

is strong: 12,000 additional jobs and additional capital stock investments of over \$200 million. Companies enjoyed at least \$50 million in economic incentives as a direct result of the accelerated depreciation schedule.

The Oklahoma Department of Commerce has also reported that many companies attribute this provision as a key reason for relocating to and expanding within the State. One Oklahoma food processing plant manager recently stated that the credit was a significant factor in the company's decision to expand. Had the credit not been there, the business may not have expanded, and the unemployment rate would be worse than it is today.

The accelerated schedule is currently allowed, but the law states that it will expire at the end of this year. While the provision has typically been renewed each year, many business leaders have expressed concern that it is not permanent. I can understand why. As a former businessman myself, I understand the problem of unpredictability. More and more, unpredictability is the most serious concern I hear of from Oklahoma's business leaders. They are frustrated that many government policies, ranging from environmental regulations to the tax code, are changing so dramatically that they have no way of estimating how the new regulations will impact their businesses. How do you expect anyone to make investment decisions in that kind of environment? Businesses need stability, and this is particularly true during times of economic weakness. We in Congress should take this point seriously, and we can take a step in the right direction by making permanent this important tax provision. I urge swift passage.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

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

S. 1020. A bill to amend the Internal Revenue Code of 1986 to modify the rules relating to loans made from a qualified employer plan, and for other purposes; to the Committee on Finance.

Mr. KOHL. Mr. President, today I am introducing the Savings Enhancement by Alleviating Leakage in 401(k) Savings Act of 2011, otherwise known as the SEAL 401(k) Savings Act. This bill, which I introduce together with my friend Senator MIKE ENZI, will reduce leakage from retirement plans and help ensure that retirement savings in defined contribution plans last through-out retirement.

With the recent shift from defined benefit retirement savings plans to 401(k)-type defined contribution plans, many Americans are now responsible for making the proactive decision to save for their retirement. These decisions include how much to save and where to invest their savings. Meanwhile, they also must resist the urge to

tap into their savings in times of hardship through withdrawals and loans.

During these difficult economic times, we are increasingly seeing 401(k) funds being treated as rainy day funds, as participants take out withdrawals and loans. According to a recent study by Aon Hewitt, as of the end of 2010, about 28 percent of active participants in defined contribution plans had an outstanding loan. This is a record high. Withdrawals from defined contribution plans also have increased since the 2008 financial crisis. This leakage from these plans can significantly reduce workers' savings and put their retirement security at risk.

To determine how to best tackle the issue of leakage from retirement plans, the Special Committee on Aging, of which I chair, held a hearing in July 2008 entitled, "Saving Smartly for Retirement: Are Americans Being Encouraged to Break Open the Piggy Bank?" The Committee also requested a GAO report entitled, "401(k) Plans: Policy Changes Could Reduce the Long-term Effects of Leakage on Workers' Retirement Savings," which was released in August 2009.

The SEAL 401(k) Savings Act builds on the recommendations the Committee received from witnesses during our hearing and from the GAO and would reduce leakage and increase retirement savings. First, the bill would extend the time workers have to repay loans. When an employee with a 401(k) plan loan loses his job, he generally is put to the choice of defaulting on his outstanding loan and incurring tax penalties or immediately repaying the entire outstanding loan balance. Paying back a loan after just losing your job can be difficult so our bill would give people more time.

While having access to a loan in an emergency is an important feature for many participants, a 401(k) savings account should not be used as a piggy bank for revolving loans. Also, the administrative burden of managing multiple loans for a few individuals can increase the costs for all workers in a plan. The SEAL Act reduces the overall number of loans that participants can take to three at one time. Currently employers determine the number of loans available, and many employers, like the Federal Thrift Savings Program, have chosen to restrict the number of loans to reduce leakage and overall cost.

The bill also would allow 401(k) participants to continue to make additional contributions during the 6 months following a hardship withdrawal. Currently, after an employee takes a withdrawal from a 401(k) plan due to a hardship, he or she is prohibited from making contributions to the plan and all other plans maintained by the employer for at least six months. This loss of both employee contributions and company matching contributions during this period can exacerbate the long-term negative effects on retirement savings.

Finally, the bill would ban products that promote leakage, such as the 401(k) debit card. By offering a 401(k) debit card, plans send the message that it is okay to use your retirement savings for every day purchases, despite the fact that the high fees associated with its use will drastically diminish their savings.

I look forward to working with my colleagues to pass this important legislation.

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

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

S. 1020

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 "Savings Enhancement by Alleviating Leakage in 401(k) Savings Act of 2011" or the "SEAL 401(k) Savings Act".

SEC. 2. EXTENDED ROLLOVER PERIOD FOR THE ROLLOVER OF PLAN LOAN OFFSET AMOUNTS IN CERTAIN CASES.

(a) IN GENERAL.—Paragraph (3) of section 402(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(C) ROLLOVER OF CERTAIN PLAN LOAN OFFSET AMOUNTS.—

“(i) IN GENERAL.—In the case of a qualified plan loan offset amount, paragraph (1) shall not apply to any transfer of such amount made after the due date (including extensions) for filing the return of tax for the taxable year in which such amount is treated as distributed from a qualified employer plan.

“(ii) QUALIFIED PLAN LOAN OFFSET AMOUNT.—For purposes of this subparagraph, the term ‘qualified plan loan offset amount’ means a plan loan offset amount which is treated as distributed from a qualified employer plan to a participant or beneficiary solely by reason of—

“(I) the termination of the qualified employer plan, or

“(II) the failure to meet the repayment terms of the loan from such plan because of the separation from service of the participant (whether due to layoff, cessation of business, termination of employment, or otherwise).

“(iii) PLAN LOAN OFFSET AMOUNT.—For purposes of clause (ii), the term ‘plan loan offset amount’ means the amount by which the participant's accrued benefit under the plan is reduced in order to repay a loan from the plan.

“(iv) LIMITATION.—This subparagraph shall not apply to any plan loan offset amount unless such plan loan offset amount relates to a loan to which section 72(p)(1) does not apply by reason of section 72(p)(2).

“(v) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term ‘qualified employer plan’ has the meaning given such term by section 72(p)(4).”

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 402(c)(3) of the Internal Revenue Code of 1986 is amended by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers made after the date of the enactment of this Act.

SEC. 3. MODIFICATION OF RULES GOVERNING HARDSHIP DISTRIBUTIONS.

Not later than 1 year after the date of the enactment of this Act, the Secretary of the

Treasury shall modify Treasury Regulation section 1.401(k)—1(d)(3)(iv)(E) to—

(1) delete the prohibition imposed by paragraph (2) thereof, and

(2) to make any other modifications necessary to carry out the purposes of section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986.

SEC. 4. QUALIFIED EMPLOYER PLANS PROHIBITED FROM MAKING LOANS THROUGH CREDIT CARDS AND OTHER SIMILAR ARRANGEMENTS.

(a) IN GENERAL.—Paragraph (2) of section 72(p) of the Internal Revenue Code of 1986 is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

“(D) PROHIBITION OF LOANS THROUGH CREDIT CARDS AND OTHER SIMILAR ARRANGEMENTS.—Subparagraph (A) shall not apply to any loan which is made through the use of any credit card or any other similar arrangement.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after the date which is 60 days after the date of the enactment of this Act.

SEC. 5. LIMITATION ON NUMBER OF LOANS FROM QUALIFIED EMPLOYER PLANS WHICH MAY BE OUTSTANDING WITH RESPECT TO ANY PARTICIPANT OR BENEFICIARY.

(a) IN GENERAL.—Paragraph (2) of section 72(p) of the Internal Revenue Code of 1986, as amended by section 4, is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new subparagraph:

“(E) EXCEPTION ONLY TO APPLY TO 3 LOANS.—Subparagraph (A) shall not apply to any loan made after the date of the enactment of this subparagraph if, immediately after such loan is made, the number of outstanding loans from the plan to the participant or beneficiary exceeds 3.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made after the date which is 1 year after the date of the enactment of this Act.

Mr. ENZI. Mr. President, in February the Committee on Health, Education, Labor, and Pensions held a hearing on the success of the automatic enrollment provisions of the Pension Protection Act of 2006 which helped millions of workers and their families access to a 401(k) retirement savings accounts. Because of the Pension Protection Act, we greatly expanded retirement savings and individuals ability to put money away for their golden years.

Just last week, Fidelity Investments released a report that employer-sponsored retirement plans with an automatic enrollment feature have an overall participation rate of 82 percent compared with only 56 percent without automatic enrollment. The Fidelity report also indicated that average account balances for 401(k) and similar retirement accounts have reached an all-time high. This is some good news to show that workers and their families retirement accounts are coming back from the economic distress of just a few years ago.

While our Nation's 401(k) retirement system is providing greater opportunities for individuals to save, there is still room for improvement. Recent studies have shown that money saved in 401(k) accounts sometimes “leaks” out of the system and is never put

back. AonHewitt released a report this week showing that unpaid loans, withdrawals and cashouts of 401(k) monies, otherwise known as “leakage,” can have a substantial effect on how much money ultimately will be there for retirement. According to the AonHewitt report, an individual who ceases to make loan repayments during the loan term is expected to erode future retirement income by 10 to 13 percent. If the individual has two loans and payments are not made then the reduction in retirement savings nearly doubles. In the event of a complete default of the loan, then the monies are permanently gone from the retirement system.

Today, I join the Chairman of the Senate Aging Committee, Senator KOHL, in taking the first step in helping to stop leakage in the retirement system. Chairman KOHL held a hearing on this very issue and had the Government Accountability Office, GAO, research and come up with recommendations to stop retirement savings leakage. The bill we introduce today, The Savings Enhancement by Alleviating Leakage in 401(k) Pension Act also known as the SEAL Act, is based upon those initial GAO recommendations.

The SEAL Act takes the first steps in helping workers and their families to pay back loans from 401(k) accounts when a worker leaves a job. Typically, when a worker separates from an employer any outstanding 401(k) loan must be paid back immediately or suffer tax penalties. The SEAL Act would allow for a greater period of time for the loan to be paid back thereby helping families to pay back the loan and allowing the monies to be put back into their retirement savings and avoid the tax penalty.

The bill also would remove the prohibition against individuals from making contributions to their 401(k) accounts in the following 6 months after a hardship loan has been made. Situations where hardship loans are made are some of the most stressful times for individuals and their families. If they have the ability and means to continue to contribute to their 401(k) accounts then they should be provided that option. The bill gives them the option to continue to save for retirement even in dire circumstances.

Finally, the bill would provide structural changes to 401(k) plans to help businesses keep down administrative costs and extra fees. Currently, the Internal Revenue Code permits businesses to structure retirement plans with an unlimited amount of loans per individual but an individual cannot take more than 50 percent of their retirement account balances in loans up to \$50,000 for all outstanding loans. The Federal Government's Thrift Savings Plan has a limit of two outstanding loans, one personal loan and one loan for the purchase of a house, at any time. We consulted with retirement experts, mutual funds and retirement service providers and virtually all agreed that the optimal number of

loans agreed upon was 3 outstanding loans at any time. Some believed that we should match the Thrift Savings Plan, however, we believe that businesses need to reduce administrative costs but they should be able to provide flexibility to their workers. The bill also would restrict the use of credit and/or debit card loans on 401(k) accounts. Again, these types of loans pull money out in “reserve” so that individuals can tap the reserve at any time. However, the extra administrative costs and fees are burdensome to businesses and to their workers.

Overall, the SEAL bill is the first step in helping to provide flexibility for individuals and plan structure to help keep retirement monies in retirement savings accounts. I look forward to working with Chairman KOHL in moving this important piece of retirement savings legislation. I also look forward to working with my colleagues to improve and add other items to help reduce leakage in 401(k) retirement savings and to help our Nation's workers and their families have their money there for them at retirement. Each step that we take to stop leakage will mean that individuals will be more financially secure in retirement.

By Mr. REID:

S. 1022. A bill to extend expiring provisions of the USA PATRIOT Improvement and Reauthorization Act of 2005 and the Intelligence Reform and Terrorism Prevention Act of 2004 until December 31, 2014, and for other purposes; read the first time.

Mr. REID. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1022

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 “PATRIOT Sunsets Extension Act of 2011”.

SEC. 2. SUNSET EXTENSIONS.

(a) USA PATRIOT IMPROVEMENT AND REAUTHORIZATION ACT OF 2005.—Section 102(b)(1) of the USA PATRIOT Improvement and Reauthorization Act of 2005 (Public Law 109-177; 50 U.S.C. 1805 note, 50 U.S.C. 1861 note, and 50 U.S.C. 1862 note) is amended by striking “May 27, 2011” and inserting “December 31, 2014”.

(b) INTELLIGENCE REFORM AND TERRORISM PREVENTION ACT OF 2004.—Section 6001(b)(1) of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458; 50 U.S.C. 1801 note) is amended by striking “May 27, 2011” and inserting “December 31, 2014”.

By Mr. DURBIN (for himself, Ms.

COLLINS, and Mr. KERRY):

S. 1023. A bill to authorize the President to provide assistance to the Government of Haiti to end within 5 years the deforestation in Haiti and restore within 30 years the extent of tropical forest cover in existence in Haiti in 1990, and for other purposes; to the Committee on Foreign Relations.

Mr. DURBIN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1023

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 “Haiti Reformation Act of 2011”.

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the established policy of the Federal Government is to support and seek protection of tropical forests around the world;

(2) tropical forests provide a wide range of benefits by—

(A) harboring a major portion of the biological and terrestrial resources of Earth and providing habitats for an estimated 10,000,000 to 30,000,000 plant and animal species, including species essential to medical research and agricultural productivity;

(B) playing a critical role as carbon sinks that reduce greenhouse gases in the atmosphere, as 1 hectare of tropical forest can absorb up to approximately 3 tons of carbon dioxide per year, thus moderating potential global climate change; and

(C) regulating hydrological cycles upon which agricultural and coastal resources depend;

(3) tropical forests are also a key factor in reducing rates of soil loss, particularly on hilly terrain;

(4) while international efforts to stem the tide of tropical deforestation have accelerated during the past 2 decades, the rapid rate of tropical deforestation continues unabated;

(5) in 1923, over 60 percent of the land of Haiti was forested but, by 2006, that percentage had decreased to less than 2 percent;

(6) during the period beginning in 2000 and ending in 2005, the deforestation rate in Haiti accelerated by more than 20 percent over the deforestation rate in Haiti during the period beginning in 1990 and ending in 1999;

(7) as a result, during the period described in paragraph (6), Haiti lost—

(A) nearly 10 percent (approximately 11,000 hectares) of the forest cover of Haiti; and

(B) approximately 22 percent of the total forest and woodland habitat of Haiti;

(8) poverty and economic pressures are—

(A) two factors that underlie the tropical deforestation of Haiti; and

(B) manifested particularly through the clearing of vast areas of forest for conversion to agricultural uses;

(9) 80 percent of the population of Haiti lives below the poverty line;

(10) two-thirds of the population of Haiti depend on the agricultural sector, which consists mainly of small-scale subsistence farming;

(11) 60 percent of the population of Haiti relies on charcoal produced from cutting down trees for cooking fuel;

(12) soil erosion represents the most direct effect of the deforestation of Haiti, as the erosion has—

(A) lowered the productivity of the land due to the poor soils underlying the tropical forests;

(B) worsened the severity of droughts and flooding events;

(C) led to further deforestation;

(D) significantly decreased the quality and, as a result, quantity of freshwater and clean drinking water available to the population of Haiti; and

(E) increased the pressure on the remaining land and trees in Haiti;

(13) tropical forests provide forest cover to soften the effect of heavy rains and reduce erosion by anchoring the soil with their roots;

(14) when trees are cleared, rainfall runs off the soil more quickly and contributes to floods and further erosion;

(15) in 2004, Hurricane Jeanne struck Haiti, killing approximately 3,000, and affecting over 200,000 people, partly because deforestation had resulted in the clearing of large hillsides, which enabled rainwater to run off directly to settlements located at the bottom of the slopes;

(16) research conducted by the United Nations Environmental Programme has revealed a direct (89 percent) correlation between the extent of the deforestation of a country and the incidence of victims per weather event in the country;

(17) the consequences of the January 2010 earthquake in Haiti, which destroyed much of the infrastructure of Port au Prince, were greater because of deforestation which reduced hillside stability and increased the likelihood of mudslides, soil erosion, and flooding—factors that also negatively impacted the water supply and heightened concerns for the spread of waterborne diseases;

(18) finding economic benefits for local communities from sustainable uses of tropical forests is critical for the long-term protection of the tropical forests in Haiti;

(19) On July 29, 2010, the Supplemental Appropriations Act of 2010 (Public Law 111-212) was enacted into law, which included \$25,000,000 for “the reforestation and other restoration of Haiti’s key watersheds”; and

(20) tropical reforestation efforts would provide new sources of jobs, income, and investments in Haiti by—

(A) providing employment opportunities in tree seedling programs, contract tree planting and management, sustainable agricultural initiatives, sustainable and managed timber harvesting, and wood products milling and finishing services; and

(B) enhancing community enterprises that generate income through the trading of sustainable forest resources, many of which exist on small scales in Haiti and in the rest of the region.

(b) PURPOSE.—The purpose of this Act is to provide assistance to the Government of Haiti to develop and implement, or improve, nationally appropriate policies and actions—

(1) to reduce deforestation and forest degradation in Haiti;

(2) to increase annual rates of afforestation and reforestation in a measurable, reportable, and verifiable manner—

(A) to restore social and economic conditions for environmental recovery of 35 percent of Haiti’s land surface area within 5 years after the date of enactment of this Act;

(B) to restore within 30 years after the date of enactment of this Act the forest cover of Haiti to at least 10 percent of the land in Haiti; and

(C) to establish within 10 years after the date of enactment of this Act agroforestry cover of land in Haiti to more than 25 percent; and

(3) to improve sustainable resource management at the watershed scale.

SEC. 3. DEFINITIONS.

In this Act:

(1) AFFORESTATION.—

(A) IN GENERAL.—The term “afforestation” means the establishment of a new forest through the seeding of, or planting of trees on, a parcel of nonforested land.

(B) INCLUSION.—The term “afforestation” includes—

(i) the introduction of a tree species to a parcel of nonforested land of which the species is not a native species; and

(ii) the increase of tree cover through plantations.

(2) AGROFORESTRY.—

(A) IN GENERAL.—The term “agroforestry” refers to systems in which perennial trees or shrubs are integrated with crops or livestock, and where perennials constitute a minimum 10 percent of ground cover.

(B) INCLUSION.—Actual forest cover resulting from agroforestry programs can be counted toward the total forest cover goal set forth in section (2)(b).

(3) APPROPRIATE COMMITTEES OF CONGRESS.—The term “appropriate committees of Congress” means—

(A) the Committee on Foreign Relations and the Committee on Appropriations of the Senate; and

(B) the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

(4) DEFORESTATION.—The term “deforestation” refers to the conversion of forest to another land use or the long term reduction of the tree canopy.

(5) FOREST.—

(A) IN GENERAL.—The term “forest” means a terrestrial ecosystem containing native tree species generated and maintained primarily through natural ecological and evolutionary processes.

(B) EXCLUSION.—The term “forest” does not include plantations, such as crops of trees planted primarily by humans for the purposes of harvesting.

(6) REFORESTATION.—

(A) IN GENERAL.—The term “reforestation” refers to the establishment of forest on lands that were previously considered as forest, but which have been deforested.

(B) INCLUSION.—The term “reforestation” includes the increase of tree cover through plantations.

TITLE I—FORESTATION AND WATERSHED MANAGEMENT ASSISTANCE TO GOVERNMENT OF HAITI

SEC. 101. FORESTATION ASSISTANCE.

(a) AUTHORITY.—

(1) IN GENERAL.—In accordance with section 117 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151p) and consistent with the provisions of paragraph (2), the President is authorized to provide assistance to the Government of Haiti in the form of financial assistance, technology transfers, or capacity building assistance for the conduct of activities to develop and implement 1 or more forestation proposals under paragraph (2)—

(A) to reduce the deforestation of Haiti; and

(B) to increase the rates of afforestation and reforestation in Haiti.

(2) PROPOSALS.—

(A) IN GENERAL.—Assistance under this title may be provided to the Government of Haiti to implement one or more proposals that contain—

(i) a description of each policy and initiative to be carried out using the assistance;

(ii) adequate documentation to ensure, as determined by the President, that—

(I) each policy and initiative will be—

(aa) carried out and managed in accordance with widely accepted environmentally sustainable forestry and agricultural practices; and

(bb) designed and implemented in a manner by which to improve the governance of forests by building governmental capacity to be more transparent, inclusive, accountable, and coordinated in decisionmaking processes and the implementation of the policy or initiative; and

(II) the proposals will further establish and enforce legal regimes, standards, and safeguards designed to ensure that members of

local communities in affected areas, as partners and primary stakeholders, will be engaged in the design, planning, implementation, monitoring, and evaluation of the policies and initiatives; and

(iii) a description of how the proposal or proposals support and aid forest restoration efforts consistent with the purpose set forth in section 2(b).

(B) DETERMINATION OF COMPATIBILITY WITH CERTAIN PROGRAMS.—In evaluating each proposal under subparagraph (A), the President shall ensure that each policy and initiative described in the proposal submitted by the Government of Haiti under that subparagraph is compatible with—

(i) broader development, poverty alleviation, sustainable energy usage, and natural resource conservation objectives and initiatives in Haiti;

(ii) the development, poverty alleviation, disaster risk management, and climate resilience programs of the United States Agency for International Development, including those involving technical support from the United States Forest Service; and

(iii) activities of international organizations and multilateral development banks.

(b) ELIGIBLE ACTIVITIES.—Any assistance received by the Government of Haiti under subsection (a)(1) shall be conditional upon development and implementation of a proposal under subsection (a)(2), which may include—

(1) the provision of technologies and associated support for activities to reduce deforestation or increase afforestation and reforestation rates, including—

(A) fire reduction initiatives;

(B) forest law enforcement initiatives;

(C) the development of timber tracking systems;

(D) the development of cooking fuel substitutes;

(E) initiatives to increase agricultural productivity;

(F) tree-planting initiatives; and

(G) programs that are designed to focus on market-based solutions, including programs that leverage the international carbon-offset market;

(2) the enhancement and expansion of governmental and nongovernmental institutional capacity to effectively design and implement a proposal developed under subsection (a)(2) through initiatives, including—

(A) the establishment of transparent, accountable, and inclusive decision-making processes relating to all stakeholders (including affected local communities);

(B) the promotion of enhanced coordination among ministries and agencies responsible for agroecological zoning, mapping, land planning and permitting, sustainable agriculture, forestry, and law enforcement; and

(C) the clarification of land tenure and resource rights of affected communities, including local communities;

(3) the development and support of institutional capacity to measure, verify, and report the activities carried out by the Government of Haiti to reduce deforestation and increase afforestation and reforestation rates through the use of appropriate methods, including—

(A) the use of best practices and technologies to monitor land use change in Haiti, including changes in the extent of natural forest cover, protected areas, mangroves, agroforestry, and agriculture;

(B) the monitoring of the impacts of policies and initiatives on—

(i) affected communities;

(ii) the biodiversity of the environment of Haiti; and

(iii) the health of the tropical forests of Haiti; and

(C) independent and participatory forest monitoring; and

(4) the development of and coordination with watershed restoration programs in Haiti, including—

(A) agreements with the Government of Haiti, nongovernmental organizations, or private sector partners to provide technical assistance, capacity building, or technology transfers which support the environmental recovery of Haiti's watersheds through forest restoration activities, provided that the assistance will help strengthen economic drivers of sustainable resource management, reduce environmental vulnerability, and improve governance, planning, and community action of watersheds in Haiti;

(B) actions to support economic incentives for sustainable resource management, may including enhanced incentives for the replacement of annual hillside cropping with perennial and non-erosive production systems;

(C) enhanced extension services supporting the sustainable intensification of agriculture to increase farmer incomes and reduce pressure on degraded land; and

(D) investments in watershed infrastructure to reduce environmental vulnerability, including the establishment of appropriate erosion control measures through reforestation activities in targeted watersheds or sub-watersheds.

(c) DEVELOPMENT OF PERFORMANCE METRICS.—

(1) IN GENERAL.—If the President provides assistance under subsection (a)(1), the President, in cooperation with the Government of Haiti, shall develop appropriate performance metrics to measure, verify, and report—

(A) the conduct of each policy and initiative to be carried out by the Government of Haiti;

(B) the results of each policy and initiative with respect to the tropical forests of Haiti; and

(C) each impact of each policy and initiative on the local communities of Haiti.

(2) REQUIREMENTS.—Performance metrics developed under paragraph (1) shall, to the maximum extent practicable, include short-term and long-term metrics to evaluate the implementation of each policy and initiative contained in each proposal developed under subsection (a)(2).

(d) REPORTS.—

(1) INITIAL REPORT.—Not later than 18 months after the date of enactment of this Act, the President shall submit to the appropriate committees of Congress a report that describes the actions that the President has taken, and plans to take—

(A) to engage with the Government of Haiti, nongovernmental stakeholders, and public and private nonprofit organizations to implement this section; and

(B) to enter into agreements with the Government of Haiti under subsection (a)(1).

(2) BIENNIAL REPORTS.—Not later than 2 years after the date on which the President first provides assistance to the Government of Haiti under subsection (a)(1) and biennially thereafter, the President shall submit to Congress a report that describes the progress of the Government of Haiti in implementing each policy and initiative contained in the proposal submitted under subsection (a)(2).

(e) ADDITIONAL ASSISTANCE.—The President is authorized to provide financial and other assistance to the Government of Haiti, local government bodies, or nongovernmental organizations for the purpose of—

(1) providing local communities information relating to each policy and initiative to be carried out by the Government of Haiti through funds made available under subsection (a)(1);

(2) promoting effective participation by local communities in the design, implementation, and independent monitoring of each policy and initiative; and

(3) promoting, consistent with supporting the sustainability of forestation activities, enhanced watershed governance, national planning, and community action programs that lead to increased—

(A) development of a national watershed management policy for Haiti with the Inter-Ministerial Committee for Land Management, the Ministry of Environment, Ministry of Agriculture, and the Ministry of Planning and External Cooperation;

(B) establishment of an effective forum for donor coordination related to management and reforestation in Haiti;

(C) support for the National Center for Geospatial Information (CNIGS) to provide technology, data, and monitoring support for improved watershed and forest resource management at a national scale in Haiti; and

(D) development of effective governance structures in Haiti for stakeholder engagement, coordination of approaches, and land use planning and disaster mitigation at the watershed scale.

TITLE II—GRANTS FOR REFORESTATION

SEC. 201. REFORESTATION GRANT PROGRAM.

(a) ESTABLISHMENT.—The President is authorized to establish a grant program to carry out the purposes of this Act, including reversing deforestation and improving reforestation and afforestation in Haiti.

(b) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The President is authorized to award grants and contracts to carry out projects that, in the aggregate, reverse deforestation and improve reforestation and afforestation.

(2) MAXIMUM AMOUNT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the President may not award a grant under this section in an amount greater than \$500,000 per year.

(B) EXCEPTION.—The President may award a grant under this section in an amount greater than \$500,000 per year if the President determines that the recipient of the grant has demonstrated success with respect to a project that was the subject of a grant under this section.

(3) DURATION.—The President shall award grants under this section for a period not to exceed 3 years.

(c) USE OF FUNDS.—

(1) IN GENERAL.—Grants awarded pursuant to subsection (b) may be used for activities such as—

(A) providing a financial incentive to protect trees;

(B) providing hands-on management and oversight of replanting efforts;

(C) focusing on sustainable income-generating growth;

(D) providing seed money to start cooperative reforestation and afforestation efforts and providing subsequent conditional funding for such efforts contingent upon required tree care and maintenance activities;

(E) promoting widespread use of improved cooking stove technologies, to the extent that this does not result in the harvesting of tropical forest growth and other renewable fuel technologies that reduce deforestation and improve human health; and

(F) securing the involvement and commitment of local communities—

(i) to protect tropical forests in existence as of the date of enactment of this Act; and

(ii) to carry out afforestation and reforestation activities.

(2) CONSISTENCY WITH PROPOSALS.—To the maximum extent practicable, a project carried out using grant funds shall support and be consistent with the proposal developed

under section 101(a)(2) that is the subject of the project.

(d) APPLICATION.—

(1) IN GENERAL.—To be eligible for a grant under this section, an entity shall prepare and submit an application at such time, in such manner, and containing such information as the President may reasonably require.

(2) CONTENT.—Each application submitted under paragraph (1) should be consistent with the findings of the 2007 United States Agency for International Development report entitled, “Environmental Vulnerability in Haiti: Findings and Recommendations”, and shall include—

(A) a description of the objectives to be attained;

(B) a description of the manner in which the grant funds will be used;

(C) a plan for evaluating the success of the project based on verifiable evidence; and

(D) to the extent that the applicant intends to use nonnative species in afforestation efforts, an explanation of the benefit of the use of nonnative species over native species and verification that the species to be used are not invasive.

(3) PREFERENCE FOR CERTAIN PROJECTS.—In awarding grants under this section, preference shall be given to applicants that propose—

(A) to develop market-based solutions to the difficulty of reforestation in Haiti, including the use of conditional cash transfers and similar financial incentives to protect reforestation efforts;

(B) to partner with local communities and cooperatives; and

(C) to focus on efforts that build local capacity to sustain growth after the completion of the underlying grant project.

(e) DISSEMINATION OF INFORMATION.—The President shall collect and widely disseminate information about the effectiveness of the demonstration projects assisted under this section.

SEC. 202. FOREST PROTECTION GRANTS.

Chapter 7 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2281 et seq.) is amended by inserting after section 466 the following new section:

“SEC. 467. PILOT PROGRAM FOR HAITI.

“(a) SUBMISSION OF LIST OF AREAS OF SEVERELY DEGRADED NATURAL RESOURCES.—The President, in cooperation with non-governmental conservation organizations, shall invite the Government of Haiti to submit a list of areas within the territory of Haiti in which tropical forests are seriously degraded or threatened.

“(b) REVIEW OF LIST.—The President shall assess the list submitted by the Government of Haiti under subsection (a) and shall seek to reach agreement with the Government of Haiti for the restoration and future sustainable use of those areas.

“(c) GRANT PROGRAM.—

“(1) GRANTS AUTHORIZED.—The President is authorized to make grants on such terms and conditions as may be necessary to non-governmental organizations for the purchase on the open market of discounted debt of the Government of Haiti, if a market is determined to be viable, in exchange for commitments by the Government of Haiti to restore tropical forests identified by the Government under subsection (a) or for commitments to develop plans for sustainable use of such tropical forests.

“(2) MANAGEMENT OF PROTECTED AREAS.—Each recipient of a grant under this subsection shall participate in the ongoing management of the area or areas protected pursuant to such grant.

“(3) RETENTION OF PROCEEDS.—Notwithstanding any other provision of law, a grant-

ee (or any subgrantee) of the grants referred to in section (a) may retain, without deposit in the Treasury of the United States and without further appropriation by Congress, interest earned on the proceeds of any resulting debt-for-nature exchange pending the disbursements of such proceeds and interest for approved program purposes, which may include the establishment of an endowment, the income of which is used for such purposes.

“(4) TERMINATION OF PROGRAM.—The authority to make grants under the pilot program shall terminate five years after the date of the enactment of this Act. The authority may be renewed for one additional five-year period during the 30-year reforestation period targeted by this Act if the President determines and certifies to Congress that the pilot program is effective in meeting the goals of the Act and the commitment of the Government of Haiti to returning land in Haiti to long-term sustainable forests. The cumulative duration of the pilot program may not exceed ten total years.”

TITLE III—ADMINISTRATIVE PROVISION

SEC. 301. DELEGATION.

The President (or the Administrator of the United States Agency for International Development or the Secretary of State as the President's delegate) may draw, as appropriate, on the expertise of the United States Forest Service in designing and implementing programs pursuant to this Act relating to reforestation, watershed restoration, and monitoring of land use change.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 188—OPPOSING STATE BAILOUTS BY THE FEDERAL GOVERNMENT

Mr. KIRK submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 188

Whereas each State of the Union is a sovereign entity with a constitution and authority to issue sovereign debt;

Whereas the legislature of each State of the Union has the authority to reduce spending or raise taxes to pay the obligations to which the State has committed itself;

Whereas the officials of each State of the Union have the legal obligation to fully disclose the financial condition of the State to investors who purchase the debt of such State;

Whereas Congress has rejected prior requests from State creditors for payment of defaulted State debt; and

Whereas during the financial crisis in 1842, the Senate requested that the Secretary of State report any negotiations with State creditors to assume or guaranty State debts, to ensure that no promises of Federal Government support were proffered: Now, therefore, be it

Resolved, That—

(1) the Federal Government should take no action to redeem, assume, or guarantee State debt; and

(2) the Secretary of the Treasury should report to Congress negotiations to engage in actions that would result in an outlay of Federal funds on behalf of creditors to a State.

SENATE RESOLUTION 189—RECOGNIZING AND HONORING HARMON KILLEBREW AND EXPRESSING THE CONDOLENCES OF THE SENATE TO HIS FAMILY ON HIS DEATH

Mr. CRAPO (for himself, Ms. KLOBUCHAR, Mr. RISCH, and Mr. FRANKEN) submitted the following resolution; which was considered and agreed to:

S. RES. 189

Whereas Harmon Clayton Killebrew was born on June 29, 1936, in Payette, Idaho;

Whereas Harmon Killebrew earned multiple awards as an athlete in baseball, basketball, and football while at Payette High School;

Whereas at the age of 17, Harmon Killebrew signed his first professional baseball contract with the Washington Senators;

Whereas Harmon Killebrew credits then-United States Senator from the State of Idaho, Herman Welker, with recommending to the Griffith family, then-Washington Senators owners, that the Washington Senators sign Killebrew;

Whereas Harmon Killebrew played his first 7 seasons of professional baseball in Washington, D.C. before moving with the Washington Senators franchise to the State of Minnesota in 1961, where the team was renamed the Minnesota Twins;

Whereas Harmon Killebrew played 14 seasons with the Minnesota Twins;

Whereas Harmon Killebrew hit the longest home run in the history of Metropolitan Stadium, which hit a seat located 520 feet from home plate that the Twins later painted red in honor of that historic shot;

Whereas while with the Minnesota Twins, Harmon Killebrew made the All-Star Team in 10 different seasons and competed in the 1965 World Series, where the Minnesota Twins fell in 7 games to the Los Angeles Dodgers;

Whereas Harmon Killebrew earned the American League's Most Valuable Player award in 1969 when he led the league in both home runs and runs batted in;

Whereas Harmon Killebrew retired from professional baseball in 1975, after playing 1 season with the Kansas City Royals;

Whereas uniform number 3, which Harmon Killebrew wore while with the Minnesota Twins, has been retired by the Minnesota Twins;

Whereas as of 2011, Harmon Killebrew, with 573 career home runs, ranks 11th highest on the all-time career home run list of Major League Baseball;

Whereas Harmon Killebrew was elected to the Baseball Hall of Fame in 1984;

Whereas Harmon Killebrew remained active in many important charitable efforts following the conclusion of his playing career;

Whereas in 1977, Harmon Killebrew joined with Ralph Harding, a former United States Representative from the State of Idaho, in founding the Danny Thompson Memorial Golf Tournament, in honor of Danny Thompson, Harmon Killebrew's former Minnesota Twins teammate who died as a result of leukemia in 1976; and

Whereas the efforts of Harmon Killebrew in support of the annual Danny Thompson Memorial Golf Tournament in the State of Idaho generated more than \$25,000,000 for leukemia and cancer research at St. Luke's Mountain States Tumor Institute in Boise, Idaho and the University of Minnesota Cancer Research Center: Now, therefore, be it

Resolved, That the Senate—