB. After the Russians beat us to space, our Nation redoubled its efforts and improved its focus on space programs and developed an innovative workforce. This led to many scientific discoveries and helped us put humans on the Moon. In the same way, we must redouble our efforts as we build on the successes of the first version of NCLB to help launch our students and our great Nation into the 22nd century and beyond.

HONORING ENGINE CO. 112 OF THE CHICAGO FIRE DEPARTMENT AND 100 YEARS OF DEDICATED COMMUNITY SERVICE

### HON. RAHM EMANUEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 4, 2007*

Mr. EMANUEL. Madam Speaker, I rise today to recognize the distinguished service and history of Engine Company No. 112 of the Chicago Fire Department. October marks Engine Co. 112's 100th anniversary. Over the past century, the men and women of Engine Company No. 112 have selflessly served their community.

The local firehouse is an important, traditional and valuable resource in the neighborhood. The members of Engine Company No. 112 strive for perfection in service of their community.

Engine Company No. 112 serves my neighborhood and I have had the opportunity to spend time there on a number of occasions; these men and women personify honor, courage, and the virtues of the Maltese Cross.

On October 31, 1907, Engine Company No. 112 was organized under the direction of its first captain, Henry C. Schroeder. Over the years, the firehouse evolved and expanded. Today, under the direction of Captain John M. Byrne, Engine Company No. 112 includes: Tower Ladder 21, Ambulance 80, the Field Officers of 452, and Communications Van 272.

Engine Company No. 112 has endured the tragic loss of three of its own in service to the community. William Butler, William Huerta and Lawrence Kelly all made the ultimate sacrifice in the line of duty and in service to Engine Company No. 112.

Engine Company No. 112's 100th anniversary celebration will occur October 6, 2007 at Company Quarters, 3801 North Damen. This will be a wonderful event memorializing this important anniversary.

Madam Speaker, on behalf of the North Side of Chicago and Fifth Congressional District community, I wish to recognize the past and current firefighters of Engine Company No. 112 for their dedication and commitment to service. Moreover I wish all the best for the future firefighters of Engine Company 112 and their families.

### INTRODUCTION OF FEE DISCLOSURE BILL

### HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 4, 2007*

Mr. NEAL of Massachusetts. Madam Speaker, I rise today to introduce The Defined Contribution Plan Fee Transparency Act of 2007. That may be a long title, but the details are actually very simple.

Earlier this summer, AARP conducted a survey of 401(k) participants to find out what they knew about the fees paid by their plans. Plan fees can make a huge difference in your account balance. As the Department of Labor has pointed out in a helpful guide on the issue, "Fees and expenses paid by your plan may substantially reduce the growth in your

account." Literally, it pays to know what these expenses are. What the AARP found in their survey is instructive: 83 percent of participants acknowledged they do not know how much they pay in fees or expenses. Already, the House Education and Labor Committee has held several hearings to highlight this issue, and I commend the Committee Chairman, Mr. Miller, for his leadership.

The growth in defined contribution plans offers great opportunities for workers, with alternatives and options they did not have before. Many workers, however, are simply overwhelmed with the information distributed and, because of that, may not be able to utilize these opportunities. Certainly, more disclosure is preferred. But, as AARP found out, the need to better understand this information means it must be in an easily digestible format and in plain English.

My legislation provides for disclosure both to the worker and to the employer. Participants, or workers, would get both an enrollment notice up-front and an annual notice updating them on their account. At enrollment, the bill requires that for each of the plan's investment alternatives, the employer would have to disclose the alternative's objective and investment manager, its risk and return characteristics and its historic rates of return. In addition, the employer must indicate whether the alternative is passively managed, as with an index fund, or actively managed and whether or not the alternative is a single-alternative investment solution, such as a lifecycle or target retirement date fund.

Regarding fees, the bill requires employers to disclose the asset-based fees for each investment alternative, whether such fees pay for services beyond investment management, such as plan administration, and whether there are additional charges for buying or selling the particular alternative, such as redemption fees. In addition, participants must be provided with information about any separate fees they will be charged for plan administration as well as a notice that certain plan services they may decide to use could have separate charges associated with them, such as investment advice programs, brokerage windows, or plan loans. Accompanying these disclosures would be a statement that participants should not select investments based solely on fees but based on careful consideration of a range of factors including the alternatives' risk level, returns and investment objectives.

In addition to this enrollment notice, each year, participants would receive information about the investments they had selected and the fees applicable to their accounts. This annual notice would describe which investment alternatives the individual participant was invested in, what percentage of the participant's total account each alternative represented, the risk and return characteristics of each such alternative, whether such alternatives were passively or actively managed and the historical returns for each such alternative. The statement would also summarize for participants what asset classes their account is invested in, with percentage breakdowns. On fees, the annual notice must describe asset-based and any sales charges for the alternatives the participant has selected, any separate charges for plan administration and any deductions for participant-initiated services. In addition, to assist employees who may want to make investment changes, the notice must tell participants

how to access investment characteristic and fee information for alternatives in which they are not invested.

My bill also requires service providers to disclose to employers various fee and expense information in advance of a contract. This will ensure that employers have the information they need to bargain effectively with plan service providers and to keep costs at reasonable levels for participants.

Providers must give the employer an estimate of total fees and a detailed and itemized list of all the services to be provided under the contract. Providers that offer multiple bundled services must separate the fees charged under the contract into fees for investment management, fees for administration and recordkeeping and fees paid to intermediaries or other third-parties. Providers must also disclose whether they expect to receive payments from third-parties in connection with providing services to the plan, also referred to as revenue-sharing, and if so, must name those parties and the amount expected to be received from each. This revenue-sharing information is critical so that employers understand how their providers are being paid and whether any such financial relationships give rise to potential conflicts of interest. Plan service providers must also provide this detailed disclosure statement to employers every year the contract is in place and following any material modification of the contract. In addition, employers must make such statements available to plan participants via web posting and upon written request so that those employees who want to delve into the details of the plan's financing can do so.

The Department of Labor's guide on 401(k) fees states that fees and expenses generally fall into three categories: plan administration, investment, and individual services fees. By requiring all service providers, whether they just provide recordkeeping or if they perform it all, to disclose fees in broad categories, such as these, companies and employees can better evaluate what they are getting for what price they pay. It is my understanding that some service providers are already disclosing more than what is required. I hope that we can capture those "best practices" and implement them across the board so that all workers and employers have the best data available.

Additionally, my bill would apply not only to 401(k) plans, but to all tax-preferred, participant-directed defined contribution plans, including 403(b) plans and governmental 457(b) plans. These amendments are all within the Internal Revenue Code, and therefore, penalties for not complying will be taxes assessed per violation per day, subject to a cap. I hope to work with the Chairman of the Ways and Means Committee, Mr. RANGEL, to address this issue within the Committee very soon as I know he shares my concern that the taxpayers' interests be protected.

Despite the news that 8 in 10 participants do not know what fees are charged, there is some good news out there too. One recent study from the Investment Company Institute, or ICI, found that the asset-weighted expense ratios for stock mutual funds in 401(k) plans fell last year over the prior year. This may be in response to another finding from ICI—that more workers are considering fees over the investment's track record.

It is my hope that this bill will provide much more information about plan fees and ex-

penses in a useful way without overwhelming recipients. I urge my colleagues to join me in this effort.

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INTRODUCTION OF SERVICE-MEMBER STUDENT LOW INTEREST RELIEF ACT

**HON. SUSAN A. DAVIS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 4, 2007*

Mrs. DAVIS of California. Madam Speaker, I rise today to introduce the Servicemember Student Loan Interest Relief Act—a bill to ease the financial burden on our men and women in uniform.

When servicemembers of the Armed Forces are deployed overseas, the last thing they want to worry about is how they will be able to afford their student loan payments when they get back. But that is the reality for thousands of our Nation's servicemembers today.

Although current law grants servicemembers a deferment on paying back their student loans while they are on active duty, the interest on these loans still keeps accruing during their service. When our men and women in uniform return from months and sometimes years of service, many of them come home to student loan debt that has ballooned during their absence and that they will have to struggle to pay back.

The Servicemember Student Loan Interest Relief Act stops student loan interest from accruing as long as a servicemember is on active duty, up to maximum of 5 years. This bill will apply to active duty servicemembers of any branch of the military, including reserve units and the National Guard.

According to the Congressional Research Service, the legislation I am introducing today will save the average servicemember between \$1,183 and \$1,479 over the course of a 12–15 month activation period, with even more savings realizable for those activated for longer periods.

Military service requires those who serve our country to make tremendous sacrifices—personally, professionally, and financially. Let us give our brave men and women the peace of mind of knowing that after defending us on the front lines, they will not return home to bill collectors and creditors breaking down their doors.

Help me serve our Nation's bravest while they are off serving us. Support the Servicemember Student Loan Interest Rate Relief Act.

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PERSONAL EXPLANATION

**HON. HEATHER WILSON**

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 4, 2007*

Mrs. WILSON of New Mexico. Madam Speaker, last week on Thursday, September 27, 2007, I was absent for rollcall votes 922 and 923. Had I been present to vote, I would have voted "yea" on both rollcall vote 922 and rollcall vote 923.

IN MEMORY OF CPL GRAHAM  
McMAHON

**HON. DARLENE HOOLEY**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 4, 2007*

Ms. HOOLEY. Madam Speaker, these moments are important.

Let us remember and honor the life and sacrifice of Graham McMahon.

At times like these, I think long and hard about what matters most. Today, I took a moment to consider the meaning of his generosity—of his service.

Corporal McMahon spent a lot of time living in the valley between the forests. And yet today, it is we—I all of us—that stand in the shadow of his life.

Men like Graham are uncommon. Heroes—that's the term we use to describe men like him—but it is an incomplete term.

Graham understood the stakes; he was all too human and it is precisely because of his humanity—of his heart, his soul—that we are here tonight, grieving his loss.

Scripture tells us that, "Greater love has no one than this, that one lay down his life for his friends."

The lessons of the Gospel of John are just as true now, as they were then.

Corporal Graham McMahon woke up every day; put on his uniform and did what was needed. He did this out of love; he did this in an act of faith.

Graham had faith in us; he had faith that his country knew what it was doing when it sent him to serve across the seas. And he had faith in us to ensure that his sacrifice—and the sacrifice of his brothers and sisters in arms were remembered.

My friends, we live in challenging times; but we live free because of men, because of citizens—like Graham.

It is important for us all to remember that when Graham left for Iraq, he knew that he might not come home alive. But that did not stop him from performing his duty.

We must honor that memory by ensuring that we do ours. It is our duty to care for the military and the ones loved by them. It is our duty to ensure that we take good care of not merely the fallen, but the wounded struggling to return to the life they knew. And it is our duty to commit ourselves here, tonight, to making America the kind of place worthy of men such as CPL Graham McMahon.

His life casts a long shadow—a shadow that will endure through the years. Let us renew ourselves to celebrating that life and sustaining the community he loved.

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FLOOD INSURANCE REFORM AND  
MODERNIZATION ACT OF 2007

SPEECH OF

**HON. PATRICK J. KENNEDY**

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 27, 2007*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3121) to restore the financial solvency of the national flood insurance program and to provide for such