(1) the United States person beneficially owns or controls (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the corporation, partnership, or enterprise;

(2) the United States person beneficially owns or controls (whether directly or indirectly) 25 percent or more of the voting securities of the corporation, partnership, or enterprise, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(3) the corporation, partnership, or enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(4) a majority of the members of the board of directors of the corporation, partnership, or enterprise are also members of the comparable governing body of the United States person;

(5) the United States person has authority to appoint the majority of the members of the board of directors of the corporation, partnership, or enterprise; or

(6) the United States person has authority to appoint the chief operating officer of the corporation, partnership, or enterprise.

SEC. 8. EFFECTIVE DATE.

This act shall take effect 180 days after the date of enactment of this Act.

CLARIFYING THE RIEGLE-NEAL INTERSTATE BANKING ACT

HON. BILL ORTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Mr. ORTON. Mr. Speaker, I rise to provide clarification of the Riegle-Neal Interstate Banking and Branching Act of 1994.

Last year, I was proud to be an original cosponsor of H.R. 3841, the House version of interstate banking legislation which became law. I participated both in subcommittee and full committee consideration of this important legislation. I worked hard to see this legislation work its way through the House to become law. I believe passage of this bill was an important step toward the modernization and full development of our banking system.

Therefore, I was disturbed to see a recent appellate court decision that, in my opinion, misinterprets the provisions of this interstate banking bill. The decision I am referring to is *Mazaika* v. *Bank One Columbus,* N.A. No. 00231 (Pa. Superior Court 1994) (en banc). Incidentally, other courts have reached the opposite conclusion.

The Mazaika 6 to 3 majority ruled that a national bank located in Ohio was not authorized by section 85 of the National Bank Act to collect certain credit card charges from Pennsylvania residents. Collection of such charges is permitted under Ohio State law, but not under Pennsylvania State law. This decision relied on the applicable law provision of last year's interstate banking act in reaching the conclusion that Pennsylvania State law applies in such a case, notwithstanding section 85.

Based on my involvement in the legislative consideration of this bill, and on my understanding of its specific provisions, I believe that the conclusion reached in the Mazaika case is wrong. First, the applicable law provision in the interstate bill applies only when a bank branches into a second State. In such a case, the provision subjects the branch of a bank to the State laws of this second State unless those laws are preempted. In the case in point, however, no branching is involved. Therefore, section 85 is preemptive. In the case in point, the Ohio bank should not be subject to Pennsylvania limitations on credit charges.

Second, there is a savings clause in the interstate law that provides that nothing in the interstate law affects section 85 of the National Bank Act. As a result, the interstate law effectively preserves the lending authority of a national bank or State bank to collect lending charges on interstate loans from borrowers nationwide in accordance with the bank's home State limits.

Finally, while it is not relevant to legislative language or intent, it is my opinion that the Mazaika opinion, if upheld, could have a very detrimental effect on free-fettered banking activities. Philosophically, I believe in States rights. I believe that Federal laws should be preemptive only where there is an overriding need to provide national uniformity.

However, this is one such case where national rules should be preemptive. Subjecting lending activities of a bank in another State, where there are no branches, to that other State's limitations on credit card charges or usury limits would have a dampening effect on important interstate lending activities. This would also be contrary to the spirit and intent of the interstate banking bill, which is to expand lending activities nationwide.

Mr. Speaker, many Members of Congress spent countless hours last year crafting an interstate banking bill that increases credit availability and moves us into the 21st century. The Mazaika decision threatens this progress. It is my hope that this can be corrected .

CONGRATULATIONS TO LADY OLYMPIANS OF MARATHON, NY

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Mr. WALSH. Mr. Speaker, the biggest news in Marathon, NY, recently was the celebration surrounding the victorious Girls Field Hockey team, winners of the Class D New York State Championship. I ask my colleagues to join me today in adding our congratulations to the lady Olympians of Marathon High School who played on the team, the coaching staff and school staff, the fans who supported them so energetically throughout the season, and especially to the families and friends who traveled with the team to all the road games—notably, the 3-to-2 win in the State Championship game against North Warren at the State University of New York at Oneonta.

In the 21 years field hockey has been played in Marathon, a small and idyllic community in my upstate New York district, this is the first State Championship. We are all very proud.

The local celebrations have given residents a chance to display that pride, from the first night when the team returned home and fire sirens blared to the official ceremony at Lovell Field when each player and coach had time in the spotlight.

The girls have displayed the best competitive spirit as well as the best athletic performance. They have achieved much more than a series of victories, they have attained the satisfaction of personal best. While I salute their thrilling winning season, I applaud their outstanding individual drive.

The team is: Alissa Altmann, Annette Ando, Jenna Brown, Diana Contri, Carrie Ensign, Arlene Hallock, Jennie Lavens, Lela Leyburn, Hilary Matson, Bobbie McAllister, Gina Moyers, Tina Owen, Jen Potter, Kelli Reid, Joanna Ryan, Rachel Smith, Carla Tagliente, Tessa Warner, and Coach Karen Funk—who is responsible for the program's existence and its origin.

Mr. Speaker, I do not intend to overstate this accomplishment for it is in a field of sport—and not anything that directly relates to our business here today. But, when we honor the attainment of goals by these young people, we share their joy and their sense of community, a motivator for them which has been in abundance this season.

INTRODUCTION OF THE ECONOMIC DEVELOPMENT LOAN ASSISTANCE DEMONSTRATION PROGRAM ACT OF 1995

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Mr. TRAFICANT. Mr. Speaker, today I am introducing the Economic Development Loan Assistance Demonstration Program Act of 1995 to incentivize private sector investment in our Nation's most needy areas.

When President Clinton announced the establishment of more than 100 enterprise communities and empowerment zones last month, the Federal Government signaled that it is willing to provide incentives to entrepreneurs, small businesses, and nonprofit groups who look to locate in our depressed communities. I reintroduced this bill to enhance this worthy initiative.

Specifically, the bill authorizes the Secretary of Housing and Urban Development [HUD] to make grants to bank Community Development Corporations [CDC's] that have targeted Federal enterprise communities for revitalization. The CDC's are then authorized to use the grant moneys to buy down interest rates on loans to businesses and nonprofit organizations that engage in economic redevelopment activities in the enterprise communities. The new rate cannot exceed 60 percent of the market rate of interest on the loan.

I understand that money for new programs is scarce. I also understand the need to test market new ideas before diverting precious resources to fund them. This is why my legislation specifies that the program be established in only five Federal enterprise zones. It is also why the measure requires a review of the entire program in a report to Congress within 1 year of its enactment. The report enables Congress to determine the cost effectiveness of the program, which is authorized from fiscal year 1994 through fiscal year 1996 at a level of approximately $33 million each year.

Under the bill, economic development activities are defined as the construction and rehabilitation of housing, downtown and neighborhood commercial revitalization, industrial development and redevelopment, small and minority business assistance, neighborhood marketing, training and technical assistance, research and planning for nonprofit development groups, and other activities that create permanent private sector jobs.

Because of their continued involvement in the community, I believe it is best to work with CDC's to finance these activities. CDC's are established by national banks or bank holding companies and are regulated by either the Federal Reserve or the U.S. Treasury, depending on the particular corporation. The CDC's offer incentives for banks to participate in local community development projects. In exchange, bank regulatory agencies allow CDC's more flexibility with their investments. Under this setup, the Federal Government benefits from private sector organizations investing in their local communities, while CDC's benefit from higher yield investments, such as real estate and more chancy businesses.

As we all know, Mr. Speaker, it is essential that the private sector invest in its community. The Federal Government cannot and should not be the only entity investing in our depressed communities. This is why I believe my bill is significant. In the past, I have had moderate success with passing comparable programs. During the 101st Congress, I offered similar legislation as an amendment to the Cranston-Gonzalez National Affordable Housing Act, Public Law 101–625, when it was under consideration on the House floor. Although I was successful at attaching the measure, it was stripped during conference. More recently, I was able to attach a provision to the Economic Development Administration and Appalachian Regional Commission reauthorization bill that allowed the EDA to buy down interest loans on private economic development loans.

Despite this success, much more is needed to stem the tide of hopelessness in our communities. My bill is important because it merges two existing community development tools, CDC's and enterprise communities. Both have had limited success on their own on the local and State level, but with a jump start from this Federal demonstration program, we can combine them and incentivize investment.

Since 1977, my community has been devastated by an exodus of 55,000 manufacturing jobs. Unemployment in Youngstown, OH is twice that of the national average. I have seen first hand the hopelessness of a community crumbling around its citizens. As representatives of Americans like these, it is our duty to help them help themselves, to lend a hand so that they can return their communities to the thriving, healthy environment it once was.

We can begin this process, Mr. Speaker, through passage of this bill. I urge my colleagues to cosponsor the Economic Development Loan Assistance Program Act of 1995.

H.R. —

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Economic Development Loan Assistance Demonstration Program Act of 1995''.

SEC. 2. ESTABLISHMENT AND SCOPE OF DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall carry out a program to demonstrate the effectiveness of encouraging economic development in enterprise communities by making grants to community development corporations for reducing interest rates on loans for economic development activities in the enterprise communities.

(b) SELECTION OF ENTERPRISE COMMUNITIES.—

(1) NUMBER.—The Secretary shall carry out the demonstration program under this Act with respect to 5 enterprise communities, which the Secretary shall select not later than the expiration of the 30-day period beginning on the date of the enactment of this Act.

(2) DIVERSITY.—Of the enterprise communities selected under this subsection, not less than 2 shall be located in rural areas (as defined in section 1393(a) of the Internal Revenue Code of 1986) and not less than 2 shall be located in metropolitan statistical areas (within the meaning of section 143(k)(2)(B) of such Code). In selecting the enterprise communities, the Secretary shall provide for national geographic diversity among enterprise communities participating in the demonstration program.

SEC. 3. GRANTS FOR ECONOMIC DEVELOPMENT LOAN ASSISTANCE.

(a) AUTHORITY.—Under the demonstration program under this Act, the Secretary may make grants to any community development corporation sponsored by a bank or thrift institution, by a nonbank economic development corporation, or by residents of an enterprise community selected under section 2(b).

(b) USE.—Each community development corporation receiving a grant under the demonstration program under this Act shall use the grant amounts to assist businesses and nonprofit organizations by reducing interest rates on loans for economic development activities carried out in an enterprise community selected under section 2(b).

(c) OTHER REQUIREMENTS.—The Secretary shall require each community development corporation receiving a grant under the demonstration program under this Act to—

(1) use the grant amounts to reduce the interest rate on a loan described in subsection (b) by an amount not to exceed 60 percent of the market rate of interest on such loan; and

(2) take any actions necessary to inform businesses and nonprofit organizations of the availability of such loans, including holding informational meetings, making public announcements, and placing notices in newspapers and other publications.

SEC. 4. MONITORING.

The Secretary shall monitor the use of grants made under this Act and the costs of administering such grants.

SEC. 5. REPORTS AND STUDY.

(a) ANNUAL REPORT.—The Secretary shall submit to the Congress, not later than 1 year after the date that amounts to carry out this Act are first made available under appropriations Acts and for each year thereafter in which amounts are available to carry out the demonstration program, a report containing an evaluation of the effectiveness of grants made under the demonstration program.

(b) STUDY AND REPORT ON EXPANDED PROGRAM.—

(1) STUDY.—The Secretary shall conduct a study regarding the effects and costs of carrying out a long-term and expanded program of making grants for the purposes under this Act. The study shall determine the need for such grants and the amount of funds necessary to carry out an effective program of national scope.

(2) REPORT.—The Secretary shall submit to the Congress, not later than September 30, 1998, a report regarding the results of the study under paragraph (1) and any recommendations for carrying out a program as described in paragraph (1).

SEC. 6. DEFINITIONS.

For the purposes of this Act:

(1) ECONOMIC DEVELOPMENT ACTIVITIES.—The term ''economic development activities'' means the construction and rehabilitation of housing, downtown and neighborhood commercial revitalization, industrial development and redevelopment, small and minority business assistance, neighborhood marketing, training, and technical assistance, research and planning for nonprofit development groups, and other activities which create permanent private sector jobs.

(2) ENTERPRISE COMMUNITY.—The term ''enterprise community'' means an area that is designated as an enterprise community under section 1391 of the Internal Revenue Code of 1986.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act in fiscal years 1996, 1997, and 1998 a total of $100,000,000.

SEC. 8. REGULATIONS.

The Secretary may issue any regulations necessary to carry out this Act.

TRIBUTE TO LYDIA BALDINI PIOMBO

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Ms. ESHOO. Mr. Speaker, I rise today to honor Lydia Baldini Piombo, an outstanding citizen of the 14th Congressional District who passed away last November after 70 extraordinary years of life. She was a devoted wife and the mother of 5 loving children, and the proud grandmother of 10. She was married to Frank Piombo, one of California's most distinguished jurists, for a remarkable 47 years, and was a partner in all he did.

In addition to her family, Lydia Piombo's other great love was St. Anthony's Padua Dining Room in Menlo Park, CA. Through St. Anthony's exemplary efforts to feed the hungry, Lydia Piombo touched the lives of literally thousands of people. She served on St. Anthony's board for 15 years, including a term as president, and guided the organization in its vital work with her intelligence, common sense, warmth, and always her wisdom. Our community has been enriched beyond measure because of her faithful devotion to serving those who were in need, alleviating their hunger of both the body and the spirit.

Mr. Speaker, Lydia Baldini Piombo was a shining light amongst us, inspiring all who knew her or benefited from her care and concern. Her devotion to and understanding of humanity was unsurpassed as she lived each day embracing the belief that we are all God's children.

She lives on through her children and grandchildren, through her devoted husband Frank, and all of us who were blessed to be part of her life.

Mr. Speaker, I ask my colleagues to join me in paying tribute to a noble woman who lived a life of purpose and extend our deepest sympathy to Frank Piombo, the Piombo children and grandchildren. Lydia Piombo's legacy is