

finally implemented. Therefore, I believe that Congressional action is warranted and this bill provides a strong disclosure requirement to benefit both workers and companies in understanding fees.

A few years ago, 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. Considering the number of people who have told me they do not dare to even open their 401(k) statement in this devalued market, that percentage may have increased even more!

But fees are a serious issue and one which participants need to understand from the outset. The House Education and Labor Committee has held several hearings to highlight this issue over the past 18 months, and I commend the Committee Chairman, Mr. MILLER, for his leadership and thoughtful ideas about how to address fair disclosure.

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.

The legislation I am filing today, which updates the bill I filed last Congress, would provide for disclosure both to the worker and to the employer. Participants, or workers, would get both an enrollment notice up-front and a quarterly 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 comparison to a benchmark. In addition, the employer must indicate whether the alternative is passively managed, as with an index fund, or actively managed, plus the differences between these two investment styles 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 to employees at enrollment the annual operating expenses for each investment alternative (together with a translation of these asset-based fees into illustrative dollar amounts), 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. The bill requires this information about plan investments to be provided to employees annually as well.

In addition to this enrollment notice, each quarter, participants would receive information about the investments they had selected and the fees applicable to their accounts. This quarterly 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 and whether such alternatives were passively or actively managed. The statement would also summarize for participants what asset classes their account is invested in, with percentage breakdowns. On fees, the quarterly notice must describe the annual operating expenses (with dollar examples) 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, a detailed and itemized list of all the services to be provided under the contract and a schedule of any transaction charges that participants may face. Providers that offer multiple bundled services must separate the fees charged under the contract into fees for investment management and fees for administration and recordkeeping and must also disclose 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. Providers will likewise have to disclose whether they may benefit from the offering of proprietary investment products or those of third parties and must tell employers if the investment products offered to the plan are available at other price levels. Plan service providers must also provide this detailed disclosure statement to employers every year the contract is in place and prior to any material modification of the contract. In addition, employers must make such statements available to plan participants 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. The amendments contained in the bill 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. The bill is forward-thinking, pushing electronic delivery as much as possible. 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 fact that 8 in 10 participants do not know what fees are charged, there is some good news out there too. According to a survey released in April by Deloitte, the International Foundation of Employee Benefit Plans, and the International Society of Certified Employee Benefit specialists, the average expense ratio for plan investments was down from the prior survey period. Clearly, the attention to fees is having some impact resulting in lower costs.

It is my hope that this bill will provide much more information about plan fees and expenses in a useful way without overwhelming recipients. I urge my colleagues to join me in this effort.

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STEM EDUCATION COORDINATION  
ACT OF 2009

SPEECH OF

**HON. MAXINE WATERS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 8, 2009*

Ms. WATERS. Madam Speaker, I add my support of House Resolution 1709, providing for the creation of a committee under the National Science and Technology Council to coordinate federal programs in support of science, technology, engineering and mathematics education. This legislation will synchronize programs at the National Science Foundation, the Department of Energy, the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, the Department of Energy and Education—all organizations with a vested interest in the promotion of STEM (science, technology, engineering and mathematics) education. This committee will provide a forum for our federal agencies to coordinate STEM activities and determine new ways to advertise programs to elementary and secondary students, eliminating two large roadblocks in the promotion of programs already provided by these agencies. I commend my colleague Representative BART GORDON, for bringing this important measure before the House.

As a former teacher and Head Start coordinator, I fully understand the importance of all proposals that extend the reach of education among the youth of our country. In Fiscal Year 2010, I requested funding for the African-American Male Achievers Network to provide students access to year-round technology enrichment activities and opportunities to explore STEM related education and career paths. This funding has the potential to increase academic achievement of inner city students and decrease gang involvement and community violence. Furthermore, innovation is key to our economic competitiveness in the World. Under current trends, by the year 2010, more than 90 percent of engineers and scientists will be living outside of the U.S. and currently more than 50 percent of all engineering doctoral degrees awarded by American engineering colleges are to foreign nationals. We have a pressing need to cultivate the next generation of science and mathematically oriented Americans by providing them access to the vast resources that our federal agencies can provide.

Madam Speaker, this measure is quite important to the future of our great country and I'm pleased to add my voice in support for this legislation. I plan to work with my colleagues to ensure that future American engineers and scientists have the resources have the capability and resources to innovate and create technologies.

WORLD ELDER ABUSE  
AWARENESS DAY

**HON. ROSA L. DeLAURO**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 9, 2009*

Ms. DeLAURO. Madam Speaker, I rise today to recognize the important work being done in Connecticut to bring attention to the problem of elder abuse, and to ask that all of my colleagues join the national observance of World Elder Abuse Awareness Day on June 15th.

Older adults are our parents and neighbors and friends—the grown-ups who cared for us when we were young and once protected us from harm. Now, we can help them live safely and with dignity. Sadly, elder abuse and neglect happens all too frequently in America. Elder abuse can be financial, sexual, emotional, and neglect; and it is not always intentional. It can happen in any kind of home. Sometimes abuse is the unintended action of an overwhelmed family member. Sometimes it is out of anger. Never is it deserved. Only one out of five cases is ever reported, and awareness of the problem is our first line of defense.

In Connecticut's Third District, The Coalition for the Advocacy, Prevention and Elimination of Older Adult Abuse (CAPE), is working to bring this hidden crisis into the light. They began a little over a year ago with a grant from the National Committee for the Prevention of Elder Abuse. CAPE is led by The Center for Elder Abuse Prevention at The Jewish Home for the Elderly and the Southwestern Area Agency on Aging. Today, the partnership has earned the generous support of The Robert Wood Johnson Foundation Local Funding Partnerships and many local funders including The Fairfield County Community Foundation

and The Harry and Jeanette Weinberg Foundation. These resources allow The Center to help victims who cannot stay at a domestic violence shelter, because of physical or cognitive issues that occur in late-life, find a safe temporary place to live, where their special needs can be met and the healing can begin.

On June 15th, CAPE will be holding a World Elder Abuse Awareness Day event at the Jewish Home for the Elderly in Fairfield. I commend their efforts to ensure that my constituents know how to spot the signs that a friend or loved one may be the victim of abuse, and where they can go for help. And I encourage my colleagues to contact me to learn more about elder abuse and become part of the solution in their communities.

Again, I commend the work of The Center and CAPE. Ending elder abuse begins by making every day World Elder Abuse Awareness Day.

CONGRATULATING THE UNIVERSITY OF WASHINGTON MEN'S CREW TEAM

**HON. JIM McDERMOTT**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 9, 2009*

Mr. McDERMOTT. Madam Speaker, I would like to submit the following:

University of Washington Men's Rowing Team and Honored Guests,

I write to give my hearty congratulations to the University of Washington's men's rowing team for earning their 12th varsity eight national championship, the 107th IRA Regatta, and sweeping the eights on the way to a historic four golds and five medals overall.

This astounding overall performance was capped by a thrilling come-from-behind victory over arch-rival California and I would like to take this time to commend the varsity rowers on their fine performance. Heath Allen, Aljosa Corovic, Will Crothers, Steve Full, Rob Gibson, Jesse Johnson, Max Lang, Katelin Snyder, and David Worley have earned my utmost admiration, as have all the members of the University of Washington's rowing team, down to the last rower in the boathouse.

What makes this victory so impressive is the volume of dominance exhibited by this extremely deep team. The varsity eight winning gold is an impressive feat in itself, but to sweep the eights is the highest testament to the dedication of the team and the culture of hard work and determination established by Coach Bob Ernst.

Since 1903, when the University of Washington first participated in intercollegiate rowing, our crews have established themselves as the toughest and most determined crews in the country. This year's crews have continued that tradition by emphatically putting the "gold" back in the purple and gold.

I am extremely proud to represent you in Congress and I know that with the foundation of hard work instilled in these young rowers by their coach and the University of Washington, there are no limits to what they will go on to accomplish in life.

MARIAH McCORMICK

**HON. ED PERLMUTTER**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 9, 2009*

Mr. PERLMUTTER. Madam Speaker, I rise today to recognize and applaud Mariah McCormick who has received the Arvada Wheat Ridge Service Ambassadors for Youth award. Mariah McCormick is a senior at Pomona High School and received this award because her determination and hard work have allowed her to overcome adversities.

The dedication demonstrated by Mariah McCormick is exemplary of the type of achievement that can be attained with hard work and perseverance. It is essential that students at all levels strive to make the most of their education and develop a work ethic that will guide them for the rest of their lives.

I extend my deepest congratulations once again to Mariah McCormick for winning the Arvada Wheat Ridge Service Ambassadors for Youth award. I have no doubt she will exhibit the same dedication she has shown in her academic career to her future accomplishments.

HONORING GRANT TUCEK FOR HIS APPOINTMENT TO THE UNITED STATES MILITARY ACADEMY

**HON. PHIL GINGREY**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 9, 2009*

Mr. GINGREY of Georgia. Madam Speaker, I rise today to recognize a young man from Georgia's 11th Congressional District who has distinguished himself as an excellent student and leader and has committed to serving his country. I am proud to announce that Grant Tucek from Powder Springs, Georgia has received appointments to both the United States Military Academy and the United States Naval Academy and will enter the Military Academy this year. Grant attends Harrison High School where he has a 4.22 grade point average and is a member of the National Honor Society and the National Beta Club. Grant is also in the top 5% of all foreign language students. Despite Grant's heavy focus on academics, he has remained very active in extracurricular activities. During High School, Grant has participated in the Navy JROTC, where he has served as Company Executive Officer, Orienteering Team Commander, and as a member of the Rifle Team. He was also honored with the American Legion Military medal.

Grant has also contributed to the arts and athletics at Harrison High School, playing trumpet in the Symphonic Band and running on Harrison's track and field team. Grant Tucek is an incredibly well-rounded young man, and I am honored to have the privilege to nominate him for an appointment to the U.S. Military Academy. I want to take this time to congratulate Grant as well as his parents, Wayne and Denise Tucek, for his accomplishments. It is because of dedicated young people like Grant that America has the finest military in the world. Our Nation is fortunate to have his service.