

**Dissenting Views on  
H.R. 5558  
The "Retirement Savings And Security Act of 2002"**

The Democratic Members of this Committee would welcome an opportunity to engage in the process of producing bipartisan legislation to address the important issues confronting the American people today. There are many issues that demand our time and attention. However, we do not wish to waste precious time engaging in political posturing. H.R. 5558 has not been reported by this Committee in an effort to make law. The political nature of this effort is clear from the objectionable process under which the legislation has been brought forward.

It is unacceptable protocol to have any serious action of the Committee announced after 4:00 pm on a Friday for Committee action the following Monday. As the Committee was well aware, many Members had already gone back to their district for the week without any knowledge of important matters to bring them back before Monday.

Meaningful debate can occur only when Members are adequately prepared to discuss the issues being considered. Obviously, meaningful debate and consideration were not desired in this instance.

We believe that the short time we have remaining in this congress is far too precious to be wasted in this manner. The state of the American economy, the number of uninsured Americans, the rising level of unemployment, the prohibitive cost of prescription drugs for our seniors, and the lack of security in our pension system - - these are all issues that do not afford us the luxury of engaging in political charades.

The legislation being reported by the Committee is ill-timed. The provision to modify the age at which an individual is required to make minimum distributions from his or her Individual Retirement Account (IRA), while worthy of some discussion, does not rise to the level of immediacy that requires this type of action during the last days of the congressional session.

We agree that changes in this area should be considered. However, we believe such changes should be examined as the Social Security reform debate moves forward. For example, one of the President's three privatization plans would effectively raise the retirement age for Social Security. This would, in turn, have an effect on the private pension system. These concerns also extend to the other provisions considered by the Committee that would permit increased contributions to IRAs and employer-sponsored defined contribution plans. We support the Committee's effort to move these issues forward through a deliberative legislative process including hearings, input from experts on pension issues, and an ongoing debate. We believe that it is appropriate to determine the impact these changes would have on our retirement system.

Our country is in a state of economic decline. There has been negative economic growth for the past year. In the past nineteen months, projected surpluses of \$5.6 trillion have totally disappeared. We are now back to deficit spending for the foreseeable future. We know that most of this change in circumstance is not attributable to the war efforts. As former Treasury Secretary Robert Rubin pointed out during his appearance on CNBC's "After Hours with Maria Bartiromo" on July 15, 2002, while addressing the issue of disappearing surpluses, a large part of the economic damage is due to the tax cut that was put in place last year, partly because of the cost, and partly because it undermined the political cohesion that had developed around fiscal discipline. We should not be enacting any further long term tax cuts. We cannot afford them.

Our economy needs to be revived. We should be engaging in serious debate on how we can bring this about. To restore the economic confidence necessary to accomplish this goal, we need to get our fiscal house in order. We may have disagreements on how to do it but we at least owe it to the American people to have a bipartisan economic debate that puts everything on the table for discussion.

The stock market has lost \$4½ trillion in value in the last two years. This was due, in large measure, to the corporate corruption that has captured the headlines. It is irresponsible for us to end this Congress without any serious attempt to address these issues. While we will agree that Congress cannot legislate morality, we are obligated to take steps to ensure that corrupt corporate executives can not get away with millions in retirement benefits while average working Americans walk away with nothing more than an empty bag, a bag that once held a secured retirement and a job that enabled them to take care of their families.

There has been no shortage of reports of corporate executives who have reaped millions of dollars acting on insider information to enrich themselves at the expense of thousands of rank-and-file employees. Executives from companies such as Enron and Global Crossing escaped their companies' bankruptcies with millions of dollars that could not be reached by the creditors of these companies. Yet many employees lost all their retirement savings in their 401(k) plans which were invested in the same company stock that made millions of dollars for the executives. These executives were rewarded for driving their companies into the ground. Yet, this Committee, which has jurisdiction over these issues, has made no attempt to address them.

We welcome the opportunity to begin a serious debate on how we can resolve these issues. We would prefer to utilize the time

spent on the legislation before us developing bipartisan legislation that would address these corporate abuse issues. Rep. Matsui has introduced two bills that would require corporations to act in a more responsible manner with respect to executive compensation. We would welcome any opportunity before this Congress adjourns to have this legislation considered and brought to a vote.

The issue of prohibitive prescription drug costs also is very real. Few issues are of greater importance to Medicare beneficiaries than the issue of adding a prescription drug benefit to Medicare. The skyrocketing costs of prescription drugs affect all geographic, racial, and economic groups. Unfortunately, the Republicans have been unwilling to show the necessary leadership on this issue to enact a benefit bill this year. We believe that if we are serious about the state of this country and the issues that must be addressed it may not be too late to reach an acceptable resolution of this issue. We should not adjourn without passing legislation in this area. No Medicare beneficiary should have to choose between putting food on the table and paying for needed medications. Rather than use the Committee for political posturing, we need to occupy ourselves with the pressing issues affecting the lives of the American people.

The unemployment situation is another issue we should be trying to resolve today. As of September 2002, there were 5.7 million Americans unemployed. Many of these individuals are running out of unemployment benefits. These individuals need jobs. They have responsibilities for themselves and their families. But, the job market is stagnant. In addition, being unemployed all too often means being without health insurance coverage for yourself or your family members. How can we claim to be engaging in serious legislation when the Republican leadership consistently has failed to address these issues, or provide a forum for serious debate?

With all the challenges our country is facing we should be working constantly to find solutions. Instead, we are being asked to engage in political grandstanding. This is not the time for such antics. We must report to the American people, and they will be listening for the report. We can not afford to engage in efforts that continue to ignore our serious domestic issues. Failure to act will exact a high price from us all, including our constituents.

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