

Former President George H.W. Bush put it even more succinctly:

I have nothing but contempt and anger for those who betray the trust by exposing the names of our sources. They are, in my view, the most insidious of traitors.

While Republicans, including President Bush and members of his Cabinet, have been quick to condemn the act of leaking sensitive information, it took the Justice Department nearly 3 months after this leak to announce it was launching an investigation.

Several more months ensued before Attorney General Ashcroft, in response to criticism about a potential conflict of interest, removed himself from heading up the investigation and turned it over to another Justice Department attorney. Not surprisingly then, given these twists and turns, the identity of the leaker remains unknown to this day.

Last week, unsatisfied with its apparent lack of progress, a group of former intelligence officers asked Congress to open an immediate inquiry into the disclosure of Valerie Plame's name to the media. They said:

The disclosure of Ms. Plame's name was an unprecedented and shameful event in American history, and, in our professional judgment, has damaged U.S. national security, specifically the effectiveness of U.S. intelligence gathering using human sources.

These former intelligence officers took this extraordinary step because they feared that the Justice Department investigation underway may not uncover those responsible or may attempt to explain away the incident as little more than an unfortunate event that does not rise to the level of criminal behavior.

No American—Democrat or Republican—can afford to allow this affair to be swept under the rug. The cloud of uncertainty hangs over our intelligence community. Intelligence agents report growing fear that the community is increasingly viewed as a political tool rather than as an instrument of independent and objective discovery and analysis.

Too many agents and analysts are beginning to wonder what will happen to them if they come forward with facts or analyses that contradict official policies of the administration.

In addition to affecting their work, we should all be concerned about the chilling effect this could have on the willingness of foreign nationals to cooperate with our agents if they, too, come to fear their identities could come to be disclosed. These fears are justified. Leaking the names of covert agents or other intelligence assets represents a direct assault on our intelligence community and our ability to work with foreign agencies and assets.

The nature of intelligence officers' work prevents them from ever receiving from the American people the recognition or thanks they deserve. In fact, despite the incredible risks they assume on our behalf, they do not ask for recognition or thanks. All they ask

is that we keep faith with them and offer them the protection they need to do their jobs.

Someone in the White House betrayed that trust, and we owe it to every intelligence officer—indeed, to every American—to uncover the truth about this leak and punish those responsible to the fullest extent.

In order to shed more light, House Democratic Leader NANCY PELOSI, several colleagues, and myself have requested that the GAO investigate whether or not the White House complied with the administrative requirements to safeguard classified information in the case of CIA operative Valerie Plame.

This investigation is fundamentally different from the Justice Department investigation currently underway. That investigation will assess whether any criminal statutes have been violated.

We have asked the GAO to assess a separate, yet equally important, question of whether the White House followed appropriate internal administrative procedures protecting Ms. Plame's identity and responding to the leak once it occurred.

In order to safeguard the lives of our intelligence agents and the integrity of our intelligence process, we have an obligation to discover the truth about this affair and hold those responsible accountable.

Yesterday at this time I discussed the growing consensus that Iraq did not, in fact, have weapons of mass destruction prior to the start of the war, as we had been told.

I said then and I will say today, every Member of this body has a responsibility to review matters such as these and see that this Senate lives up to its obligations. We simply cannot afford to ignore what happened, why it happened, and our own responsibility to ensure that it does not happen again.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. MCCAIN. Mr. President, before I address the legislation at hand, I will make a brief response to the distinguished Democrat leader's statement concerning our efforts in Iraq and weapons of mass destruction. I think the Senator from South Dakota has a legitimate point in that there needs to be a thorough evaluation of the intelligence and what happened that led us to believe that perhaps some of that information was incorrect. I point out, again, that I am very pleased to note that the overwhelming majority of the American people still believe we did the right thing in Iraq. There is very little doubt in anyone's mind, including the previous administration's statements, that Saddam Hussein had acquired weapons of mass destruction, used weapons of mass destruction, and there is no doubt in this Senator's mind that if he were still in power he would be attempting to acquire weapons of mass destruction.

Certainly we need to find out all the elements that went into the estimates concerning weapons of mass destruction, but at the same time there is a clear record in statements made by the previous President, as well as this President, concerning Saddam Hussein's intentions.

Mr. REID. Mr. President, I wish to say very briefly that Senator DASCHLE's statement regarding the leaking of the name of the informant—someone who worked for the CIA—had nothing to do about whether there were or were not weapons of mass destruction in Iraq. Senator DASCHLE had to leave but he wanted to make sure I made the record clear. His statement had no reflection on whether there were or were not weapons of mass destruction in Iraq. His statement simply relates to the fact that there simply should be an investigation into who leaked the most sensitive information regarding someone who worked for the CIA.

PENSION FUNDING EQUITY ACT OF 2003

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 3108, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3108) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to temporarily replace the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements and other provisions, and for other purposes.

Pending:

Grassley amendment No. 2233, of a perfecting nature.

Kyl amendment No. 2234 (to amendment No. 2233), to limit the liability of the Pension Benefit Guaranty Corporation with respect to a plan for which a reduced deficit contribution is elected.

Kyl amendment No. 2236 (to amendment No. 2233), to restrict an employer that elected an alternative deficit reduction contribution from applying for a funding waiver.

The ACTING PRESIDENT pro tempore. Under the previous order, the time between now and 12:30 p.m. shall be equally divided between the bill managers or their designees.

The Senator from Arizona.

Mr. MCCAIN. Mr. President, a series of high profile events, including the Iowa caucuses, the State of the Union Address, the passage of a massive Omnibus appropriations bill, and today's primary in New Hampshire have overshadowed our consideration of this measure, and that is regrettable.

The pension bill that is almost sure to pass this Chamber is folly. The amendment offered by Senators GRASSLEY, BAUCUS, GREGG, and KENNEDY, while addressing the short-term interests of a handful of special interests, could further exacerbate a severe pension underfunding problem. I might say this measure is recognized as such by the administration.

As an editorial in yesterday's Washington Post noted:

Not for the first time, Congress has muscled up to an important problem, taken a good look at it and resolved to make it worse.

I ask unanimous consent that the editorial of Monday, January 26, entitled "Pension Perniciousness" be printed in the RECORD.

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

[From the Washington Post, Jan. 26, 2004]
PENSION PERNICIOUSNESS

Not for the first time, Congress has muscled up to an imported problem, taken a good long look at it and resolved to make it worse. The problem is the vast hole in the nation's corporate pension schemes, and the perverse rules that helped create them. Congress's solution, championed in the Senate by an alliance of Sens. Charles E. Grassley (R-Iowa), Judd Gregg (R-N.H.), Max Baucus (D-Mont.) and Edward M. Kennedy (D-Mass.), is to reward the hole-diggers with what amounts to a \$16 billion loan from taxpayers.

About one in five private-sector workers has a "defined-benefit" pension, the sort in which an employer guarantees a certain pension to its workers when they retire. To pay for these future benefits, employers are supposed to put sufficient money into a pension fund; the problem is they often don't. The gap between money put aside and money needed in the underfunded pension plans comes to an enormous \$350 billion. When companies go bust, the Pension Benefit Guaranty Corp., the government-backed entity that insures pensions, gets saddled with plans that are in deficit. As a result, the PBGC itself has a deficit of 11.2 billion, which taxpayers may have to plug eventually. As more companies go bust, more of the \$350 billion problem out there in the private sector will land on taxpayers' shoulders.

Why do companies run these pension deficits? Because regulations perversely encourage them to do so. If a firm gives workers a pay raise, it will have to pay for that immediately; if it gives them an increase in their pension, accounting rules allow it to defer the cost into the future. This deferral is especially tempting for cash-strapped companies—which often means ones with a strong chance of going bust. Bethlehem Steel, for example, upped its pension promises and declared bankruptcy three years later. Wobbly companies that underfund their pensions would pay extra insurance premiums if the insurer were a private company. But the PBGC's rules do not allow it to price risk properly, adding a further incentive for shaky companies to hitch a free ride with the others.

There is, as Congress is demonstrating, no political constituency for fixing this problem. Weak companies with underfunded pensions lobby lawmakers for permission to continue their imprudence; labor leaders from those same firms lobby lawmakers in the same direction; nobody is on the other side. In the deal currently being cooked up, a group of hard-pressed companies led by the steel industry and the airlines will be given a special break for two years; if any of these firms goes bust in the meantime, the public will end up shouldering the deficits, which is why the congressional measure amounts to a taxpayer loan.

Yet taxpayer support for people in defined-benefit pension plans is a perverse notion. Fully one in two private-sector workers has no company plan whatever. Why should the less fortunate bail out the lucky ones?

Mr. MCCAIN. Mr. President, the editorial goes on to say:

There is, as Congress is demonstrating, no political constituency for fixing this problem. Weak companies with underfunded pensions lobby lawmakers for permission to continue their imprudence; labor leaders from those same firms lobby lawmakers in the same direction; nobody is on the other side. In the deal currently being cooked up, a group of hard-pressed companies led by the steel industry and the airlines will be given a special break for two years; if any of these firms goes bust in the meantime, the public will end up shouldering the deficits, which is why the congressional measure amounts to a taxpayer loan.

Yet taxpayer support for people in defined-benefit pension plans is a perverse notion. Fully one in two private-sector workers has no company pension plan whatever. Why should the less fortunate bail out the lucky ones?

Once again, Congress is poised to give another handout to certain airline, steel, and labor interests, regardless of the costs this could impose on the employees and retirees of these businesses and ultimately on American taxpayers. By allowing these entities to dig their already underfunded plans further into debt, we are creating a very real risk of defaults. When this occurs, the Federal agency that ensures private sector fixed benefit plans, the Pension Benefit Guaranty Corporation, or PBGC, will be the first to try to cover this liability. The PBGC itself is hugely in deficit and ultimately the American taxpayer is on the hook.

I join the PBGC in opposing this proposal that relieves severely underfunded pension funds of the obligation to make deficit reduction contributions, or DRCs, to catch up on their deficits. As the PBGC's director has said:

Giving a special break to weak companies with the worst-funded plans is a dangerous gamble.

In a letter to the majority leader last week, the directors of the PBGC, Cabinet Secretaries Chao, Snow, and Evans, wrote:

It would be irresponsible to amend the interest rate bill with any additional provisions that would significantly further exacerbate systemic plan underfunding. If H.R. 3108 were amended to do so, we as the PBGC board would recommend that the President veto the legislation.

The Grassley, Baucus, Gregg, and Kennedy amendment does just that. In addition to being fiscally irresponsible, the amendment is grossly unfair, once again lavishing Federal largesse on selected industries and companies.

Explaining why the pension system is already in jeopardy, the PBGC directors wrote:

The PBGC reported a record single-employer program deficit of \$11.2 billion through the end of 2003, three times larger than any previously recorded deficit. Last year, the General Accounting Office added the PBGC's single-employer pension program to its "high risk" Federal program list. In addition, the PBGC remains exposed to \$85 billion in pension underfunding in single-employer plans sponsored by financially weak employers. The PBGC also reported the first multiemployer deficit in two decades.

As the Secretaries explained in another letter sent last November:

The DRC rules were put into place to guard against the continuing deterioration of funding levels in underfunded plans. These rules were designed to protect participants' accrued benefits and the financial integrity of the pension insurance system. Suspension of the DRC rules would mean a significant further reduction in the resources available to meet the promises made to existing and future retirees. Moreover, suspending DRC rules would jeopardize pension funding in the future, as companies begin to fund their plans less prudently in anticipation of extraordinary relief from their contributions when the plans become underfunded.

Despite these warnings and a \$400 billion gap between what companies have contributed to their pension funds and what they owe under their plans, why is the Senate ready to give companies whose pensions are severely underfunded a pass on their obligations to ensure their employees' retirement pay? Because, we are told, economic forces beyond anyone's control have come together to create a "perfect storm."

The extraordinary coincidence of low interest rates and a poorly performing stock market, proponents claim, has led to big losses and created a unique hardship for these companies' pension funds.

A look at historical contributions suggests, however, that the anomalous "perfect economic weather" of the last decade is as likely an explanation for the current sorry shape of pension plans as the "perfect economic storm." In the 1990s, record stock market returns allowed companies radically to reduce or simply not budget for pension contributions. Whereas single-employer pension contributions totaled \$63 billion between 1980 and 1984, between 1990 and 1995 single-employer pension contributions amounted to only \$26 billion.

Clearly, today's economic climate is not what it was in the late 1990s, and I do not question that many companies now face significant liabilities to their pension funds. I am not proposing that nothing be done, and the base bill, H.R. 3108, provides enormous relief to all pension funds by adjusting the way in which contributions and assets are calculated so as to reduce companies' obligations to their pension funds by \$80 billion.

The Grassley, Baucus, Gregg, and Kennedy amendment, however, would give another huge break to a very select group of entities. Why, when companies' pension liabilities are so high, should we let a favored few walk away from their responsibilities to their employees and retirees? Why should the Senate permit these select entities to use money that should go to reduce their pension deficits for other purposes, and invite them to dig themselves deeper in the hole, especially when it is likely that the American taxpayers, many of whom have no pension plans, are going to have to bail them out?

We can talk about economic “perfect storms,” interest rates, and bull and bear markets, but I hope that people understand that we are really talking about the ability of retirees to pay their heating bills, buy needed medicine and groceries, and visit their grandchildren. Even if, as I suspect the managers and union officials who support the amendment cynically calculate, the PBGC will assume pension liabilities if plan sponsors default, the benefits that participants will get from PBGC will likely be far less than what they were counting on receiving.

There is no doubt that current pensions laws are in desperate need of reform, but I don’t support DRC relief in a vacuum.

The amendment contains yet another bailout of certain airlines, steel producers, and one apparently very special labor union. DRC relief is granted to these entities with no restrictions. Any other entity that wants to receive DRC relief has to show that it is able to meet its future contributions in a timely manner. Let me repeat that. Any other entity that wants DRC relief must show that it can make its future contributions. Certain passenger airlines, steel producers, and one union, however, get a DRC break, regardless.

Let us talk about the airline industry. I was one of the first people to support giving financial assistance to this industry in the aftermath of September 11. At the onset of the Iraq War, I supported, with some reservations, additional temporary relief to the industry. But here we are again facing another cry for help and an outstretched hand. Let us review the assistance to the airlines over the past few years.

After September 11, Congress provided to the airlines \$5 billion in direct payments to compensate for losses stemming from the September 11 attacks; \$10 billion in loan guarantees; Federal terrorism insurance; \$68 million in reimbursements for increased insurance costs; and, liability protection against claims arising in connection with the September 11 attack.

Later in 2001, Congress provided that the Federal Government assume responsibility for security from the airlines.

In the legislation that established the Department of Homeland Security, Congress extended the terrorism insurance.

In the Iraq Wartime Supplemental Appropriations Act, Congress provided \$2.3 billion directly to the airlines in the proportional share each carrier has paid the TSA or collected in passenger security and air carrier security fees, and suspended security fees from June 1 through September 30, 2003. This has been estimated to provide a savings of \$700 million to airlines.

Congress has appropriated almost \$200 million to reimburse airlines for hardened cockpit door installation.

In the FAA reauthorization bill that was just signed into law Congress once again extended terrorism insurance—through March 30, 2008.

I don’t begrudge the airlines the assistance Congress has provided to date, and I understand that the industries’ health is inextricably bound to the well-being of our economy. That said, I won’t continue to support special aid to airlines without some accountability. We can’t seem to go more than 6 months without the airline industry asking Congress for another handout. I have not doubt that they will be up here again soon asking for tax relief, relief from security fee obligations, or some other form of aid.

I urge my colleagues to stand up for workers and taxpayers, and against a bailout. Disregarding the interests of their employees and members, management and labor have joined in urging Congress to support the amendment by Senators GRASSLEY, BAUCUS, GREGG, and KENNEDY, that is premised on the hope that companies’ currently inadequate pension assets will recover, not through contributions, but through rising interest rates and a robust stock market. I know the Super Bowl is coming up, but this “Hail Mary” pass is not the right move. Let us spend a little time crafting a true pension reform bill rather than simply rushing through a bill that will benefit a handful of coddled industries at the risk of workers and taxpayers throughout this country.

If, as I am afraid will happen, however, the amendment providing select DRC relief is adopted, and this folly is enacted into law, I would expect that companies and unions that avail themselves of this relief will freeze the compensation of their highest paid officials at the same time. If companies and unions determine that they cannot or will not make contributions to their severely underfunded pension plans and honor their obligations to their rank and file, they should not then turn around and increase the princely sums being paid to their top executives. We will be watching.

To reiterate, the airlines were major recipients of this pending amendment, the Grassley-Baucus-Gregg-Kennedy amendment. After September 11, Congress already provided the airlines \$5 billion in direct payments to compensate for losses stemming from September 11, \$10 billion in loan guarantees, Federal terrorism insurance, \$68 million in reimbursement for increased insurance costs, and liability protection against claims arising in connection with September 11. Later, Congress provided that the Federal Government assume responsibility for security for the airlines. The list goes on and on about what we have already done for the airlines and now another bailout for the airlines. I really strongly object to the selectivity of this amendment and I don’t know how you rationalize it.

I thank my colleagues.

The ACTING PRESIDENT pro tempore. Who yields time?

The Chair recognizes the Senator from Montana.

Mr. BAUCUS. Mr. President, is there a time limit?

The ACTING PRESIDENT pro tempore. There is a time limit. The Senator has 9 minutes 42 seconds remaining.

Mr. BAUCUS. Mr. President, I ask unanimous consent that I have an additional 5 minutes. Perhaps it has to be yielded to me by someone.

Mr. REID. Mr. President, I ask unanimous consent that the request be modified so that if someone from the majority wishes to speak for an extra 5 minutes after Senator BAUCUS, they be allowed to do so.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WORKING FOR A BETTER AMERICA

Mr. BAUCUS. Mr. President, I simply wish to say thank you. I rise to say thanks to all my colleagues, particularly here in the Senate, my friends and family in Montana and across the country, my wife Wanda and my son Zeno, my mother, and so many others. Thank you for the best wishes, the get-well cards, flowers, phone calls, and e-mails for the past few weeks. It is astounding how much we do live in kind of a global village and how connected we are. I deeply appreciate the concern of so many of my very good friends.

A few weeks ago, I underwent surgery for a condition known as subdural hematoma which was the result of a fall I took in November while running in what is called the JFK 50 Miler in Maryland. You might ask, Why in the world would someone want to run 50 miles? I sometimes ask myself. Nonetheless, it was then that I took a fall, and as a consequence of that fall, I had this condition called subdural hematoma.

I must say I am very grateful to the doctors, nurses, and everyone who was very helpful. They have encouraged me to take my time. They didn’t want me to do something stupid or dumb, or to get back to work too quickly. Unfortunately, as you well know, we have 24-hour news service these days. When I was at home, I had an extremely bad case of cabin fever. I could hardly wait to get back to work. The doctor said stay home. Wanda said stay home. My friends said stay home. So I stayed home for a little while.

In all seriousness, I am very delighted to be back in this Chamber and back in the Senate with all of you, doing what I love; that is, representing Montanans and working to make their lives better.

Following the surgery, I have been asked several times if any of this has changed my perspective. Does it give me pause? The answer, obviously, is that it does; clearly, it does. It gives you a deeper sense of perspective. It is humbling. I am sure the response would be different for different people, but for me, it caused me to just think a little more clearly and deeply about what we are all about and what we are doing.

I must say I think it has been very helpful. It makes one deeply appreciate what we have in life—our family, our friends, including our health. It also reinforces one's resolve. It makes you want to keep driving, pushing, working to create change and help people. You realize, even more, that we have only a finite amount of time here to get our work done. It subtly reminds you about the ever-daunting deadline that time imposes on all of us, the sense we have to get as much done as we can in the short time we have been given so as not to waste one day, an hour, or a minute.

It also reinforces what my Indian friends taught me so long ago in Montana—that we have a moral obligation to leave this place in as good or better shape than we found it, to pass on to our kids and our grandkids an America as great as our parents bestowed upon us.

It is written in Scripture that much is expected from those to whom much has been given. As Americans—particularly as Members of the Senate—we have been given an awful lot. We have a lot of work ahead of us.

That is why it is imperative we look to the example of leadership set by so many here in this Chamber—courageous yet humble leaders such as my friend and mentor, former majority leader of the U.S. Senate, Ambassador Mike Mansfield. I don't know of a more gentle, a more strong, or, in a sense, a more profound man than Mike Mansfield. He is a man to whom we should all look up for leadership and try to exemplify, although we may never get there, as much as possible.

We have a big year ahead of us. For my part, I will continue to work together with all of you—my distinguished colleagues on both sides of the aisle—to make America an even better place to live, to work, and to raise a family.

I look forward to passing a new transportation bill that will create jobs and ensure safety on our Nation's roads.

I look forward to reforming our pension system to ensure that workers and their families' life savings are protected.

I look forward to working with my good friend, chairman of the Finance Committee, Senator CHUCK GRASSLEY, to pass our JOBS bill, otherwise known as FSC/ETI reform, and to give a boost to domestic manufacturing and create jobs.

I look forward to working together to boost agriculture in our country and get international markets open to U.S. beef as soon as possible.

I look forward to cracking down on tax cheats. There are too many people who cheat Americans by breaking the law in our income tax code. I look forward to making a greater investment in education, something we do not do enough of in this Chamber.

I look forward to working together to curb the rising number of uninsured

Americans. I was lucky. I had surgery performed by excellent people. I am fortunate enough to have good health insurance coverage. A lot of Americans do not. An event like this reminds us that the 43.6 million Americans who go without health insurance must have it. We in Congress, who do have the security of good health insurance, must do much more to assure that more Americans and soon all Americans have health insurance. We are not doing enough.

We tend to get all involved in lots of peripheral issues and not spend enough time on the core issues. I daresay that health insurance inadequacy, the cost of health insurance, is probably the first, second, and third most important issue facing Americans. We do not spend enough time on it.

We have an aggressive agenda before the Senate. It is up to us to fulfill the promises we made, set aside partisan differences, and work together—not talk about it but do it. Do what is right for America. Move our country forward. It is up to us to lead. People want Congress to do what is right. Most Americans are not partisan. They are not very rightwing or very leftwing. Most Americans are in the big middle. They want the Congress to do what is right. It is up to us to provide that leadership.

I say thank you. I deeply appreciate my colleagues in the Senate. It is my distinct honor and privilege to serve here.

I also will address the pension bill and the pending managers' amendment that will be before the Senate later today. First, I thank the chairman of the committee, Senator GRASSLEY, and also Senator KENNEDY, who gave some very kind remarks a few days ago, and Chairman GREGG for their collective persistence, determination, and their willingness to work together. Here is a good example of the two committees, the leadership from both committees on both sides of the aisle, working together to craft a very important piece of legislation. The amendment before the Senate is truly bipartisan. I also thank again Senator KENNEDY for managing the bill in my absence and I deeply appreciate his kind words on the floor a few days ago.

Now let me turn back to the pension bill and the managers' amendment. This legislation helps address the retirement security of literally millions of workers and retirees. It seeks to support the pension benefits they have earned and upon which they rely for their economic well-being. It is an important step to help preserve the embattled defined pension benefit plan. And it is embattled.

The security of our pension system is at stake. Daily we hear employers are dropping out of the defined benefit plan system. The reasons are simple. The defined benefit plans require a commitment on the part of the employer. This is a commitment many employers are no longer willing to make or can afford to make.

A recent survey found that 15 percent of the defined benefit plan sponsors have frozen plans since January 1, 2001. That means these plans will no longer allow workers to earn more benefits. Another 6 percent are actively considering freezing the defined benefit plans. This could mean that more than one in five employees earning a guaranteed retirement benefit will not earn future benefits.

We need to ask what caused this and what can we do. According to the survey, the most common reason for freezing the defined benefit plans is the cost—not just the total cost but also the volatility and unpredictability of the cost. It is one thing to have an obligation you can put in the budget projections. Businessmen love to know what is going on. We understand that. Then business can build a plan to meet certain obligations. It is another thing to have costs that vary wildly from year to year. You do your best to project these costs, but it is difficult. Having cash available for investment in growth and expansion is critical to a successful business. Fluctuating minimum contribution requirements make good business plans very difficult.

In the worst of times, a large unexpected contribution requirement can spell disaster. It can bankrupt an enterprise. That enterprise has to turn the unfunded pension liability over to the Pension Benefit Guaranty Corporation, known as the PBGC.

Last September, the Finance Committee marked up the National Employee Savings and Trust Equity Guarantee Act, a bill that includes a set of long-term funding changes to address the situation. That bill provides temporary relief for companies that are suffering. It provides a temporary substitute for the 30-year Treasury rate, similar to the provision in the amendment before the Senate today. It also provides temporary relief for the deficit reduction contribution for companies that were well funded in the year 2000. These provisions were designed to give companies relief from large contribution cash demands.

The Finance Committee bill includes provisions to allow companies to put more money into their plans when times are good, and the bill provides for long-term replacement of the 30-year Treasury rate with a yield curve, which is a conservative basis for liability measurement.

We need to look at long-term reforms such as those included in the Finance Committee bill. I hope we will do that later this year.

We have an immediate, more pressing need to deal with the problems we face today: low interest rates, the effects of recent market downturns, and the resulting high contribution requirements that companies will face if we do not take action today. Normally, low interest rates are good, but in this case they tend to exacerbate the problem with respect to defined benefit guarantee plans. Increased payments

would have to be made as early as April 15. We must act quickly to provide the needed relief.

The pending managers' amendment has three important components to deal with the immediate problems we face. First, it substitutes the long-term corporate bond rate with a 30-year Treasury rate. Second, it provides partial relief from deficit reduction contributions from companies that did not make a deficit reduction contribution in 2000. And it provides temporary relief from experience loss amortization payments for multiemployer plans.

These are not long-term solutions. They will provide short-term relief from contribution volatility for employers who have been generous enough to provide defined benefit programs for their employees.

The more important factor in the health of the defined benefit system and of the PBGC, which guarantees the benefits of the system, is the health of the employers in response to the plans. The short-term relief provisions will help. The more employers who stay in the system, the healthier those employers and the stronger the system.

I look forward to working with my colleagues to come up with a long-term solution. But the provisions in this bill cannot wait. The retirement security of millions of workers hangs in the balance. I urge my colleagues to support this amendment.

RECESS

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 12:30 having arrived, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:38 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CRAIG).

PENSION FUNDING EQUITY ACT OF 2003—Continued

The PRESIDING OFFICER. Under the previous order, the hour of 2:15 p.m. having arrived, the time until 2:30 will be equally divided between the Senator from Arizona, Mr. KYL, and the Senator from Montana, Mr. BAUCUS, or their designees.

The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, the Senator from Montana is otherwise occupied for the moment, so we are going to turn our attention, through myself and Senator KYL, to the legislation we are considering, which is critically important and which has to do with pension plans and offering predictable solutions.

There are many people who I would like to thank, but I will not do that because I only have 7½ minutes.

The legislation we are considering enacts critical reforms that will shore up defined benefit pension plans upon which so many Americans depend. Today, we are updating the interest

rate that companies must use when they calculate the liabilities of their pension plans. An index of long-term corporate bond rates is surely more accurate as a measurement of expected investment return than the now entirely defunct 30-year Treasury rate.

This bill also provides a grace period for pension plans, including multiemployer plans, which have experienced extraordinary losses in the recent stock market declines. Make no mistake, if companies are not accorded reasonable flexibility in funding their plans, then they will not be able to maintain or afford plans for their workers, and their workers will hurt. I know of that because I live in a State where that surrounds me.

I hope today's action is only the first step in a thoughtful and careful process to provide meaningful reforms for the defined benefit pension plan system. Congress ought to do all it can to encourage employers to provide retirement security through such plans.

Today, only 35,000 companies provide defined benefit pension plans, which is less than a quarter of the plans available 20 years ago. That is a big loss. Given the volatility we have seen in the stock market over the last few years, more employees would benefit from having the opportunity to earn secure, predictable pension benefits.

I stand ready to work with my colleagues to address the other important issues facing companies that are interested in providing defined benefit pension plans. For example, Congress ought to reconsider the funding rules to ensure that companies are able to invest appropriately in their pension plans when business is good and profits are strong. We also need to consider ways to strengthen the Pension Benefit Guaranty Corporation which, to say the very least, is stretched dangerously thin.

I hope my colleagues will work with me on important reforms such as these so we can improve retirement security for millions of Americans. As I ask my colleagues to do exactly that, I remind them of the people who are dependent upon us. I have met with many West Virginians who have worked hard all of their lives—as they say, played by the rules—and earned pension benefits from their employers, only to have the rug pulled out from under them in retirement. It is a painful, painful sight.

Wheeling Pittsburgh Steel, Weirton Steel, Kaiser Aluminum, and Special Metals—and I am talking about companies in West Virginia—have been taken over by the PBGC in recent years. Retirees who dedicated their working years to those companies have told me how scared they are. Many have also lost their health insurance. Without their full pension benefits, they have no way to provide for their health care needs.

Some people—and I am talking about seniors who are 60 or 65 years old—have told me they are looking for work. Part of their so-called retirement will

be spent on the job because the pension benefits they were promised—the benefits they did earn—have been taken away.

The legislation we are considering today will not solve all problems. More comprehensive pension reform is needed. But I am pleased this bill will help companies maintain pension plans that otherwise might have been canceled.

AMENDMENT NO. 2234

I would also like to take a moment to address the amendment that has been offered by my colleague from Arizona. On behalf of the steelworkers of my State and the steelworkers of the State of the Presiding Officer, and on behalf of steelworkers across this country and many other hundreds of thousands of working people, I want to oppose the amendment that the Senator has offered.

The legislation that Congress is considering today is designed to help companies maintain critical pensions on which workers are depending. We are doing so to protect workers from losing benefits that they have been promised. We understand some companies, faced with particularly hard times, are unable to immediately make up the investment losses recently suffered by pension plans. If companies cannot afford to meet strict deficit reduction contribution requirements, they might be compelled to abandon pension plans and leave workers without secure retirement benefits.

Having said this, the Kyl amendment would dramatically decrease the security of hard-earned retirement benefits. The amendment fundamentally undermines the guarantee provided by the Pension Benefit Guaranty Corporation which insures the defined benefit retirement plans. Let me be very clear about that because the PBGC is, unfortunately, something that we know a great deal about in the part of the country I come from. I repeat, the Senator's amendment would dramatically decrease the security of hard-earned retirement benefits. It undermines the guaranteed portion of the Pension Benefit Guaranty Corporation. If Congress is going to change the guarantee provided by the PBGC, we must look for ways to improve the guaranteed benefit, not undermine it.

Hundreds of thousands of Americans currently depend on PBGC for their retirement security. These are people who toiled away for years, often in very dangerous occupations, in all kinds of them. It is absolutely essential that we do not erode the already inadequate guarantee that protects these workers in their old age. Retirees depend upon PBGC payments to pay for food, housing, and, increasingly, to cover health care costs when retiree health benefits have been reduced or eliminated, as is so often the case. It would be unconscionable for Congress to provide relief to cash-strapped companies to help them maintain the pension plans they offer, only to punish the employees of those companies by