including northern California, lake trout in the Great Lakes, oysters in the Chesapeake Bay, cod in the Georges Bank; and these are only a few examples of the great loss worldwide in fisheries depletion.

At a time when the reports about ''scorched earth fishing'' are so alarming, it is heartening to know that individuals like Zeke are making such an important contribution to preserve fishing stocks and to seek solutions to reverse this aspect of our planet's deterioration. For the 22 years Zeke has been head of the Pacific Coast Federation of Fishermen, he has been responsible for sounding the alarm on overfishing along the north Coast and for striving to bring about improvements to sustain our marine resources.

These concerns are very important to the San Francisco Bay Area where healthy fisheries depend on healthy habitats in the wetlands and waters of our great delta and estuary that feed into the Pacific Ocean. Zeke has been an extraordinary leader and we are grateful for his dedication to the environment, and particularly to its marine resources. We are all beneficiaries of his great efforts in support of a strong and sustainable environment. Zeke is one of those rare leaders who we will look to for guidance on our troubled waters in the next century.

INTRODUCTION OF FINANCIAL SERVICES PRIVACY LEGISLATION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. MARKEY. Mr. Speaker, today I am introducing two bills which are aimed at addressing the confidentiality of personal financial information, the ''Securities Investors Privacy Enhancement Act of 1998'' and the ''Depository Institution Customers Financial Privacy Enhancement Act of 1998.''

Today, the legal and regulatory walls are breaking down that previously have restricted or limited affiliations between banks, securities firms, and insurance companies. This makes sense in light of the trends currently taking place in our economy: globalization, rapid technological change, and demonopolization. But the great truth of the Information Age is that the new telecommunications technologies that financial services giants use to create and market stocks, bonds, insurance policies, and loans to homes and businesses have a certain Dickensian quality to them: we have the best of wires and the worst of wires.

Electronic commerce can allow corporations to become more efficient and workers more productive. But this same technology can avail financial services conglomerates of the opportunity to track personal information, compile sophisticated, highly personal consumer profiles of peoples' buying habits, hobbies, financial information, health information, and other data.

As a consequence, as our nation moves to allow securities, insurance companies, and banks to affiliate, we must recognize that the resulting conglomerates will have virtually unprecedented access to the most sensitive personal and financial information, and they will be largely free to share this information among the various affiliates or even sell it to others. The companies say this will produce ''synergies'' that will benefit the consumer. But it may also facilitate intrusions into personal privacy.

What will this brave new world look like?

When a husband dies, will the life insurance company tip off the securities affiliate to cold call the grieving widow as soon as she's received the check from her deceased husband's insurance policy in order to try and sell her stocks and bonds?

Will a bank deny a consumer a loan, because information it's obtained from its affiliated medical insurance company indicates that he or she has cancer?

Will a bank share or sell information about a consumer's credit car or check purchases with affiliated or non-affiliated parties?

The answer is yes. These companies will exploit their access to consumer personal information whenever they see a business advantage in doing so. The consequences for consumers can be disasterous. Just a few months ago, for example, the SEC signed a consent decree with NationsBank for making misrepresentations to their bank customers that the risky derivative securities their operating subsidiary was going to try to sell them were as safe as CDs. According to the consent decree:

NationsBank assisted registered representatives in the sale of the Term Trusts by giving the representative maturing CD lists. This provided the registered representatives with lists of likely prospective clients. Registered representatives also received other NationsBank customer information, such as financial statements and account balances. These NationsBank customers, many of whom had never invested in anything other than CDs, were often not informed by their NationsSecurities registered representatives of the risks of the Term Trusts that were being recommended to them. Some of the investors were told that the Term Trusts were as safe as CDs but better because the paid more. (unquote)

In reality the ''Term Trusts'' that NationsSecurities was selling the public consisted of funds that invested in risky derivatives that largely have lost value for investors. We need to protect the public against the type of abuses of bank customers' privacy that this episode has so dramatically exposed. Moreover, a letter I recently received from the SEC indicates that a proposed rule to strengthen privacy protection has been languishing before the NASDR for over a year without action and that the proposed rule may need to be strengthened. In addition, the SEC letter indicates that there are gaps in SEC authority to protect the privacy of mutual fund investors and investment adviser customers. The legislation I am introducing today would address problems in each of these areas.

I think we should all be able to agree that consumers have a right to know when personal information is being collected about them. They should receive adequate and conspicuous notice whenever any personal information collected is intended to be reused or sold for marketing purposes. And, most importantly, they should have the right to say ''NO'' and to curtail or prohibit the use or resale of their personal information.

Current law provides consumers very little protection for their private financial records. The Right to Financial Privacy Act applies only to the federal government. The Fair Credit Reporting Act applies only to consumer reports provided by consumer reporting agencies. It generally exempts a bank's disclosure of its customers' account records. Moreover, a 1996 amendment to that Act has weakened the restrictions on transfers of financial information among persons related by common ownership or control. State law is also inadequate, because the vast majority of states lack laws which establish any meaningful restrictions on banks disclosing customers' records to nongovernmental entities. Only seven states—Alaska, Connecticut, Illinois, Louisiana, Maine, and Maryland—have financial privacy statutes that forbid disclosures of confidential financial information to private as well as governmental entities. One state—California—has a statute constitutional guarantee of private that has been interpreted by the courts to apply to a bank's disclosure of customer financial records. Some states have recognized common law doctrines that recognize some privacy protection for financial records, but only seven states have adopted the common law doctrine of implied contract of confidentiality in the context of bank-customer relations. Unfortunately, the scope of the duties imposed by such implied contracts of confidentiality are unclear.

The two bills I am introducing today, the ''Securities Investors Privacy Enhancement Act of 1998'' and the ''Depository Institution Customers Financial Privacy Enhancement Act of 1998'' would help reverse this unfortunate trend. These twin bills would give investors in stocks and bonds, mutual funds, clients of investment advisors, as well as depository institution customers, and other consumers of other affiliates of financial services companies the privacy protections they deserve. The bills would establish under federal law the principle that financial services institutions generally must provide notice to the consumer of when information is being gathered about them, disclosure whenever the institution intends to offer such information to any other person, and a requirement for the express written consent of the consumer if the information is to be transferred or sold to any other person.

I urge my colleagues to support these two bills, and I look forward to working with all interested parties to secure their enactment.

PTFP

HON. DAVID MINGE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. MINGE. Mr. Speaker, earlier this week, the House debated amendments to H.R. 4276, the Departments of Commerce, Justice, and State and Judiciary and Related Agencies Appropriations Act of 1999. One of the amendments of interest to me was an amendment to cut funds for the Public Telecommunications Facilities Program (PTFP) which funds new equipment for public television and radio stations in the United States. Because of time constraints, I was not able to speak on the amendment but I have several points and corrections to the record I would have made if I had had a chance.

In Minnesota we are blessed with having the nation's largest and to us, the finest, public

radio system in the country, Minnesota Public Radio (MPR). MPR owns and operates 30 radio stations around the state and in border states to provide public radio coverage to 98 percent of the residents of Minnesota. In most communities, they operate dual channels, a news and information station and a music station. In my district, they have stations in Appleton, Worthington and St. Peter. In addition, other parts of my district are served by stations in Minneapolis, St. Cloud and Sioux Falls, South Dakota. They are truly a state treasure, bringing 24 hour-a-day news coverage and classical music to many parts of rural Minnesota that would not otherwise get those services through commercial radio.

Minnesota Public Radio is however, more than just a treasure to my state. It is a national resource, producing more national radio programming than any radio station or system in the United States. Many people around the country identify Minnesota with the image of Lake Wobegon and the nationally known program A Prairie Home Companion produced by MPR in St. Paul. As for music, over 500,000 people a week from around the country listen to concerts on St. Paul Sunday, which is about the same number that attend live classical music concerts in the U.S. every week. In addition, MPR produces other nationally known programs such as Sound Money and A Splendid Table.

Minnesota Public Radio is also an international media entity and has the U.S. distribution rights to the British Broadcasting Corporation (BBC) radio productions on BBC3 and BBC4, It also has U.S. distribution rights to certain productions of the Canadian Broadcasting Company (CBC).

In 1981, Congress, recognizing the likelihood of future federal funding shortfalls, urged nonprofit organizations like MPR to earn more of their revenues by stating the ''Public Broadcast stations are explicitly authorized to provide services, facilities or products in exchange for remuneration . . .''. In response to that challenge, MPR expanded its product marketing activities into catalog mailings and then, in 1987, launched the Greenspring Companies, a for-profit, tax paying group of companies. Working off its successful A Prairie Home Companion and the internal talent of its organization, it set up several for-profit companies to market products associated with its productions. Through sound management and understanding the value of its intellectual property, they turned one of those for-profit companies into one of the largest mail order companies in the country. Over the years, the for-profit companies contributed over $40 million to the growth of MPR and allowed them to build new radio stations in Minnesota communities like Appleton, Thief River Falls, and La Crescent.

As a for-profit company, Greenspring departed from the norm for ''unrelated business activity'' at nonprofit organizations and proceeded to employ all of the traditional mechanisms of capitalism, beginning with a strong, experienced, separate Board of Directors, state of the art facilities, recruitment of top industry professionals, incentive compensation, equity participation by employees and public reports similar to those of a publicly traded company. In 1998, after growing one of the for-profit companies, Rivertown Trading Company, from nothing to annual sales of $200 million, it was sold to the Dayton Hudson Corporation, another Minnesota company. That sale allowed Minnesota Public Radio to put $90 million into an endowment, the largest endowment of any public broadcasting company in the country. The bonus to management of the for-profit Rivertown Trading Company and Greenspring were about 6 percent of the sales price.

Some Members of Congress would have us penalize the success of organizations such as Minnesota Public Radio. They would say, that since organizations such as MPR are successful capitalists, they should be punished. I, however, believe in the marketplace and do not wish to punish that type of success.

In the meantime, Minnesota Public Radio continues to provide me and my family with our share of Minnesota, whether we are at home in Minnesota or here in Washington. I continue to listen every Saturday night that I can, to Garrison Keillor and all the news from Lake Wobegon and I hope you will also.

DEACTIVATION OF CASC

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. SMITH of Michigan. Mr. Speaker, I rise today to recognize the end of an era in the United States Air Force and in my district.

On Friday, August 7, the Air Force Cataloging and Standardization Center (CASC) of Battle Creek, Michigan, will be deactivated from active duty at 0900. The functions of (CASC) will be incorporated as part of a new service-wide cataloging effort of the Defense Logistics Agency, known as the Defense Logistics Information Service (DLIS). CASC was the last remaining active duty Air Force facility in Michigan.

CASC began cataloging operations in Battle Creek in 1973. This was the beginning of efforts to centralize all Department of Defense (DOD) cataloging in Battle Creek. In 1976, all Air Force cataloging functions were transferred to Battle Creek.

The Air Force and CASC sought to encourage other branches of our Armed Forces and agencies to centralize their cataloging efforts in Battle Creek as well.

Mr. Speaker, in 1996 the Office of the Secretary of Defense approved their idea to have the Defense Logistics Agency (DLA) lead the new consolidated center and to deactivate CASC. That plan was finalized in March of 1997. This entrepreneurial spirit and their willingness to deactivate their unit for the greater good is simply the kind of innovative and decisive leadership CASC has shown over the years.

CASC's Corporate Board developed a comprehensive strategic plan, putting customer service first. Independent customer surveys support this claim. Such efforts should be a role model for every federal agency.

CASC's efforts to incorporate state-of-the art automation into their work processes led to a significant workload enhancements and improved efficiency throughout the organization. These significant modernizations reduced the work force by nearly 300 people, however, all reductions were done without any involuntary separations. CASC workers retired, resigned or were placed in other organizations.

One of the technical accomplishments of CASC has been to identify crashed aircraft from the Vietnam War. CASC employees were able to match recovered aircraft parts to specific aircraft, making it possible to identify aircrews missing in action.

In 1983, CASC established a helpline (call center) to provide Air Force personnel with answers to complex logistic information questions. CASC's call center exceeds industry standards in all categories.

Over its twenty-two year history., CASC's innovative approach to cataloging has saved taxpayers over $60 million. the entrepreneurial spirit within CASC has led to agreements with non-DoD agencies such as the National Weather Service and the Federal Aviation Administration to provide cataloging services which have saved taxpayers $250,000 per year. Negotiations with further agencies continue.

Such efforts has moved CASC away from measuring processes to measuring performance. Their efforts are a model for our entire U.S. Air Force to emulate.

Mr. Speaker, as an Air Force veteran and on behalf of my constituents in Calhoun County, I am proud to offer this tribute in recognition of the accomplishments of the outstanding men and women of CASC.

PROTECTING THE CREDIT UNION MOVEMENT

SPEECH OF

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1998

Mr. LAFALCE. Mr. Speaker, I appreciated and supported the necessity to move quickly to pass H.R. 1151, the credit union field of membership bill, before the August recess. However, I remain troubled by one of the modifications the Senate Banking Committee made to the House version of the bill, which makes it easier for credit unions to become other types of financial institutions. I will continue to try to rectify this problem in other appropriate contexts. And I also encourage NCUA to use every means at its disposal to prevent credit union members from losing their ownership in a credit union at the hands of a very small minority.

A brief history of the conversion issue will illustrate my concerns. Through its regulations, the NCUA has quite rightly kept a tight rein on the conversion process, requiring a majority vote of all members of the credit union before a credit union can convert to a mutual thrift. This is a difficult standard, and it is meant to be. A credit union's capital, unlike that of any other financial institution, belongs to its members. Once the conversion to a mutual thrift is accomplished, the institution can easily convert to a stock institution, with the result that a few officers and insiders of the former credit union—not to mention the attorneys who encouraged the deal—wind up owning all the former credit union's capital in the form of stock. Thus, in order to prevent insiders and lawyers from walking away with capital which belongs to the entire credit union membership, and depriving that membership of their credit union access, NCUA instituted the majority vote requirement. This requirement was subject to notice and comment rulemaking in