I am proud that this bill is endorsed by the Human Rights Campaign and passed unanimously out of the Ways and Means Committee. I strongly urge my colleagues to continue to build on this progress and support its passage on the House floor.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. JUDY CHU) that the House suspend the rules and pass the bill, H.R. 3299, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REHABILITATION FOR MULTIEMPLOYER PENSIONS ACT OF 2019

Mr. SCOTT of Virginia. Madam Speaker, pursuant to House Resolution 509, I call up the bill (H.R. 397) to amend the Internal Revenue Code of 1986 to create a Pension Rehabilitation Trust Fund, to establish a Pension Rehabilitation Administration within the Department of the Treasury to make loans to multiemployer defined benefit plans, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 509, in lieu of the amendments in the nature of a substitute recommended by the Committee on Education and Labor and the Committee on Ways and Means printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 116–24 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 397

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 ''Rehabilitation for Multiemployer Pensions Act of 2019''.

SEC. 2. PENSION REHABILITATION ADMINISTRATION; ESTABLISHMENT; POWERS.

(a) ESTABLISHMENT.—There is established in the Department of the Treasury an agency to be known as the ''Pension Rehabilitation Administration''.

(b) DIRECTOR.—

(1) ESTABLISHMENT OF POSITION.—There shall be at the head of the Pension Rehabilitation Administration a Director, who shall be appointed by the President.

(2) TERM.—

(A) IN GENERAL.—The term of office of the Director shall be 5 years.

(B) SERVICE UNTIL APPOINTMENT OF SUCCESSOR.—An individual serving as Director at the expiration of a term may continue to serve until a successor is appointed.

(3) POWERS.—

(A) APPOINTMENT OF DEPUTY DIRECTORS, OFFICERS, AND EMPLOYEES.—The Director may appoint Deputy Directors, officers, and employees, including attorneys, in accordance with chapter 51 and subchapter III of chapter 53 of title 5, United States Code.

(B) CONTRACTING.—

(i) IN GENERAL.—The Director may contract for financial and administrative services (including those related to budget and accounting, financial reporting, personnel, and procurement) with the General Services Administration, or such other Federal agency as the Director determines appropriate, for which payment shall be made in advance, or by reimbursement, from funds of the Pension Rehabilitation Administration in such amounts as may be agreed upon by the Director and the head of the Federal agency providing the services.

(ii) SUBJECT TO APPROPRIATIONS.—Contract authority under clause (i) shall be effective for any fiscal year only to the extent that appropriations are available for that purpose.

SEC. 3. PENSION REHABILITATION TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 9512. PENSION REHABILITATION TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Pension Rehabilitation Trust Fund' (hereafter in this section referred to as the 'Fund'), consisting of such amounts as may be appropriated or credited to the Fund as provided in this section and section 9602(b).

''(b) TRANSFERS TO FUND.—

''(1) AMOUNTS ATTRIBUTABLE TO TREASURY BONDS.—There shall be credited to the Fund the amounts transferred under section 6 of the Rehabilitation for Multiemployer Pensions Act of 2019.

''(2) LOAN INTEREST AND PRINCIPAL.—

''(A) IN GENERAL.—The Director of the Pension Rehabilitation Administration established under section 2 of the Rehabilitation for Multiemployer Pensions Act of 2019 shall deposit in the Fund any amounts received from a plan as payment of interest or principal on a loan under section 4 of such Act.

''(B) INTEREST.—For purposes of subparagraph (A), the term 'interest' includes points and other similar amounts.

''(3) AVAILABILITY OF FUNDS.—Amounts credited to or deposited in the Fund shall remain available until expended.

''(c) EXPENDITURES FROM FUND.—Amounts in the Fund are available without further appropriation to the Pension Rehabilitation Administration—

''(1) for the purpose of making the loans described in section 4 of the Rehabilitation for Multiemployer Pensions Act of 2019,

''(2) for the payment of principal and interest on obligations issued under section 6 of such Act, and

''(3) for administrative and operating expenses of such Administration.''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 9512. Pension Rehabilitation Trust Fund.''.

SEC. 4. LOAN PROGRAM FOR MULTIEMPLOYER DEFINED BENEFIT PLANS.

(a) LOAN AUTHORITY.—

(1) IN GENERAL.—The Pension Rehabilitation Administration established under section 2 is authorized—

(A) to make loans to multiemployer plans (as defined in section 414(f) of the Internal Revenue Code of 1986) which are defined benefit plans (as defined in section 414(j) of such Code) and which—

(i) are in critical and declining status (within the meaning of section 432(b)(6) of such Code and section 305(b)(6) of the Employee Retirement and Income Security Act) as of the date of the enactment of this section, or with respect to which a suspension of benefits has been approved under section 432(e)(9) of such Code and section 305(e)(9) of such Act as of such date;

(ii) as of such date of enactment, are in critical status (within the meaning of section 432(b)(2) of such Code and section 305(b)(2) of such Act), have a modified funded percentage of less than 40 percent, and have a ratio of active to inactive participants which is less than 2 to 5; or

(iii) are insolvent for purposes of section 418E of such Code as of such date of enactment, if they became insolvent after December 16, 2014, and have not been terminated; and

(B) subject to subsection (b), to establish appropriate terms for such loans.

For purposes of subparagraph (A)(ii), the term ''modified funded percentage'' means the percentage equal to a fraction the numerator of which is current value of plan assets (as defined in section 3(26) of such Act) and the denominator of which is current liabilities (as defined in section 431(c)(6)(D) of such Code and section 304(c)(6)(D) of such Act).

(2) CONSULTATION.—The Director of the Pension Rehabilitation Administration shall consult with the Secretary of the Treasury, the Secretary of Labor, and the Director of the Pension Benefit Guaranty Corporation before making any loan under paragraph (1), and shall share with such persons the application and plan information with respect to each such loan.

(3) ESTABLISHMENT OF LOAN PROGRAM.—

(A) IN GENERAL.—A program to make the loans authorized under this section shall be established not later than September 30, 2019, with guidance regarding such program to be promulgated by the Director of the Pension Rehabilitation Administration, in consultation with the Director of the Pension Benefit Guaranty Corporation, the Secretary of the Treasury, and the Secretary of Labor, not later than December 31, 2019.

(B) LOANS AUTHORIZED BEFORE PROGRAM DATE.—Without regard to whether the program under subparagraph (A) has been established, a plan may apply for a loan under this section before either date described in such subparagraph, and the Pension Rehabilitation Administration shall approve the application and make the loan before establishment of the program if necessary to avoid any suspension of the accrued benefits of participants.

(b) LOAN TERMS.—

(1) IN GENERAL.—The terms of any loan made under subsection (a) shall state that—

(A) the plan shall make payments of interest on the loan for a period of 29 years beginning on the date of the loan (or 19 years in the case of a plan making the election under subsection (c)(5));

(B) final payment of interest and principal shall be due in the 30th year after the date of the loan (except as provided in an election under subsection (c)(5)); and

(C) as a condition of the loan, the plan sponsor stipulates that—

(i) except as provided in clause (ii), the plan will not increase benefits, allow any employer participating in the plan to reduce its contributions, or accept any collective bargaining agreement which provides for reduced contribution rates, during the 30-year period described in subparagraphs (A) and (B);

(ii) in the case of a plan with respect to which a suspension of benefits has been approved under section 432(e)(9) of the Internal Revenue Code of 1986 and section 305(e)(9) of the Employee Retirement Income Security Act of 1974, or under section 418E of such Code, before the loan, the plan will reinstate the suspended benefits (or will not carry out any suspension which has been approved but not yet implemented);

(iii) the plan sponsor will comply with the requirements of section 6059A of the Internal Revenue Code of 1986;

(iv) the plan will continue to pay all premiums due under section 4007 of the Employee Retirement Income Security Act of 1974; and

(v) the plan and plan administrator will meet such other requirements as the Director of the Pension Rehabilitation Administration provides in the loan terms.

The terms of the loan shall not make reference to whether the plan is receiving financial assistance under section 4261(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1431(d)) or to any adjustment of the loan amount under subsection (d)(2)(A)(ii).

(2) INTEREST RATE.—Except as provided in the second sentence of this paragraph and subsection (c)(5), loans made under subsection (a) shall have as low an interest rate as is feasible. Such rate shall be determined by the Pension Rehabilitation Administration and shall—

(A) not be lower than the rate of interest on 30-year Treasury securities on the first day of the calendar year in which the loan is issued, and

(B) not exceed the greater of—

(i) a rate 0.2 percentage points higher than such rate of interest on such date, or

(ii) the rate necessary to collect revenues sufficient to administer the program under this section.

(c) LOAN APPLICATION.—

(1) IN GENERAL.—In applying for a loan under subsection (a), the plan sponsor shall—

(A) demonstrate that, except as provided in subparagraph (C)—

(i) the loan will enable the plan to avoid insolvency for at least the 30-year period described in subparagraphs (A) and (B) of subsection (b)(1) or, in the case of a plan which is already insolvent, to emerge from insolvency within and avoid insolvency for the remainder of such period; and

(ii) the plan is reasonably expected to be able to pay benefits and the interest on the loan during such period and to accumulate sufficient funds to repay the principal when due;

(B) provide the plan's most recently filed Form 5500 as of the date of application and any other information necessary to determine the loan amount under subsection (d);

(C) stipulate whether the plan is also applying for financial assistance under section 4261(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1431(d)) in combination with the loan to enable the plan to avoid insolvency and to pay benefits, or is already receiving such financial assistance as a result of a previous application;

(D) state in what manner the loan proceeds will be invested pursuant to subsection (d), the person from whom any annuity contracts under such subsection will be purchased, and the person who will be the investment manager for any portfolio implemented under such subsection; and

(E) include such other information and certifications as the Director of the Pension Rehabilitation Administration shall require.

(2) STANDARD FOR ACCEPTING ACTUARIAL AND PLAN SPONSOR DETERMINATIONS AND DEMONSTRATIONS IN THE APPLICATION.—In evaluating the plan sponsor's application, the Director of the Pension Rehabilitation Administration shall accept the determinations and demonstrations in the application unless the Director, in consultation with the Director of the Pension Benefit Guaranty Corporation, the Secretary of the Treasury, and the Secretary of Labor, concludes that any such determinations or demonstrations in the application (or any underlying assumptions) are unreasonable or are inconsistent with any rules issued by the Director pursuant to subsection (g).

(3) REQUIRED ACTIONS; DEEMED APPROVAL.—The Director of the Pension Rehabilitation Administration shall approve or deny any application under this subsection within 90 days after the submission of such application. An application shall be deemed approved unless, within such 90 days, the Director notifies the plan sponsor of the denial of such application and the reasons for such denial. Any approval or denial of an application by the Director of the Pension Rehabilitation Administration shall be treated as a final agency action for purposes of section 704 of title 5, United States Code. The Pension Rehabilitation Administration shall make the loan pursuant to any application promptly after the approval of such application.

(4) CERTAIN PLANS REQUIRED TO APPLY.—The plan sponsor of any plan with respect to which a suspension of benefits has been approved under section 432(e)(9) of the Internal Revenue Code of 1986 and section 305(e)(9) of the Employee Retirement Income Security Act of 1974 or under section 418E of such Code, before the date of the enactment of this Act shall apply for a loan under this section. The Director of the Pension Rehabilitation Administration shall provide for such plan sponsors to use the simplified application under subsection (d)(2)(B).

(5) INCENTIVE FOR EARLY REPAYMENT.—The plan sponsor may elect at the time of the application to repay the loan principal, along with the remaining interest, at least as rapidly as equal installments over the 10-year period beginning with the 21st year after the date of the loan. In the case of a plan making this election, the interest on the loan shall be reduced by 0.5 percentage points.

(d) LOAN AMOUNT AND USE.—

(1) AMOUNT OF LOAN.—

(A) IN GENERAL.—Except as provided in subparagraph (B) and paragraph (2), the amount of any loan under subsection (a) shall be, as demonstrated by the plan sponsor on the application under subsection (c), the amount needed to purchase annuity contracts or to implement a portfolio described in paragraph (3)(C) (or a combination of the two) sufficient to provide benefits of participants and beneficiaries of the plan in pay status, and terminated vested benefits, at the time the loan is made.

(B) PLANS WITH SUSPENDED BENEFITS.—In the case of a plan with respect to which a suspension of benefits has been approved under section 432(e)(9) of the Internal Revenue Code of 1986 and section 305(e)(9) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(e)(9)) or under section 418E of such Code—

(i) the suspension of benefits shall not be taken into account in applying subparagraph (A); and

(ii) the loan amount shall be the amount sufficient to provide benefits of participants and beneficiaries of the plan in pay status and terminated vested benefits at the time the loan is made, determined without regard to the suspension, including retroactive payment of benefits which would otherwise have been payable during the period of the suspension.

(2) COORDINATION WITH PBGC FINANCIAL ASSISTANCE.—

(A) IN GENERAL.—In the case of a plan which is also applying for financial assistance under section 4261(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1431(d))—

(i) the plan sponsor shall submit the loan application and the application for financial assistance jointly to the Pension Rehabilitation Administration and the Pension Benefit Guaranty Corporation with the information necessary to determine the eligibility for and amount of the loan under this section and the financial assistance under section 4261(d) of such Act; and

(ii) if such financial assistance is granted, the amount of the loan under subsection (a) shall not exceed an amount equal to the excess of—

(I) the amount determined under paragraph (1)(A) or (1)(B)(ii) (whichever is applicable); over

(II) the amount of such financial assistance.

(B) PLANS ALREADY RECEIVING PBGC ASSISTANCE.—The Director of the Pension Rehabilitation Administration shall provide for a simplified application for the loan under this section which may be used by an insolvent plan which has not been terminated and which is already receiving financial assistance (other than under section 4261(d) of such Act) from the Pension Benefit Guaranty Corporation at the time of the application for the loan under this section.

(3) USE OF LOAN FUNDS.—

(A) IN GENERAL.—Notwithstanding section 432(f)(2)(A)(ii) of the Internal Revenue Code of 1986 and section 305(f)(2)(A)(ii) of such Act, the loan received under subsection (a) shall only be used to purchase annuity contracts which meet the requirements of subparagraph (B) or to implement a portfolio described in subparagraph (C) (or a combination of the two) to provide the benefits described in paragraph (1).

(B) ANNUITY CONTRACT REQUIREMENTS.—The annuity contracts purchased under subparagraph (A) shall be issued by an insurance company which is licensed to do business under the laws of any State and which is rated A or better by a nationally recognized statistical rating organization, and the purchase of such contracts shall meet all applicable fiduciary standards under the Employee Retirement Income Security Act of 1974.

(C) PORTFOLIO.—

(i) IN GENERAL.—A portfolio described in this subparagraph is—

(I) a cash matching portfolio or duration matching portfolio consisting of investment grade (as rated by a nationally recognized statistical rating organization) fixed income investments, including United States dollar-denominated public or private debt obligations issued or guaranteed by the United States or a foreign issuer, which are tradeable in United States currency and are issued at fixed or zero coupon rates; or

(II) any other portfolio prescribed by the Secretary of the Treasury in regulations which has a similar risk profile to the portfolios described in subclause (I) and is equally protective of the interests of participants and beneficiaries.

Once implemented, such a portfolio shall be maintained until all liabilities to participants and beneficiaries in pay status, and terminated vested participants, at the time of the loan are satisfied.

(ii) FIDUCIARY DUTY.—Any investment manager of a portfolio under this subparagraph shall acknowledge in writing that such person is a fiduciary under the Employee Retirement Income Security Act of 1974 with respect to the plan.

(iii) TREATMENT OF PARTICIPANTS AND BENEFICIARIES.—Participants and beneficiaries covered by a portfolio under this subparagraph shall continue to be treated as participants and beneficiaries of the plan, including for purposes of title IV of the Employee Retirement Income Security Act of 1974.

(D) ACCOUNTING.—

(i) IN GENERAL.—Annuity contracts purchased and portfolios implemented under this paragraph shall be used solely to provide the benefits described in paragraph (1) until all such benefits have been paid and shall be accounted for separately from the other assets of the plan.

(ii) OVERSIGHT OF NON-ANNUITY INVESTMENTS.—

(I) IN GENERAL.—Any portfolio implemented under this paragraph shall be subject to oversight by the Pension Rehabilitation Administration, including a mandatory triennial review of the adequacy of the portfolio to provide the benefits described in paragraph (1) and approval (to be provided within a reasonable period of time) of any decision by the plan sponsor to change the investment manager of the portfolio.

(II) REMEDIAL ACTION.—If the oversight under subclause (I) determines an inadequacy, the plan sponsor shall take remedial action to ensure that the inadequacy will be cured within 2 years of such determination.

(E) OMBUDSPERSON.—The Participant and Plan Sponsor Advocate established under section 4004 of the Employee Retirement Income Security Act of 1974 shall act as ombudsperson for

participants and beneficiaries on behalf of whom annuity contracts are purchased or who are covered by a portfolio under this paragraph.

(e) COLLECTION OF REPAYMENT.—Except as provided in subsection (f), the Pension Rehabilitation Administration shall make every effort to collect repayment of loans under this section in accordance with section 3711 of title 31, United States Code.

(f) LOAN DEFAULT.—If a plan is unable to make any payment on a loan under this section when due, the Pension Rehabilitation Administration shall negotiate with the plan sponsor revised terms for repayment (including installment payments over a reasonable period or forgiveness of a portion of the loan principal), but only to the extent necessary to avoid insolvency in the subsequent 18 months.

(g) AUTHORITY TO ISSUE RULES, ETC.—The Director of the Pension Rehabilitation Administration, in consultation with the Director of the Pension Benefit Guaranty Corporation, the Secretary of the Treasury, and the Secretary of Labor, is authorized to issue rules regarding the form, content, and process of applications for loans under this section, actuarial standards and assumptions to be used in making estimates and projections for purposes of such applications, and assumptions regarding interest rates, mortality, and distributions with respect to a portfolio described in subsection (d)(3)(C).

(h) REPORT TO CONGRESS ON STATUS OF CERTAIN PLANS WITH LOANS.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Director of the Pension Rehabilitation Administration shall submit to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives, and the Committee on Finance and the Committee on Health, Education, Labor and Pensions of the Senate, a report identifying any plan that—

(1) has failed to make any scheduled payment on a loan under this section,

(2) has negotiated revised terms for repayment of such loan (including any installment payments or forgiveness of a portion of the loan principal), or

(3) the Director has determined is no longer reasonably expected to be able to—

(A) pay benefits and the interest on the loan, or

(B) accumulate sufficient funds to repay the principal when due.

Such report shall include the details of any such failure, revised terms, or determination, as the case may be.

(i) COORDINATION WITH TAXATION OF UNRELATED BUSINESS INCOME.—Subparagraph (A) of section 514(c)(6) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''or'' at the end of clause (i);

(2) by striking the period at the end of clause (ii)(II) and inserting '', or''; and

(3) by adding at the end the following new clause:

''(iii) indebtedness with respect to a multiemployer plan under a loan made by the Pension Rehabilitation Administration pursuant to section 4 of the Rehabilitation for Multiemployer Pensions Act of 2019.''.

SEC. 5. COORDINATION WITH WITHDRAWAL LIABILITY AND FUNDING RULES.

(a) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 432 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(k) SPECIAL RULES FOR PLANS RECEIVING PENSION REHABILITATION LOANS.—

''(1) DETERMINATION OF WITHDRAWAL LIABILITY.—

''(A) IN GENERAL.—If any employer participating in a plan at the time the plan receives a loan under section 4(a) of the Rehabilitation for Multiemployer Pensions Act of 2019 withdraws from the plan before the end of the 30-year period beginning on the date of the loan, the withdrawal liability of such employer shall be determined under the Employee Retirement Income Security Act of 1974—

''(i) by applying section 4219(c)(1)(D) of the Employee Retirement Income Security Act of 1974 as if the plan were terminating by the withdrawal of every employer from the plan, and

''(ii) by determining the value of nonforfeitable benefits under the plan at the time of the deemed termination by using the interest assumptions prescribed for purposes of section 4044 of the Employee Retirement Income Security Act of 1974, as prescribed in the regulations under section 4281 of the Employee Retirement Income Security Act of 1974 in the case of such a mass withdrawal.

''(B) ANNUITY CONTRACTS AND INVESTMENT PORTFOLIOS PURCHASED WITH LOAN FUNDS.—Annuity contracts purchased and portfolios implemented under section 4(d)(3) of the Rehabilitation for Multiemployer Pensions Act of 2019 shall not be taken into account as plan assets in determining the withdrawal liability of any employer under subparagraph (A), but the amount equal to the greater of—

''(i) the benefits provided under such contracts or portfolios to participants and beneficiaries, or

''(ii) the remaining payments due on the loan under section 4(a) of such Act,

shall be taken into account as unfunded vested benefits in determining such withdrawal liability.

''(2) COORDINATION WITH FUNDING REQUIREMENTS.—In the case of a plan which receives a loan under section 4(a) of the Rehabilitation for Multiemployer Pensions Act of 2019—

''(A) annuity contracts purchased and portfolios implemented under section 4(d)(3) of such Act, and the benefits provided to participants and beneficiaries under such contracts or portfolios, shall not be taken into account in determining minimum required contributions under section 412,

''(B) payments on the interest and principal under the loan, and any benefits owed in excess of those provided under such contracts or portfolios, shall be taken into account as liabilities for purposes of such section, and

''(C) if such a portfolio is projected due to unfavorable investment or actuarial experience to be unable to fully satisfy the liabilities which it covers, the amount of the liabilities projected to be unsatisfied shall be taken into account as liabilities for purposes of such section.''.

(b) AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 305 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085) is amended by adding at the end the following new subsection:

''(k) SPECIAL RULES FOR PLANS RECEIVING PENSION REHABILITATION LOANS.—

''(1) DETERMINATION OF WITHDRAWAL LIABILITY.—

''(A) IN GENERAL.—If any employer participating in a plan at the time the plan receives a loan under section 4(a) of the Rehabilitation for Multiemployer Pensions Act of 2019 withdraws from the plan before the end of the 30-year period beginning on the date of the loan, the withdrawal liability of such employer shall be determined—

''(i) by applying section 4219(c)(1)(D) as if the plan were terminating by the withdrawal of every employer from the plan, and

''(ii) by determining the value of nonforfeitable benefits under the plan at the time of the deemed termination by using the interest assumptions prescribed for purposes of section 4044, as prescribed in the regulations under section 4281 in the case of such a mass withdrawal.

''(B) ANNUITY CONTRACTS AND INVESTMENT PORTFOLIOS PURCHASED WITH LOAN FUNDS.—Annuity contracts purchased and portfolios implemented under section 4(d)(3) of the Rehabilitation for Multiemployer Pensions Act of 2019 shall not be taken into account in determining the withdrawal liability of any employer under subparagraph (A), but the amount equal to the greater of—

''(i) the benefits provided under such contracts or portfolios to participants and beneficiaries, or

''(ii) the remaining payments due on the loan under section 4(a) of such Act,

shall be taken into account as unfunded vested benefits in determining such withdrawal liability.

''(2) COORDINATION WITH FUNDING REQUIREMENTS.—In the case of a plan which receives a loan under section 4(a) of the Rehabilitation for Multiemployer Pensions Act of 2019—

''(A) annuity contracts purchased and portfolios implemented under section 4(d)(3) of such Act, and the benefits provided to participants and beneficiaries under such contracts or portfolios, shall not be taken into account in determining minimum required contributions under section 302,

''(B) payments on the interest and principal under the loan, and any benefits owed in excess of those provided under such contracts or portfolios, shall be taken into account as liabilities for purposes of such section, and

''(C) if such a portfolio is projected due to unfavorable investment or actuarial experience to be unable to fully satisfy the liabilities which it covers, the amount of the liabilities projected to be unsatisfied shall be taken into account as liabilities for purposes of such section.''.

SEC. 6. ISSUANCE OF TREASURY BONDS.

The Secretary of the Treasury shall from time to time transfer from the general fund of the Treasury to the Pension Rehabilitation Trust Fund established under section 9512 of the Internal Revenue Code of 1986 such amounts as are necessary to fund the loan program under section 4 of this Act, including from proceeds from the Secretary's issuance of obligations under chapter 31 of title 31, United States Code.

SEC. 7. REPORTS OF PLANS RECEIVING PENSION REHABILITATION LOANS.

(a) IN GENERAL.—Subpart E of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 6059A. REPORTS OF PLANS RECEIVING PENSION REHABILITATION LOANS.

''(a) IN GENERAL.—In the case of a plan receiving a loan under section 4(a) of the Rehabilitation for Multiemployer Pensions Act of 2019, with respect to the first plan year beginning after the date of the loan and each of the 29 succeeding plan years, not later than the 90th day of each such plan year the plan sponsor shall file with the Secretary a report (including appropriate documentation and actuarial certifications from the plan actuary, as required by the Secretary) that contains—

''(1) the funded percentage (as defined in section 432(j)(2)) as of the first day of such plan year, and the underlying actuarial value of assets (determined with regard, and without regard, to annuity contracts purchased and portfolios implemented with proceeds of such loan) and liabilities (including any amounts due with respect to such loan) taken into account in determining such percentage,

''(2) the market value of the assets of the plan (determined as provided in paragraph (1)) as of the last day of the plan year preceding such plan year,

''(3) the total value of all contributions made by employers and employees during the plan year preceding such plan year,

''(4) the total value of all benefits paid during the plan year preceding such plan year,

''(5) cash flow projections for such plan year and the 9 succeeding plan years, and the assumptions used in making such projections,

''(6) funding standard account projections for such plan year and the 9 succeeding plan years, and the assumptions relied upon in making such projections,

''(7) the total value of all investment gains or losses during the plan year preceding such plan year,

''(8) any significant reduction in the number of active participants during the plan year preceding such plan year, and the reason for such reduction,

''(9) a list of employers that withdrew from the plan in the plan year preceding such plan year, and the resulting reduction in contributions,

''(10) a list of employers that paid withdrawal liability to the plan during the plan year preceding such plan year and, for each employer, a total assessment of the withdrawal liability paid, the annual payment amount, and the number of years remaining in the payment schedule with respect to such withdrawal liability,

''(11) any material changes to benefits, accrual rates, or contribution rates during the plan year preceding such plan year, and whether such changes relate to the terms of the loan,

''(12) details regarding any funding improvement plan or rehabilitation plan and updates to such plan,

''(13) the number of participants during the plan year preceding such plan year who are active participants, the number of participants and beneficiaries in pay status, and the number of terminated vested participants and beneficiaries,

''(14) the amount of any financial assistance received under section 4261 of the Employee Retirement Income Security Act of 1974 to pay benefits during the preceding plan year, and the total amount of such financial assistance received for all preceding years,

''(15) the information contained on the most recent annual funding notice submitted by the plan under section 101(f) of the Employee Retirement Income Security Act of 1974,

''(16) the information contained on the most recent annual return under section 6058 and actuarial report under section 6059 of the plan, and

''(17) copies of the plan document and amendments, other retirement benefit or ancillary benefit plans relating to the plan and contribution obligations under such plans, a breakdown of administrative expenses of the plan, participant census data and distribution of benefits, the most recent actuarial valuation report as of the plan year, copies of collective bargaining agreements, and financial reports, and such other information as the Secretary, in consultation with the Director of the Pension Rehabilitation Administration, may require.

''(b) ELECTRONIC SUBMISSION.—The report required under subsection (a) shall be submitted electronically.

''(c) INFORMATION SHARING.—The Secretary shall share the information in the report under subsection (a) with the Secretary of Labor and the Director of the Pension Benefit Guaranty Corporation.

''(d) REPORT TO PARTICIPANTS, BENEFICIARIES, AND EMPLOYERS.—Each plan sponsor required to file a report under subsection (a) shall, before the expiration of the time prescribed for the filing of such report, also provide a summary (written in a manner so as to be understood by the average plan participant) of the information in such report to participants and beneficiaries in the plan and to each employer with an obligation to contribute to the plan.''.

(b) PENALTY.—Subsection (e) of section 6652 of the Internal Revenue Code of 1986 is amended—

(1) by inserting '', 6059A (relating to reports of plans receiving pension rehabilitation loans)'' after ''deferred compensation)'';

(2) by inserting ''($100 in the case of failures under section 6059A)'' after ''$25''; and

(3) by adding at the end the following: ''In the case of a failure with respect to section 6059A, the amount imposed under this subsection shall not be paid from the assets of the plan.''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart E of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 6059A. Reports of plans receiving pension rehabilitation loans.''.

SEC. 8. PBGC FINANCIAL ASSISTANCE.

(a) IN GENERAL.—Section 4261 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1431) is amended by adding at the end the following new subsection:

''(d)(1) The plan sponsor of a multiemployer plan—

''(A) which is in critical and declining status (within the meaning of section 305(b)(6)) as of the date of the enactment of this subsection, or with respect to which a suspension of benefits has been approved under section 305(e)(9) as of such date;

''(B) which, as of such date of enactment, is in critical status (within the meaning of section 305(b)(2)), has a modified funded percentage of less than 40 percent (as defined in section 4(a)(1) of the Rehabilitation for Multiemployer Pensions Act of 2019), and has a ratio of active to inactive participants which is less than 2 to 5; or

''(C) which is insolvent for purposes of section 418E of the Internal Revenue Code of 1986 as of such date of enactment, if the plan became insolvent after December 16, 2014, and has not been terminated;

and which is applying for a loan under section 4(a) of the Rehabilitation for Multiemployer Pensions Act of 2019 may also apply to the corporation for financial assistance under this subsection, by jointly submitting such applications in accordance with section 4(d)(2) of such Act. The application for financial assistance under this subsection shall demonstrate, based on projections by the plan actuary, that after the receipt of the anticipated loan amount under section 4(a) of such Act, the plan will still become (or remain) insolvent within the 30-year period beginning on the date of the loan.

''(2) In reviewing an application under paragraph (1), the corporation shall review the determinations and demonstrations submitted with the loan application under section 4(c) of the Rehabilitation for Multiemployer Pensions Act of 2019 and provide guidance regarding such determinations and demonstrations prior to approving any application for financial assistance under this subsection. The corporation may deny any application if any such determinations or demonstrations (or any underlying assumptions) are unreasonable, or inconsistent with rules issued by the corporation, and the plan and the corporation are unable to reach agreement on such determinations or demonstrations. The corporation shall prescribe any such rules or guidance not later than December 31, 2019.

''(3)(A) In the case of a plan described in paragraph (1)(A) or (1)(B), the total financial assistance provided under this subsection shall be an amount equal to the smallest portion of the loan amount with respect to the plan under paragraph (1)(A) or (1)(B)(ii) of section 4(d) of the Rehabilitation for Multiemployer Pensions Act of 2019 (determined without regard to paragraph (2) thereof) that, if provided as financial assistance under this subsection instead of a loan, would allow the plan to avoid the projected insolvency.

''(B) Such amount shall not exceed the present value of the maximum guaranteed benefit with respect to all participants and beneficiaries of the plan under sections 4022A and 4022B. For purposes of the preceding sentence, the present value of the maximum guaranteed benefit amount shall be determined by disregarding any loan available from the Pension Rehabilitation Administration and shall be determined as if the plan were insolvent on the date of the application, and the present value of the maximum guaranteed benefit amount with respect to such participants and beneficiaries may be calculated in the aggregate, rather than by reference to the benefit of each such participant or beneficiary.

''(4) In the case of a plan described in paragraph (1)(C), the financial assistance provided pursuant to such application under this subsection shall be the present value of the amount (determined by the plan actuary and submitted on the application) that, if such amount were paid by the corporation in combination with the loan and any other assistance being provided to the plan by the corporation at the time of the application, would enable the plan to emerge from insolvency and avoid any other insolvency projected under paragraph (1).

''(5)(A)(i) Except as provided in subparagraph (B), if the corporation determines at the time of approval, or at the beginning of any plan year beginning thereafter, that the plan's 5-year expenditure projection (determined without regard to loan payments described in clause (iii)(III)) exceeds the fair market value of the plan's assets, the corporation shall (subject to the total amount of financial assistance approved under this subsection) provide such assistance in an amount equal to the lesser of—

''(I) the amount by which the plan's 5-year expenditure projection exceeds such fair market value, or

''(II) the plan's expected expenditures for the plan year.

''(ii) For purposes of this subparagraph, the term '5-year expenditure projection' means, with respect to any plan for a plan year, an amount equal to 500 percent of the plan's expected expenditures for the plan year.

''(iii) For purposes of this subparagraph, the term 'expected expenditures' means, with respect to any plan for a plan year, an amount equal to the sum of—

''(I) expected benefit payments for the plan year,

''(II) expected administrative expense payments for the plan year, plus

''(III) payments on the loan scheduled during the plan year pursuant to the terms of the loan under section 4(b) of the Rehabilitation for Multiemployer Pensions Act of 2019.

''(iv) For purposes of this subparagraph, in the case of any plan year during which a plan is approved for a loan under section 4 of such Act, but has not yet received the proceeds, such proceeds shall be included in determining the fair market value of the plan's assets for the plan year. The preceding sentence shall not apply in the case of any plan that for the plan year beginning in 2015 was certified pursuant to section 305(b)(3) as being in critical and declining status, and had more than 300,000 participants.

''(B) The financial assistance under this subsection shall be provided in a lump sum if the plan sponsor demonstrates in the application, and the corporation determines, that such a lump sum payment is necessary for the plan to avoid the insolvency to which the application relates. In the case of a plan described in paragraph (1)(C), such lump sum shall be provided not later than December 31, 2020.

''(6) Subsections (b) and (c) shall apply to financial assistance under this subsection as if it were provided under subsection (a), except that the terms for repayment under subsection (b)(2) shall not require the financial assistance to be repaid before the date on which the loan under section 4(a) of the Rehabilitation for Multiemployer Pensions Act of 2019 is repaid in full.

''(7) The corporation may forgo repayment of the financial assistance provided under this subsection if necessary to avoid any suspension of the accrued benefits of participants.''.

(b) APPROPRIATIONS.—There is appropriated to the Director of the Pension Benefit Guaranty Corporation such sums as may be necessary for each fiscal year to provide the financial assistance described in section 4261(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1431(d)) (as added by this section) (including necessary administrative and operating expenses relating to such assistance).

SEC. 9. MODIFICATION OF REQUIRED DISTRIBUTION RULES FOR DESIGNATED BENEFICIARIES.

(a) MODIFICATION OF RULES WHERE EMPLOYEE DIES BEFORE ENTIRE DISTRIBUTION.—

(1) IN GENERAL.—Section 401(a)(9) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(H) SPECIAL RULES FOR CERTAIN DEFINED CONTRIBUTION PLANS.—In the case of a defined contribution plan, if an employee dies before the distribution of the employee's entire interest—

''(i) IN GENERAL.—Except in the case of a beneficiary who is not a designated beneficiary, subparagraph (B)(ii)—

''(I) shall be applied by substituting '10 years' for '5 years', and

''(II) shall apply whether or not distributions of the employee's interests have begun in accordance with subparagraph (A).

''(ii) EXCEPTION ONLY FOR ELIGIBLE DESIGNATED BENEFICIARIES.—Subparagraph (B)(iii) shall apply only in the case of an eligible designated beneficiary.

''(iii) RULES UPON DEATH OF ELIGIBLE DESIGNATED BENEFICIARY.—If an eligible designated beneficiary dies before the portion of the employee's interest to which this subparagraph applies is entirely distributed, the exception under clause (iii) shall not apply to any beneficiary of such eligible designated beneficiary and the remainder of such portion shall be distributed within 10 years after the death of such eligible designated beneficiary.

''(iv) APPLICATION TO CERTAIN ELIGIBLE RETIREMENT PLANS.—For purposes of applying the provisions of this subparagraph in determining amounts required to be distributed pursuant to this paragraph, all eligible retirement plans (as defined in section 402(c)(8)(B), other than a defined benefit plan described in clause (iv) or (v) thereof or a qualified trust which is a part of a defined benefit plan) shall be treated as a defined contribution plan.''.

(2) DEFINITION OF ELIGIBLE DESIGNATED BENEFICIARY.—Section 401(a)(9)(E) of such Code is amended to read as follows:

''(E) DEFINITIONS AND RULES RELATING TO DESIGNATED BENEFICIARY.—For purposes of this paragraph—

''(i) DESIGNATED BENEFICIARY.—The term 'designated beneficiary' means any individual designated as a beneficiary by the employee.

''(ii) ELIGIBLE DESIGNATED BENEFICIARY.—The term 'eligible designated beneficiary' means, with respect to any employee, any designated beneficiary who is—

''(I) the surviving spouse of the employee,

''(II) subject to clause (iii), a child of the employee who has not reached majority (within the meaning of subparagraph (F)),

''(III) disabled (within the meaning of section 72(m)(7)),

''(IV) a chronically ill individual (within the meaning of section 7702B(c)(2), except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature), or

''(V) an individual not described in any of the preceding subclauses who is not more than 10 years younger than the employee.

''(iii) SPECIAL RULE FOR CHILDREN.—Subject to subparagraph (F), an individual described in clause (ii)(II) shall cease to be an eligible designated beneficiary as of the date the individual reaches majority and any remainder of the portion of the individual's interest to which subparagraph (H)(ii) applies shall be distributed within 10 years after such date.

''(iv) TIME FOR DETERMINATION OF ELIGIBLE DESIGNATED BENEFICIARY.—The determination of whether a designated beneficiary is an eligible designated beneficiary shall be made as of the date of death of the employee.''.

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in this paragraph and paragraphs (4) and (5), the amendments made by this subsection shall apply to distributions with respect to employees who die after December 31, 2019.

(B) COLLECTIVE BARGAINING EXCEPTION.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of enactment of this Act, the amendments made by this subsection shall apply to distributions with respect to employees who die in calendar years beginning after the earlier of—

(i) the later of—

(I) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof agreed to on or after the date of the enactment of this Act), or

(II) December 31, 2019, or

(ii) December 31, 2021

For purposes of clause (i)(I), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

(C) GOVERNMENTAL PLANS.—In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), subparagraph (A) shall be applied by substituting ''December 31, 2021'' for ''December 31, 2019''.

(4) EXCEPTION FOR CERTAIN EXISTING ANNUITY CONTRACTS.—

(A) IN GENERAL.—The amendments made by this subsection shall not apply to a qualified annuity which is a binding annuity contract in effect on the date of enactment of this Act and at all times thereafter.

(B) QUALIFIED ANNUITY.—For purposes of this paragraph, the term ''qualified annuity'' means, with respect to an employee, an annuity—

(i) which is a commercial annuity (as defined in section 3405(e)(6) of the Internal Revenue Code of 1986);

(ii) under which the annuity payments are made over the life of the employee or over the joint lives of such employee and a designated beneficiary (or over a period not extending beyond the life expectancy of such employee or the joint life expectancy of such employee and a designated beneficiary) in accordance with the regulations described in section 401(a)(9)(A)(ii) of such Code (as in effect before such amendments) and which meets the other requirements of section 401(a)(9) of such Code (as so in effect) with respect to such payments; and

(iii) with respect to which—

(I) annuity payments to the employee have begun before the date of enactment of this Act, and the employee has made an irrevocable election before such date as to the method and amount of the annuity payments to the employee or any designated beneficiaries; or

(II) if subclause (I) does not apply, the employee has made an irrevocable election before the date of enactment of this Act as to the method and amount of the annuity payments to the employee or any designated beneficiaries.

(5) EXCEPTION FOR CERTAIN BENEFICIARIES.—

(A) IN GENERAL.—If an employee dies before the effective date, then, in applying the amendments made by this subsection to such employee's designated beneficiary who dies after such date—

(i) such amendments shall apply to any beneficiary of such designated beneficiary; and

(ii) the designated beneficiary shall be treated as an eligible designated beneficiary for purposes of applying section 401(a)(9)(H)(ii) of the Internal Revenue Code of 1986 (as in effect after such amendments).

(B) EFFECTIVE DATE.—For purposes of this paragraph, the term ''effective date'' means the first day of the first calendar year to which the amendments made by this subsection apply to a plan with respect to employees dying on or after such date.

(b) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any plan amendment—

(A) such plan shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (2)(B)(i); and

(B) except as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(2) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or which is made—

(i) pursuant to any amendment made by this section or pursuant to any regulation issued by the Secretary of the Treasury under this section or such amendments; and

(ii) on or before the last day of the first plan year beginning after December 31, 2021, or such later date as the Secretary of the Treasury may prescribe.

In the case of a governmental or collectively bargained plan to which subparagraph (B) or (C) of subsection (a)(4) applies, clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under such clause.

(B) CONDITIONS.—This subsection shall not apply to any amendment unless—

(i) during the period—

(I) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan amendment not required by such legislative or regulatory amendment, the effective date specified by the plan); and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan amendment is adopted),

the plan is operated as if such plan amendment were in effect; and

(ii) such plan amendment applies retroactively for such period.

SEC. 10. INCREASE IN PENALTY FOR FAILURE TO FILE.

(a) IN GENERAL.—The second sentence of section 6651(a) of the Internal Revenue Code of 1986, as amended by the Taxpayer First Act, is amended by striking ''$330'' and inserting ''$435''.

(b) INFLATION ADJUSTMENT.—Section 6651(j)(1) of such Code, as amended by such Act, is amended by striking ''$330'' and inserting ''$435''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due date for which (including extensions) is after December 31, 2019.

SEC. 11. INCREASED PENALTIES FOR FAILURE TO FILE RETIREMENT PLAN RETURNS.

(a) IN GENERAL.—Subsection (e) of section 6652 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''$25'' and inserting ''$250''; and

(2) by striking ''$15,000'' and inserting ''$150,000''.

(b) ANNUAL REGISTRATION STATEMENT AND NOTIFICATION OF CHANGES.—Subsection (d) of section 6652 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''$1'' both places it appears in paragraphs (1) and (2) and inserting ''$10'';

(2) by striking ''$5,000'' in paragraph (1) and inserting ''$50,000''; and

(3) by striking ''$1,000'' in paragraph (2) and inserting ''$10,000''.

(c) FAILURE TO PROVIDE NOTICE.—Subsection (h) of section 6652 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''$10'' and inserting ''$100''; and

(2) by striking ''$5,000'' and inserting ''$50,000''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns, statements, and notifications required to be filed, and notices required to be provided, after December 31, 2019.

SEC. 12. INCREASE INFORMATION SHARING TO ADMINISTER EXCISE TAXES.

(a) IN GENERAL.—Section 6103(o) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(3) TAXES IMPOSED BY SECTION 4481.—Returns and return information with respect to taxes imposed by section 4481 shall be open to inspection by or disclosure to officers and employees of United States Customs and Border Protection of the Department of Homeland Security whose official duties require such inspection or disclosure for purposes of administering such section.''.

(b) CONFORMING AMENDMENTS.—Paragraph (4) of section 6103(p) of the Internal Revenue Code of 1986 is amended by striking ''or (o)(1)(A)'' each place it appears and inserting '', (o)(1)(A), or (o)(3)''.

The SPEAKER pro tempore. The bill, as amended, shall be debatable for 1 hour equally divided among and controlled by the chair and ranking minority member of the Committee on Education and Labor and the chair and ranking minority member of the Committee on Ways and Means.

After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in part A of House Report 116–178, if offered by the Member designated in the report, which shall be considered read, shall be separately debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for a division of the question.

The gentleman from Virginia (Mr. SCOTT), the gentlewoman from North Carolina (Ms. FOXX), the gentleman from Massachusetts (Mr. NEAL), and the gentleman from Texas (Mr. BRADY) each will control 15 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

Mr. SCOTT of Virginia. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and insert extraneous material on H.R. 397, the Rehabilitation for Multiemployer Pensions Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SCOTT of Virginia. Madam Speaker, I yield myself 2½ minutes.

Madam Speaker, over the last few decades, construction workers, truck drivers, industrial bakers, coal miners, and other hardworking Americans, some of whom are here today, did everything they could to prepare themselves and their families for a secure retirement. Year after year, these workers negotiated with their employers to defer wages in return for a promise of a pension that would allow them to retire with dignity.

Now, through no fault of their own, the pensions they earned over their lifetimes and the retirement security they were promised are in jeopardy. Today, approximately 130 multiemployer pension plans, covering about 1 million participants, are in severe financial distress. Several plans are facing insolvency in the next few years, while many others are projected to fail over the next 20 years.

Making matters worse, the Pension Benefit Guaranty Corporation, which insures these pension plans, is projected to run out of money by 2025 as large plans face insolvency. If multiemployer pension plans go broke and the PBGC's multiemployer program collapses, there will be catastrophic consequences to retirees, workers, businesses, and taxpayers.

The Rehabilitation for Multiemployer Pensions Act, commonly known as the Butch Lewis Act, is a bipartisan solution to avert this financial disaster, and it will actually end up saving taxpayers billions of dollars.

According to one estimate, a multiemployer pension system collapse would cost the Federal Government at least $170 billion over 10 years, and possibly $400 billion over 30 years, due to lost tax revenue and increased reliance on social programs.

According to the CBO, to solve the problem, this bill is estimated to cost not $400 billion over 30 years, but $55 billion, total, over those 30 years. This bill will solve the problem. And that is just the cost to the Federal budget, ignoring the pain and suffering of people losing their pensions and businesses going out of business.

That is the choice we have today. We can support a bipartisan bill that saves retirees' hard-earned pensions, protect businesses from going bankrupt, and costs far less than doing nothing, or we can oppose it and end up costing the taxpayers far more in the long run.

Madam Speaker, I anticipate that my Republican colleagues will talk about structural reforms that are needed to prevent multiemployer plans from facing bankruptcy in the future. I agree.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SCOTT of Virginia. Madam Speaker, I yield myself an additional 1 minute.

Madam Speaker, reforms are needed, and I am committed to working on a bipartisan basis to enact prospective reforms. But when the house is on fire, you don't debate on how the fire started or pontificate over how to prevent fires in the future; you put out the fire.

So today we are putting out the fire and protecting retirement security for more than 1 million Americans across the country and saving the taxpayers hundreds of billions of dollars.

Madam Speaker, I encourage my colleagues to support this legislation, and I reserve the balance of my time.

Ms. FOXX of North Carolina. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, my colleague on the other side of the aisle said that we have a house on fire and we must do something about it. What this bill does is it gives more gasoline to the arsonist who started the fire.

Madam Speaker, I rise in opposition to H.R. 397, a risky, fiscally irresponsible, politically motivated scheme that will negatively impact hardworking Americans and retirees.

Union multiemployer pension plans are currently underfunded by $638 billion, and the Pension Benefit Guaranty Corporation, PBGC, which ensures these pensions, has a $54 billion deficit. In other words, workers and retirees won't see the benefits they have been promised because of union and employer negligence.

This problem requires a serious, bipartisan response. That is why, historically, Members on both sides of the aisle have worked together on this issue. But last month, when the Education and Labor Committee marked up H.R. 397, committee Republicans were shut out of the debate and denied the opportunity to offer even a single amendment, a highly unfortunate and inappropriate decision.

For the first time ever, taxpayers will prop up failing, mismanaged, union-run pension plans. These plans, all 160 of them, can apply for a government loan. There is no limit to the loan amount, and, remarkably, the loans will be completely forgiven if they are unable to be repaid after 29 years.

The chairman of the Education and Labor Committee said: ''If you can't pay it back, you can't pay it back.'' So, by the chairman's own admission, we are giving failed union pensions a blank check. What a deal.

All the while, H.R. 397 allows plans to continue to promise new benefits, allowing their liabilities to grow.

While I strongly oppose what H.R. 397 intends to do, I am equally appalled by what the bill fails to do. This legislation fails to include any reforms that would ensure responsible funding of future benefit promises or prevent a similar situation from recurring.

The bill also fails to address the chronic underfunding that plagues the entire union multiemployer system and passively accepts that plan trustees and actuaries may continue to underestimate pension promises—to the detriment of workers and retirees. In fact, under H.R. 397, the situation could become far worse.

The nonpartisan Congressional Budget Office, CBO, now estimates that H.R. 397 could increase the Federal budget deficit by more than $48 billion. But that estimate is based on last-minute, bogus Democrat pay-fors and covers only the bill's first 10 years. If we look at the 30-year scheme created by the bill, we will find a price tag of hundreds of billions of dollars. And remember, it is American taxpayers who are on the hook.

Madam Speaker, Congress was set up to be in this position years ago because Democrats and unions and employers knew that Members and the public would feel sorry for the union members who were not taken care of by those they trusted to take care of them. Every Member here should feel angry about being put in this position. H.R. 397 is a fiscally irresponsible and careless approach that will cause far more harm than good.

Madam Speaker, I reserve the balance of my time.

Mr. SCOTT of Virginia. Madam Speaker, I yield myself 15 seconds to remind the ranking member that CBO estimates that the 30-year cost of this bill is about $55 billion of money that will not be paid back, or we can pay up to $400 billion over 30 years. We have a choice. I would pick the $55 billion.

Madam Speaker, I yield 2 minutes to the gentlewoman from Florida (Ms. WILSON).

Ms. WILSON of Florida. Madam Speaker, as chairwoman of the Education and Labor Subcommittee on Health, Employment, Labor, and Pensions, I rise today to urge my colleagues to unanimously pass the Butch Lewis Act of 2019.

Failure to do so will have dire consequences for at least 1.3 million Americans who did everything right. They put in decades of hard work to ensure that their retirement years would be secure, so many of them in physically grueling jobs in mining and construction and on ships and the Nation's highways.

They often sacrificed wage increases, choosing instead a contribution to their pension plans so that they could live in their golden years with dignity and peace, a life well planned. Yet, after all of that, retired people and future retirees are now living in fear of losing everything they worked so hard for, and that is a shame.

Failure to pass this legislation also will have dire consequences for tens of thousands of current workers and regional economies and could cost American taxpayers between $170 billion and $240 billion.

□ 1715

There is a huge risk, so we must act now. This is an issue on which both Democrats and Republicans should agree. This issue has no party, no race, no religion. We are all in the same boat, and we are running out of time.

Our failure to take action to protect retirees and American taxpayers, our constituents, is not an option. It is a necessity, and we must act now. There is no time to waste. Let's do the right thing and pass the Butch Lewis Act of 2019 today.

Ms. FOXX of North Carolina. Madam Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. JOHNSON).

Mr. JOHNSON of South Dakota. Madam Speaker, I rise in opposition to the Rehabilitation for Multiemployer Pensions Act. It is funny, in this town, rehabilitation is a word we use to kindly describe a bailout. For normal people, rehabilitation is a word that would conjure up the idea that perhaps today we are attempting to fix or improve the $638 billion pension problem before us.

This bill would, more accurately, be called the bailout for multiemployer pensions act, because this bill does not contain any of the needed reforms to change the unsustainable trajectory of these plans.

What does the bill do instead? It creates a new Federal Government bureaucracy. It allows for billions of dollars of loans to be just forgiven. It provides loan terms that actually encourage not paying down the principal of these loans.

So to be clear, and to make no doubt, we do have to fix this pension problem, but real progress will only come from a careful, deliberate, and bipartisan process, and this bill was not designed to be bipartisan.

In committee, Republicans were actually blocked from offering amendments that would have improved this bill. So here we are today, taking up floor time for a one-sided bill that does not fix the problem and that will not become law.

When the majority wants to make real progress, I will be here, ready to fix the problem, ready to roll up my sleeves, ready to invest the bipartisan effort needed to make meaningful reforms. Until then, I will vote ''no'' on the bailout.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Michigan (Mrs. DINGELL).

Mrs. DINGELL. Mr. Speaker, I thank Chairman SCOTT for yielding me the time.

Mr. Speaker, I want to thank both Chairman SCOTT and Chairman NEAL for their leadership on this issue.

Mr. Speaker, I rise in strong support of H.R. 397, the Butch Lewis Act. This is a historic moment for working men and women in this country, and it has been a long time coming because people have been working on this for a long time.

Today, we are telling millions of Americans who worked a lifetime for their pensions that are now in jeopardy, through no fault of their own, that we are standing with you. We are listening. We are taking action.

For too long, these working men and women have worked in fear, not knowing what was going to happen. They have given up pay raises. They played by the rules. They thought they would have a safe and secure retirement. By passing the Butch Lewis Act, we are sending a loud message that we hear them and are taking steps to ensure that their retirement that they worked for, for a lifetime, will be there when they need it.

This is money hardworking men and women earned and counted on to retire safely, to afford to stay in their homes, to afford food on their table, and to afford their medicine. American workers have done their part. The House will soon do its part.

I hope the Senate will also act quickly because I know the men and women, they have come to my door at 7 a.m., they have threatened suicide. They are scared.

Mr. Speaker, I include in the RECORD two letters in support of this legislation. One is from the International Brotherhood of Teamsters, and one is from UNITE HERE.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS,
July 18, 2019.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: The House of Representatives will soon have the opportunity to ensure that more than a million retirees and workers who have played by the rules will receive the pension benefits they have earned through years of hard work. On behalf of the International Brotherhood of Teamsters, its retirees and working families, I ask for a yes vote on H.R. 397, the Rehabilitation for Multiemployer Pensions Act (often referred to as The Butch Lewis Act). As you know, this legislation is of the highest priority for the Teamsters Union.

The multiemployer pension system has for many decades been an essential foundation for providing financial security in retirement for millions of Americans and their families. Now, through no fault of their own, the earned pension benefits of millions of retirees are being threatened due to the ''critical and declining'' (financial) status and the impending insolvency of a number of multiemployer pension plans. No doubt you have heard from retirees and families who live with this uncertainty and whose lives have been turned upside down. H.R. 397 will ensure that we meet our obligations to current retirees and workers for years to come and to do so without retiree benefit cuts. It will strengthen these plans and provide a path forward for financial stability and solvency. It will provide improved retirement security for both workers and retirees. And, it will lessen the financial pressure on the Pension Benefit Guarantee Corporation (PBGC) which also faces insolvency.

The bill creates a Pension Rehabilitation Administration (PRA) which would sell

Treasury-issued bonds on the open market and then loan money from the bond sale to these critical and declining multiemployer pension plans. Plans borrowing from the PRA must set aside the money in separate investments that match pension payments for retirees. Retirees and their families are guaranteed their promised benefits. It will also free up remaining assets and future contributions to protect the benefits for active workers.

PRA loans will not be sufficient to help all financially troubled multiemployer pension plans. Some will need additional help. For such plans, the bill proposes that the PBGC provide such help. In doing so, the cost to the Federal government and the U.S. economy will be far less than allowing Plans and the PBGC to fail. Unlike the current federal pension insurance program, H.R. 397 protects benefits before plan failure.

The financial distress many of these plans face were and are beyond the control of these retirees and workers. Multiemployer pension plans have been buffeted by economic turbulence over the decades—from deregulation to financial melt downs to recessions.

Pension statutes and legislation are extraordinarily complex, none more so than multiemployer and Taft-Hartley pension plans. They are both unique in their structure, and the challenges they have faced. If these plans fail, it will not only impact the retirees receiving the benefit, there will be a broader impact on their communities and the economy—adverse effects on economic growth and tax losses to state, local and federal governments.

H.R. 397, the Rehabilitation for Multiemployer Pensions Act provides a mechanism for ''critical and declining'' multiemployer pension plans to address their serious underfunding problem. It will strengthen these plans and provide a path forward for financial stability and solvency. Importantly, the bill does this while avoiding retiree benefit cuts.

I hope that I can report to our retirees and members in your district that you stood with the International Brotherhood of Teamsters family to enact this critically important legislation. Vote to protect retirement benefits. Vote yes on H.R. 397.

Sincerely,

JAMES P. HOFFA,
General President.

UNITEHERE!,
Las Vegas, NV, July 17, 2019.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the 300,000 members of UNITE HERE and their families, we strongly urge your support for H.R. 397, the Rehabilitation for Multi-Employer Pensions Act.

At a time when hard working American's are already anxious about an economy where one job should be enough but often isn't to make ends meet, we should also be very concerned about the retirement security of millions of Americans.

H.R. 397, also known as the ''Butch-Lewis Act'', includes a modest, common sense approach to bringing stability and reassurance to the retirement pensions of over a million Americans. Only a small number of multiemployer plans are facing financial difficulty, but that does not ease the pain and potential devastation for the millions who honorably worked hard for themselves and their families. We are talking about auto workers, truck drivers, iron workers and other impacted workers who live, work and retire in our communities.

If we do not offer the means to see those impacted plans through to solvency, we will all feel the pain of their distress during their retirement years—a time they have worked hard to attain.

On behalf of our members, I again urge you to support H.R. 397 and stand up for millions of middle-class Americans who should be able to retire in dignity.

D. TAYLOR,
International President.

Mrs. DINGELL. Mr. Speaker, I thank Chairman SCOTT and Chairman NEAL for their leadership and taking a lot of words and putting it into real action.

Ms. FOXX of North Carolina. Mr. Speaker, the gentlewoman from Michigan is correct. The union members are not at fault. The union bosses are at fault, and hardworking, nonunion taxpayers should not be bailing out the union bosses for their mistakes.

Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. DAVID P. ROE).

Mr. DAVID P. ROE of Tennessee. Mr. Speaker, I rise today in opposition to H.R. 397 because it is nothing more than a huge step backwards in our work to save failing multiemployer pensions.

It is the government picking retiree winners and retiree losers. Our work in Congress, until now, has been bipartisan with both sides realizing that workers' retirement security is too important of an issue to play politics with. I and others have been willing to work across the aisle for a bipartisan solution that works for retirees and for taxpayers. That offer is still open.

The idea that Congress should bail out union-negotiated pension plans, but not the retirement plans of millions of other Americans who have seen their companies go under and had their benefits reduced as a result, is the most unfair proposal that I have ever seen on the House floor.

The Democrats are telling hardworking Americans that they should not only get stiffed in their retirement, but that their taxpayer dollars should be used to bail out someone else's retirement. To make matters worse, the bill itself is deeply flawed. It requires no fundamental changes to pension plans in poor financial shape, and no reforms to ensure that troubled plans and the Pension Benefit Guaranty Corporation don't wind up in the same situation.

Again, instead, the bill gives these plans a so-called loan, and then allows the loan principal to be forgiven if the plan cannot repay the loan. Simply put, this is not a loan. It is a taxpayer-funded gift. Why would anybody pay it back? This doesn't have to be partisan.

In 2014, as chairman of the Health, Employment, Labor, and Pensions Subcommittee, I worked with the full committee chair, Chairman Kline, Ranking Member Miller, and the Obama administration to develop a bipartisan solution to save these plans. Our plan, the Multiemployer Pension Reform Act gave plans the tools they needed to avoid insolvency and continue offering benefits to retirees.

If we passed such a good bipartisan bill, why are we here today? Unfortunately, the Obama administration made a political decision and refused to approve an application from the country's largest troubled plan, Central States. And while many supporters of today's bill cheered that decision, the Obama administration virtually ensured Central States retirees will receive far less in their retirement than they would have or could have, all because the Obama administration preferred politics over policy.

I still have hope that the Senate will act in a more responsible manner. The concept of the multiemployer pension plan is a good one and an idea worth saving, but I would say this to supporters of this bill: By choosing to act in a largely partisan manner, you are further jeopardizing retiree benefits.

Literally, every day these plans fail to act, is a step closer to bankruptcy. Today's action may be the final nail in the coffin for Central States, whose plan is in such dire straits they cannot wait another 18 months for a fix.

Outside of Central States, there are many other pension plans in crisis, but all assuring that the PBGC multiemployer plan will be insolvent by the end of FY 2025.

We have less than 6 years to solve this problem before retirees receive pennies on the dollar for what they have earned. I recommend voting against this bill.

Mr. SCOTT of Virginia. Madam Speaker, I yield 2 minutes to the gentlewoman from Oregon (Ms. BONAMICI).

Ms. BONAMICI. Madam Speaker, I thank Chairman SCOTT for yielding.

In Oregon and across the country, people have worked hard to provide themselves and their families with a secure retirement by contributing a portion of their income to pensions.

But now, through no fault of their own, too many of these hardworking Americans find that their pension plans are struggling, and without intervention, these plans will become insolvent, putting the retirement security of about 1.3 million people at risk.

The bipartisan Rehabilitation for Multiemployer Pensions Act, the Butch Lewis Act, will help protect retirees, workers, and employers by creating the Pension Rehabilitation Administration to issue bonds to finance loans for critical and declining status multiemployer pension plans. Importantly, this bill does not cut benefits for workers and retirees, benefits they have earned.

Workers, families, businesses, and retirees are counting on Congress to address the growing retirement security crisis in our country and protect the benefits workers have earned over their lifetime. This bipartisan bill is one important piece of the solution to address the multiemployer pension crisis, and I urge all of my colleagues to join me in supporting it.

I thank Chairman SCOTT and Chairman NEAL for their leadership on this issue.

Ms. FOXX of North Carolina. Madam Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. GROTHMAN).

Mr. GROTHMAN. Madam Speaker, I have a great deal of sympathy for the people we are trying to help in H.R. 397, and that is one of the reasons why I feel we need a real solution to this.

Obviously, the pension plans are in such horrible shape that to continue with the current system and to continue with this bill would be a very expensive bailout for the taxpayer.

Unlike some of my colleagues, I realize that the taxpayer will ultimately have to put something in these plans. And the reason I say that is the multiemployer pension plan system was set up by Congress in the 1950s, and my guess is, the way it was set up, it is not surprising that it will fail. While the Congressmen who are at fault for this have long since retired and left us, we as a successor Congress, are supposed to do something.

However, first of all, I don't think this is a sincere proposal. If it was a sincere proposal, it would have been passed when President Obama was President, and when the Democratic Party was in total control around here, about 10 years ago.

We are going to have to, as part of this plan, change things in the future so we don't begin to run up more debt immediately. We are probably going to have to have the taxpayer do something to make up for the damage that has been done in the past, but to pass this bill will only delay that, in that it is really, quite frankly, just a political move.

I strongly recommend that we get together, put together a new committee of four or eight people, and begin to do something. We know something has got to be done eventually, because not only do we have these workers hanging out there, but the way this multiemployer pension plan is set up, a lot of businesses are going to go under too unless something is done.

But I am saddened today that the bill before us, I don't believe is a bill that, for all their talking, people really believe is a serious solution. Because if it was a serious solution, they would have passed that bill 10 years ago.

Mr. SCOTT of Virginia. Madam Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. NORCROSS).

Mr. NORCROSS. Madam Speaker, first of all, I want to thank Chairman NEAL and Chairman SCOTT for bringing this bill to the floor, and my colleague, DEBBIE DINGELL, and Dr. ROE who sat on the supercommittee last time to address this.

The Butch Lewis Act is a bill that makes sure that those Americans receive the wages that they earned. This is not a handout. These are deferred dreams, deferred wages that they said they will put aside during their active career so that they can live out the American Dream; those golden years, those pension years. They are deferred wages.

I know firsthand. Over 3 years ago, my very first speech on the House floor was right here talking about pensions. For 37 years, I have been a member of a multiemployer plan, as a rank-and-file worker, and as a negotiator. I understand how they work.

But the cost of doing nothing to the taxpayers is far greater than the loans we are giving out now. We bailed out the banks, gave them billions of dollars, but the people who earn these, who did nothing wrong, you are saying no to. We cannot screw the people who earned the wages. It is important for us to pass this because they did nothing wrong. They played by the rules. That is what we do in America.

□ 1730

This is not a grand conspiracy. This is about doing the right thing for the right people, for America.

Ms. FOXX of North Carolina. Madam Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. ALLEN).

Mr. ALLEN. Madam Speaker, I rise in opposition to H.R. 397. You can call it, Madam Speaker, whatever you want to call it, but the taxpayers are going to bail out an underwater multiemployer pension plan. It is just that simple, based on this legislation.

Since my time in Congress, my colleagues and I on the House Education and Labor Committee have held numerous hearings on multiemployer pension plans. I have learned a few things. These plans currently are underfunded by $638 billion.

How in the world did that happen? The Pension Benefit Guaranty Corporation, PBGC, multiemployer insurance program has a $54 billion deficit and is expected to become insolvent by the end of fiscal year 2025. According to the PBGC data, 75 percent of multiemployer participants are in plans that are less than 50 percent funded.

I think we can all agree that the system has failed, and these retirees, I agree, deserve better.

How were they so misled to believe their contributions would cover their retirement? In fact, this is just another example of unions overpromising and underdelivering. The union says, hey, if you pay this, you are going to get this retirement.

As the owner of a small business, I like to think of myself as coming to the table, negotiating, and solving the problem. However, both parties must be willing to find a reasonable solution that works for everyone.

The Democratic solution on the multiemployer pension program is shortsighted and partisan. In the business world, we don't call that problem-solving. We call that another massive taxpayer giveaway.

Taxpayers are not going to stand for this. Not to my surprise, the Democratic solution is Big Government and billions of dollars in new costs. Again, this bailout is an unserious policy. It has a zero chance in the Senate, and I recommend a ''no'' vote.

Mr. SCOTT of Virginia. Mr. Speaker, could you advise as to how much time is still available on each side.

The SPEAKER pro tempore (Mr. CÁRDENAS). The gentleman from Virginia has 5½ minutes remaining. The gentlewoman from North Carolina has 1¾ minutes.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Pennsylvania (Ms. WILD).

Ms. WILD. Mr. Speaker, the crisis facing multiemployer pensions is not some faraway event, and it is not about politics or ideology. It is about people's lives and whether they will be able to retire in dignity after a lifetime of hard work—American people.

By 2025, the Central States Pension Fund and the PBGC will be insolvent. That means over a million American employees' and retirees' earned benefits could disappear if we don't act right now.

This crisis doesn't just affect those enrolled in multiemployer pension plans. If we don't act, the consequences will be detrimental for our local businesses, economies, and residents, ultimately affecting everyone, including millions of American families.

Participants nationwide, including thousands in my district, could lose everything they have earned if we don't act. These folks who came to watch the proceedings today never wanted a bailout, as my colleague across the aisle termed it. They just want and deserve what they have earned. They deserve it.

We need to pass this bill. We must pass this bill for them and for our country.

Ms. FOXX of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I rise today in opposition to H.R. 397. The Rehabilitation for Multiemployer Pensions Act is nothing more than a false promise to American workers, retirees, and their families. House Democrats, instead of working together with us as they have done historically, moved this bill through committee without one single hearing or considering one single amendment.

The result? A bill that makes no structural reforms to prevent or shore up future pension plan insolvencies. In fact, it incentivizes pension plan managers to offer generous underfunded benefits while taking risky bets at the cost of the American worker and retiree, knowing full well they have a forgivable taxpayer-funded loan to fall back on.

Mr. Speaker, I implore my colleagues to abandon this bill and instead work with us so we can achieve forward-looking solutions to protect workers and prevent future insolvencies.

Mr. SCOTT of Virginia. Mr. Speaker, I reserve the balance of my time.

Ms. FOXX of North Carolina. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, the bottom line is that retirees and workers in multiemployer union pension plans deserve better than a political statement disguised as a legislative proposal.

Advancing this highly flawed bill, which has no chance of being passed in the Senate, will only result in delays rather than solutions for workers and retirees who are so rightfully concerned about the state of their pensions.

Mr. Speaker, the individuals in the unions did trust those in charge. They are not at fault for what has happened, but I urge all of my colleagues to join me in opposing H.R. 397, and I yield back the balance of my time.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I include in the RECORD the following five letters in support: AARP, AFL–CIO, International Association of Machinists and Aerospace Workers, Service Employees International Union, and the United Steelworkers.

AARP,
Washington, DC, July 22, 2019.

Hon. NANCY PELOSI,
Speaker, House of Representatives, Washington, DC.
Hon. KEVIN MCCARTHY,
Republican Leader, House of Representatives, Washington, DC.

DEAR SPEAKER PELOSI AND LEADER MCCARTHY: On behalf of our nearly 38 million members nationwide and all Americans age 50 and older, AARP is pleased to urge House passage of H.R. 397, the Rehabilitation for Multiemployer Pensions Act. This bipartisan legislation would help enable eligible multiemployer pension plans to continue to pay earned pensions to retirees and fund their long-term pension commitments.

Over ten million workers, retirees, and their families are counting on these earned retirement benefits for their retirement security. As part of the FY 2015 Omnibus Appropriations Act, with almost no debate, Congress permitted underfunded multiemployer pension plans to cut the earned pensions of current retirees. Congress' action broke forty years of settled pension law and put hundreds of thousands of retirees at risk of having their retirement benefits and financial security undermined. Instead of cutting earned pensions, Congress should instead enact reasonable solutions to help enable multiemployer pension plans to pay earned benefits and fully fund their pension plans over time.

We commend the bipartisan group of sponsors on their bill's proposed creation of a Pension Rehabilitation Administration, within the Treasury Department, to provide low-cost loans to qualified underfunded multiemployer pension plans. Plans would have up to thirty years to pay earned retiree benefits, prudently invest the loan proceeds, and re-pay the loan. During the loan period, employers may not reduce contributions and the plan may not increase promised benefits. The plan must also demonstrate that receipt of the loan will enable the plan to avoid insolvency, pay benefits and loan interest, and accumulate sufficient funds to repay the loan principal when due.

AARP urges passage of the Rehabilitation of Multiemployer Pensions Act to protect the hardearned pensions of retirees. We look forward to working with Congress to enact this important bill, as well as additional legislation to adequately fund all earned multiemployer retiree pensions and the Pension Benefit Guaranty Corporation. If you have any questions, please feel free to contact me.

Sincerely,

NANCY A. LEAMOND,
Executive Vice President and Chief Advocacy and Engagement Officer.

AFL–CIO,
Washington, DC, July 22, 2019.

DEAR REPRESENTATIVE: The AFL–CIO is pleased that the ''Rehabilitation for Multiemployer Pensions Act'' (H.R. 397) will be on the House floor this week. We urge you to support this bill, as it is the first step towards enactment of legislation to address our nation's looming pension crisis.

Absent federal action, the retirement income security of over one million American workers, retirees, and their spouses across the country will be in jeopardy because of the impending failure of their multiemployer pension plans. By establishing a federal loan program for troubled plans meeting certain criteria, H.R. 397 reflects the fact that allowing these plans to fail will have a devastating impact not only on individual retirees and their families, but also on their communities and their employers.

The working men and women whose retirement income security is at risk have not forgotten the 2008 record-setting federal rescue of Wall Street. Multiemployer pension plan participants and retirees are no less worthy than the financial services firms who were the beneficiaries of the $700 billion Troubled Asset Relief Program. Moreover, unlike the Wall Street banks, they played no part in either the industry deregulation or financial crisis that weakened many multiemployer pension plans.

Congress has the ability to avert the impending retirement security crisis if it acts expeditiously. The ''Rehabilitation for Multiemployer Pensions Act'' is an important bill because it is the only legislation that, thus far, offers a solution to that crisis. On behalf of the AFL–CIO, I urge you to support it.

Sincerely,

WILLIAM SAMUEL,
Director, Government Affairs Department.

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS,
July 22, 2019.

DEAR REPRESENTATIVE: On behalf of the International Association of Machinists and Aerospace Workers (IAM), I strongly urge you to vote ''Yes'' on H.R. 397, The Rehabilitation for Multiemployer Pensions Act of 2019. Commonly referred to as the ''Butch Lewis Act'', this highly important and innovative legislation would help save those multiemployer pension plans which are financially-troubled while protecting the earned and vested benefits of current and future retirees.

The multiemployer pension system is on the brink of a real and disastrous crisis. While the majority of multi employer pension plans are financially sound, the PBGC estimates that over 100 multiemployer pension plans, covering more than a million participants, are in ''critical and declining status'' and will become insolvent within the next twenty years. Currently, the only Federal assistance offered to these troubled plans comes from the PBGC and only after the plan has already failed. Given the number of plans on the brink of failure, the PBGC' s multiemployer insurance program is projected to become insolvent by 2025.

The Rehabilitation for Multiemployer Pensions Act of 2019 offers a real, proactive solution which rehabilitates failing plans, bolsters the PBGC, and protects the earned benefits of millions of retirees, workers, and their families. This innovative legislation would allow the Treasury to provide low-cost loans to qualified underfunded multiemployer pension plans. Under the legislation, the troubled plans would have up to thirty years to prudently invest the loaned funds and would use the investment earnings to pay retiree benefits, improve the plan's financial position, and pay interest on the loan to the Treasury. At the end of the thirty year period, the plan would pay back the loan in full. In order to be eligible for the loan, the plan would have to demonstrate that the loan would enable the plan to remain solvent, pay all retiree benefits and loan interest, and repay the loan principle when due. During the loan period, contributing employers would have to maintain their contribution levels and the plan would not be allowed to make any increases to retiree benefits.

In the wake of the Multiemployer Pension Reform Act of 2014, a brutal scheme to steal the pension promises made to retirees, the Rehabilitation for Multiemployer Pensions Act provides a much needed correction and remedy. This legislation will work to lift troubled multiemployer plans out of their financial hole, while maintaining the financial integrity of the PBGC. Most importantly, the Rehabilitation for Multiemployer Pensions Act provides a pathway to accomplishing these venerable goals without stealing from retirees, workers, and their families.

The Rehabilitation for Multiemployer Pensions Act is the only solution put forth to date which appropriately and adequately addresses the multiemployer pension crisis by providing a lifeline to plans in critical financial status while maintaining the integrity of healthy multiemployer plans and the PBGC without cutting the earned benefit promises made to our nation's retirees and working families.

For these reasons, I urge you to support this vitally important legislation and vote ''Yes'' on H.R. 397, The Rehabilitation for Multiemployer Pensions Act of 2019.

Thank you,

ROBERT MARTINEZ, Jr.,
International President.

SEIU,
Washington, DC, July 24, 2019.

DEAR REPRESENTATIVE: On behalf of the two million members of the Service Employees International Union (SEIU), I write to urge you to support H.R. 397, the Rehabilitation for Multiemployer Pensions Act. Improving the solvency of troubled multiemployer pension plans and the Pension Benefit Guaranty Corporation (''PBGC'') are the two critical issues that need to be addressed, and this legislation will accomplish that without jeopardizing plans that are already solvent.

SEIU and its Locals sponsor 19 multiemployer pension plans covering over 800,000 retired and active participants and their beneficiaries. The health of the multiemployer retirement community is very important to our union, our members, and the employers from the health and service industries which participate in these funds. We support a resilient multiemployer pension system that provides continued retirement security to millions of American workers and their families.

Fortunately, none of SEIU's plans are classified as ''critical and declining.'' Nevertheless we have followed closely developments in plans that are facing possible insolvency as we believe that such a development would cause serious harm to thousands of workers and retirees, to employers, to the economy and to the multiemployer pension system as a whole.

The loan program which the Rehabilitation for Multiemployer Pensions Act would establish should maximize the chances that troubled plans avoid insolvency. Thousands of workers and retirees in these plans will be able to avoid devastating benefit cuts. Also, the legislation would dramatically reduce the expected liabilities of the PBGC and can save the PBGC's insurance program for all multiemployer plans.

We thank you for your support for workers and their retirement security.

Sincerely,

MARY KAY HENRY,
International President.

UNITED STEELWORKERS,
Pittsburgh, PA, July 24, 2019.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the 1.2 million active and retired members of the United Steelworkers, I urge you to pass H.R. 397, the Rehabilitation for Multiemployer Pensions Act. Otherwise known to most as the ''Butch-Lewis Act'' scheduled for the floor this week. The legislation will reassert our nation's commitment to millions of retirees in the multi-employer pension system, and ensure that they receive the benefits they have earned without needless cuts to pensioner incomes.

Pensions are one of the most secure forms of long-term retirement if government, industry and workers operate in a cooperative manner to ensure long-term sustainability. Unfortunately, small subsets of plans, battered by federal deregulation, changing industries, and unfair trade, have fallen into decline. After a decade of effort by these pension plans to recover since the Great Recession, the damage done by inadequate federal policy could cause almost 1.5 million to lose their retirement and impact all of the 10 million participants who are enrolled in multiemployer pension plans.

Representative Neal's bipartisan legislation is the guidepost to ensuring millions of retired Americans receive the benefits they are promised. The legislation will create a Pension Rehabilitation Administration under the Department of Treasury and permit the sale of bonds to finance long-term, low-interest loans to troubled pension plans. By shoring up critical and declining status pension plans, millions of retirees will be assured of a continued secure retirement without forcing cuts to retiree benefits.

During the loan period, employers may not reduce contributions and the plan may not increase promised benefits. The plan must demonstrate that receipt of the loan will enable the plan to avoid insolvency, pay benefits and loan interest, and accumulate sufficient funds to repay the loan principal when due. Providing federal oversight and access to capital, multi-employer pension funds will be able to manage the long-term commitments to retirees which in turn will reduce long-term government risk of default at the Pension Benefit Guarantee Corporation (PBGC).

For these reasons, I urge you to pass H.R. 397, the Rehabilitation for Multiemployer Pensions Act.

Sincerely,

THOMAS M. CONWAY,
International President.

Mr. SCOTT of Virginia. Mr. Speaker, when it comes to the multiemployer crisis, the most expensive and harmful thing the Congress can do is nothing. Over the course of 4 years and multiple hearings, including five hearings of a joint select committee, we have repeatedly heard the need to address this issue.

We have also heard about process. Let me tell you about the process. We had 1 year of a select committee—no plan from the Republicans. This bill was introduced in January—no plan. We had a hearing in March—no plan. We had a markup in June—no plan or amendment until shortly before the markup occurred. Then, instead of seriously considering those amendments, they required us to read the whole bill.

Mr. Speaker, we have a choice to make. Members of Congress can continue to wring our hands and listen to complaints while the catastrophe continues to unfold and unnecessarily adds hundreds of billions of dollars in costs to the Federal budget, or we can act on this bipartisan solution.

The only bipartisan solution pending in Congress today is the Butch Lewis Act. This bill addresses the immediate crisis, protects hard-earned pensions, protects many businesses from bankruptcy, avoids misery, and saves the taxpayers money.

In fact, according to the CBO, this bill, over 30 years, will cost less than $60 billion. Doing nothing over 30 years will cost $300 billion to over $400 billion.

Mr. Speaker, I am voting for the solution. I urge my colleagues to do the same to ensure that all workers can retire with stability and dignity.

Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts (Mr. NEAL), and I ask unanimous consent that he may control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. NEAL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I stand in support of H.R. 397, the Rehabilitation for Multiemployer Pensions Act, commonly referred to as the Butch Lewis Act.

Contrary to what you have heard, Mr. Speaker, this is a bipartisan bill. It has Republican sponsors. PETER KING is about to speak next. At different intervals, there have been up to 20 Republicans who have signed on to this legislation.

This addresses a real problem that, for 2 years, Congress has talked about and not moved on. For 2 years, we have worked on this. I sat on the special commission for 2 years. It became a debating society rather than an opportunity to act on a measured response to a crisis that is now pending that could be averted by the work that we undertake today. There are 200 bipartisan sponsors of this legislation in this House.

Ten million Americans participate in multiemployer plans, and about 1.3 million of them are in plans that are quickly running out of money. And, yes, we have a plan.

These are American workers who planned for their retirement. Now, after working for 30-plus years, they are facing financial uncertainty at a time when they are often unable to return to the workforce.

It is worth noting that we have not arrived here because of malfeasance or corruption. These are forces of the marketplace that have caused this distortion.

When I heard the gentleman from South Dakota say earlier that this is a bailout, this is not a bailout. This is a backstop.

Do you know what a bailout is? It is the savings and loan crisis. That is a bailout.

Do you know what a bailout is? Wall Street. That is a bailout.

Do you know what a bailout is? When Enron made sure that the people at the top of the corporation kept their money and that the people at the bottom lost their pensions. That is a bailout.

We are talking about a sensible plan. As I have noted, I have worked for almost 2 years to build within the Department of the Treasury an opportunity for a super-administrator to help to nurse these plans back to good health.

Rita Lewis is in this gallery today, and she is a beneficiary of the Central States Pension Plan, which is the largest of the underfunded multiemployer pension plans.

She and Butch Lewis did nothing wrong. They played by the rules, precisely as we would ask people to do.

So then we hear that this is about union bosses. Then we hear that this is about malfeasance. This is entirely about people who have been circumspect in the manner in which they have treated their pension plans.

She is looking at a significant cut in her pension after years of hard work and when retirement is finally in sight. Many workers and retirees have stories very similar to Mrs. Lewis'. These are real people with a very real problem if Congress doesn't act.

The American people sent us here to address problems like multiemployer pension plans, and the legislation before us today, despite what anybody and everybody says, accomplishes that. It would give millions of workers and retirees like those who have joined Mrs. Lewis in the gallery today the security and the retirement that they have worked and planned for in their golden years.

The Butch Lewis Act would allow pension plans to borrow money they need to remain solvent—borrow, emphasis on ''borrow''—and continue to provide retirement security for retirees and workers for decades to come while the plan is nursed back to health.

Let me remind my colleagues: Plans that receive loans under this bill are subject to numerous requirements and ample oversight. They are not permitted to increase benefits or to reduce contributions, and loan proceeds must be invested in conservative investments, grade-A instruments. This is not a bailout. This is a loan program. It is a commonsense solution. It is the private sector coming together with public-sector opportunities to address this crisis.

Mr. Speaker, I will have more to say about it when I close, and I reserve the balance of my time.

The SPEAKER pro tempore. Members are reminded to avoid references to occupants of the gallery.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in opposition to H.R. 397, which is truly unfortunate because I know the authors' goals here are very well-intended.

I have worked as a meatpacker; I have worked as a sheet metal worker; and I have worked construction. I know how hard these union families work, both for their wages and for their retirement.

It is why Republicans and Democrats agree we are in a multiemployer pension crisis. When there are over 1.3 million workers covered by these union-managed plans whose pensions are set to be drained entirely over the next decade, that is a crisis. These figures only scratch the surface. If we are to look at the bigger picture of every union-managed pension, less than half the promises made by trustees to these union workers are actually funded—less than half.

To put it simply, there is $638 billion promised to workers' retirement that is absolutely imaginary. That is wrong.

This bill, I think, doubles down on the worst aspects of the pension system that have these workers in a pickle today.

□ 1745

Congress has tried to kick the can down the road before. In 2006, Congress waived the required contributions for plans that said: We just can't make the contributions.

And what happened? Things got worse for the workers.

2007, plans were $193 billion underfunded. A couple years ago, it had tripled. They were three times worse off.

PBGC—they are the Federal insurer of these plans—went from a deficit of $739 million; their deficit increased seventyfold. That is even worse for the workers.

So rather than continuing the status quo in today's partisan exercise—and just be honest. Having nine Republicans does not make this a bipartisan bill. And we already know, unfortunately, because it is one party, this bill is dead on arrival in the Senate. Democrats acknowledge it. Republicans do. Even some of the unions do.

That is why I think a solution needs to happen this year, getting it to the President's desk so we say: Let's find a bipartisan solution to offer certainty, stability, and accountability and save these union-managed plans.

We ought to be working together to ensure that the plans can make good on their promises to our union workers. This means eliminating the various gimmicks some of these plans are allowed to use.

Plans have to accurately measure their pension promises in a way similar to insurance companies making those same promises. For example, I don't understand: Why are promises to unions worth only one-third of the pension promises made to workers who are working for a single company? Aren't union workers just as important, and aren't those promises just as important for them as other workers?

Equally important, we have folks on accountability. A promise is a promise, and companies need to be on the hook for every pension promise they made to their workers. And so, by the way, do the trustees.

Why do we allow the same people to operate the same way and leave the same union workers behind? What sense does that make?

And, finally, one of the reasons we oppose this bill is we need to prevent the severely underfunded plans from digging themselves even deeper in the hole under the guise of protecting workers. We have to wall off the contributions that fund these new promises that we know will be broken instead of perpetuating what now is sort of a Ponzi scheme: Retirees are paid out of the contributions that are supposed to fund benefits to younger workers. That is double counting, and that is what gets people in trouble.

I believe our union workers deserve better. The companies in these plans deserve better.

This bill doesn't make these plans more stable. It doesn't end underfunding. It doesn't make them secure for the long term. And our biggest worry as Republicans, it doesn't solve the problem. So these same workers, years down the road, are going to be in the same problem. We haven't helped them.

I think our workers deserve better, which is why I strongly urge all my colleagues to vote ''no'' on this bill.

I give my commitment for the Ways and Means Republicans to work with you, Mr. Chairman, to find a real solution. Our workers really do deserve this.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. KING), and I believe he is a Republican demonstrating that this is a bipartisan piece of legislation.

Mr. KING of New York. Mr. Speaker, I thank the chairman for yielding, and I address this to my Republican and Democratic friends.

I am the lead Republican sponsor of this bill and I am proud to be because, as far as I am concerned, this bill protects and helps the men and women that we Republicans claim to care about: hardworking, middle-income people who play by the rules.

They are not looking for welfare. They are not looking for a free ride. They have played by the rules. They are the backbone of our communities.

They are Democrats. They are Republicans. They are Black. They are White. They are people we rely on all the time. They have done everything they have been asked to do.

Now, they are not high-paid CEOs. They are not big bankers. They are ordinary, day-to-day Americans, the people we claim to represent. And to allow them not to be taken care of, not to be protected, that this ''not be done to me'' just flies in the face of our oath of office.

We have an obligation to these men and women who have done so much for their country, and there is no example of malfeasance. We are not talking about that. We are talking about changing economic conditions that have affected these multiemployer pension plans. That is the reality. Our economy is moving fast, so there are people getting ahead. There are also people being left behind.

It is our duty to make sure that everyone gets the opportunity to go forward, that those who are entering their golden years, who planned, did everything they had to do, were asked to do, were expected to do, that they not be left out.

It is easy to look at some actuarial chart and put on the green eyeshade and say: Well, this may cause this; this may cause that.

In fact, even if we do that, to me, the economic loss by not protecting these workers is far worse than whatever the cost may be. And as Congressman NEAL said, this is not a bailout. It is a backstop. It is doing what has to be done.

And, again, they are not high-priced CEOs. They are not looking for a free ride. They are not trying to get a tax reduction for their jet or anything like that. They just want to get what they are entitled to, what they have earned, and what they played by the rules to get.

So, again, as a Republican, I am proud to stand for this and, also, for all Republicans in my district who are proud Teamsters, proud union members, as I was a union member.

Again, we should not be setting class against class, not talking about union bosses and union corruption. That stuff should have gone out in the 1930s.

We are all Americans. They are hardworking Americans. They deserve to receive the protection that we, as Members of the Congress, can give them.

Mr. Speaker, I strongly urge support of this bill.

Mr. BRADY. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. SCHWEIKERT), one of the key members of the Ways and Means Committee.

Mr. SCHWEIKERT. Mr. Speaker, I thank the gentleman from Texas (Mr. BRADY) for yielding.

I may come to the microphone with a slightly different message, having been on the bipartisan multiemployer pension commission, having hundreds of staff-hours into digging into the numbers and desperately trying to come up with an honest, holistic, complete solution.

I fear we are about to do a level of violence here financially that we don't mean to. A previous Democrat speaker in the previous testimony actually spoke about we need to do a lifeboat.

If you do the math here, we are not doing a lifeboat. We are putting a little life preserver out when we need a big lifeboat. And the math—let's be honest about the math. If we actually come here, and I know this chart is too small to read, but I brought it up because we have all seen the actuarial report that makes it very clear.

If we actually use anything even close to what a union worker for a single employer plan—the protection, the rate of return, the net present value calculations they get—if we do that to these multiemployers, the vast majority of the multiemployer plans are in the red.

And we are, right now, about to fix an offer—whether you want to call it a bailout, whether you want to call it a subsidy, it is really expensive, and we are only taking care of a small portion of the problem.

What are we about to do to all the others, saying: Well, you were close to the cutoff; you are on your own?

Is that the type of cruelty you are actually about to pass, telling everyone we took care of the problem when the vast majority of the workers in these plans are on the other side of the cliff?

I beg of you, come back. We were so close in the commission work, and it was painful. Everyone was going to be mad at us, and it got a little too politically difficult.

But there is a mathematical way to get there. And for once, can we use our calculators to actually solve the problem and be honest rather than the political rhetoric that is absolutely vacuous on the scale of this problem.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. MURPHY).

Mrs. MURPHY. Mr. Speaker, I rise in support of the Butch Lewis Act.

Passage of this bill is vital to millions of Americans who have worked hard and played by the rules. That includes tens of thousands of workers and retirees who live in Florida and hundreds of workers and retirees who reside in my Orlando area district.

I want to highlight section 4(h) of the bill, which was added at my request between committee markup and floor consideration. This provision requires the Pension Rehabilitation Administration to provide an annual report to Congress on pension plans that have received a loan under this bill and that are at risk of failing to repay interest or principal on that loan. Such a failure would require Federal taxpayers to absorb the cost of the loan.

This provision to increase congressional oversight will maximize the number of plans that repay their loans and minimize the financial burden on Federal taxpayers.

Mr. Speaker, I want to thank Chairman NEAL for working with me to make this important change, and I urge my colleagues to support this legislation.

Mr. BRADY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KELLY), a key member of the Ways and Means Committee, a businessperson, and who funds retirements and know how hard these workers work.

Mr. KELLY of Pennsylvania. Mr. Speaker, I thank the chairman for yielding.

Listen, I share the same concerns. I don't think there is anybody I agree with, probably, on 99 percent of what we talk about than Mr. NEAL; and I have been, for the last couple years, trying to figure out how to fix this.

If this would actually fix it, that would be great. We look at this like it is some type of a government program that hasn't been run right; and Lord knows, there is enough of those out there. This is a private plan.

We keep talking about union members, and I have to tell you, I live in a union town. I grew up with union members. I work with people. My dad was the first Kelly to wear a white shirt to work for crying out loud.

But the question isn't about union members being irresponsible. It is about union plans that just didn't function the way they are supposed to.

If I knew going out of here today and voting for this legislation would fix the problem, I would do it in a minute. But we know it is not going to. And then we will have people who will clap and say, yes, they passed it. Well, we are going in the right direction. And we know it is not going any further than the floor of the House.

Fixing the plan is paramount. Let's quit figuring out who we are going to put the blame on and figure out how we are going to fix it.

I am not saying it is anybody's fault on their own. But, collectively, you have got to look at, if I am a member of a union, I am saying: So all those things that I won at the bargaining table, all that compensation I passed up, all those things that I could have asked for but didn't because I was planning for the future, I found out that the people who I entrusted my future to weren't capable of running the program the right way.

The program that we have at my small business is okay. We are going to be able to meet our obligations. We have got to stop using taxpayer money to fix irresponsible decisions or actions by people who didn't—maybe they knew what they were doing; maybe they didn't know what they were doing. I am not blaming anybody. But the real problem sits on our doorstep right now today.

And believe me, there is nothing easier than loaning other people's money to somebody who needs it. I get that. But the truth of the matter is every single penny we talk about comes out of hardworking American taxpayers' pockets. They had no role to play in this, and what we are saying is you are going to have to bail them out.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BRADY. Mr. Speaker, I yield an additional 30 seconds to the gentleman.

Mr. KELLY of Pennsylvania. Mr. Speaker, I want to fix this. I want to see it fixed, and I want to see everybody in labor feel that all those generational gains, all of that negotiation actually meant something.

I think it is a shame when they look at, well, why isn't it functioning the way we were told it was functioning when we signed that contract? It wasn't their fault. It certainly wasn't the rest of America's taxpayers. Something failed, probably a lot more than one instance's worth.

But today, we aren't fixing this. We are putting it across something that isn't going to get through the Senate, and we are giving people false hope, which I think is the worst thing we can do. Let's not make promises we can't keep.

Chairman NEAL, I would be glad to work with you any amount of time. However we have to do it to get this fixed, it has to get fixed.

Mr. PALLONE. Mr. Speaker, might I inquire as to how much time is remaining.

The SPEAKER pro tempore. The gentleman from Massachusetts has 10½ minutes remaining. The gentleman from Texas has 5½ minutes.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. NEAL), and I appreciate his laser-like focus on this issue.

We are hearing people in an alternative universe. The problems that we are facing financially are not an issue of mismanagement. It is the near collapse of the economy that plunged it into a downward spiral and the fact that the deregulation by the Congress in the trucking industry meant that there were many, many jobs that disappeared. Many plans were no longer sustainable.

But I find it rich to hear my friends on the other side of the aisle talk about fiscal conservatism and protecting the taxpayer's money. These are the folks who passed a tax bill, without the benefit of a hearing, that added $2.3 trillion to the deficit. And they are ignoring the fact that, if we allow these plans to go over the edge, it will cost five, six, eight times as much money.

Let's get real here.

I appreciate the commitment that we have, Mr. Chairman, to a bipartisan solution. There are people on the other side of the aisle who want to work on that. This isn't the last word. We have things to do, but this is, however, the first step to get us there.

□ 1800

Mr. BRADY. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska (Mr. SMITH), one of the leaders of our Tax Policy Subcommittee efforts.

Mr. SMITH of Nebraska. Mr. Speaker, I agree we have a serious problem with multiemployer pensions which needs to be addressed. However, this bill, I believe, will actually set us back.

It does nothing to address the underlying structural issues of these plans. It actually does nothing to protect younger workers, who will be asked to keep paying into a system which remains troubled. And it saddles taxpayers with liabilities which are unlikely to be paid back, at a massive cost to taxpayers.

Let me provide just one alarming example of how flawed this proposal is, which I also highlighted in our committee markup.

Under this legislation, if a pension plan applies for a loan and the newly created Pension Rehabilitation Administration cannot make a determination on that plan's ability to repay in order to approve or deny the loan within 90 days, the loan would be automatically deemed approved.

Taxpayers deserve timely responses from Treasury, but no reputable financial institution would rubberstamp loans like this.

Pensioners and taxpayers both deserve better. Let's work together to deliver a real solution.

Mr. Speaker, I certainly urge opposition to this bill so that we can, together, focus on a better solution.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PASCRELL), the always erudite Congressman.

Mr. PASCRELL. Mr. Speaker, for years, multiemployer pension plans offered working-class Americans something almost priceless: a nest egg for their retirement. This security was provided through collective bargaining benefit plans. Workers put in their own hard-earned dollars—they did not fall down on their obligations—for the promise of a safe and secure retirement.

Workers entered into a contract. You know what a contract is?

Industry deregulation, the decrease in the unionized workforce after decades of concerted political attacks, and the devastating—the other side had the House of Representatives for so many years in the last 20 years; they never even introduced a labor bill. What are they talking about—bipartisan?

This means almost 200 multiemployer plans are projected to fail. Some of them are going to be in your district, in your district. Plans are projected to fail, many within the next 10 years. Mr. Speaker, 1.3 million are at risk.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Mr. Speaker, I yield the gentleman from New Jersey an additional 30 seconds.

Mr. PASCRELL. At the Joint Select Committee on Solvency of Multiemployer Pension Plans hearing last year, my constituent Carol Podesta-Smallen said that her monthly benefits were on the verge of being cut by 61 percent—read that—from $2,600 to $1,022. Imagine that loss.

''My biggest fear,'' she told the committee, ''is losing my home'' and ''ending up in a shelter.''

Thanks to the Butch Lewis Act, which creates a unique public-private partnership, 1.3 million working Americans might not have to fear any longer.

Mr. BRADY. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. ESTES), a member of the Ways and Means Committee who, as a State treasurer, has worked with these public pension programs.

Mr. ESTES. Mr. Speaker, I rise in opposition to H.R. 397.

Protecting pensions and retirement security for all Americans should be one area where Republicans and Democrats can agree. It should be a top priority in Congress.

As the gentleman from Virginia indicated earlier, these plans need structural reform. Sadly, this bill does not include any.

H.R. 397 falls short of making any meaningful structural reforms to address the problems of underfunding or provide a method to pay back the loans. Instead, H.R. 397 provides taxpayer-subsidized loans to multiemployer pension plans that are insolvent or in danger of becoming insolvent.

This only throws out more taxpayer dollars while kicking the can down the road. This is unacceptable. We can and should do better.

However, my colleagues on the other side of the aisle have rushed this partisan legislation to the House floor with almost zero Republican feedback or amendments.

Instead of a partisan bill with no chance of going anywhere, I believe we should work together on serious bipartisan solutions to make the needed reforms so that we don't get right back in this situation again.

As Kansas State treasurer, we reformed the public pension system. We should do that with this system as well.

As Kansas State Treasurer, I helped reform the Kansas public pension program when it was facing a financial crisis and set it on a path to being solvent.

In fact, when I was sworn-in as state treasurer, Kansas had the second worst funded pension in the nation. But thanks to reforms we enacted, KPERS is now funded at 67% and ranked 29th in the country.

This was a big turnaround and is also the same kind of leadership and action we need now to preserve and protect pensions across the country. Pension plans can be reformed even after 2008 stockmarket decline.

Unfortunately, today's bill does nothing to keep pensions solvent in the future.

American workers and families deserve better and I urge my colleagues to vote against this bill.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentleman from Chicago, Illinois (Mr. DANNY K. DAVIS).

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, I rise in strong support of the Butch Lewis Act, and I do so because we are not talking about bailing out savings and loans. We are not talking about giving tax breaks to the wealthiest 1 percent.

We are talking about protecting the benefits of hardworking men and women who have worked for decades: truck drivers, bakers, grocery clerks, coal miners, people who have given their all to make sure that our communities continue to live and thrive.

I commend Chairman NEAL and Chairman SCOTT, the Democratic leadership, for bringing this bill to the floor. I urge that everybody vote for it.

Vote for the men and women who have kept America strong.

Mr. BRADY. Mr. Speaker, I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. HIGGINS).

Mr. HIGGINS of New York. Mr. Speaker, 10 years ago this Congress saved the American economy by extending Federally secured low- or no-interest loans to the banking and insurance industries and the American automakers. In many cases, it was the reckless activity of those industries that caused the economic crisis.

And nothing for hardworking American families.

In 2017, this Congress passed a 14 percent corporate tax cut, creating a $2 trillion debt, to many of the same industries that almost destroyed the American economy.

And, again, nothing for America's working families.

Today, more than 200 pension plans covering 1.5 million Americans are seriously in danger of failing. Working families from Buffalo to Boston are threatened with their pensions and their retirement savings being ripped away from them.

Mr. Speaker, the Butch Lewis Act, brought to the floor today under the leadership of Chairman RICHARD NEAL and BOBBY SCOTT, will provide stability and retirement security for millions of humble, hardworking Americans, and I urge its passage.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. JUDY CHU).

Ms. JUDY CHU of California. Mr. Speaker, I rise to offer my strong support of the Butch Lewis Act.

This bill would ensure that multiemployer pension plans can continue to provide security to millions of retired workers, everybody from the Teamsters to the United Food and Commercial Workers.

This is particularly important for my district in Los Angeles County, which is home to thousands of actors, musicians, and so many more creative professionals.

But the American Federation of Musicians and Employers' Pension Fund is set to run out of money within 20 years, putting their 50,000 members in danger. In fact, it is tragic that this fund has been put in the position of applying to the U.S. Treasury for a reduction in benefits, the benefits that these workers put in a lifetime of hard work to earn.

Instead, the Butch Lewis Act would give pension funds like this loans for 30 years to help build up their funds, ensuring that workers can keep the full benefits that they earned and counted on.

Mr. Speaker, I urge all my colleagues to vote for the Butch Lewis Act.

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. SUOZZI).

Mr. SUOZZI. Mr. Speaker, every Democrat and every Republican in this House believes, or at least should believe, that if you are willing to go to work every single day, you are willing to work 40 or 50 hours a week, you are willing to work 48 or 50 weeks a year, you should have a decent life in America.

That is the American Dream: If you work hard, you make enough money so you can find a place to live, you can educate your children, you can retire one day without being scared.

And, right now, 1.3 million Americans are scared that they are going to lose the retirement benefits that they negotiated for.

We have got to work together to try and solve this problem on their behalf.

Chairman NEAL has stated he has been working on this for the past 2 years. People say, ''Oh, we have got to work together. We have got to work together.''

Let's do it already. This is your opportunity to try and move together to help hardworking people in America, to save the American Dream for people that have put the time in, that have done the hard work, that have negotiated for their benefits.

It is time to protect these people. And it is time to stop saying we are going to work together; it is time to work together now and pass the Butch Lewis Act.

Mr. NEAL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, we have heard repeatedly during the course of this conversation and debate that somehow this is a bailout.

I even heard one speaker reference public pension plans. What has that got to do with this?

The subject in front of us today is the multiemployer pension plan system that is under duress through no fault of the individuals who were supposed to receive the derived benefit on a date certain based upon the contribution that they made.

Instead, we find ourselves in a position where the argument has become that somehow this is a bailout of special interests.

This is a backstop of hardworking men and women who have set aside prescribed numbers of dollars for the purpose of enjoying a period of time in their lives that they have carefully planned for.

Now, let me draw attention to the following. For 2 years we have worked on this legislation, and I know there are men and women of goodwill on both sides who would like to find a solution.

But the truth is, this is the only plan in town. This is the only plan that has been submitted, formally or informally, after 2 years of planning and work and an exhaustive 1 year of a special commission that came up with no solution to the multiemployer pension plan problem.

So, instead, we constructed, through a careful process, an opportunity where everybody on the Ways and Means Committee was heard.

I have been around long enough to have a special regard for the minority in a legislative institution. They get to be heard. They get to offer amendments.

They offered those amendments. Now, I was prepared to accept a couple of those amendments that I thought were actually pretty good, the provision being that I attached to that, to accept the amendment, they would have to vote for the legislation.

So I hope—and despite what we are hearing, by the way, that this doesn't have a chance in the Senate——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Mr. Speaker, I yield myself an additional 1 minute.

The idea that we are hearing that this has no chance in the Senate, I disagree with that. I disagree with that profoundly.

There is an opportunity, once this moves to the Senate, to at least have something to negotiate with, the Butch Lewis Act.

And I think that there are men and women, again, in the Senate who are prepared to act on this problem, largely because the contagion from this plan will eventually make its way and leach into the PBGC.

The head of the PBGC, while not endorsing this specific plan, said to me: Mr. Chairman, I am glad you are doing what you are doing because you are going to invite further opportunities to address this problem, short of, in the end, having to bail out the PBGC, which will happen if we don't formally address the measure that is in front of us today.

Mr. Speaker, I reserve the balance of my time.

Mr. BRADY. Mr. Speaker, I yield myself such time as I may consume.

Look, it is not enough to do something. We have to do the right thing. We know the Senate isn't going to consider this bill. They have told everyone. There is no one in the Senate predicting this bill will be taken up.

The White House certainly won't support it in its current form. But, like us, they believe we need to find a solution.

When all is said and done, I know this bill is well intended. I know the author and leader is well intended because I know him.

I think this will actually delay Congress from making the progress we really need to on this issue.

So, today, after what will be a largely partisan vote, we are going to be forced to start over at step one.

I just think union workers and their families, who work incredibly hard every day, that promises to them ought to be kept. And they demand better from us.

□ 1815

To solve this issue, we have to work together to get to the root cause, which is that there are lower standards and less accountability for these union-managed plans. That is why the promises to union workers are worth a third what the promises are to workers in other plans. That isn't right.

This bill doesn't take any steps to make these failing plans more stable. It won't end underfunding. It doesn't make them more solvent over time for their children, who are working, by the way, in these same companies.

Families of these union workers are counting on these plans, and these workers have put their trust in these trustees to make good on their promises. Too many failed, and too many are still failing.

The truth is, we are in this crisis today because not all managers, by the way, did a bad job, but too many did. They dramatically overpromised and underdelivered. Will we rely on the same people who created this mess to do the same thing to the same workers they have already let down?

It is the workers we worry about the most. I have been on the factory floors with these men and women. They are good people. They care deeply about providing for themselves and their families. They just want their promises kept.

What our union workers need is for Congress to come up with a long-term, bipartisan solution now. We will need to start over, Republicans and Democrats working together to develop serious bipartisan reforms.

Again, I pledge to our chairman that Republicans are eager to engage, if asked, to try to find this solution—for the first time, if we are asked, to find a solution.

Mr. Speaker, I include in the RECORD letters in opposition to the bill from Heritage Action for America, Americans for Tax Reform, and National Taxpayers Union.

HERITAGE ACTION FOR AMERICA,
July 23, 2019.

Hon. KEVIN BRADY,
Ranking Member, House Ways and Means Committee, House of Representatives, Washington, DC.

DEAR RANKING MEMBER BRADY: This week, the House is expected to consider H.R. 397, the Rehabilitation for Multiemployer Pensions Act (previously known as the Butch-Lewis Act). The bill would essentially bail out over $600 billion in pension liabilities at taxpayer expense without making any reforms to ensure future shortfalls will be avoided. This bill would also set a dangerous precedent for other insolvent pensions, including the $6 trillion in unfunded pension liabilities currently held by state and local governments.

Politically, this is not an easy issue for many offices. Every member wants to assure their constituents that he or she is doing everything possible to protect their retirement security. But there are four important considerations representatives should take into account before voting on this bill: 1) Existing policies have allowed pensions shortfalls to grow uncontrollably and must be fixed before any other actions are taken; 2) Private sector workers were promised their pensions by their employers and their unions, not by fellow taxpayers or the government; 3) There are alternative ways to ensure workers receive most or all of their pensions without a taxpayer bailout if action is taken quickly; 4) bailouts set dangerous precedents, create moral hazard, and shield bad actors.

Rather than bailing out multiemployer pensions plans through costly loans that will never be paid back, lawmakers should make them solvent by applying some of the tighter rules that govern single-employer pensions (which were 79% funded in 2015 vs. 43% for multiemployer), increasing PBGC premiums, placing reasonable restrictions on growth assumptions, and giving workers a buyout option.

Allowing taxpayer dollars to flow to private pensions without even addressing the underlying causes of the shortfall is an irresponsible non-solution to a growing national problem. Heritage Action opposes this legislation and urges all members of Congress to oppose it.

All the best,

GARRETT BESS,
Director of Government Relations, Heritage Action for America.

AMERICANS FOR TAX REFORM,
Washington, DC, November 1, 2018.

Re Multiemployer Pension Solvency.

Hon. ORRIN HATCH,
Chairman, Joint Select Committee on Solvency of Multiemployer Pension Plans. U.S. Senate, Washington, DC.

Hon. SHERROD BROWN,
Co-Chairman, Joint Select Committee on Solvency of Multiemployer Pension Plans, U.S. Senate, Washington, DC.

DEAR CO-CHAIRMEN HATCH AND BROWN: As the Joint Select Committee on Multiemployer Pension Solvency considers proposals to address the multiemployer pension crisis we urge Congress to enact meaningful reform aimed at preventing the situation from reoccurring and protecting taxpayers from future burden. This crisis has created uncertainty for millions of American workers planning their retirement and we appreciate the committee's attention to this issue.

The Pension Benefit Guaranty Corporation (PBGC) currently estimates that there are 100 multiemployer pension plans in danger of insolvency if benefits are not reduced. The Heritage Foundation assesses that multiemployer pensions hold roughly $638 billion in unfunded pension promises with only 7 years before plans begin collapsing. Insolvency on this widespread scale would likely bankrupt the PBGC, itself underfunded, as it is required by law to insure retirees' benefits up to $12,870 per year.

While promises were made to participants in multiemployer plans, they were made by private labor unions, not the government and certainly not taxpayers. While the enormity of the problem may make government intervention a political inevitability, taxpayers have no direct responsibility to intervene. Any action considered by the committee should therefore focus on minimizing taxpayers' burden and enacting serious reform to prevent a future crisis from occurring again.

Any proposal seeking to provide federal assistance to multiemployer pensions should include the following reforms:

1. Improved Solvency of the PBGC. The first priority should be ensuring the PBGC is capable of providing its intended level of insured benefits to retirees. While the PBGC is not taxpayer funded, it is still an entity of the government and has failed to meet its obligations. Efforts at properly funding the PBGC should focus upon raising standard multiemployer premiums significantly to increase PBGC revenues, requiring termination plans for insolvent plans and introducing a standard PBGC eligibility age for new individuals receiving PBGC benefits. An underfunded PBGC has contributed to this crisis and increases the burden placed on taxpayers, this problem must be addressed.

2. Accrual of new benefits should freeze while switching employees to 401(k) plans. It is standard practice for single-employer pension funds to immediately freeze accrual of new benefits and switch employees to 401(k) plans when seeking assistance from the Pension Benefit Guaranty Corporation. Multiemployer pensions must be held to the same standard. Despite approaching insolvency, multiemployer pension plans continue to promise benefits several times more generous than the typical employer contribution to 401(k)s. Almost two-thirds of contributions made by multiemployer plans simply cover newly earned benefits, an irrational amount for plans approaching insolvency and seeking taxpayer aid. Halting accruals will free up funds to pay current benefits while new benefits will be more appropriately funded through both employer and employee contributions.

3. Multiemployer plans must be held to appropriate funding standards. Taxpayers should not be on the hook for pensions taking on greater risk. Multiemployer pensions have been granted special funding rules that allow them to set lower employer contribution levels and rely on higher returns than comparative single-employer plans. For example, while single-employer plans are expected to resume full funding in seven years, multiemployer employer plans are given thirty years to payoff unfunded liabilities. Allowing multiemployer plans this substantially larger time period has allowed the funding shortage to snowball. As several participating employers went bankrupt or withdrew over time, the remaining employers were on the hook for guaranteeing the same investment returns to participants of these ''orphaned plans.''

4. Beneficiaries should be protected within reason. Retirees should be granted protection to their benefits, but that protection must be given within fiscally responsible limits. 401(k) holders don't receive a bailout if their account drops, despite plans being funded by the employees themselves. Retirees under single-employee pensions don't receive unlimited PCGC protection despite more stringent funding rules. Beneficiaries of multiemployer plans shouldn't receive special treatment from the government simply because their union representatives overpromised on returns. Perhaps most importantly, having taxpayers fully cover the loss for retirees will be a signal to employees that their union representatives successfully advocated to protect them, when in reality union leadership overpromised and underfunded their pensions. To avoid a repeat scenario, this situation must be recognized as a pension crisis, not business as usual with a taxpayer safety net.

As the Joint Committee continues to consider a potential solution, Americans for Tax Reform hopes that the committee will work to lessen the burden on taxpayers and will pursue a solution that prevents a similar pension crisis from happening again.

Thank you for your consideration.

Onward,

GROVER G. NORQUIST,
President, Americans for Tax Reform.

NATIONAL TAXPAYERS UNION,
Washington, DC, July 23, 2019.

National Taxpayers Union urges all Representatives to vote ''NO'' on H.R. 397, the Rehabilitation for Multiemployer Pensions Act. This legislation would bail out failing private pension plans with few guardrails for taxpayers and cost at least $67 billion over the next decade. Congress should instead pursue legislation that tackles the multiemployer pension plan (MPP) crisis in a prudent, determined, patient and gradual way.

NTU has noted before that the MPP crisis, which affects 1.5 million Americans, deserves attention from Congress. However, H.R. 397 is a flawed piece of legislation. We wrote last month and in 2018 that, when it comes to MPPs, ''[i]nfusions of cash from the Treasury with few restrictions tend to characterize overreaction rather than corrective action.'' Unfortunately, this is exactly what H.R. 397 does, by providing 30–year loans to failing MPPs with few guardrails for taxpayer dollars. We believe that H.R. 397 will hurt workers in the long run, by allowing plan sponsors to double down on unrealistic promises and assumptions.

H.R. 397 will also exacerbate the troubled state of the Pension Benefit Guaranty Corporation (PBGC), which is scheduled to reach insolvency during fiscal year (FY) 2025. Portions of PBGC's operations have appeared on the Government Accountability Office's High Risk List for over a decade, and H.R. 397 fails to introduce real reforms to PBGC.

Finally, we are alarmed by the Congressional Budget Office (CBO) report that pegged the cost of H.R. 397 at more than $67 billion over the next decade. NTU must add, though, that even this troubling CBO score fails to account for the 30-year timeframe on the repayment of loans issued to failing MPPs. It is reasonable to assume that the 30-year costs to taxpayers will be at least tens of billions of dollars more, and even greater if MPPs fail to pay back the full principal and interest on Treasury Department loans.

We have outlined more prudent reforms before: require PBGC to more fully embrace risk pricing and other management tools to safeguard against liability surprises in the future; include a uniform, significant benefit reduction to show good faith in, the reform effort; and require that loans be collateralized with real-world assets that ensure the loans will be entirely repaid over a term measured in years rather than decades. We believe any of these reforms would present far better options to solving the MPP crisis than H.R. 397.

NTU strongly urges Representatives to oppose H.R. 397, and instead work towards prudent, determined, patient and gradual solutions to the MPP crisis that avoid putting taxpayers on the hook for multibillion-dollar bailouts.

Roll call votes on H.R. 397 will be included in our annual Rating of Congress and a ''no'' vote will be considered the pro-taxpayer position.

Mr. BRADY. I am convinced we can find a solution. This isn't the right thing for our workers, but there is a right way to help them. We are serious about making that happen.

Mr. Speaker, I yield back the balance of my time.

Mr. NEAL. Mr. Speaker, might I inquire as to how much time is remaining.

The SPEAKER pro tempore. The gentleman from Massachusetts has 1 minute remaining.

Mr. NEAL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this has been edifying. There has been an opportunity here for a full discussion about this impending problem that threatens the Pension Benefit Guaranty Corporation. This is an acknowledgment of the threat that is before us.

There is one thing that we have in common today. Nobody doubts the gravity of the situation that is in front of us. Nobody doubts just how serious this is for financial markets going forward if we don't address this issue, given the contagion that I referenced earlier that is likely to occur in other pension plans across the country if we don't address this issue forthwith.

When I hear people say we want to do this in a spirit of bipartisanship, when? For 2 years, we talked about this, and finally, there is a plan that the House is about to vote on in the next few minutes. I am ever so hopeful and optimistic that we, in fact, are going to be able to see the opportunity to pass this legislation and get it over to the Senate.

Mr. Speaker, I yield back the balance of my time.

Ms. JOHNSON of Texas. Mr. Speaker, I rise today to support the bipartisan bill H.R. 397, the Rehabilitation for Multiemployer Pensions Act. This bill would allow pension plans to get back on their feet and ensure retirees receive their promised benefits.

We must act quickly to ensure that Americans who contributed to their multiemployer pension plans will not have their financial security at risk. That is why I am proud to cosponsor H.R. 397. This bill provides financial assistance to financially troubled multiemployer defined benefit pension plans covering about 10 million, mostly working-class, Americans across the country.

The financial assistance provide by the bill consists of loans with a 30-year repayment term. Multiemployer pension plans are collectively bargained pension plans covering employees with two or more employers. Retirees, workers and their families, who rely on these plans are losing benefits earned over a lifetime of work through no fault of their own.

As an example, the Central States Pension Fund in my district has 10 employers covering more than 1,500 participants. Some of the top employers using Central States Pension Fund are YRC Inc., ABF Freights Systems, Penske Truck Leasing Co., DHL Express, and Air Express International. Without this financial assistance, pensions of truck drivers, electricians, ironworkers, bakers, and many more would continue to be cut significantly—putting their families' financial security and future at risk.

Mr. Speaker, the growing number of families in our country relying on their pension plans is growing and can no longer go unnoticed. We now have an opportunity to help these families protect their financial security.

Ms. KAPTUR. Mr. Speaker, it is with great pleasure today that I rise in support of strong, bipartisan passage of the Butch Lewis Act.

The Butch Lewis Act will provide the economic security this body ripped out from under millions of hardworking Americans.

Across our country, 1.3 million workers and retirees face serious and significant threat of cuts to their hard earned multiemployer pension plans, through no fault of their own. Several of these plans are large enough to take down the entire Pension Benefit Guarantee Corporation, threatening the guaranteed security of 10 million Americans.

I have heard the message time and again from retirees in my district and across this nation: they worked for decades to earn these pensions. Now they are too old, or their health too unstable, to return to the workforce. The stress and anxiety are sapping their will. Some have taken their own lives.

The Butch Lewis Act will provide much needed and long-overdue relief.

The Butch Lewis Act keeps the promises made to retirees. It guarantees pension benefits they have earned into the future. It does so by allowing troubled pension plans to borrow the money needed to remain solvent in 30-year, low interest loans. The plan will repay.

Pensions-have afforded millions of middle-class Americans the opportunity to enjoy their golden years with economic peace of mind. Let us restore this peace with swift and just passage of the Butch Lewis Act.

The SPEAKER pro tempore. All time for debate on the bill has expired.

AMENDMENT NO. 1 OFFERED BY MR. DAVID P. ROE OF TENNESSEE

Mr. DAVID P. ROE of Tennessee. Mr. Speaker, I have an amendment at the desk.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amend section 4(b)(2) to read as follows:

(2) INTEREST RATE.—Loans made under subsection (a) shall have an interest rate of 5 percent for each of the first 5 years and 9 percent thereafter.

The SPEAKER pro tempore. Pursuant to House Resolution 509, the gentleman from Tennessee (Mr. DAVID P. ROE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Tennessee.

Mr. DAVID P. ROE of Tennessee. Mr. Speaker, I yield myself such time as I may consume.

One talking point that I have heard a lot from my friends across the aisle in support of this bill is that Congress has already bailed out our Nation's financial institutions so we should bail out the pension plans.

While I don't agree with that sentiment, if that is the argument, then we should treat these bailouts the same. Using this logic, my amendment would set the loan interest rates in the bill at 5 percent for the first 5 years and 9 percent after that, the same rate given to banks under the Troubled Asset Relief Program.

While I wasn't in Congress at the time TARP was passed, the situation we are in today, considering a union pension bailout, is the best evidence of why we shouldn't have interfered with a bailout of our private financial institutions. Nevertheless, that decision was made, and now one bailout is being used to justify another. If we believe Congress should be in the business of bailing out privately negotiated, collectively bargained benefit arrangements of private employers, we should do so using the same terms as TARP.

A key feature of TARP was the Capital Purchase Program, which provided capital to finance institutions by purchasing senior preferred shares. My amendment would set the interest rate of loans authorized under this bill to the same rate that senior preferred stock dividends paid under TARP's Capital Purchase Program. If these terms were good enough for the TARP bailout, they should be good enough for the bailout offered by this bill.

The majority refuses to accept the outrageous risk associated with making loans in these plans. Instead, this bill offers low-interest loans to massively underfunded, failing pension plans and allows loan principal forgiveness if the plans can't be repaid. This is unbelievable. This proves the majority has no belief that the loans will ever be repaid and is simply looking to gift hundreds of billions of dollars of taxpayer funds to these failing pension plans.

What about the retirement plans affected during the same time? What are we going to bail out next? Are we going to continue having the Federal Government come along and throw money at badly managed investments?

If we do make these loans, the government shouldn't just throw the money at a problem without some guardrails. With TARP, banks were not given low-interest loans over 30 years and told it really doesn't matter if they repay them or not, that we will forgive them anyway. In fact, those loans were repaid, and the government made money doing that.

Mr. Speaker, having said that, I served as chairman of the Health, Employment, Labor, and Pension Subcommittee for 6 years. I worked on the bill with Chairman Kline and Ranking Member MILLER to help solve this problem. It is a huge problem.

My father was a union member who lost his job 30 years after World War II, so I have been down that road with my own family.

I am willing to work across the aisle. As Mr. NEAL stated, I was on that committee that didn't do anything. I am willing now to work on this.

This bill, I disagree with him, is not going anywhere. The PBGC chairman today said that we should work in a bipartisan way, and I am sitting here today telling the gentleman that I am willing to do that. I have been willing to for the past 6 years. We did pass that bill back about 4 years ago, which will help with the plans, so I am willing to do that. This plan is not it.

I urge support of my amendment, and I yield back the balance of my time.

Mr. SCOTT of Virginia. Mr. Speaker, I rise in opposition to the amendment.

The SPEAKER pro tempore (Mr. GARCÍA of Illinois). The gentleman is recognized for 5 minutes.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), the distinguished Speaker of the House of Representatives.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding. I thank him for his leadership on behalf of America's working families, and I thank him for his role in bringing this important legislation to the floor.

I thank Chairman NEAL as well for his chairmanship of the Ways and Means Committee, so essential in our being able today to come to respect the work of America's workers.

Mr. Speaker, I rise in support of the legislation and in opposition to the amendment. Again, this is about the financial security and future of America's workers.

Our House Democratic majority was elected to fight for the people. Today, as we pass the Butch Lewis bill that is bipartisan, that has bipartisan support, that is exactly what we are doing.

The Butch Lewis Act delivers justice for 1.3 million workers and retirees facing devastating cuts to pensions earned over a lifetime of work. It protects the financial security of families, ensuring workers have the benefits they have earned and need to provide for spouses, children, and grandchildren. It honors the sacred pension promise in America, that if you work hard, you deserve the dignity of a secure retirement.

Sadly, years of relentless special interest agendas have put that promise in peril. Unchecked recklessness on Wall Street ignited a financial meltdown that dealt a devastating blow to multiemployer pension plans while dangerous deregulation and relentless attacks against unions have eaten away at these plans' health.

If we do not act, the pensions of many workers and retirees will be cut to the bone, and the financial security and futures of their families and communities will be thrown into jeopardy.

Workers are the backbone of our Nation, and we cannot accept a single penny to be cut from their pensions. Congress has a responsibility to do right by hardworking Americans.

We have a responsibility to Americans like Sam, a retired coal miner from southwest Virginia who has second-stage black lung and relies on a $475 a month pension to pay for his healthcare because he has been denied Federal black lung benefits.

We have a responsibility to Americans like Kenneth from Wisconsin, who needs his pension to provide for his five children, nine grandkids, and, until recently, his beloved wife, Beverly, who he just lost to cancer. Yet, his pension faces a 55 percent cut.

We have a responsibility to Americans like Rita Lewis, who is here with us today, wife to Butch Lewis, this bill's namesake, who so heroically fought until his death to protect pensions, including Rita's survivor benefits.

As Rita testified before Congress: "This pension was not a gift. He worked hard for every penny of that pension. He gave up wages and vacation pay and other benefits . . . so I would be taken care of if something happened to him."

Now that pension risks being slashed to the core.

Workers, retirees, and survivors like Sam, Kenneth, and Rita are forgoing much-needed medicines, or working into their eighties for more income, and are being robbed of their benefits that they need to help out their families.

Not Rita. She is not working into her eighties.

We must act now. We will swiftly pass this bill to honor workers' dignity, support their families, and protect their futures.

We must always remember that the middle class is the backbone of our democracy, and our workers are the strength of that middle class. In fact, I do believe that the middle class has a union label on it.

In the coming months, the House will continue to build on this progress, passing future legislation on behalf of working families. Our majority is for the people, and we will work relentlessly to restore a government that works for the people's interest, not the special interests.

I urge a strong bipartisan vote to protect the pensions of workers and retirees, and I urge Senator MCCONNELL to immediately take up this bill so that we can send it to the President's desk and give comfort to so many families in America.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I rise in opposition to the amendment. The intent of this bill is to keep loan interest rates as low as possible for two reasons, to get financially distressed plans back on their feet and to maximize the chance of full repayment of the loan.

CBO estimates that, under the provisions of the bill, the cost of the loans, after some defaults, will cost less than $60 billion over 30 years, much less than the hundreds of billions of dollars if we do nothing.

This bill specifies an interest rate to be around the 30-year U.S. Treasury securities rate with a 20 basis-point increase to cover costs of administration. For those plans that elect to repay the loan principal on an accelerated schedule, there is an incentive of a 50 basis-point reduction in the interest rate.

The bottom line here is that this is not a program from which the Federal Government intends to make a profit.

The U.S. Chamber of Commerce, Business Roundtable, and many employer organizations have not endorsed the bill. However, they did send a letter last year that said: "The financial and demographic circumstances of certain plans will not allow them to survive without responsible financial assistance. Consequently, we recommend long-term, low-interest loans that will protect taxpayers from financial liability."

These business groups recognize that doing nothing is more expensive to taxpayers than the provisions of this bill and a low-interest loan.

□ 1830

The amendment before us mandates the interest rate to be 5 percent for the first 5 years and 9 percent thereafter. This is not a low-interest loan in today's environment where a 30-year Treasury security rate is 2.6 percent.

Raising the interest rates to the levels prescribed by my friend from Tennessee would entirely subvert the loan program. Nobody would apply, and those who did apply would have to represent an earnings rate that would not be realistic.

This amendment would increase loan defaults, and its effect, whether intended or not, would doom the loan program before it starts. Therefore, Mr. Speaker, I would recommend that we reject the amendment.

Before I yield back, I want to say that the gentleman from Tennessee and I disagree on this amendment and the underlying bill, but I appreciate his leadership and expertise. We served on the Joint Select Committee last year, and we agree that something needs to be done because we have a crisis. So I look forward to working with him and his colleague from Tennessee, the Chair of the Senate Health, Education, Labor, and Pensions Committee, Mr. ALEXANDER, as this process moves forward.

Now, I want to remind everybody, if we do nothing, over a million hardworking Americans will lose their pensions, businesses will go bankrupt, and the Federal Government will unnecessarily spend hundreds of billions of dollars.

This amendment will not help. It will actually make matters worse, and, therefore, we should defeat the amendment and then pass the bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered on the bill, as amended, and on the amendment offered by the gentleman from Tennessee (Mr. DAVID P. ROE).

The question is on the amendment offered by the gentleman from Tennessee (Mr. DAVID P. ROE).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SCOTT of Virginia. Mr. Speaker, I demand a recorded vote.

The SPEAKER pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Tennessee will be postponed.

HUMANITARIAN STANDARDS FOR INDIVIDUALS IN CUSTOMS AND BORDER PROTECTION CUSTODY ACT

GENERAL LEAVE

Ms. LOFGREN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and insert extraneous material on H.R. 3239, the Humanitarian Standards for Individuals in Customs and Border Protection Custody Act.

The SPEAKER pro tempore (Mr. HIGGINS of New York). Is there objection to the request of the gentlewoman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 509 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 3239.

The Chair appoints the gentleman from California (Mr. CARBAJAL) to preside over the Committee of the Whole.

□ 1836

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 3239) to require U.S. Customs and Border Protection to perform an initial health screening on detainees, and for other purposes, with Mr. CARBAJAL in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall not exceed 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on the Judiciary.

The gentlewoman from California (Ms. LOFGREN) and the gentleman from Florida (Mr. STEUBE) each will control 30 minutes.

The Chair recognizes the gentlewoman from California.

Ms. LOFGREN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chair, I rise in support of H.R. 3239, the Humanitarian Standards for Individuals in Customs and Border Protection Custody Act, a bill that will address an important piece of the humanitarian crisis at the border, ensuring the delivery of basic standards of care for individuals who are detained in CBP custody.

Many of us, including myself, have traveled to our southern border over the past couple of months and witnessed firsthand the effects of the situation that continues to unfold. No one who has made that journey has not been deeply moved by the severe overcrowding and inhumane conditions at some CBP facilities.

If you have not observed these conditions in person, you have undoubtedly seen pictures or read the latest DHS inspector general report and know how serious this situation is:

Families, children, and single adults housed outside or in severely overcrowded cells;

Lack of access to showers, functioning toilets, and basic personal hygiene products;

Flu outbreaks, lice infestations, and other conditions that threaten the health and safety of everyone who is exposed to them.

Mr. Chairman, I will include in the RECORD a copy of the report submitted by the inspector general of the Department of Homeland Security on the situation at the border.

The situation is so dire that no less than three children and seven other individuals have died in CBP custody so far this fiscal year. By comparison, not a single child died in CBP custody in the previous decade.

Although the administration asserts that these conditions are the inevitable result of the increase in the number of people seeking protection at our border, it is not just the numbers that are the problem. It is the administration's mission to deter migration through heavy-handed enforcement and its steadfast refusal to address the crisis competently that has gotten us where we are today.

H.R. 3239 will literally save lives by restoring order and basic standards in the processing of immigrants at the border.

H.R. 3239 requires CBP to ensure that all individuals arriving at our border receive a basic health screening, and the bill also requires other emergency care professionals to be available at least by phone so that, if a life-threatening situation arises, it can be addressed quickly instead of hours later when it is too late.

H.R. 3239 would also prohibit overcrowding and requires migrants to have access to showers, basic hygiene products, and clean clothing so they are not forced to sit in clothing soiled from dirt and sweat for weeks and days at a time. Detainees would have access to water and standard age-appropriate diets comprised of food that follows applicable safety standards.

My colleagues across the aisle have claimed that H.R. 3239 is unworkable because CBP lacks the funding to implement it, but just a few weeks ago Congress passed a $4.6 billion spending measure to send emergency funding to the border. The Trump administration has yet to prove that it can put this money to good use and treat arriving migrants competently. H.R. 3239 would do just that.

I would like to commend our colleague, Representative and Dr. RAUL RUIZ, for his efforts in moving this bill forward and for his commitment to ensuring the dignity and safety of those seeking protection in our country.

I urge all of my colleagues to support the Humanitarian Standards for Individuals in CBP Custody Act, and I reserve the balance of my time.

Mr. STEUBE. Mr. Chair, I yield myself such time as I may consume, and rise in opposition to the bill.

Despite months of opportunities for Congress to intervene in the border crisis and actually fix our laws, the Democrat majority has done nothing except stand by, at first denying that there was a crisis, and then watching as a chaotic and dangerous situation developed.

The administration repeatedly warned us that the unprecedented migrant flow was overwhelming the government's ability to adequately respond and that the facilities were overcrowded because they were not designed as long-term holding facilities. Yet the Democrat majority brought forth no legislation to fix the problems. Instead, they passed the Dream Act, a bill which will only incentivize more illegal immigration.

So, aside from the Dream Act, what is the majority's next idea? H.R. 3239, the Humanitarian Standards for Individuals in Customs and Border Protection Custody Act, a bill that will not solve the border crisis and, in fact, will make the crisis worse.

H.R. 3239 does nothing to address the root causes of this crisis:

It does nothing to address the push-and-pull factors that drive illegal immigration, including loopholes in our own laws;

It does nothing to fix the Flores settlement agreement's guarantee of catch and release for almost all family units;

It does nothing to fix the provision in the Trafficking Victims Protection Reauthorization Act that prevents the safe repatriation of children from noncontiguous countries;

It does not introduce reasonable reforms to our asylum laws. Instead, it imposes onerous and burdensome requirements on the hundreds of CBP facilities at a time when the government is already overwhelmed.

Of course, CBP should always strive to comply with their custodial care standards, and I know that the men and women of CBP are treating migrants with respect. But H.R. 3239 does not address the root causes of the conditions at CBP facilities: that ICE and HHS do not have enough space available to take custody of these individuals.

The bill does not increase funding for ICE detention beds to ensure single adults do not have to be in CBP custody beyond 72 hours. It does not fund additional permanent HHS shelter capacity for unaccompanied children.

Instead, in the midst of a chaotic situation, H.R. 3239 imposes extensive medical screening, medical care, and facilities requirements on to CBP that are, in many cases, simply unworkable.

This bill's onerous requirements significantly impact CBP's mission and ignore the reality that CBP is confronting an influx of migrants that has overwhelmed the system and caused a crisis.

□ 1845

H.R. 3239 requires a fully documented medical screening of each and every