



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

Vol. 145

WASHINGTON, MONDAY, MAY 10, 1999

No. 66

House of Representatives

The House met at 2 p.m. and was called to order by the Speaker pro tempore (Mr. PETRI).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,

May 10, 1999.

I hereby appoint the Honorable THOMAS E. PETRI to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Open our eyes, O God, to see the opportunities of this new day; open our ears, O God, to hear the voices of those who call for help; open our minds, O God, to the way of truth and justice; open our hearts, O God, so Your grace will forgive us and lead us forward, and open our hands, O God, to do the work of peace on Earth and good will to all Your people. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

NEVADA'S PURSUIT TO MAKE SCHOOLS SAFE FOR OUR KIDS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today the President assembled the second national summit on school violence in an effort to prevent further tragedies from occurring on our school grounds.

Today I would like to praise Nevadans in their efforts to see that our schools remain safe for our children. Numerous meetings and public forums involving community leaders, parents, and teachers have taken place and have been televised during prime time hours throughout the State of Nevada.

Just last Friday, a Nevada volunteer program called "Parent Patrol" celebrated its third anniversary by honoring those parents who volunteer their time to monitor activities in and around Nevada school yards.

Our Nevada State Legislature is also establishing a special commission to investigate the causes of school violence and how Nevada may be able to provide the necessary resources to detect threats before they are carried out.

Like every other State, Nevada is not immune to the threat of school violence. But where there is a committed pursuit for answers and actions, we are bound to make progress.

Many questions, though, remain to be answered by the ills of our society; but as our kids are taught in school, there are no stupid questions. In this case, the answers may save lives.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of Jan-

uary 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TEACHER APPRECIATION WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, May 2 through 9 is the National Parent Teacher Association's 14th annual "Teacher Appreciation Week."

A week to celebrate the selfless dedication of our nation's teachers and educators who work every day to help our students gain the skills they need to prepare for the future.

Today, our nation's teachers accept many challenges in the classroom.

George F. Will once cited two surveys of the top discipline problems in public schools to emphasize the tremendous change in our nation's schools over time.

Those top problems listed on survey from the 1940s included students chewing gum, making noise, getting out of turn in line, and not putting paper in the wastebaskets.

The 1980s survey lists the top problems as drug abuse, alcohol abuse, pregnancy, suicide, rape, robbery, and assault.

Mr. Speaker, as the role of our teachers continue to evolve, the importance of having quality educators in the classroom is absolutely critical.

Today, in honor of Teacher Appreciation Week, I want to recognize three very special educators from the Third District of North Carolina, which I am proud to represent.

While I only have time this evening to mention three, I must emphasize that this week is a tribute to all teachers.

Not just in Eastern North Carolina, but teachers across the country who selflessly dedicate their time and energy to help our children challenge themselves and achieve their educational goals.

Audra Singleton is one particular teacher who uses a unique and successful mixture of discipline and encouragement to motivate her students to learn.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



Printed on recycled paper.

H2923

Mrs. Singleton is an eight-grade language arts teacher at Wellcome Middle School in Greenville, North Carolina.

A veteran of the Gulf War, Mrs. Singleton was nominated by her students to receive the Channel One Network's Teacher of the Year.

Channel One produces educational programs for middle and high school aged students.

About 12,000 schools nationwide, including Wellcome, subscribe to Channel One as an educational resource.

In an effort to recognize the efforts of our nation's teachers, Channel One asked students to videotape their teachers in the classroom.

Mrs. Singleton, with the faithful support and encouragement of her students, was selected Channel One's Teacher of the Year.

Ralph Cole is another educator who deserves recognition today.

Mr. Cole has been educating the children of Chowan County, North Carolina for the last thirty-seven years.

Now principal of D.F. Walker Elementary School in Edenton, Mr. Cole has dedicated his career to ensure that all students have equal access to a quality education.

While Mr. Cole is retiring at the end of this school year, I wanted to acknowledge him during Teacher Appreciation Week for his efforts to inspire all children to learn and to reach their full potential.

Mr. Speaker, each year the state of North Carolina selects a teacher to serve as ambassador for public schools and the teaching profession.

The teacher then goes on to compete for the honor of National Teacher of the Year.

Rebecca Hoyle, a veteran of North Carolina public schools for 26 years, has been named North Carolina's 1998–1999 teacher of the year.

Ms. Hoyle is a music teacher at Jacksonville Commons Elementary School in Jacksonville, North Carolina.

I had the opportunity to visit with her briefly a couple weeks ago when she was in Washington.

In addition to her dynamic personality, Miss Hoyle has received praise for embracing diversity in the classroom.

She has also worked to emphasize the valuable resource our communities can play in the education of our nation's children.

Mr. Speaker, our nation's teachers are forced to wear many hats in today's classroom.

Not only do they prepare our children and help them to learn, but they serve as role models as well.

Former Education Secretary William Bennett once said, "What we do to children, they will do to others. There is nothing like the moral power of example. But above all, we as a society, as a common culture, have to respond to the call of our national history, and to the responsibility it imposes upon us of instilling in our children an informed appreciation of American principles and American practices."

During Teacher Appreciation Week, I want to thank Mrs. Singleton, Mr. Cole, Ms. Hoyle, and teachers across the country, who prove their dedication to our children daily by accepting these roles and making an investment in the lives of our children.

As you continue your efforts in our classrooms, we will do everything we can in Con-

gress to continue ensuring that you have access to the resources you need to challenge the minds of our nation's children.

SERBIAN PRESIDENT MILOSEVIC HAS A LONG HISTORY OF BRUTALITY AND ETHNIC CLEANSING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Virginia (Mr. WOLF) is recognized for 30 minutes as the designee of the majority leader.

Mr. WOLF. Mr. Speaker, although I would not have taken the actions of the Clinton administration, which has led us where we are today in the Balkans, the question has now become, we are here; now what do we do?

I want to rise today to set forth my concerns and my thoughts on America's response to the terrible things that have taken place in the Balkans. I, of course, address my remarks to everybody in the Congress but especially to my Republican colleagues here in the Congress.

Last Thursday afternoon, May 6, while listening to the debate on the emergency supplemental appropriations bill, I was struck by two notions. The first was that some in the House apparently believe that the U.S. and NATO can negotiate and then continue to coexist with Serbian President Milosevic as though the terrible, brutal, and criminal acts inflicted upon the ethnic Albanians in Kosovo as daily fare did not even take place. The second notion is that many are acting as if this Balkan conflict just got under way or began a short 8 weeks ago.

I am convinced that neither of these are true. So are many, many others. In fact, Milosevic's bloody pursuit of ethnic cleansing began in 1991 with the military assault on Vukovar, Croatia, near the Serbian border. This assault signaled an ethnic cleansing, and I might say there were mass graves found outside Vukovar once the West was able to get there of many, many people who have been killed as a result of Milosevic's effort to take Vukovar. This assault signaled an ethnic cleansing in Bosnia and Herzegovina that lasted for years under the benign eye of the United Nations and casual disinterest of much of the free world.

By the time the world could no longer look the other way, about a quarter of a million, 250,000, people were killed, and almost 2 million more were homeless and displaced refugees.

Kosovo is only the latest chapter in this dark history. Most of the nearly 2 million ethnic Albanian population are now homeless and on the run within Kosovo or are refugees languishing in camps outside the border. Most have hopes of someday returning. But to what? To homes that no longer exist and towns and villages that are largely destroyed and to families which have been brutalized and torn apart and with many killed or missing?

There seems to be a mood that we can ignore these hard facts of what ac-

tually is taking place, that we can negotiate an honorable truce with Milosevic where people can go home and everything can be nice. But this is a fantasy. More, it is a dangerous fantasy.

The world simply cannot ignore the fact that Milosevic and many others in his employ are war criminals. They meet the test by any historical yardstick one could use to measure them. As long as he is in power, it will not be possible to have a lasting peace in the Balkans.

Let me paraphrase two experts from Peter Maass' book, "Love Thy Neighbor, A Story of War". Maass, writing about war crime indictments, relates accounts so horrifically graphic that I cannot read them verbatim but will include them for the RECORD.

In one account he says that the Serb forces put the gun up against a father's head and tells the father to rape your daughter. The father says, no, I cannot do that. Then he puts the gun up to the daughter's head and says to the father, now rape your daughter. The father says, oh, no.

Then, according to the account, and I will not go any further, but I now would have like to have Peter Maass' account of what took place, beginning on page 51.

Then on page 53 he goes on to tell of other atrocities and brutalities that are so graphic that I will not read them on the floor of the House but will insert them whereby they will appear in the RECORD at this very, very point.

Beginning on page 51 while writing about war criminal activity, Maass says: "You can, for example, barge into a house and put a gun to a father's head and tell him that you will pull the trigger unless he rapes his daughter or at least simulates the rape. (I heard of such things in Bosnia.) The father will refuse and say I will die before doing that. You shrug your shoulders and reply, Okay, old man, I won't shoot you, but I will shoot your daughter. What does the father do now, dear reader? He pleads, he begs, but then you the man with the gun, put the gun to the daughter's head, you pull back the hammer and you shout Now! Do it! Or I shoot! The father starts weeping, yet slowly he unties his belt, moving like a dazed zombie, he can't believe what he must do. You laugh and say, That's right, old man, pull down those pants, pull up your daughter's dress, and do it!"

Continuing on page 53: "Three days after her arrival at the prison, she went with a huge number of women and other girls to fetch water from a well about 50 meters from the prison gates. Returning from the well Trnopolje guards held back six girls, including the witness, and stopped them from reentering the prison gates. They were then joined by four more female prisoners. The guards took the 10 girls to a house across the meadow. They were taken to the side yard of the house, out of sight of the roadway. Thirty Serbian soldiers—including "some dressed like a tank crew"—were there and they taunted the girls, calling them "Turkish whores." The girls were ordered to undress or have their clothes pulled off. Three girls resisted or hesitated from their fear. Their clothes were cut off with knives.

The Serbian soldiers told the naked girls to parade slowly in a circle. The men sat outside the circle—smoking, drinking and calling out foul names. The witness estimates the “parade” lasted about 15 minutes. Three soldiers took one girl—one to rape her while the two others held her down. The three men took turns. A soldier approached the witness and mocked her, saying he had seen her before. Though she did not recognize him, he pulled out a photo of the witness with her 19-year-old Muslim boyfriend, whom he cursed for being in the Bosnian Territorial Defense Forces. The man with the photograph raped her first. The witness said she fought and pulled his hair, but he bit her and hit her face. Her lips bled. He hit her hard with the butt of his gun on her cheek, causing extreme pain. Another rapist ran the blade of his knife across her breasts as if to slice the skin off, leaving bleeding scratches. After that, she was raped by eight more men before losing consciousness.”

Keeping those atrocities and brutalities in mind, and some want to resume normal relations with an individual who allowed these atrocities to take place, an individual who continues to allow them to take place today, even today right now in Kosovo, once people know about these things, once the depth and breadth of Milosevic's brutality sinks in, no one can entertain the idea of normal relations or pursue a no-fault peace with him.

Last week, in the Wall Street Journal, last Thursday, which I include for the RECORD, Margaret Thatcher wrote of the thousands of slaughtered in unmarked graves around Srebrenica, Bosnia, victims of, and I quote, “depravities of human wickedness, what depths of human degradation, those endless columns of refugees have fled. Mass rape, mass graves, death camps, historic communities wiped out by ethnic cleansing, these are the monuments to Milosevic's triumphs.”

During the fighting in Bosnia, I had an opportunity with one of my staff to visit a Serb-run POW camp, and it was very, very brutal, if you could see the way the Muslims were being treated in that camp.

Margaret Thatcher went on to write that appeasement has failed in the 1990s as it failed in the 1930s. I believe she is right, just as I believe she is right when she goes on to write that it would be both cruel and stupid to expect the Albanian Kosovars to now return home and live under any form of Serbian rule.

Also in Sunday's New York Times, which I include for the RECORD, Blaine Harden writes about the dangers of allowing Milosevic to retreat from Kosovo with his dictatorship intact. Harden predicts that if the pattern holds, Milosevic will continue to inflame Serbs and preserve his power by reassuring them that they are the victims, as he is doing today in Kosovo and as he did earlier in Croatia and Bosnia Herzegovina.

I am going to insert the entire Blaine Harden article from Sunday's New York Times in the RECORD, and I would urge all of my colleagues to read his

record. Blaine Harden had covered the war in Sarajevo and Bosnia and many other places throughout the early and mid 1990s for the Washington Post. I think he writes with a lot of wisdom.

As I listened to last Thursday's debate and as I read and watched the TV talk shows, Milosevic hopefully will not pull it off. He could, however, unless we recognize Milosevic for what he is, a war criminal of the highest order.

Mr. Speaker, I include for the RECORD articles I referred to as follows:

[From the Wall Street Journal, May 6, 1999]

THE WEST MUST ANSWER EVIL WITH
STRENGTH

(By Margaret Thatcher)

Last September I went to Vukovar, Croatia, a city destroyed and its inhabitants butchered by the soldiers of Slobodan Milosevic. The place still smells of death, the widows weep, and the ruins gape. Around Srebrenica, Bosnia, where neither I nor many other Westerners have gone, the bodies of thousands of slaughtered victims still lie in unmarked graves. In Kosovo, we can only image what depravities of human wickedness, what depths of human degradation, those endless columns of refugees have fled. Mass rape, mass graves, death camps, historic communities wiped out by ethnic cleansing—these are the monuments to Milosevic's triumphs.

They are also the result of eight long years of Western weakness. When will Western leaders ever learn?

Appeasement has failed in the 1990s, as it failed in the '30s. Then, there were always politicians to argue that the madness of Nazism could be contained. Likewise, there has never been a lack of politicians and diplomats willing to collaborate with Milosevic's Serbia. In both cases, the tyrant carefully laid his snares, and naive negotiators obligingly fell into them. For eight years I have called for Serbia to be stopped. Even after the massacre of Srebrenica I was told that my calls for military actions were mere “emotional nonsense.”

There were good reasons for taking action early. The West could have stopped Milosevic in Slovenia or Croatia in 1991, or in Bosnia in 1992. But instead we deprived his opponents of the means to arm themselves, thus allowing his aggression to prosper. Even in 1995, when at last a combination of air strikes and well-armed Croat and Muslim ground forces broke the power of the Bosnian Serb aggressors, we intervened to halt their advance into Serb-controlled Banja Luka.

Western political leaders believed that the butcher of Belgrade could be a force for stability. So here we are now, fighting a war eight years too late, on treacherous terrain, so far without much effective local support, with imperfect intelligence and with war aims that some find unclear and unpersuasive.

But with all that said—and it must be said, so that the lessons are well and truly learned—let there be no doubt: This war must be won.

I understand the unease many people feel about the way in which the operation began. But those who agonize over whether what is happening in Kosovo today is important enough to justify military intervention, gravely underestimate the consequences of doing nothing. There is always method in Milosevic's madness. He is a master at using tides of refugees to destabilize his neighbors and weaken his opponents. This we simply cannot allow. The surrounding countries can't absorb two million Albanian refugees without provoking a new spiral of violent

disintegration, possibly involving NATO members.

But the overriding justification for military action is quite simply the nature of the enemy we face. We are not dealing with some minor thug whose local brutalities may offend our sensibilities from time to time. Milosevic's regime and the genocidal ideology that sustains it represent something altogether different—a truly monstrous evil, one that cannot be merely checked or contained, one that must be totally defeated.

When that has been done, we need to learn the lessons of what has happened and of the warnings that were given but ignored. But there has already been too much media speculation about targets and tactics, and some shameful and demoralizing commentary that can only help the enemy. So I shall say nothing of detailed tactics.

But two things more I must say. First, about our fundamental aims. It would be both cruel and stupid to expect the Albanian Kosovans now to return to live under any form of Serbian rule. Kosovo must be given independence, initially under the international protection. And there must be no partition. Partition would only serve to reward violence and ethnic cleansing. It would be to concede defeat. And I am unmoved to Serb pleas to retain their grasp on most of Kosovo because it contains their holy places. Coming from those who systematically leveled mosques and Catholic churches wherever they went, such an argument is cynical almost to the point of blasphemy.

Second, about the general conduct of the war. There are, in the end, no humanitarian wars. War is serious and it is deadly. Casualties, including civilian casualties, are to be expected. Trying to fight a war with one hand tied behind your back is the way to lose it. We always regret the loss of lives. But we should have no doubt that it is the men of evil, not our troops or pilots, who bear the guilt.

The goal of war is victory. And the only victory worth having now is one that prevents Serbia from ever again having the means to attack its neighbors and terrorize its non-Serb inhabitants. That will require the destruction of Serbia's political will, the destruction of its war machine and all the infrastructure on which these depend. We must be prepared to cope with all the changing demands of war—including, if it is required, the deployment of ground troops. And we must expect a long haul until the job is done.

[From the New York Times, May 9, 1999]

WHAT IT WOULD TAKE TO CLEANSE SERBIA
(By Blaine Harden)

Along the blood-spattered timeline of Slobodan Milosevic's Yugoslavia, Kosovo is merely the hideous Now. There was a Before—in Croatia and Bosnia. Assuming that Mr. Milosevic retreats from Kosovo with his dictatorship intact, as now seems likely, Balkans experts foresee an unspeakable After.

It may feature: Fratricidal civil war in Montenegro. Ethnic cleansing of Hungarians in the Serbian province of Vojvodina. Mass murder of Muslims in the Sandzak region of Serbia. No need, for the moment, to bother about the location or correct pronunciation of these obscure places. The world will likely learn. Just as it learned where Kosovo is—or was—before more than 700,000 human beings were chased from their homes in a systematic military campaign of burning and intimidation, theft and murder.

If the pattern holds, Mr. Milosevic will soldier on, using Big Lie manipulation of television to tap into a collective soft spot in the Serbian psyche. Even as legions of non-Serbs

are dispossessed or killed, he will continue to inflame the Serbs and preserve his power by reassuring them that, yes, they are the victims.

Given the character of Mr. Milosevic's regime and knowing that there is almost certainly more horror to come, a bold, if impractical, question is just now beginning to be formulated. Is it finally time for outside powers to make the effort necessary to cure a national psychosis inside Serbia that has been destabilizing a corner of Europe for a decade? Put another way, has the time come for NATO to do in Serbia what the Allies did in Germany and Japan after World War II?

To follow that model, Serbia's military would have to be destroyed, and Mr. Milosevic crushed, by an invasion that almost certainly would cost the lives of hundreds of American soldiers. After unconditional surrender, the political, social and economic fabric of Serbia would be remade under outside supervision so that the Serbs could take their place in a prosperous and democratic world.

The question cuts three ways. Will it happen? Should it happen? Could it possibly work?

The answer to the first part of this question, at least for the foreseeable future, is a resounding No Way. The other answers, however, are provocative enough to make it worthwhile to suspend disbelief and indulge the fantasy of a post-Milosevic Balkans.

Let's start, though, with the real world. Policy makers and long-time students of the West's slow-motion intervention in Yugoslavia during the 1990's see no possibility of Mr. Milosevic's military defeat or of Serbia's occupation.

An agreement last week between the West and Russia outlined the kind of solution the outside powers would seek instead—a withdrawal from Kosovo of the Yugoslav Army, policy and paramilitary fighters, with an international security force to replace them. Details of the deal are still being argued over, but one thing was clear: If the outside powers can get him to sign on, Mr. Milosevic would remain in power in his shrinking Yugoslavia. Thus, he would have the opportunity to "cleanse" another day. The West's calculation seems to be that avoiding a land war, keeping NATO together and cementing relations with Russia outweigh the long-term costs of letting Mr. Milosevic off the hook.

That, then, is the real world.

Such a course does nothing, of course, to eradicate extreme Serb nationalism.

The only way to stamp out the disease, protect Serbian's minorities and bring lasting peace to the Balkans is a Japan- or Germany-style occupation of Serbia, according to Daniel Serwer, who until two years ago was the director of European intelligence and research for the State Department. Mr. Serwer concedes that occupation has never been on the West's list of serious options, but he echoes many experts on the Balkans when he argues that it should be.

"It is very hard to see how Serbia undergoes this process all on its own," said Mr. Serwer, now a fellow at the U.S. Institute of Peace, a research group in Washington. "This regime is deeply rooted. It is not like some dictatorship that you take off its head and it will die. It is so corrupt and the corruption is not superficial."

Daniel Johah Goldhagen, a Harvard historian who wrote "Hitler's Willing Executions: Ordinary Germans and the Holocaust," published a kind of manifesto last week that demands Serbia "be placed in receivership."

"Serbia's deeds are, in this essence, different from those of Nazi Germany only in scale," Mr. Goldhagen wrote in *The New Republic*. "Milosevic is not Hitler, but he is a

genocidal killer who has caused the murders of many tens of thousands of people."

It is worth remembering, though, that Mr. Milosevic is an elected leader, having won three elections that were more or less fair. That, along with the Serb leader's soaring popularity in the wake of NATO bombing, support an argument that what ails Serbia goes far deeper than one man.

No one makes this argument more powerfully than Sonja Biserko, director of the Helsinki Committee for Human Rights in Serbia and a former senior advisor in the European department of the Yugoslav Foreign Ministry. Ms. Biserko, who fled Belgrade a week after the NATO bombings began, said in New York last week that Serbia's fundamental problem is not Mr. Milosevic, but a "moral devastation" that has infected her nation.

"People in Serbia were undergoing a mass denial of the barbarity of the ethnic cleansing in Kosovo," Ms. Biserko said. "The denial is itself commensurate to the crime taking place before the eyes of the world."

Ms. Biserko, who met 10 days ago with Secretary of State Madeleine K. Albright and urged her to consider occupation, believes that Serbia's opposition politicians are incapable now of coming to grips with a culture of victimhood. "Serbs have managed now with the NATO bombing to convince themselves they are victims and as victims they cannot be responsible for what happened in Kosovo," she said.

A surreal sense of victimhood in Serbia is nothing new. During the siege of Sarajevo, when Serb forces ringed the city with artillery and routinely killed its civilians, Belgrade television reported that Bosnian Muslims were laying siege to themselves. "The Serbs continue to defend their centuries-old hills about Sarajevo," and Radio-Television Serbia.

To shatter this Looking Glass victimhood, Ms. Biserko offers a prescription: Indictment of Mr. Milosevic by the War Crimes Tribunal. A military defeat of Serbia and demilitarization of the country. Highly publicized trials that will force Serbs to confront the savagery committed in their name. A Western takeover of the mass media, with strict prohibitions against the dissemination of extreme Serb nationalism. A Marshall Plan for the Balkans.

Asked why the West should be willing to undertake an occupation that would risk many lives, cost billions and take years, Ms. Biserko shrugged: "What other choice is there?"

"The Western world has lost its political instinct," she said. "To bring substance to the ideals of human rights, at some point you must be willing to commit troops."

But could the occupation of Serbia work? Could it break the cycle of violence? Two prominent historians believe it could, if done properly.

"The key in Japan was unconditional surrender," said John W. Dower, a professor of history at the Massachusetts Institute of Technology and author of "Embracing Defeat: Japan in the Wake of World War II." "The Americans went in and they did everything. They had a major land reform. They abolished the military, simply got rid of it. They drafted a new constitution. This is what you can do when you have unconditional surrender."

Mr. Dower was struck by the eagerness with which a defeated people welcomed reform. "In Japan the average person was really sick of war and I think that would be the case in Yugoslavia," he said. "The Americans cracked open a repressive military system and the people filled the space."

The occupation of Germany also suggests ways of dealing with Yugoslavia, according to Thomas Alan Schwartz, a historian at

Vanderbilt and author of "America's Germany."

"When Germany was totally defeated, it provided opportunity," he said. "You could be physically there, controlling the flow of information and using war-crime trials to show the Germans that atrocities were done in their name."

Without something similar in Serbia, Mr. Schwartz said, "We can look forward to more trouble in Serbia."

"What reminds me of Germany is the comparison to the end of World War I," he added. "Then, the Germans had this powerful sense of being victims. There was a deep resentment that Hitler was able to exploit. It will be the same in Serbia when NATO bombing stops."

The Japan and German analogies, of course, are flawed. Those major-league powers ravaged a part of the world that America cared about. Occupation was nothing less than emergency triage for the worst violence in history.

Mr. Milosevic, by comparison, is small potatoes. He leads a minor-league country that periodically lays waste to poor, unpronounceable, strategically irrelevant places. Pristina is not Paris.

There is, though, an inkling that the West has begun to try for a solution. In Bosnia, 32,000 NATO-led troops and High Commissioner Carlos Westendorp are even now doing the hard, slow, complex work of healing that country.

Mr. Westendorp has not attempted a Japan-style remake of the Serb-populated half of Bosnia (just as nobody has tried to do that in neighboring Croatia, with its own accomplishments in ethnic cleansing). The indicted war criminals Radovan Karadzic and Ratko Mladic have not been hunted down. Radical Serb parties have not been banned. But tough action is being taken. Mr. Westendorp ordered radical Serb nationalists out of state television. He has fired the nationalist zealot who was elected the Bosnian Serbs' president. If Serbs violently object to what the peacekeepers do, NATO-led forces shoot to kill.

In a recent interview in Sarajevo, Mr. Westendorp said most Bosnian Serbs are cooperating because they are sick of war. It will take time, he said, but the West has enough money and muscle in Bosnia to extinguish the will to war. The one insoluble problem, he said, was the leader in Belgrade. "If getting rid of Milosevic fails," he said, "then everything fails."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WOLF) to revise and extend his remarks and include extraneous material:)

Mr. JONES of North Carolina, for 5 minutes, today.

ADJOURNMENT

Mr. WOLF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 11, 1999, at 12:30 p.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS,
ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1949. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Bifenthrin; Extension of Tolerance for Emergency Exemptions [OPP-300852; FRL-6077-5] (RIN: 2070-AB78) received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1950. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fluroxypyr 1-Methylheptyl Ester; Extension of Tolerance for Emergency Exemptions [OPP-300845; FRL-6073-7] (RIN: 2070-AB78) received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1951. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Sulfosate; Pesticide Tolerance [OPP-300849; FRL-6076-1] (RIN: 2070-AB78) received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1952. A letter from the Secretary of Defense, transmitting the FY 1998 Cooperative Threat Reduction (CTR) Multi-Year Program Plan which describes proposed program activities to facilitate weapons destruction and nonproliferation in the former Soviet Union (FSU); to the Committee on Armed Services.

1953. A letter from the Secretary of Defense, transmitting a report that it intends to obligate up to \$57.7 million of FY 1998 funds to implement the Cooperative Threat Reduction Program; to the Committee on Armed Services.

1954. A letter from the Chairman, Federal Financial Institutions Examinations Council, transmitting the 1998 Annual Report, pursuant to 12 U.S.C. 3305; to the Committee on Banking and Financial Services.

1955. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Use of Alternative Dispute Resolution—received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1956. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits—received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1957. A letter from the Secretary of Health and Human Services, transmitting a report to Congress on the Native Hawaiian Revolving Loan Fund (NHRLF) for Fiscal Years 1995 through 1997; to the Committee on Education and the Workforce.

1958. A letter from the Procurement Executive, Department of Commerce, transmitting the Department's final rule—Commerce Acquisition Regulation; Agency Protest Procedures [Docket No. 990127035-9035-01] (RIN: 0605-AA15) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1959. A letter from the Attorney Advisor, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; Roof Crush Resistance [Docket No. NHTSA-99-5572; Notice 3] (RIN: 2127-AF40) received April 22, 1999, pur-

suant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1960. A letter from the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants for Source Categories: Organic Hazardous Air Pollutants from the Synthetic Organic Chemical Manufacturing Industry and Other Processes Subject to the Negotiated Regulation for Equipment Leaks; Technical Amendments [AD-FRL-6330-3] (RIN: 2060-AC19) received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1961. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Over-The-Counter Human Drugs; Labeling Requirements; Correction [Docket Nos. 98N-0337, 96N-0420, 95N-0259, and 90P-0201] (RIN: 0910-AA79) received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1962. A letter from the Secretary of Health and Human Services, transmitting the 1998 Annual Report on the National Institute of Child Health and Human Development (NICHD) Contraception and Infertility Research Load Repayment Program (CIR-LRP); to the Committee on Commerce.

1963. A letter from the Director, Office of Congressional Affairs, U.S. Nuclear Regulatory Commission, transmitting the Commission's final rule—Conformance to National Policies For Access to and Protection of Classified Information (RIN: 3150-AF97) received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1964. A letter from the Chief Counsel (Foreign Assets Control), Department of the Treasury, transmitting the Department's final rule—Iranian Transactions Regulations: Implementation of Executive Order 13059—received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

1965. A letter from the Director, U.S. Trade and Development Agency, transmitting the Agency's annual audit to Congress; to the Committee on International Relations.

1966. A letter from the General Counsel, United States Information Agency, transmitting the Agency's final rule—Exchange Visitor Program—received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

1967. A letter from the Chairman, U.S. Parole Commission, Department of Justice, transmitting a copy the report of the Consumer Product Safety Commission in compliance with the Government in the Sunshine Act during the calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

1968. A letter from the Assistant Attorney General for Administration, Department of Justice, transmitting the Department's final rule—Exemption of Records System Under the Privacy Act [AAG/A Order No. 159-99] received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1969. A letter from the Executive Director, Federal Labor Relations Authority, transmitting the Authority's final rule—Revision of Freedom of Information Act Regulations—received April 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1970. A letter from the Comptroller General of the United States, General Accounting Office, transmitting a monthly listing of new investigations, audits, and evaluations; to the Committee on Government Reform.

1971. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a re-

port on the Commission's Fiscal Year 1998 Accountability Report, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

1972. A letter from the Chairman, U.S. Merit Systems Protection Board, transmitting the annual statistical report of the U.S. Merit Systems Protection Board, Cases Decided by the U.S. Merit Systems Protection Board, Fiscal Year 1998; to the Committee on Government Reform.

1973. A letter from the Acting Director, Office of Sustainable Fisheries, Department of Commerce, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod for Vessels Using Hook-and-line and Pot Gear in the Bering Sea and Aleutian Islands [Docket No. 990304063-9063-01; I.D. 041599A] received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1974. A letter from the Secretary of Transportation, transmitting the Department's annual report on the National Transportation Safety Board's (NTSB) Recommendations to the Secretary of Transportation for Calendar Year (CY) 1998; to the Committee on Transportation and Infrastructure.

1975. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty: Requirements for Interest Rate Reduction Refinancing Loans (RIN: 2900-A192) received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

1976. A letter from the Secretary of Labor, transmitting the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) Annual Report to Congress for Fiscal Year 1998; to the Committee on Veterans' Affairs.

1977. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Firearms and Ammunition Excise Taxes, Parts and Accessories (97R-1457P) [T.D. ATF-404; Ref: Notice No. 836] (RIN: 1512-AB49) received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1978. A letter from the Secretary of Health and Human Services, transmitting the first report from the Multi-site Evaluation of the Welfare-to-Work Grants Program, "Early Implementation of the Welfare-to-Work Grants Program: Report to Congress"; to the Committee on Ways and Means.

1979. A letter from the Secretary of Health and Human Services, transmitting a report entitled "Chiropractic Services in Medicare HMOs and MedicareChoice (MC) Organizations"; jointly to the Committees on Commerce and Ways and Means.

1980. A letter from the Director, Office of Management and Budget, transmitting the annex on domestic preparedness to the report on government-wide spending to combat terrorism; jointly to the Committees on Armed Services, the Judiciary, and Transportation and Infrastructure.

REPORTS OF COMMITTEES ON
PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 150. A bill to amend the Act popularly known as the Recreation and Public Purposes Act to authorize disposal of certain public lands or national forest lands to local education agencies for use for elementary or secondary schools, including public

charter schools, and for other purposes; with amendments (Rept. 106-132). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on Science. H.R. 1550. A bill to authorize appropriations for the United States Fire Administration for fiscal years 2000 and 2001, and for other purposes; with an amendment (Rept. 106-133). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

[The following action occurred on May 7, 1999]

Pursuant to clause 5 of rule X, the Committee on Small Business discharged from consideration of H.R. 775.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Pursuant the order of the House on May 5, 1999 the following report was filed on May 7, 1999]

Mr. HYDE: Committee on the Judiciary. H.R. 775. A bill to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes, with an amendment; referred to the Committee on Commerce for a period ending not later than May 11, 1999, for consideration of such provisions of the introduced bill as fall within the jurisdiction of that committee pursuant to clause 1(f), rule X (Rept. 106-131, Pt. 1).

[Pursuant the order of the House on May 6, 1999 the following report was filed on May 7, 1999]

Mr. GOSS: Permanent Select Committee on Intelligence. H.R. 1555. A bill to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with an amendment; referred to the Committee on Armed Services for a period ending not later than May 11, 1999, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(c), rule X (Rept. 106-130, Pt. I).

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

[The following action occurred on May 7, 1999]

H.R. 775. Referral to the Committees on Small Business and Commerce extended for a period ending not later than May 11, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CALVERT:

H.R. 1742. A bill to authorize appropriations for fiscal years 2000 and 2001 for the en-

vironmental and scientific research, development, and demonstration programs, projects, and activities of the Office of Research and Development and Science Advisory Board of the Environmental Protection Agency, and for other purposes; to the Committee on Science.

By Mr. CALVERT:

H.R. 1743. A bill to authorize appropriations for fiscal years 2000 and 2001 for the environmental and scientific and energy research, development, and demonstration and commercial application of energy technology programs, projects, and activities of the Office of Air and Radiation of the Environmental Protection Agency, and for other purposes; to the Committee on Science.

By Mrs. MORELLA:

H.R. 1744. A bill to authorize appropriations for the National Institute of Standards and Technology for fiscal years 2000 and 2001, and for other purposes; to the Committee on Science.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

55. The SPEAKER presented a memorial of the House of Representatives of the State of Maine, relative to H.P. 1492, urging and requesting that the United States Congress remove the requirement in the Clean Air Act for 2%-by-weight oxygenate in reformulated gasoline so that additional alternate fuel mixtures may be available for use in Maine; to the Committee on Commerce.

56. Also, a memorial of the House of Representatives of the State of Maine, relative to H.P. 1469 requesting that the President of the United States and the United States Congress work together to support and sign legislation to allow the states to keep their tobacco settlement funds; to the Committee on Commerce.

57. Also, a memorial of the House of Representatives of the State of Texas, relative to House Concurrent Resolution No. 9 respectfully urging the Congress of the United States not to make federal claims against the proceeds of the Texas tobacco settlement; to the Committee on Commerce.

58. Also, a memorial of the House of Representatives of the State of Maine, relative to H.P. 1388 requesting the President of the United States and the United States Congress to ratify the United Nations Convention on the elimination of All Forms of Discrimination Against Women; to the Committee on International Relations.

59. Also, a memorial of the House of Representatives of the State of Maine, relative to H.P. 1373 requesting the President of the United States and the United States Congress to ratify the United Nations Convention on the Rights of the Child; to the Committee on International Relations.

60. Also, a memorial of the House of Representatives of the State of Kansas, relative to House Concurrent Resolution No. 5017 urging Congress to direct the EPA to immediately initiate appropriate administrative rulemaking to ensure that the policies and standards it intends to apply in evaluating pesticide tolerances are subject to thorough public notice and comment prior to final tolerance determinations being made by the

agency; jointly to the Committees on Agriculture and Commerce.

61. Also, a memorial of the General Assembly of the State of North Dakota, relative to Senate Concurrent Resolution No. 4053 urging the Congress of the United States to act quickly to fulfill its obligation under the Internet Tax Freedom Act with regard to balanced membership of the Advisory Commission on Electronic Commerce and urges the Advisory Commission on Electronic Commerce to be mindful in its deliberations of the impact of Internet usage and Internet sales transactions on telecommunications, traditional retail businesses, and the state and local tax bases; jointly to the Committees on Commerce and the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 363: Mr. GORDON.
H.R. 637: Ms. BERKLEY.
H.R. 716: Ms. MCKINNEY.
H.R. 753: Ms. KILPATRICK.
H.R. 761: Mr. SANDLIN.
H.R. 775: Mr. HOUGHTON, Mr. KOLBE, and Mr. CAMP.
H.R. 811: Mr. BROWN of California.
H.R. 826: Mrs. MALONEY of New York.
H.R. 827: Mr. HOFFEL and Mr. PHELPS.
H.R. 960: Ms. MCKINNEY and Mr. DIXON.
H.R. 985: Mr. MCCREY and Mr. BALLENGER.
H.R. 1071: Mr. GEPHARDT.
H.R. 1248: Mr. RODRIGUEZ, Mr. BAIRD, Mr. HINOJOSA, Mr. BONIOR, Mr. HOFFEL, Ms. DELAURIO, and Mrs. MINK of Hawaii.
H.R. 1286: Mr. MASCARA.
H.R. 1299: Mr. THOMPSON of Mississippi.
H.R. 1447: Ms. KILPATRICK.
H.R. 1476: Mr. ENGEL.
H.R. 1484: Mr. FROST and Mr. VENTO.
H.R. 1496: Mr. GRAHAM, Mr. LAFALCE, Mr. FROST, Mr. SMITH of Michigan, and Mr. CHAMBLISS.
H.R. 1532: Mr. CONYERS, Mr. BARCIA, Ms. KILPATRICK, and Mr. VISCLOSKY.
H.R. 1691: Mr. BENTSEN, Mr. SPRATT, Mr. HEFLEY, Mr. BACHUS, Mr. HALL of Texas, Mr. MCKEON, and Mr. TAYLOR of North Carolina.

PETITIONS, ETC.

Under clause 3 of rule XII,

13. The SPEAKER presented a petition of Board of Supervisors, relative to Resolution 231-99 supporting a one-time shift of the New Years Day federal holiday from December 31, 1999 to January 3, 2000, provided that the fiscal impact on the City would be negligible; to the Committee on Government Reform.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petition:

Petition 1 by Mr. TURNER on House Resolution 122: Robert C. Scott and Michael F. Doyle.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE **106th** CONGRESS, FIRST SESSION

Vol. 145

WASHINGTON, MONDAY, MAY 10, 1999

No. 66

Senate

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Father, thank You for the gift of hope that is the anchor of our souls. We can ride out the storms of life knowing our anchor of hope is sure. How good it is to begin the work of a new week with this vibrant quality of expectation. Our hope is held fast in Your promises. You do not send trouble, but You do work out Your plans for us in spite of the difficulties we face. Our confidence is that You have chosen us to do Your work. We choose to be chosen. We claim Your promise to provide us with exactly what we need in every challenge, complexity, or conflict. We commit ourselves and our work to You.

Bless the Senators with an acute awareness of Your presence, an availability to respond to Your guidance, and an accountability to You alone for how they will exercise the authority You have entrusted to them. Dear God, we report in for duty. And now we join with the whole Senate family in expressing gratitude for the life and leadership of Senator JOE BIDEN as he celebrates 10,000 votes as a Senator. Through our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Maine is recognized. Ms. COLLINS. I thank the Chair.

SCHEDULE

Ms. COLLINS. Today the Senate will be in a period of morning business until 2 p.m. There will be no rollcall votes during today's session of the Senate. Under the previous order, the Senate will begin consideration of S. 254, the

juvenile justice bill, at 9:30 a.m. tomorrow. It is hoped significant progress will be made on that bill, and therefore Senators should expect votes after 2:15 p.m. during Tuesday's session of the Senate. I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m. with the time equally divided between the majority leader or his designee and the minority leader or his designee, with Senator COLLINS permitted to speak therein for not to exceed 15 minutes utilizing the majority time.

The distinguished Senator is recognized.

Ms. COLLINS. I thank the Chair.

BIOMASS ENERGY EQUITY ACT

Ms. COLLINS. Mr. President, last Thursday, I introduced the Biomass Energy Equity Act of 1999. I was pleased to be joined by Senator BOXER, my colleague from California, as an original cosponsor. This legislation makes a common-sense change to the renewable energy production tax credit by expanding it to include additional types of biomass plants. I would like to take a few minutes now to discuss the need for this important bill and to describe what it would do.

Simply put, biomass energy production uses combustion to turn wood and organic waste into energy in an environmentally sound process. Biomass takes a public liability, organic waste, and converts it into a public asset, energy.

The renewable energy production tax credit enacted in 1992 provides incentives to the solid-fuel biomass and wind energy industry to develop economically viable and environmentally responsible renewable sources of electricity. In enacting that legislation, Congress recognized that biomass energy offers substantial environmental benefits, specifically a reduced dependence on oil and coal, a desirable alternative to open field burnings and the landfilling of organic material, and a net reduction of greenhouse gas emissions.

Unfortunately, an error was made that nullified the potential societal benefits that incentives for biomass energy production offers. The 1992 act narrowly defined an eligible biomass facility as including only so-called closed-loop biomass facilities. Closed-loop biomass is a hypothetical form of electricity generation where the fuel is planted, grown, and harvested specifically and solely for the fuel of the power plant. Not only does this definition rule out the significant environmental benefit of disposal of organic waste otherwise destined for a landfill or to be field-burned, but also this scenario is not feasible and therefore remains unused. Since the biomass tax credit was passed, no taxpayer, not one, has taken advantage of the tax benefit. Simply put, the closed-loop tax credit is not a sufficient incentive to develop a costly "fuel plantation," which entails large-scale land purchases, property taxes, and growing material for the sole purpose of burning it. By demanding that newly grown material be used rather than organic waste, the closed-loop biomass definition flies in the face of the commonly accepted environmental principle that products should be put to as many "highest value" uses as possible.

Mr. President, several states, including Maine, are deregulating their energy industries. Starting March 1, 2000, electricity consumers in Maine will be

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



Printed on recycled paper.

S4937

able to shop for electricity as they now shop for long-distance telephone service.

While the specifics remain very much up in the air, the country is progressing toward restructuring electricity generation and distribution. While there are many clear economic benefits to a deregulated energy market, without incentives like the one I am proposing, green, renewable energy production like biomass is unlikely to be able to survive in deregulated market.

The legislation that I have introduced would expand the eligibility of the biomass tax credit to include conventional biomass plants. This legislation is designed to encourage a source of energy generation that offers substantial air quality, waste management, and greenhouse gas reduction benefits. The national biomass industry currently uses over 22,000,000 tons of wood waste a year. The waste the biomass industry converts into energy otherwise would be disposed of in one of three ways: burned in an open field, which generates pollution not energy; landfilled, where it fills limited landfill space and biodegrades, emitting methane, carbon dioxide, and other gases, or left in the woods or fields, increasing the risk and severity of forest fires.

The air quality benefits of biomass energy are of particular importance. According to the Northeast States for Coordinated Air Use Management, an organization of all the Northeastern States Air Quality Bureaus, biomass energy produces less nitrogen oxide than biomass alternatives, and furthermore, it generates virtually no sulfur dioxide, particulate matter, or mercury. Biomass energy production also results in a net reduction of greenhouse gases, as I have previously stated.

In addition to their environmental benefits, biomass plants contribute to the economy of many rural towns throughout America. Because of their dependence on organic waste, biomass facilities are usually located in rural areas where they are often important engines of economic growth. For example, in the small town of Sherman, ME, a biomass facility provides 56 percent of the property tax base. It also directly employs 23 individuals and indirectly provides work for hundreds of truck drivers, wood operators, mill workers and maintenance contractors.

In another small town of Maine, Athens, ME, a biomass facility provides a third of that small town's tax base and directly employs 20 people, while supporting a local wood operator who, in turn, employs 40 people.

The point is, the economy in many of the small towns in Maine, in towns such as Livermore, Ashland, Greenville, Fort Fairfield, Stratton and West Enfield benefit considerably from these biomass facilities. In total, there are over 100 biomass facilities in the United States, representing an investment in excess of \$7 billion. These fa-

cilities contribute jobs, property taxes and a disposal point for waste products. In addition, rural biomass facilities also provide ash for use by local farmers, reducing their purchases of lime. I understand there is regularly more demand for the ash produced by these biomass plants than there is supply.

With biomass energy production, nothing is wasted. Biomass turns waste products—the byproducts of timber, paper or farming operations—into needed energy, wasting nothing. Even the ash is returned to the Earth to grow organic matter yielding both crops and waste to generate still more electricity.

We in Congress often discuss ways to help rural America. I know that is of great concern to the Presiding Officer. This proposal offers an opportunity to do so in a way that not only benefits the economy of small towns in rural America but also in a way that generates considerable environmental benefits that we all can enjoy.

This measure makes both economic and environmental sense. I urge my colleagues to join me in supporting this important legislation and working for its passage.

Thank you, Mr. President. I yield the floor.

ORDER OF PROCEDURE

Mr. DORGAN. Mr. President, I ask unanimous consent that I be recognized for 15 minutes following the presentation of the Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. DORGAN. Mr. President, I ask unanimous consent that Anthony Blaylock be granted the privilege of the floor during morning business this morning.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oregon.

Mr. WYDEN. Thank you, Mr. President.

JUVENILE VIOLENCE

Mr. WYDEN. Mr. President, this is going to be an important week in the Senate. I am very glad there is going to be a discussion—a long overdue discussion—on juvenile violence and steps that can be taken to prevent it in our country.

BOOK SELLING IN AMERICA

Mr. WYDEN. Mr. President, I turn for a few minutes this morning to an issue that many Senators may not have heard much about but one that has great implications for the consumer, for intellectual freedom and the quality of life in our communities across the country.

The issue I intend to focus on specifically is the proposed acquisition by

Barnes & Noble of the Ingram book company. The price tag on this acquisition is \$600 million, and it involves the Nation's largest bookstore chain, Barnes & Noble, joining forces with the Ingram book company, the world's largest book distributor.

I am concerned that this deal will give Barnes & Noble a competitive stranglehold on the bookselling business in America. That is why last November I asked the Federal Trade Commission to investigate this proposed acquisition. Based on information I have learned in the last few days, I believe the Federal Trade Commission will soon make a decision on this proposed acquisition. I am very hopeful that when the Federal Trade Commission comes down with that decision, they will come down foursquare for the consumer.

Right now across this country, thousands and thousands of Americans have stopped at small bookstores to sign petitions urging that this proposed acquisition be blocked. In fact, there is a special phone line at the Federal Trade Commission because there has been such a tidal wave of interest on this specific proposal. I will briefly outline this morning what I find troubling about this proposed deal.

For a small bookstore, if this acquisition goes forward, they will have to depend on a megastore for the products they sell. The new bookstore colossus, with Barnes & Noble coming together with Ingram, will essentially have a huge competitive advantage that could work to cause great hardship for small bookstores in our country. Because the Ingram Company has information about sales and volume and ordering habits of small bookstores, is the new megastore going to use that information in a fair way? I am very concerned about it, but I can tell you that small bookstores across this country are very troubled when it comes to getting fair access to the titles they need, when it comes to how that information which Ingram has, that will be part of the new operation with Barnes & Noble, is used. I can tell you that small bookstores across this country believe this issue is literally one of life and death for them.

Second, I am concerned about issues relating to intellectual freedom. My concern is that with this deal and the potential that there will be just a handful of big bookstores in our country dominating the Nation, what they will stock are largely the best sellers.

I have had some experience with this. My father, who passed away, was an author and had a small publishing company. He said there is always room at the big stores in titles involving sex and drugs and rock and roll.

But I am concerned about what is going to happen when we have just a handful of these megastores, whether we are going to see intellectual freedom prosper and those titles that are not always on the best seller list accessible the way they are today.

Third, I am concerned about the vitality of our communities. These small bookstores in so many of our communities do more than just sell books. Yes, they sell publications and they make it possible for young people in rural America and inner cities and others to have a comfortable place to learn, but they are also a huge addition to Main Street in so many parts of rural Oregon and, I am sure, in Kansas where the Presiding Officer resides. Having been born in Wichita, we have talked before about life in rural America.

I do not want to see those small bookstores becoming part of the Main Street of yesteryear in rural America. I am very concerned that if this proposed merger goes forward, as it is currently structured, it really will put a hardship on a lot of main streets in rural communities and will diminish the vitality of many of those towns.

I admit to growing up a bit skeptical of some of these large megastores. As I said, my dad was an author, and I spent a lot of Sunday afternoons going through some of those megastores with my dad trying to persuade them to put one of his titles that did not fit their view of what was popular up close, up close to where the consumers were when they stopped to browse in the window. My father was concerned about the concentration of economic power in the bookselling business.

I tell you, I think this deal, if it goes forward as structured, will confirm a lot of the worries that my dad and others like him have had about our country and where the bookselling business is going.

Finally, I think we all understand that the bookselling business has changed certainly on the Internet. The Presiding Officer has worked with me on legislation which has been important to me such as the Internet Tax Freedom Act.

The Internet has changed the bookselling business. There is no question about the fact that with Amazon.com and others in the business of selling books on line, the business has changed very dramatically. But I do not buy the idea that Barnes & Noble had to merge with Ingram in order to take on Amazon. I do not buy that idea at all.

I think there is a role in our country for a variety of ways for consumers to order publications. I think there is an important place for the small bookstore, especially because of the contributions they make to main streets in rural communities and inner cities. I certainly do not want to hold back on-line shopping. That is why I was a principal sponsor in the Senate of the Internet Tax Freedom Act. So I do not take a back seat to anybody in terms of trying to ensure that we take advantage of all the technological innovations that are available for the consumer.

What concerns me about this proposal is that a lot of small bookstores

are not going to be able to survive. A lot of small bookstores are going to find it difficult to survive if Barnes & Noble has proprietary information about them, about their volume, about their sales practices, about the way they do business, and if that information is used against small bookstores.

So I believe the Federal Trade Commission has in front of it an issue of extreme importance, one which will dramatically affect intellectual freedom, one which has great implications for antitrust policy and the consumer, one which will be vital to the well-being of communities and main streets across this country. I believe the Federal Trade Commission is going to rule soon on this proposed acquisition. I believe they are going to act in the interest of the consumer. I appreciate the opportunity to bring the Senate up to date on this important economic matter.

I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from North Dakota.

FAMILY FARMERS

Mr. DORGAN. Mr. President, I come to the floor briefly today to talk about two issues. First, tomorrow the appropriations conference begins between the House and the Senate on the emergency supplemental appropriations bill. That includes specifically the President's request for emergency appropriations to be made for some agricultural spring planting loans, some emergency appropriations to be made for the purpose of helping the victims of Hurricane Mitch in Central America, and then since that time the President has made new recommendations on emergency funding for the Defense Department needs as a result of the actions in Kosovo.

The House of Representatives took a request by President Clinton for nearly \$6 billion in added funds for the military especially, but including some humanitarian relief for the actions in Kosovo, and added to that \$6 billion of emergency funding nearly \$7 billion more, to reach a total of close to \$13 billion in emergency funding.

A number of us believe that, while we are on the subject of emergencies and in a supplemental appropriations conference, it would be inappropriate to add \$7 billion to the defense budget for emergency needs relating to Kosovo—although some of it has very little relationship to Kosovo, it has a relationship to what is called "readiness" in defense accounts and other things—that it would be inappropriate to consider that without considering other emergency needs here at home on the domestic front. One of those is agriculture.

The plight of the family farmer in this country has been pretty well described by myself and others on the floor of the Senate in recent months. The Congress did some emergency work last fall to provide some income support to family farmers above and

beyond the current farm bill. But it is not nearly enough.

We now come to May of 1999, at a time in which prices for many commodities in agriculture, in constant dollars, are at Depression level, and we are going to lose thousands, tens of thousands, perhaps hundreds of thousands, of family farmers if we decide to do nothing. Tomorrow's conference between the House and Senate may be the only opportunity that exists this year to provide support for emergency funding, to add some income price support to family farmers, which they desperately need.

This chart shows what is happening in rural America. This map shows counties marked in red which are being depopulated in our country. These are counties that have lost at least 10 percent of their population in the last 18 years. You can see on this map the large red area that shows the middle of this country—the farm belt—is being depopulated, people are leaving.

Why are people leaving the farm belt in droves, and especially now in more recent years? Why are people leaving their family farms, leaving the farm belt, and leaving rural counties? The answer is, family farmers cannot make a living when they produce grain and then have to sell it at a price far below their cost of production. It does not work that way. You go broke. Bad trade agreements, concentration in agricultural industries—there are a whole series of reasons—but the central reason, it seems to me, is low prices. If you do not get a decent price for that which you produce, you are not going to be able to make a decent living.

The question for this country is, What kind of price supports are available to farmers when market prices collapse? Every one of us in this Chamber would prefer that farmers received their prices from the marketplace. But when the marketplace collapses, farmers load a couple hundred bushels of wheat on their trucks, drive to the elevators, are told that wheat has no value, or has very little value, then the question for Congress is, Do we want family farmers in our future? And, if we do, What kind of income support are we willing to offer to create a bridge over that price valley when prices collapse?

The largest enterprises, the big agri-factories, will make it across that valley. They are big enough, strong enough, have the financial resources to make it across that price valley. It is the family farmer who will not make it. So the question for the Congress is, Do we care about family farming? And, if we do, what can we do to provide some income support when prices collapse?

A number of us will offer, during this deliberation in the conference between the House and the Senate on emergency needs, a proposal to restore some emergency funding to family farmers. There are lots of ways of doing that. I have my own feeling about how to do

it. Senator HARKIN and I, along with Senator CONRAD and others—Senator HARKIN and I, incidentally, will be in the conference tomorrow, are prepared to offer some proposals to deal with emergency needs, it is not just the Defense Department that has emergency needs, family farming is in a full-scale emergency in this country.

This Congress must take steps to save it. Tomorrow, again, Senator HARKIN, myself and some others in the conference on appropriations, of which Senator HARKIN and I are conferees, intend to raise this question in a very forceful way and push very aggressively for action on an emergency basis with our colleagues.

Republican and Democrat colleagues here in this Chamber understand that we face a very serious problem. All of my colleagues who come from the farm belt have said the same thing. Family farmers are in trouble. There is no disagreement about that. There might be some disagreement about the mechanism by which we address this question, but I think everyone here, with whom I share the long-term interests of the welfare of family farming, believes that we need, during periods of collapsed prices, to provide some income price support. The question is how do we do that. My hope is the first step will be tomorrow during the conference that we have with the House of Representatives.

KOSOVO

Mr. DORGAN. Mr. President, if I may address one additional issue, this deals with Kosovo and Mr. Milosevic. There was a piece published in the Washington Post on Sunday, written by Mark S. Ellis, that I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks on Kosovo.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DORGAN. The piece by Mr. Ellis is entitled "Non-Negotiable, War Criminals Belong in the Dock, Not at the Table."

I wanted to bring this piece to the attention of my colleagues because Mr. Ellis says it well. He points out that we are at a time and a place, dealing with Mr. Milosevic in Kosovo, when it is all of our responsibilities to bring Mr. Milosevic to justice.

Some would say, well, how do you arrest someone who is not accessible to you? It doesn't matter, as far as I am concerned, whether it's possible to apprehend and arrest him. We have a responsibility in this case, just as I felt we did in the case of Saddam Hussein, to make the case against these leaders for the war crimes they have committed and to bring them to trial before an international tribunal, try them, and, hopefully, convict them as war criminals. To not do that, it seems to me, will be to continue to have to deal with people who have committed

genocide and war crimes that have brought unspeakable horror to the people of Kosovo, and to continue to have to deal with them in the future.

I know some in this country and elsewhere say the problem is, if you push aggressively to try Mr. Milosevic as a war criminal and ultimately have to negotiate with him some sort of negotiated settlement in the Balkans, it is very hard to negotiate with someone you have identified as a war criminal. That is a lot of psychobabble, as far as I am concerned.

We have already decided this fellow is a war criminal by virtue of our actions in NATO. NATO decided that the genocide and ethnic cleansing that were occurring in Kosovo could not be allowed to stand.

I think it might be useful to read through a list of some of the allegations. By no means is this a definitive list, it is just a small sliver: the village of Goden, the execution of 20 men and then the burning of the entire village; Malakrusa, 112 men shot and their bodies burned; Pastasel, 70 ethnic Albanian bodies discovered; Pec, at least 50 ethnic Albanians killed and buried in their own yards; Podujevo, the execution of 200 military age men and 90 percent of the village burned as well; summary execution; robbery; rape; forced expulsion.

We now have seen the march of nearly 1 million people displaced from their homeland, villages burned, looted, and plundered. One refugee said, "16 special policemen appeared shooting their automatic weapons in the air. Two families had strayed from the group and the Serbs opened fire, killing every member of both families, except for a 2-year-old boy who had been protected by his mother. She hid the baby in front of her and saved him. I saw this with my own eyes," this refugee said, "maybe 150 feet from me."

In 1992, Secretary of State Eagleburger publicly identified Mr. Milosevic as a war criminal; 1992, 7 years ago. Mr. Eagleburger is one of the most respected foreign policy thinkers in our country. He said Mr. Milosevic was a war criminal in 1992. What does that mean, to say someone is a war criminal or for our country to allege someone is a war criminal, if we decide to do nothing about it, if an international tribunal exists by which someone can and should be tried but we decide, no, we don't really want to do that in the face of mass executions, in the face of ethnic cleansing? We say we really don't want to do that because we may need to negotiate a settlement to this conflict.

It was a mistake not to go to an international tribunal and convict Saddam Hussein as a war criminal so that forever after he would be branded a war criminal. He is now, many years later, of course, still running Iraq. He does not have the stigma of having been convicted in absentia as a war criminal. He should have. The same, in my judgment, is true of Mr. Milosevic.

To read a paragraph from Mr. Ellis's wonderful piece in the Washington Post, he said:

When I watched the bus loads of new arrivals enter Stenkovec camp, I saw a small girl's face pressed against the window. Her hollow eyes seemed to stare at no one. History was being repeated. In his opening statement at the Nuremberg trials in 1945, U.S. chief prosecutor Robert H. Jackson said, "The wrongs which we seek to condemn and punish have been so calculated, so malignant, and so devastating that civilization cannot tolerate their being ignored because it cannot survive their being repeated." Jackson was expressing the hope that law would somehow redeem the next generation that similar atrocities would never again be allowed. Today, we must hold personally liable those individuals who commit atrocities in the former Yugoslavia. To negotiate with the perpetrators of these crimes not only demeans the suffering of countless civilian victims, it sends a clear signal that justice is expendable, that war crimes can go unpunished. Inevitably, lasting peace will be linked to justice, and justice will depend on accountability. Failing to indict Milosevic in the hope that he can deliver a negotiated settlement makes a mockery of the words "Never Again."

I am not an expert in this region. I have been to Yugoslavia, when it was Yugoslavia. I sat at an outdoor restaurant on a beautiful evening and watched wonderful people, just like my neighbors in Regent, ND, just like North Dakotans or Kansans or other folks, and it occurred to me that it was a wonderful country with a lot of wonderful people. Of course, we now know that what has happened as a spark occurs in an area, and Mr. Milosevic follows up the spark with ethnic cleansing, producing a calamity. We see the horrors inflicted on people, in some cases by their previous neighbors, that you would have thought unthinkable. Something is dreadfully wrong when the rest of the world allows a dictator like Mr. Milosevic to inflict ethnic cleansing and the kind of horror he has inflicted on the people of Kosovo.

That is why NATO and the United States have engaged in airstrikes. It is why all of us hope this conflict ends soon and that Kosovars are returned to their homes. Also, Mr. Milosevic, at least from my standpoint, should be brought before an international tribunal and tried even in absentia, if necessary, as a war criminal and convicted as a war criminal to send a signal to the world that this new world order will not allow this to go unpunished.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Washington Post, May 9, 1999]
NON-NEGOTIABLE, WAR CRIMINALS BELONG IN
THE DOCK, NOT AT THE TABLE
(By Mark S. Ellis)

Just a few weeks ago, I stood among a sea of 20,000 desperate people on a dirt airfield outside Skopje, Macedonia, listening to one harrowing story after another. I had come to the Stenkovec refugee camp to record those stories and to help set up a system for documenting atrocities in Kosovo.

As I collected their accounts of rape, torture and executions at the hands of Serbian troops, I was struck by the refugees' common yearning for justice. They wanted those

responsible for their suffering to be held accountable. Their anger was not only directed at the people they had watched committing such savagery, but at the Political leaders—and Yugoslav President Slobodan Milosevic in particular—who had orchestrated the misery and continue to act with impunity.

The means exist to hold Milosevic and his underlings accountable. In recent weeks, there have been calls from members of Congress for his indictment by the International Criminal Tribunal for the Former Yugoslavia, and Undersecretary of State Thomas Pickering has said that the United States is gathering evidence that could lead to his indictment. And there is plenty of evidence. In the Kosovo town of Djakovica, for example, residents carefully documented the Serbian barbarity for investigators, recording the details of each murder, each rape, each act of violence, before they fled the city. The time has come to act on the testimony of these and other witnesses.

To do so, of course, flies in the face of last week's much-ballyhooed optimism about reaching a negotiated settlement with Milosevic. However eager the Clinton administration might be to reach a political and diplomatic solution, we should remember that those who have recently suffered under Serbian attacks reject outright the notion that justice must sometimes be forfeited for the sake of diplomatic expediency. During the Bosnian conflict, accountability was sacrificed on the dubious premise that negotiating with someone who is widely regarded as a war criminal is a legitimate exercise in peace-making. We shouldn't make that mistake a second time around. Milosevic's broken promises still echo among the charred ruins and forsaken mass grave sites that define the landscape of Bosnia.

If Milosevic had been indicted for the mass killings and summary executions that the Bosnian Serbs—with backing from Serbia—are accused of carrying out, would he have acted so brazenly to "cleanse" Kosovo of its ethnic Albanians? Nobody knows. At the very least an indictment would probably have deterred him; an apprehension and a trial would have stopped him. But there should be no uncertainty about what occurs when Milosevic is allowed to act unencumbered. The time has come for the international war crimes tribunal to help put an end to that.

Inaugurated by the United Nations on May 25, 1993, and based in The Hague, the Yugoslav war crimes tribunal has, to date, tried just 16 defendants. With a staff of more than 750 and an annual budget of more than \$94 million, it has the resources—and the authority—to indict Milosevic. Indeed, failure to indict would reveal the tribunal's impotence in the face of political controversy, and prove that this institution of international law and justice is merely an expensive and irrelevant relic.

How difficult would it be to indict Milosevic? Not difficult at all. Under the tribunal's statute, the office of the prosecutor need only determine "that a prima facie case exists." That's to say that the prosecutor must gather evidence sufficient to prove reasonable grounds that Milosevic committed a single crime under the tribunal's extensive jurisdiction.

With this in mind, the chances of Milosevic being held accountable increase with the arrival of each new group of refugees driven from their homes in Kosovo. Their remarkably consistent testimony is providing crucial information—now being gathered by representatives of the tribunal as well as by human rights organizations—about what has actually taken place in Kosovo. These firsthand accounts are indispensable in building a case against Milosevic—and the refugees I

interviewed during the days I was there are willing to testify about what they saw.

But with refugees flooding out of Kosovo and some being relocated in distant countries, the prosecutor's office must ensure that testimony is taken swiftly, legally and professionally. The lack of access to Kosovo by independent journalists and human rights monitors and the extreme instability of refugee life heighten the importance of collecting these accounts while they are still fresh in people's minds. Yet the prosecutor's office was slow to act. A full five weeks went by before the tribunal sent a corps of investigators to the region.

What crimes should the Yugoslav president be indicted for? The tribunal's statute provides jurisdiction over "serious violations of international humanitarian law" including both "crimes against humanity" and "genocide," the most abhorrent of all. Milosevic should be indicted for both.

Crimes against humanity are defined as "systematic and widespread" and directed at any civilian population; they include murder, extermination, imprisonment, rape and deportation. They are distinguished from other acts of communal violence because civilians are victimized according to a systematic plan that usually emanates from the highest levels of government.

In Kosovo, the forced deportation of ethnic Albanians by the Yugoslav army and the Serbian Interior Ministry police force is an obvious manifestation of such crimes. The refugees with whom I spoke described being robbed, beaten, herded together and forced to flee their villages with nothing but the clothes they were wearing. By confiscating all evidence of the ethnic Albanians' identity—passports, birth certificates, employment records, driver's licenses, marriage licenses—the Serbian forces also severed the refugees' links with their communities and land in Kosovo. This attempt to make each ethnic Albanian a non-person is itself a crime against humanity. Emerging evidence of mass killings, summary executions and gang rape lends further credence to the widespread and systematic nature of these crimes.

As to the crime of genocide, the tribunal's statute rests on the 1948 Convention on the Prevention and Punishment of Genocide, which defines genocide as "acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group." Arising as it did from the extermination of the Jews in Nazi Germany, the convention invites comparison with the Holocaust and is intended to prevent such heinous crimes from happening again. This tragedy has not reached that perverse level of brutality but, like the earlier efforts to eliminate an entire people—whether the Jews, the Armenians or the Tutsis—it should be prosecuted as a crime of genocide.

The convention addresses intent, and stipulates that acts designed to eliminate a people—in whole or in part—constitute genocide. Among other acts covered by the convention, crimes of genocide include "(a) killing members of the group; (b) causing serious bodily or mental harm to members of the group; (c) deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part."

In the former Yugoslavia, acts of genocide have been perpetrated through the abhorrent policy of ethnic cleansing—that is, making areas ethnically homogenous by expelling entire segments of the Kosovar population and destroying the very fabric of a people.

Ethnic cleansing does not require the elimination of all ethnic Albanians; it may target specific elements of the community that make the group—as a group—sustain-

able. The abduction and execution of the intelligentsia, including public officials, lawyers, doctors and political leaders, for example, is part of a pattern of ethnic cleansing and could constitute genocide, as could targeting a particular segment of the population such as young men. It is clear from the refugees who have been interviewed that these acts are being systematically committed in Kosovo.

An often overlooked but important element of the 1948 convention is that an individual can be indicted not only for committing genocide, but also for conspiring to commit genocide, inciting the public to commit genocide, attempting to commit genocide, or for complicity in genocide. The point is that criminal responsibility extends far beyond those who actually perform the physical acts resulting in genocide. In short, the political architects such as Milosevic are no less responsible than the forces that carry out this butchery. There is no immunity from genocide.

Prosecuting Milosevic will require relying on a legal strategy based on the concept of "imputed command responsibility." Under this theory, Milosevic can be held responsible for crimes committed by his subordinates if he knew or had reason to know that crimes were about to be committed and he failed to take preventive measures or to punish those who had already committed crimes.

Since it is unlikely that Milosevic has allowed documentary evidence to be preserved that would link him to atrocities in Kosovo, the prosecutor's office will have to rely heavily on circumstantial evidence to build its case. This means identifying a consistent "pattern of conduct" that links Milosevic to similar illegal acts, to the officers and staff involved, or to the logistics involved in carrying out atrocities. The very fact that atrocities have been so widespread, flagrant, grotesque and similar in nature makes it near certain that Milosevic knew of them; despite his recent protestations to the contrary, it defies logic to suggest that he could be unaware of what his forces are doing.

What will the consequences be if the Yugoslav president is indicted? First, an indictment would send a clear message that the international community will not negotiate or have contact with a war criminal. It is current U.S. policy not to negotiate with indicted war crimes suspects. And so it should be. Milosevic would be stripped of international stature except as a fugitive from justice. This might, in turn, open an avenue for Serbians to once again distance themselves from their leader's regime. Second, an indictment would likely result in an *ex parte* hearing in which the prosecutor's office could present its case in open court—without Milosevic being there. By establishing a public record of Milosevic's role in the crimes committed, such a hearing would be cathartic for both victims and witnesses, and also for citizens long denied access to the truth. Finally, the tribunal would issue an international arrest warrant making it unlikely that Milosevic would venture outside his country's borders.

When I watched the bus loads of new arrivals enter the Stenkovec camp, I saw a small girl's face pressed against the window. Her hollow eyes seemed to stare at no one. History was being repeated. In his opening statement at the Nuremberg trials in 1945, U.S. chief prosecutor Robert H. Jackson said, "The wrongs which we seek to condemn and punish have been so calculated, so malignant, and so devastating that civilization cannot tolerate their being ignored, because it cannot survive their being repeated." Jackson was expressing the hope that law would somehow redeem the next generation and that similar atrocities would never

again be allowed. Today, we must hold personally liable those individuals who commit atrocities in the former Yugoslavia. To negotiate with the perpetrators of these crimes not only demeans the suffering of countless civilian victims, it sends a clear message that justice is expendable, that war crimes can go unpunished. Inevitably, lasting peace will be linked to justice, and justice will depend on accountability. Failing to indict Milosevic in the hope that he can deliver a negotiated settlement makes a mockery of the words "Never Again."

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, I ask unanimous consent to speak for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RURAL HEALTH CARE

Mr. THOMAS. Mr. President, I wanted to come in this morning when we had a break in regular business to talk about something that is very important to me and to Wyoming. As a matter of fact, it is also important in States such as Kansas. I am speaking about promoting health in rural areas.

I am joining with several colleagues in introducing a bill promoting health in rural areas, a bill designed to increase access to quality health care services in rural areas. Rural health care has been a priority of mine since I have been in the House and Senate. As cochair of the Rural Health Care Caucus, I am pleased that health care in rural areas is an issue that we can address in a bipartisan way.

So I am very pleased to work with colleagues, including the Presiding Officer, Senator ROBERTS; Senator GRASSLEY; Senator HARKIN; Senator BAUCUS; Senator DASCHLE; Senator CONRAD, and Senator COLLINS, to craft this bill. It is always a pleasure to work with people who have similar issues, and certainly we do in rural areas.

This bill provides some incentives, regulatory relief and Medicare payment equity, needed to ensure rural families have access to quality health care, the kind of health care that they deserve. Those of us who come from low-population areas have unique problems. We talk about education, we talk about schools, and we talk about the delivery of health care. Quite frankly, it is different in Greybull, WY, than it is in Philadelphia. So when we have national programs such as Medicare, it is important that we recognize some of the problems that exist in rural areas are unique and, indeed, need to be dealt with differently—problems such as the lack of physicians and health care providers in rural areas, and the idea that Medicare reimbursement has actually been unfair and unequal and not uniform throughout the country.

I recall last year when we were talking about Medicare payments to HMOs, the payments that were available in

some places in the east were \$700 a month. In the Midwest, it was \$250 a month under the same kind of program. So there is some unfairness there. Certainly, we have experienced limited access to mental health. I think this is particularly true for young people. In rural areas, you simply don't have the kinds of rural health care access that is necessary and should be provided.

One of the techniques that will be used increasingly, I am sure, in rural health care is telemedicine, where you can go from a family practitioner to a specialty on telemedicine and get at least many of the same quality kinds of health care advantages.

Many of these problems were explored last summer when we held a forum in Casper, WY. We brought in people interested in health care, not only providers and patients but others. Many ideas were talked about there, such as how we can strengthen health care in Wyoming. We came up with a consensus in a number of these areas, and this bill contains many of those recommendations. I am pleased about that.

Here are some of the solutions. One of the things we discovered in our health care seminar is that in big cities you have all the different kinds of specialists and different techniques for health care, but you don't have them in small towns. So it is necessary, then, to have a network so you can tie it in. Small towns aren't often able to have a fully qualified hospital that will receive payments for Medicare from HCFA. So we had to arrange to have what we call "acute care hospitals" that can provide a lesser but equally important service, so that people could have emergency care, for example, and then be transported to another place, or the full service hospital. So you need a network there.

We need assistance in recruiting physicians, as you can imagine. It is difficult sometimes to bring in doctors—particularly specialists—to low-population areas. So these are some of the problems that we talked about.

This bill ensures rural health care representation on the Medicare Payment Advisory Commission. There is an advisory commission that has oversight responsibilities, and there is no assurance that there would be anyone there with a background and experience in a rural area. These are the things we have done. Specifically, it increases the reimbursement rates for hospitals and clinics.

Medicare reimbursement rates have been unfair and inadequate. Health care costs have been undervalued. You should receive the same kind of value care there as somewhere else. The cost of living is somewhat less, perhaps, but not to the extent that the payments have been made different.

We think one of the results of that, of course, is the difficulty to get providers to come there. Their reimbursement is less than it is in Florida or

other places for doing the same thing. So we revised the rates.

The bill increases payments to sole community hospitals and, of course, that is what we have. My first recollection in talking about this is when the Presiding Officer was in the House and we talked in Kansas about having a special program for small town hospitals, and that happened and has worked well. Recruiting and maintaining providers, of course, is a problem. In Wyoming, we have 22 underserved areas. That means there is less than one primary care physician for every 3,500 people living in those areas. It is also appropriate, of course, to advocate for other professionals, such as nurse practitioners and physician assistants. In many areas, those are the types of professionals that will be in small towns.

Telemedicine, of course, can be the salvation of rural America, and it is moving quickly.

This bill expands the number of telemedicine services reimbursed by Medicare, which will be very useful in establishing a well-coordinated network of physicians, midlevel practitioners, hospitals and clinics. This is especially important if you have a nurse practitioner or physician assistant, for instance, in a small town and they need advice from a specialist. They can do that using telemedicine.

Mental health. As you can imagine, access to mental health care is quite limited in rural areas. So this bill expands and ensures coverage by Medicare for mental health types of things. I mentioned the MEDPAC. Two years ago, Congress established the Medical Payment Advisory Commission, designed to make policy recommendations in part A and part B of Medicare. Unfortunately, on the current 15-member board, only one member is from a rural area. This bill requires that at least two be on the board to give adequate input.

In conclusion, I am very pleased with this bill to promote better health care in rural areas. It provides assistance to many rural communities that have trouble getting the quality health care that people receive in bigger cities. This is designed to do that. It is possible that we can debate it this year. The Rural Health Care Caucus will be working, and perhaps it will be part of a broader health care effort. This is a good start, and I am pleased to be a part of it.

ACCIDENTAL BOMBING OF THE CHINESE EMBASSY IN BELGRADE

Mr. THOMAS. Mr. President, as chairman of the Subcommittee on the East Asia and Pacific Affairs, I have been very much interested in the unfortunate bombing of the Chinese embassy in Belgrade over the weekend.

Clearly, in my opinion, this was a tragic mistake. It has been suggested by some that it was done on purpose. I don't believe that. I think it was a mistake—one for which there is no excuse.

It boggles the mind to think that someone could make such a mistake. It is my hope that the matter will be thoroughly investigated and that a proper explanation will be made.

It was a mistake for which both the President and the Secretary of State have apologized to People's Republic of China. I add my apology to theirs. There is no minimizing this unfortunate accident. But I also must say to the Chinese that it would be a mistake to inflame the situation, and to fail to adequately protect our embassies and our consulates in China.

The Government there has apparently organized busloads of students to travel to the Embassy in Beijing. By the way, I was there not long ago. This is one of the least protected embassies in our system. It is very old, and it is not satisfactory from a safety standpoint.

While public security officials in Beijing apparently prevent their citizens from storming the Embassy, they do nothing to prevent the throwing of stones and Molotov cocktails, and people have damaged the Embassy.

Our consulate in Chungdu was partially destroyed by fire. The Government has allowed citizens to effectively hold the Ambassador hostage in our Embassy for the past 3 days. The Chinese press has failed to mention, purposefully I suspect, that we and NATO have apologized for the bombing, nor has the media noted that the bombing was accidental rather than premeditated.

We have had and continue to have a strategic relationship with the People's Republic of China. Certainly we have not agreed on many things. Certainly we have been critical of many things. On the other hand, that relationship has grown over the last several years. China has changed substantially. We have a great number of things going on between our countries. Almost everyone would agree that, assuming we could get over the main obstacles, a relationship between that large country with 1.2 billion people and our country is something that is jointly advantageous. We have an economic relationship. We are working on and I think have been coming rather close to, an agreement on the World Trade Organization, which I favor. I think we would be much better off dealing with China within the WTO rather than having to do it unilaterally. If we are going to be in the world community, then these are things which I think are particularly important.

I suspect that some Chinese are using this incident as a way of responding to some of the criticisms of them and their practices that we have had over time. We have had it on espionage; we have had it on human rights, and properly so, I suspect. But they are using this, in my view, as a means of responding to some of the criticisms we have had.

I think it would be a mistake if we let this unfortunate incident interfere

with the opportunity to have a stronger relationship. I think it would be a mistake if we let this be an opportunity for Milosevic to begin to do something with his image and come out with a better deal than he deserves. I hope that doesn't happen. We both have—a great deal at risk.

Mr. President, I hope, despite all the problems, that we can solve this. I think it would be wrong for either side to use this bombing and subsequent reaction of Chinese citizens to poison the bilateral relationship which we have an opportunity to develop in the future. As we know, there is a great deal at stake in all of our relationships throughout the world.

Mr. President, I thank you for the time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated on Thursday, May 6, 1999:

EC-2914. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Emission Standards For Hazardous Air Pollutants for Source Categories: Organic Hazardous Air Pollutants from the Synthetic Organic Chemical Manufacturing Industry and Other Processes Subject to the Negotiated Regulation for Equipment Leaks: Technical Amendment" (FRL #63303), received on April 21, 1999; to the Committee on Environment and Public Works.

EC-2915. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Colorado; Removal and

Replacement of Transportation Control Measure, Colorado Springs Element, Carbon Monoxide Section of the State Implementation Plan" (FRL #6319-7), received on April 19, 1999; to the Committee on Environment and Public Works.

EC-2916. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Acquisition Regulation: Contractor Performance Evaluations" (FRL #6319-3), received on April 19, 1999; to the Committee on Environment and Public Works.

EC-2917. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, a report entitled "Environmental Protection Agency Interim Guidance on Mercury"; to the Committee on Environment and Public Works.

EC-2918. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; Sacramento Metropolitan Air Quality Management District (SMAQMD), Mojave Desert Air Quality Management District (MDAQMD), and the Ventura County Air Pollution Control District (VCAPCD) as Revisions to the California State Implementation Plan (SIP)" (FRL #6324-8), received on April 14, 1999; to the Committee on Environment and Public Works.

EC-2919. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled "Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Approval of VOC RACT Determinations of Individual Sources" (FRL #6323-6) and "Authorization to Implement Section 111 and 112 Standards; State of Connecticut" (FRL #6325-3), received on April 14, 1999; to the Committee on Environment and Public Works.

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated on Monday, May 10, 1999:

EC-2920. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality State Implementation Plans (SIP); Texas: Motor Vehicle Inspection and Maintenance (I/M) Program" (FRL #6324-2), received on April 12, 1999; to the Committee on Environment and Public Works.

EC-2921. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; District of Columbia; Withdrawal of Final Rule" (FRL #6323-5), received on April 9, 1999; to the Committee on Environment and Public Works.

EC-2922. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental

Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Colorado; Removal and Replacement of Transportation Control Measure, Colorado Springs Element, Carbon Monoxide Section of the State Implementation Plan" (FRL #6319-7), received on April 2, 1999; to the Committee on Environment and Public Works.

EC-2923. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval of State Operating Permit Rule Revision: New Jersey" (FRL #6333-8), received on April 27, 1999; to the Committee on Environment and Public Works.

EC-2924. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled "Land Disposal Restrictions Phase IV: Treatment Standards for Wood Preserving Wastes, Final Rule; and Land Disposal Restrictions Phase IV: Treatment for Metal Wastes, Final Rule; and Zinc Micronutrient Fertilizers, Final Rule; and Carbamate Treatment Standards, Final Rule; and K088 Treatment Standards, Final Rule" (FRL #6335-7 and "Uniform National Discharge Standards for Vessels of the Armed Forces" (FRL #6335-5), received on April 29, 1999; to the Committee on Environment and Public Works.

EC-2925. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled "Protection of Stratospheric Ozone: Listing of Substitutes for Ozone-Depleting Substances" (FRL #6332-3) and "Revised Allotment Formulas for Interstate Monies Appropriated under Section 106 of the Clean Water Act" (FRL #6332-1), received on April 26, 1999; to the Committee on Environment and Public Works.

EC-2926. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of three rules entitled "Approval and Promulgation of Implementation Plans for Arizona and California; General Conformity Rules" (FRL #6233-1), "National Emission Standards for Hazardous Air Pollutants Phosphoric Acid Manufacturing and Phosphate Fertilizer Production" (FRL #6329-5) and "Notice of Availability of Grants and Selection Criteria for PrintSTEP Pilots" (FRL #6066-8), received on April 16, 1999; to the Committee on Environment and Public Works.

EC-2927. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of five rules entitled "Approval and Promulgation of Air Quality Implementation Plans: State of Delaware; Withdrawal of Final Rule for Transportation Conformity" (FRL #6325-2), "Approval and Promulgation of Implementation Plans Tennessee: Approval of Revisions to the Memphis Ozone Maintenance Plan" (FRL #6326-9), "Approval and Promulgation of Implementation Plans; New Jersey 15 Percent Rate of Progress Plans, Recalculation of 9 Percent Rate of Progress Plans and 1999 Transportation Conformity Budget Revisions" (FRL

#6328-8), "Approval and Promulgation of Maintenance Plan Revisions; Ohio" (FRL #6328-6) and "Recession of the Conditional Section 182(f) Exemption to the Nitrogen Oxides (NO_x) Control Requirements for the Dallas/Fort Worth Ozone Nonattainment Area; Texas" (FRL #6329-2), received on April 15, 1999; to the Committee on Environment and Public Works.

EC-2928. A communication from the Director, Office of Regulatory Management and Information, Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of five rules entitled "Approval and Promulgation of Air Quality Implementation Plans: Virginia; Reasonably Available Control Technology for Major Sources for Nitrogen Oxides" (FRL #6318-5), "Approval of the Clean Air Act Section 112(I), Delegation of Authority to Puget Sound Air Pollution Control Agency in Washington, Amendment" (FRL #6326-2), "Approval and Promulgation of State Plans for Designated facilities and Pollutants: Kentucky" (FRL #6326-1), "Hazardous Air Pollutants: Amendment to Regulations Governing Equivalent Emission Limitations by Permit" (FRL #6326-4) and "Revisions To Reference Method for the Determination of Fine Particulate Matter as PM_{2.5} in the Atmosphere" (FRL #6326-5), received on April 13, 1999; to the Committee on Environment and Public Works.

EC-2929. A communication from the Director, Office of Regulatory Management and Information, Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled "Incorporate Solicitation Notice for Agency Protests" (FRL #6070-6) and "Texas; Final Full Program Adequacy Determination of State Municipal Waste Program" (FRL #6319-5), received on March 31, 1999; to the Committee on Environment and Public Works.

EC-2930. A communication from the Acting Assistant Administrator, Office of Prevention, Pesticides, and Toxic Substances, United States Environmental Protection Agency, transmitting a report relative to the 1996 Toxics Release Inventory Public Data Release; to the Committee on Environment and Public Works.

EC-2931. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Wastes from the Combustion of Fossil Fuels"; to the Committee on Environment and Public Works.

EC-2932. A communication from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation entitled "Harbor Services Fund Act of 1999"; to the Committee on Environment and Public Works.

EC-2933. A communication from the Deputy Administrator, U.S. General Services Administration, transmitting, pursuant to law, a report entitled "Report of Building Project Survey for American Samoa"; to the Committee on Environment and Public Works.

EC-2934. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, the report of a rule entitled "Danger Zone, Chesapeake Bay, Point Lookout to Cedar Point, Maryland," received April 1, 1999; to the Committee on Environment and Public Works.

EC-2935. A communication from the Deputy Administrator, U.S. General Services Administration, transmitting, pursuant to law, a report relative to the Federal Campus, Oklahoma City, Oklahoma; to the Committee on Environment and Public Works.

EC-2936. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear

Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Codes and Standards: IEEE National Consensus Standard" (RIN3150-AF96), received April 22, 1999; to the Committee on Environment and Public Works.

EC-2937. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Final Rule-Requirements for Initial Operator Licensing Examinations" (RIN3150-AF62), received April 26, 1999; to the Committee on Environment and Public Works.

EC-2938. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Frequency of Reviews and Audits for Emergency Preparedness Programs, Safeguards Contingency Plans, and Security Programs for Nuclear Power Reactors" (RIN3150-AF63), received April 6, 1999; to the Committee on Environment and Public Works.

EC-2939. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Conformance to National Policies for Access to and Protection of Classified Information" (RIN3150-AF97), received April 6, 1999; to the Committee on Environment and Public Works.

EC-2940. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Radiological Criteria for License Termination of Uranium Recovery Facilities" (RIN3150-AD65), received April 12, 1999; to the Committee on Environment and Public Works.

EC-2941. A communication from the Director, Office of Protected Resources, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Species: Threatened Status for Three Chinook Salmon Evolutionarily Significant Units (ESUs) in Washington and Oregon, and Endangered Status for One Chinook Salmon ESU in Washington" (AM54), received April 1, 1999; to the Committee on Environment and Public Works.

EC-2942. A communication from the Director, Office of Protected Resources, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Species: Threatened Status for Two ESUs of Chum in Washington and Oregon" (AK53), received April 1, 1999; to the Committee on Environment and Public Works.

EC-2943. A communication from the Director, Office of Protected Resources, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Species: Threatened Status for Two ESUs of Steelhead in Washington and Oregon" (AK54), received April 1, 1999; to the Committee on Environment and Public Works.

EC-2944. A communication from the Director, Office of Protected Resources, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Species: Threatened Status for Ozette Lake Sockeye Salmon in Washington" (AK52), received April 1, 1999; to the Committee on Environment and Public Works.

EC-2945. A communication from the Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law,

the report of a rule entitled "Endangered and Threatened Wildlife and Plants; Emergency Rule to List the Sierra Nevada Distinct Population Segment of the California Bighorn Sheep as Endangered" (RIN1018-AF59), received April 19, 1999; to the Committee on Environment and Public Works.

EC-2946. A communication from the Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Wildlife and Plants; Determination of Threatened Status for Jarbidge River Population Segment of Bull Trout with a Special Rule" (RIN1018-AB94), received April 19, 1999; to the Committee on Environment and Public Works.

EC-2947. A communication from the Assistant Secretary, for Fish and Wildlife and Parks, Office of Law Enforcement, U.S. Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Importation, Exportation, and Transportation of Wildlife (User Fee Exemptions for Qualified fur trappers)" (RIN1018-AE08), received April 22, 1999; to the Committee on Environment and Public Works.

EC-2948. A communication from the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the denial of safeguards information for the period January 1, 1999 to March 31, 1999; to the Committee on Environment and Public Works.

EC-2949. A communication from the Acting Assistant Secretary for Environmental Management, Department of Energy, transmitting, pursuant to law, a report entitled "Remediation Plans for the Radioactive Waste Management Complex at the Idaho National Engineering and Environmental Laboratory", dated April, 1999; to the Committee on Armed Services.

EC-2950. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Material Safety and Safeguards, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Elimination of Reporting Requirement and 30-day Hold in Loading Spent Fuel after Preoperational Testing or Independent Spent Fuel or Monitored Retrievable Storage Installations" (RIN3150-AG02), received April 19, 1999; to the Committee on Environment and Public Works.

EC-2951. A communication from the Chief Counsel, Financial Crimes Enforcement Network, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "FinCEN Advisory: Enhanced Scrutiny for Transactions Involving Antigua and Barbuda" (Advisory: Issue 11), received April 21, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-2952. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Exemption of the System of Records Under the Privacy Act", received April 26, 1999; to the Committee on Governmental Affairs.

EC-2953. A communication from the Director, U.S. Trade and Development Agency, transmitting, pursuant to law, the annual report for fiscal year 1998; to the Committee on Governmental Affairs.

EC-2954. A communication from the Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Transfer of Debts to Treasury for Collection" (RIN1510-AA68), received April 20, 1999; to the Committee on Finance.

EC-2955. A communication from the Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the

report of a rule entitled "Federal Government Participation in the Automated Clearing House" (RIN1510-AA39), received April 7, 1999; to the Committee on Finance.

EC-2956. A communication from the President and Chief Executive Officer, Overseas Private Investment Corporation, transmitting, pursuant to law, the annual report on "Host Country Development and U.S. Effects" for fiscal year 1998; to the Committee on Foreign Relations.

EC-2957. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, a report relative to Nonproliferation and Disarmament Fund activities; to the Committee on Foreign Relations.

EC-2958. A communication from the Chairman, Federal Mine Safety and Health Review Commission, transmitting, pursuant to law, the annual performance plan for fiscal year 2000; to the Committee on Health, Education, Labor, and Pensions.

EC-2959. A communication from the Attorney General, transmitting, pursuant to law, a report relative to the Foreign Intelligence Surveillance Act of 1978; to the Committee on the Judiciary.

EC-2960. A communication from the Secretary of Energy, transmitting, pursuant to law, a report relative to the Department's hydrogen program; to the Committee on Energy and Natural Resources.

EC-2961. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to the violence in Indonesia during the May 1998 riots; to the Committee on Appropriations.

EC-2962. A communication from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of a rule entitled "Contracting Officer's Technical Representative (COTR) Training," received on April 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC-2963. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the Cumulative Report on Rescissions and Referrals, dated April 1, 1999; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986; to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Energy and Natural Resources, to the Committee on Environment and Public Works and to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DASCHLE:

S. 992. A bill to provide technical amendments related to the Vaccine Injury Compensation Trust Fund; to the Committee on Finance.

By Mr. BIDEN:

S. 993. A bill to prevent juvenile crime, provide for certain punishment of juvenile delinquents, and incapacitate violent juvenile criminals, and for other purposes; to the Committee on the Judiciary.

By Mr. ASHCROFT:

S. 994. A bill entitled the "Juvenile Misuse of Firearms Prevention Act"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MCCAIN (for himself and Mr. SMITH of Oregon):

S. Con. Res. 31. A concurrent resolution celebrating the 50th anniversary of the Geneva Conventions of 1949 and recognizing the humanitarian safeguards these treaties provide in times of armed conflict; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BIDEN:

S. 993. A bill to prevent juvenile crime, provide for certain punishment of juvenile delinquents, and incapacitate violent juvenile criminals, and for other purposes; to the Committee on the Judiciary.

THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1999

Mr. BIDEN. Mr. President, I rise to introduce legislation on a subject that we will be spending a great deal of time talking about on the floor this week—youth violence. At the outset, I would like to make clear that this bill is not a comprehensive one that addresses every aspect of this complex area. Other of my colleagues already have introduced legislation broadly addressing these issues with many good ideas that I support.

My bill today recognizes the need to get tough on juvenile crime and violence. But this bill goes farther. It also recognizes that the best thing the Federal Government can do in dealing with youth crime and violence is to focus on prevention. In other words, it ensures that what we do about juvenile crime and youth violence is a balanced approach. My colleagues and I have heard over and over again from law enforcement, prosecutors, and juvenile judges alike that the best way to deal on the front lines with juveniles who are committing or are at risk of committing crimes is to implement prevention as well as sanctions.

What the Federal Government does best in the area of fighting crime—and the significant drop in crime as a result of the 1994 crime bill is proof of this—is for it to provide local law enforcement, prosecutors, juvenile courts, schools, and community-based organizations funds for them to develop creative, comprehensive strategies on juvenile crime that are tailored for their community. It is important to hold kids accountable when they commit crimes. But it is equally—if not more—important to keep kids out of trouble, to keep kids out of the juvenile justice system in the first place.

Before I get to the specifics of what my bill does, I want to highlight the importance of early prevention in curbing youth violence.

To put the youth violence problem in some context, I would like to begin by outlining the specific—and different—

challenges we are facing when we discuss "youth violence." Distinguishing among these different problems is important because each demands a different response.

To be specific—we are really facing three separate issues when we confront youth violence:

First, we have some number of children who are tragic cases—so violent that we really have no choice but to get them behind bars and keep them there, for a long time.

Second, we have kids who have already started down the crime path. They aren't committing violent crimes, but they are clearly getting into trouble. And, while the evidence is that most will never go on to commit violent crimes, it is clear that we have to reach these kids and turn them around.

Unlike the first category where public safety requires very severe, very long sentences, the key strategy for turning this second category of kids around appears to be certain, graduated punishments, as well as anything we can do which lessen the factors which may be pushing them deeper into the crime stream—keeping them away from drugs, away from guns and out of gangs.

Third, we have a category of children in what the demographers call the "baby-boomerang." In a report I offered in December of 1995, I detailed what inevitably lies ahead—39 million children now younger than age 10. Each of these 39 million children—the children of the baby-boomers—stand on the edge of their teen years, exactly those years when they are most at-risk of turning to drugs and crime.

The implications of this demographic inevitability—even if we do everything right, and the rate at which kids commit crimes does not rise at all, we will have a 20% increase in juvenile murders by 2005, which will mean an increase in the overall murder toll of about 5%.

Clearly, most of these 39 million will never turn to drugs and crime. But, equally clear, we have a rising number of at-risk children—at-risk of turning to drugs, at-risk of being the victim of violence, and at-risk of turning to crime.

For this third category—the rising number of at-risk children—I believe we have to incorporate prevention as a key part of our strategy to combat youth crime and violence.

These three categories—lost, violent kids; kids just falling into the crime stream; and at-risk kids who may be nearing the edge of the crime stream—outline the targets of, and basic strategies for, a successful effort against youth violence.

As we begin to debate strategies for addressing youth violence, let's get at least some idea of the size, the magnitude, of each of these three segments of the youth violence question.

Starting in reverse order—with the third category of at-risk kids. Of

course, all 39 million children in the "baby-boomerang" will not fall into this at-risk category. But, equally clear, that number of at-risk children will be at least a few million.

For the other two categories, the facts are that there are relatively few children in the "lost" category and while a significant number are in the "falling into the crime stream" category—both categories are much smaller than the few million in the "at-risk" category.

The facts for the youngest juveniles: In 1994, 379 juveniles younger than 15 years old were arrested for murder, 39,000 were arrested for a violent crime but more than 260,000 were arrested for a non-violent property crime.

For older teens, the pattern holds: 2,700 juveniles aged 15 to 17 were arrested for murder, 86,000 were arrested for a violent crime, but more than 350,000 were arrested for a non-violent property crime.

In sum: About 3,000 kids were arrested for murder—clearly "lost" children;

Another 115,000 kids were arrested for a violent crime—all are not irretrievable, but plainly all must be subject to serious punishment;

About 600,000 kids were arrested for a non-violent property crime—not lost to us yet, but clearly falling deeper into the crime stream; and

At least a few million children are in the at-risk category.

It is my hope that throughout the debate on youth violence that we will not lose sight of these fundamental facts about what we are talking about when we say "Let's do something about youth violence." I believe that is the goal we all share, so let's be smart. Let's keep our eye on the ball.

In short, just as it would be foolish to spend all our efforts and money on the millions of at-risk kids and do nothing about the lost, violent kids—it would be equally foolish to spend all our efforts and money on the lost, violent kids and ignore the millions of at-risk kids.

Local officials throughout the country have looked at the facts, they have been smart, they have used their resources from the 1994 crime law—and guess what: adult violent crime has plummeted. We now have the lowest murder rate since 1971. That says one thing—if we are smart, we can make a difference on a problem everyone thought was unsolvable: violent crime. We ought to be able to do the same when that violent crime is committed by children.

We even have real world, working models of how to do so. Look to the experience in Boston—an experience that the judiciary committee recently heard about again in a hearing on juveniles and guns. In Boston, a combination of tough enforcement, cracking down on illegal gun dealers, focusing the forces of police, prosecutors and probation officers, and comprehensive community-based prevention efforts have slashed youth violence.

I have outlined the three basic elements of the youth violence problem. So let me turn to the specifics of what I believe we must do to address each of these three basic elements.

Tough punishment of the first group of kids—the "Almost lost, already violent kids"—is necessary—for public safety purposes we really must look first to incapacitate very violent criminals, just getting them off the streets.

For the second group of kids—the "just getting into trouble kids"—we must provide certain, graduated sanctions—so that instead of our current system of not punishing a kid until he has 10, 15 or 20 arrests, we give the kid at least some sanction from the very first offense.

And finally, for the third group—the "baby bomberang kids"—who are not getting into trouble yet but are "at-risk", we must target the factors which push kids into—or deeper into—the crime stream:

Getting kids off drugs and alcohol through drug testing and follow-up with supervision and treatment;

Keeping kids out of gangs; and

Cracking down on the flow of guns to kids.

We must also keep as many at-risks kids as possible from turning to drugs and crime in the first place—in most practical terms, this means keeping kids busy and supervised during the 3:00 to dinnertime hours.

Those 3 hours represent about 12% of the day, about 20% of the hours when kids are awake—but at least 40% of juvenile crime occurs during those hours.

Here is what the bill I am introducing today would do:

It creates a block grant for use by States and local governments to develop strategies that are aimed at all three of the categories of kids I just described. That block grant does the following:

First, it gives resources to States and local governments to develop more effective ways to investigate, prosecute, and punish those kids in the first group I described, who are already committing violent crimes.

Second, it gives resources to States and local governments to develop more effective ways to ensure accountability through graduated sanctions and other means, and to address risk factors such as drug and alcohol abuse, truancy, or involvement with gangs.

And third, it gives resources to States and local governments to develop programs targeted for at-risk kids for prevention—to keep these kids out of trouble, out of the juvenile crime system, and diverted from going down the path to becoming a career criminal.

To do these three things, my bill authorizes \$450 million. Of that amount—

25 percent—\$112.5 million—must be spent on prevention and drug and alcohol treatment.

25 percent—\$112.5 million—must be spent on prosecutors and courts.

The rest—\$250 million—can be spent on a variety of uses, including graduated sanctions and prisons.

My bill also separately authorizes \$50 million to hire, train, and fund programs run by prosecutors. We have heard over and over again that prosecutors, who are on the front lines in dealing with juvenile offenders, across the country are developing innovative, comprehensive approaches to juvenile crime that are resulting in significant drops in the juvenile crime rate.

For example, in Jacksonville, Florida, the state prosecutor there has developed a multi-tiered approach. Those programs provide schooling and counseling, they intervene with first time juvenile offenders to divert them from the system, they provide prevention programs for at-risk kids that include mentoring and talking to judges and kids already in jail, and they fight truancy.

It contains a ban on gun ownership by persons who, before their 18th birthday, adults who have been adjudicated to have committed a serious drug offense or violent felony. This provision, popularly known as "Juvenile Brady", is an important step towards keeping guns out of the hands of criminals. Violent juveniles who commit serious crimes should be stopped—early—from getting access to weapons to commit such crimes as adults.

Extending the Violent Crime Trust Fund to 2002. The Violent Crime Trust Fund—created in the 1994 crime bill—has been the key to our successful fight against crime over the past few years. It has been the vehicle for providing billions of dollars to State and local governments to implement a variety of law enforcement and crime-fighting—from the Cops Program to the Violence Against Women Act to youth violence initiatives. The Violent Crime Trust Fund is due to expire in fiscal year 2000—my bill extends it to 2002. Without the trust fund, we will fail in the future to replicate and to surpass our past successes in combating crime, including juvenile crime, in the future.

We must renew our efforts to save our Nation, our communities and our children from crime and violence. We must begin by ensuring that our children are safe—safe from both the temptation of crime and safe from those who commit crime and horrific acts of violence.

We must protect our children through meaningful prevention and intervention programs, a crackdown on drugs and the violence that accompanies them, and we must insure that meaningful, appropriate and swift punishment is imposed on all juvenile offenders. I believe that the bill I introduce today, while not a comprehensive answer to every part of the juvenile crime problem, will go far in addressing one of its key components—prevention.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 993

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 "Juvenile Justice and Delinquency Prevention Act of 1999".

SEC. 2. BLOCK GRANT PROGRAM.

(a) IN GENERAL.—Part R of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) is amended to read as follows:

"PART R—JUVENILE ACCOUNTABILITY BLOCK GRANTS

"SEC. 1801. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Attorney General shall make, subject to the availability of appropriations, grants to States for use by States and units of local government in planning, establishing, operating, coordinating, and evaluating projects, directly or through grants and contracts with public and private agencies, for the development of more effective investigation, prosecution, and punishment (including the imposition of graduated sanctions) of crimes or acts of delinquency committed by juveniles, programs to improve the administration of justice for and ensure accountability by juvenile offenders, and programs to reduce the risk factors (such as truancy, drug or alcohol use, and gang involvement) associated with juvenile crime or delinquency.

"(b) USE OF GRANTS.—

"(1) IN GENERAL.—Subject to paragraph (2), grants under this section shall be used by States and units of local government for the following purposes:

"(A) Programs to enhance the identification, investigation, prosecution, and punishment of juvenile offenders, such as—

"(i) the utilization of graduated sanctions;

"(ii) the utilization of short-term confinement of juvenile offenders;

"(iii) the incarceration of violent juvenile offenders for extended periods of time;

"(iv) the hiring of juvenile prosecutors, juvenile public defenders, juvenile judges, juvenile probation officers, and juvenile correctional officers to implement policies to control juvenile crime and ensure accountability of juvenile offenders; and

"(v) the development and implementation of a coordinated, multiagency system for—

"(I) the comprehensive and coordinated booking, identification, and assessment of juveniles arrested or detained by law enforcement agencies, including the utilization of multiagency facilities such as juvenile assessment centers; and

"(II) the coordinated delivery of support services for juveniles who have had or are at risk for contact with the juvenile or criminal systems, including utilization of court-established local service delivery councils.

"(B) Programs that require juvenile offenders to make restitution to the victims of offenses committed by those juvenile offenders.

"(C) Programs that require juvenile offenders to attend and successfully complete school or vocational training as part of a sentence imposed by a court.

"(D) Programs that require juvenile offenders who are parents to demonstrate parental responsibility by working and paying child support.

"(E) Programs that seek to curb or punish truancy.

"(F) Programs designed to collect, record, retain, and disseminate information useful in the identification, prosecution, and sen-

tencing of juvenile offenders, such as criminal history information, fingerprints, DNA tests, and ballistics tests.

"(G) The development and implementation of coordinated multijurisdictional or multi-agency programs for the identification, control, supervision, prevention, investigation, and treatment of the most serious juvenile offenses and offenders, popularly known as a 'SHOCAP Program' (Serious Habitual Offenders Comprehensive Action Program).

"(H) The development and implementation of coordinated multijurisdictional or multi-agency programs for the identification, control, supervision, prevention, investigation, and disruption of youth gangs.

"(I) The construction or remodeling of short- and long-term facilities for juvenile offenders.

"(J) The development and implementation of technology, equipment, and training programs for juvenile crime control, for law enforcement officers, judges, prosecutors, probation officers, and other court personnel who are employed by State and local governments, in furtherance of the purposes identified in this section.

"(K) Programs to seek to target, curb, and punish adults who knowingly and intentionally use a juvenile during the commission or attempted commission of a crime, including programs that specifically provide for additional punishments or sentence enhancements for adults who knowingly and intentionally use a juvenile during the commission or attempted commission of a crime.

"(L)(i) Hiring additional juvenile judges, probation officers, and court-appointed defenders, and funding pretrial services for juveniles, to ensure the smooth and expeditious administration of the juvenile justice system.

"(ii) Hiring additional prosecutors, so that more cases involving violent juvenile offenders can be prosecuted and backlogs reduced.

"(iii) Providing funding to enable prosecutors to address drug, gang, and youth violence problems more effectively.

"(iv) Providing funding for technology, equipment, and training to assist prosecutors in identifying and expediting the prosecution of violent juvenile offenders.

"(v) Providing funding to enable juvenile courts and juvenile probation offices to be more effective and efficient in holding juvenile offenders accountable and reducing recidivism.

"(vi) The establishment of court-based juvenile justice programs that target young firearms offenders through the establishment of juvenile gun courts for the adjudication and prosecution of juvenile firearms offenders.

"(vii) The establishment of drug court programs for juveniles so as to provide continuing judicial supervision over juvenile offenders with substance abuse problems and to provide the integrated administration of other sanctions and services.

"(M) Juvenile prevention programs (such as curfews, youth organizations, antidrug programs, antigang programs, and after-school activities) that include a rigorous, comprehensive evaluation component that measures the decrease in risk factors associated with the juvenile crime and delinquency and employs scientifically valid standards and methodologies.

"(N) Juvenile drug treatment programs.

"(2) ALLOCATION.—Of the total amount made available to a State or unit of local government under this section for a fiscal year—

"(A) not less than 25 percent shall be used for the purposes set forth in subparagraphs (A) through (I) of paragraph (1);

“(B) not less than 25 percent shall be used for the purposes set forth in subparagraphs (J) and (L) of paragraph (1); and

“(C) not less than 25 percent shall be used for the purposes set forth in subparagraphs (M) and (N) of paragraph (1).

“(c) ALLOCATION AND DISTRIBUTION OF STATE GRANTS.—

“(1) IN GENERAL.—

“(A) STATE AND LOCAL DISTRIBUTION.—Subject to subparagraph (B), of amounts made available to the State, 30 percent may be retained by the State for use pursuant to paragraph (2) and 70 percent shall be reserved by the State for local distribution pursuant to paragraph (3).

“(B) SPECIAL RULE.—The Attorney General may waive the requirements of this paragraph with respect to any State in which the criminal and juvenile justice services for delinquent or other youths are organized primarily on a statewide basis, in which case not more than 50 percent of funds shall be made available to all units of local government in that State pursuant to paragraph (3).

“(2) LOCAL ELIGIBILITY AND DISTRIBUTION.—

“(A) COORDINATED LOCAL EFFORT.—Prior to receiving a grant under this section, a unit of local government shall certify that it has or will establish a coordinated enforcement plan for reducing juvenile crime within the jurisdiction of the unit of local government, developed by a juvenile crime enforcement coalition, such coalition consisting of individuals within the jurisdiction representing the police, sheriff, prosecutor, State or local probation services, juvenile court, schools, business, and religious affiliated, fraternal, nonprofit, or social service organizations involved in crime prevention.

“(B) SPECIAL RULE.—The requirement of subparagraph (A) shall apply to an eligible unit that receives funds from the Attorney General under subparagraph (H), except that the certification that would otherwise be made to the State shall be made to the Attorney General.

“(C) LOCAL DISTRIBUTION.—From amounts reserved for local distribution under paragraph (1), the State shall allocate to such units of local government an amount that bears the same ratio to the aggregate amount of such funds as—

“(i) the sum of—

“(I) the product of—

“(aa) two-thirds; multiplied by

“(bb) the average law enforcement expenditure for such unit of local government for the 3 most recent calendar years for which such data is available; plus

“(II) the product of—

“(aa) one-third; multiplied by

“(bb) the average annual number of part 1 violent crimes in such unit of local government for the 3 most recent calendar years for which such data is available, bears to—

“(ii) the sum of the products determined under subparagraph (A) for all such units of local government in the State.

“(D) EXPENDITURES.—The allocation any unit of local government shall receive under paragraph (1) for a payment period shall not exceed 100 percent of law enforcement expenditures of the unit for such payment period.

“(E) REALLOCATION.—The amount of any unit of local government's allocation that is not available to such unit by operation of paragraph (2) shall be available to other units of local government that are not affected by such operation in accordance with this subsection.

“(F) UNAVAILABILITY OF DATA FOR UNITS OF LOCAL GOVERNMENT.—If the State has reason to believe that the reported rate of part 1 violent crimes or law enforcement expendi-

ture for a unit of local government is insufficient or inaccurate, the State shall—

“(i) investigate the methodology used by the unit to determine the accuracy of the submitted data; and

“(ii) if necessary, use the best available comparable data regarding the number of violent crimes or law enforcement expenditure for the relevant years for the unit of local government.

“(G) LOCAL GOVERNMENT WITH ALLOCATIONS LESS THAN \$5,000.—If, under this section, a unit of local government is allocated less than \$5,000 for a payment period, the amount allocated shall be expended by the State on services to units of local government whose allotment is less than such amount in a manner consistent with this part.

“(H) DIRECT GRANTS TO ELIGIBLE UNITS.—

“(i) IN GENERAL.—If a State does not qualify or apply for a grant under this section, by the application deadline established by the Attorney General, the Attorney General shall reserve not more than 70 percent of the allocation that the State would have received for grants under this section under subsection (e) for such fiscal year to provide grants to eligible units that meet the requirements for funding under subparagraph (A).

“(ii) AWARD BASIS.—In addition to the qualification requirements for direct grants for eligible units the Attorney General may use the average amount allocated by the States to like governmental units as a basis for awarding grants under this section.

“(I) USE OF CONSTRUCTION AND REMODELING FUNDS BY UNITS OF LOCAL GOVERNMENT.—Of amounts made available under this section to a unit of local government for purposes of construction or remodeling of short- or long-term facilities pursuant to subsection (b)(9)—

“(i) the unit of local government shall coordinate such expenditures with similar State expenditures;

“(ii) Federal funds shall constitute not more than 50 percent of the estimated construction or remodeling cost; and

“(iii) no funds expended pursuant to this clause may be used for the incarceration of any offender who was more than 21 years of age at the time of the offense or for construction, renovation, or expansion of facilities for such offenders, except that funds may be used to construct juvenile facilities collocated with adult facilities, including separate buildings for juveniles and separate juvenile wings, cells, or areas collocated within an adult jail or lockup.

“(3) NONSUPPLANTATION.—Amounts made available under this section to the States (or units of local government in the State) shall not be used to supplant State or local funds (or in the case of Indian tribal governments, to supplant amounts provided by the Bureau of Indian Affairs) but shall be used to increase the amount of funds that would in the absence of amounts received under this section, be made available from a State or local source, or in the case of Indian tribal governments, from amounts provided by the Bureau of Indian Affairs.

“(e) ALLOCATION OF GRANTS AMONG QUALIFYING STATES; RESTRICTIONS ON USE.—

“(1) ALLOCATION.—Amounts made available under this section shall be allocated as follows:

“(A) 0.5 percent shall be allocated to each eligible State.

“(B) The amount remaining after the allocation under subparagraph (A) shall be allocated proportionately based on the population that is less than 18 years of age in the eligible States.

“(2) RESTRICTIONS ON USE.—Amounts made available under this section shall be subject to the restrictions of subsections (a) and (b)

of section 292 of the Juvenile Justice and Delinquency Prevention Act of 1974, except that the penalties in section 292(c) of such Act do not apply.

“(f) GRANTS TO INDIAN TRIBES.—

“(1) RESERVATION OF FUNDS.—Notwithstanding any other provision of law, from the amounts appropriated pursuant to section 299 of the Juvenile Justice and Delinquency Prevention Act of 1974, for each fiscal year, the Attorney General shall reserve an amount equal to the amount to which all Indian tribes eligible to receive a grant under paragraph (3) would collectively be entitled, if such tribes were collectively treated as a State to carry out this subsection.

“(2) GRANTS TO INDIAN TRIBES.—From the amounts reserved under paragraph (1), the Attorney General shall make grants to Indian tribes for programs pursuant to the permissible purposes under section 1801.

“(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an Indian tribe shall submit to the Attorney General an application in such form and containing such information as the Attorney General may by regulation require.”

SEC. 3. AUTHORITY TO MAKE GRANTS TO PROSECUTORS' OFFICES TO COMBAT GANG CRIME AND YOUTH VIOLENCE.

Section 31702 of subtitle Q of title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862) is amended—

(1) in paragraph (3), by striking “and” at the end;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(5) to allow the hiring of additional prosecutors, so that more cases can be prosecuted and backlogs reduced;

“(6) to provide funding to enable prosecutors to address drug, gang, and youth violence problems more effectively;

“(7) to provide funding to assist prosecutors with funding for technology, equipment, and training to assist prosecutors in reducing the incidence of, and increase the successful identification and speed of prosecution of young violent offenders; and

“(8) to provide funding to assist prosecutors in their efforts to engage in community prosecution, problem solving, and conflict resolution techniques through collaborative efforts with police, school officials, probation officers, social service agencies, and community organizations.”

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 299 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671) is amended by striking subsections (a), (b), and (c) and inserting the following:

“(a) IN GENERAL.—There are authorized to be appropriated to carry out this title \$1,000,000,000 for each of fiscal years 2000 through 2004.

“(b) ALLOCATION OF APPROPRIATIONS.—Of the amount made available under subsection (a) for each fiscal year—

“(1) \$450,000,000 is authorized to be expended for programs under section 1801 of part R of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.)—

“(2) \$175,000,000 is authorized to be expended for State formula grants under part B of this title;

“(3) \$175,000,000 is authorized to be expended for grants under title V of this Act;

“(4) \$50,000,000 is authorized to be made available to the National Institute for Juvenile Justice and Delinquency Prevention for research, demonstration, and evaluation;

“(5) \$100,000,000 is authorized to be expended to carry out the purposes of parts A, C, D, E, and G of this title; and

"(6) \$50,000,000 is authorized to be expended for grants to prosecutors and courts under section 31702 of subtitle Q of title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862).

"(c) AVAILABILITY.—Amounts made available under this section shall remain available until expended."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5711 et seq.) is amended—

(1) in section 221(b)(2), in the second sentence, by striking "described in section 299(c)(1)" and inserting "responsible for supervising the preparation and administration of the State plan submitted under section 223";

(2) in section 222(a)(2)(B), by striking "section 299(a) (1) and (3)" and inserting "section 299"; and

(3) in section 223(a)(1), by striking "the State agency described in section 299(c)(1) as the sole agency" and inserting "the State agency responsible".

SEC. 5. RUNAWAY AND HOMELESS YOUTH.

(a) IN GENERAL.—Section 372(a)(3) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5714b(a)(3)) is amended by striking "unit of general local government" and inserting "unit of local government".

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) TECHNICAL AMENDMENTS.—

(A) ERROR RESULTING FROM REDESIGNATION.—

(i) IN GENERAL.—Section 3(i) of Public Law 102-586 (106 Stat. 5026) is amended by striking "Section 366" and inserting "Section 385".

(ii) EFFECTIVE DATE.—The amendment made by clause (i) shall take effect as if included in the amendments made by Public Law 102-586.

(B) ERROR RESULTING FROM REFERENCES TO NONEXISTENT PROVISIONS OF LAW.—

(i) IN GENERAL.—Section 40155 of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322; 108 Stat. 1922) is amended by striking "is amended—" and all that follows through "after section 315" and inserting the following: "is amended by adding at the end".

(ii) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect as if included in the amendments made by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322; 108 Stat. 1796 et seq.).

(2) REAUTHORIZATIONS.—

(A) IN GENERAL.—Section 385 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5751) (as amended by section 3(i) of Public Law 102-586 (106 Stat. 5026) (as amended by subsection (a)(1)(A) of this subsection)) is amended—

(i) in subsection (a)—

(I) in paragraph (1), by striking "1993 and such sums as may be necessary for fiscal years 1994, 1995, and 1996" and inserting "2000 and such sums as may be necessary for each of fiscal years 2001, 2002, 2003, and 2004"; and

(II) in paragraph (3), by striking subparagraphs (A) through (D) and inserting the following:

"(A) for fiscal year 2000, not less than \$1,055,406;

"(B) for fiscal year 2001, not less than \$1,108,177;

"(C) for fiscal year 2002, not less than \$1,163,585; and

"(D) for fiscal year 2003, not less than \$1,163,585."

(ii) in subsection (b), by striking "1993 and such sums as may be necessary for fiscal years 1994, 1995, and 1996" and inserting "2000 and such sums as may be necessary for each of fiscal years 2001, 2002, 2003, and 2004"; and

(iii) in subsection (c), by striking "1993, 1994, 1995, and 1996" and inserting "2000, 2001, 2002, 2003, and 2004".

(B) ADDITIONAL REAUTHORIZATION.—Section 316 of part A of the Runaway and Homeless Youth Act (42 U.S.C. 5712d) (as added by section 40155 of the Violent Crime Control and Law Enforcement Act of 1994 (as amended by paragraph (1)(B) of this subsection)) is—

(i) redesignated as section 315 of part A of the Runaway and Homeless Youth Act; and

(ii) amended by striking subsection (c) and inserting the following:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2000, 2001, 2002, 2003, and 2004."

SEC. 6. GUN BAN FOR DANGEROUS JUVENILE OFFENDERS.

(a) DEFINITION.—Section 921(a)(20) of title 18, United States Code, is amended—

(1) by inserting "(A)" after "(20)";

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) by striking "What constitutes" and all that follows through the period at the end of the paragraph and inserting the following:

"(B) For purposes of subsections (d), (g), and (s) of section 922, the term 'act of juvenile delinquency' means an adjudication of delinquency based on a finding of the commission of an act by a person before the eighteenth birthday of that person that, if committed by an adult, would be a serious drug offense or violent felony (as defined in section 3559(c)(2)), on or after the date of enactment of this subparagraph.

"(C)(i) What constitutes a conviction of a crime described in subparagraph (A) or an adjudication of juvenile delinquency shall be determined in accordance with law of the jurisdiction in which the proceedings were held.

"(ii) Any State conviction or adjudication of delinquency that has been expunged or set aside for which a person has been pardoned or has had civil rights restored by the jurisdiction in which the conviction or adjudication of delinquency occurred shall nevertheless be considered a conviction or adjudication of delinquency unless—

"(I) the expunction, set-aside, pardon, or restoration of civil rights is directed to a specific person;

"(II) the State authority granting the expunction, set aside, pardon, or restoration of civil rights has expressly determined that the circumstances regarding the conviction and the person's record and reputation are such that the person will not act in a manner dangerous to public safety; and

"(III) the expunction, set aside, pardon, or restoration of civil rights expressly authorizes the person to ship, transport, receive, or possess firearms.

"(iii) The requirement of this subparagraph for an individualized restoration of rights shall apply whether or not, under State law, the person's civil rights were taken away by virtue of the conviction or adjudication."

(b) PROHIBITION.—Section 922 of title 18, United States Code is amended—

(1) in subsection (d)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the period at the end and inserting "; or"; and

(C) by inserting after paragraph (9) the following:

"(10) who has committed an act of juvenile delinquency."

(2) in subsection (g)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the period at the end and inserting "; or"; and

(C) by inserting after paragraph (9) the following:

"(10) who has committed an act of juvenile delinquency."; and

(3) in subsection (s)(3)(B)—

(A) in clause (vi), by striking "and" at the end;

(B) in clause (vii), by adding "and" after the semicolon; and

(C) by inserting after clause (vii) the following:

"(viii) has not committed an act of juvenile delinquency."

SEC. 7. EXTENSION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) IN GENERAL.—Section 310001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211(b)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(7) for fiscal year 2001, \$4,400,000,000; and

"(8) for fiscal year 2002, \$4,500,000,000."

(b) CONFORMING DISCRETIONARY SPENDING CAP REDUCTION.—Upon enactment of this Act, the discretionary spending limits for fiscal years 2001 and 2002 set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) are reduced as follows:

(1) For fiscal year 2001, \$4,400,000,000 in new budget authority and \$5,981,000,000 in outlays.

(2) For fiscal year 2002, \$4,500,000,000 in new budget authority and \$4,530,000,000 in outlays.

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. LEAHY, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 9, a bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice system, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes.

S. 25

At the request of Ms. LANDRIEU, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 25, a bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes.

S. 537

At the request of Mr. LUGAR, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 537, a bill to amend the Internal Revenue Code of 1986 to adjust the exemption amounts used to calculate the individual alternative minimum tax for inflation since 1993.

S. 758

At the request of Mr. ASHCROFT, the name of the Senator from Idaho (Mr.

CRAIG) was added as a cosponsor of S. 758, a bill to establish legal standards and procedures for the fair, prompt, inexpensive, and efficient resolution of personal injury claims arising out of asbestos exposure, and for other purposes.

S. 841

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 841, a bill to amend title XVIII of the Social Security Act to provide for coverage of outpatient prescription drugs under the medicare program.

S. 863

At the request of Mr. DASCHLE, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S. 863, a bill to amend title XIX of the Social Security Act to provide for medicaid coverage of all certified nurse practitioners and clinical nurse specialists.

S. 866

At the request of Mr. CRAIG, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 866, a bill to direct the Secretary of Health and Human Services to revise existing regulations concerning the conditions of participation for hospitals and ambulatory surgical centers under the medicare program relating to certified registered nurse anesthetists' services to make the regulations consistent with State supervision requirements.

S. 894

At the request of Mr. CLELAND, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 894, a bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes.

S. 980

At the request of Mr. WELLSTONE, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 980, a bill to promote access to health care services in rural areas.

SENATE CONCURRENT RESOLUTION 31—CELEBRATING THE 50TH ANNIVERSARY OF THE GENEVA CONVENTIONS OF 1949 AND RECOGNIZING THE HUMANITARIAN SAFEGUARDS THESE TREATIES PROVIDE IN TIMES OF ARMED CONFLICT

By Mr. MCCAIN (for himself and Mr. SMITH of Oregon) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 31

Whereas the Geneva Conventions of 1949 set basic humane standards of behavior during armed conflict, and are the major written source of international humanitarian law;

Whereas these Conventions prescribe humane treatment for civilian populations,

wounded, sick and shipwrecked military personnel, and prisoners of war during armed conflict;

Whereas these Conventions recognize the International Committee of the Red Cross as an independent and neutral organization whose humanitarian mission is to protect and assist civilians, prisoners of war, and other victims of armed conflict;

Whereas "the red cross in a field of white" is not an ordinary organizational symbol, but one to which the international community has granted the ability to impose restraint during war and to protect human life;

Whereas the American Red Cross and its sister national societies are members of a world-wide organization rooted in the provisions of international humanitarian law and dedicated to the promulgation of its principles, among which are the Geneva Conventions of 1949;

Whereas the international programs of the American Red Cross bring relief from natural and manmade disasters abroad, contribute to the development of nonprofit relief organizations abroad, and include the teaching of international humanitarian law throughout the United States;

Whereas many domestic programs of the Red Cross in health and safety, disaster, blood, youth, and service to the members of the Armed Forces of the United States grew out of a response to armed conflict;

Whereas, thanks to the efforts of Clara Barton and Frederick Douglass, the United States ratified in 1882 the first convention for the amelioration of the condition of wounded and sick members of the armed forces in the field;

Whereas in 1955 the United States ratified the Geneva Conventions of 1949; and

Whereas the Geneva Conventions of 1949 are among the most universally ratified treaties in the world: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SENSE OF CONGRESS.

The Congress—

(1) recognizes the historic and humanitarian significance of the Geneva Conventions of 1949, and celebrates the 50th anniversary of the signing of these treaties;

(2) exhorts combatants everywhere to respect the red cross emblem in order to protect innocent and vulnerable populations on every side of conflicts;

(3) commends the International Committee of the Red Cross and the more than 175 national Red Cross and Red Crescent societies, including the American Red Cross, on their continuing work in providing relief and assistance to the victims of war as prescribed by these Conventions;

(4) applauds the Promise of Humanity gathering organized by the American Red Cross in 1999 in Washington, D.C., as an important reminder of our responsibilities to educate future generations about the principles of international humanitarian law;

(5) commends the efforts of the International Committee of the Red Cross and the more than 175 national Red Cross and Red Crescent societies, including the American Red Cross, for their work in educating the world's citizens about the humanitarian principles of international humanitarian law as embodied in the Geneva Conventions of 1949;

(6) invites the American Red Cross during this anniversary year to assist Congress in educating its Members and staff about the Geneva Conventions of 1949;

(7) supports the anniversary theme of the International Committee of the Red Cross that "Even War Has Limits"; and

(8) calls upon the President to issue a proclamation recognizing the anniversary of the

Geneva Conventions of 1949 and recognizing the Conventions themselves as critically important instruments for protecting human dignity in times of armed conflict and limiting the savagery of war.

SEC. 2. GENEVA CONVENTIONS OF 1949 DEFINED.

In this concurrent resolution, the term "Geneva Conventions of 1949" means the following conventions, done at Geneva in 1949:

(1) Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field (6 UST 3114).

(2) Convention for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of the Armed Forces at Sea (6 UST 3217).

(3) Convention Relative to the Treatment of Prisoners of War (6 UST 3316).

(4) Convention Relative to the Protection of Civilian Persons in Time of War (6 UST 3516).

Mr. MCCAIN. Mr. President, I am pleased to be joined today by Senator GORDON SMITH as I submit a concurrent resolution to commemorate the 50th Anniversary of the Geneva Conventions of 1949. Fifty years ago the United States joined 187 nations in establishing in international law the four articles of the modern Geneva Convention. These articles are the pillars of international law regarding the treatment of uniformed sick and wounded, prisoners of war, and civilians in times of armed conflict. Their existence serves to constantly remind us of our responsibility to treat all victims of war with the dignity each of us deserves.

These Conventions recognize the International Committee of the Red Cross as an independent and neutral organization whose humanitarian mission is to protest and assist the victims of armed conflict. The International Red Cross is supported, in turn, by national societies such as the American Red Cross and the many other Red Cross and Red Crescent national agencies. Through the years, these organizations have worked tirelessly to bring relief to the suffering around the world whether due to natural disaster or human conflict. Their dedication and compassion have touched the lives of millions of people in all countries and are today at work in the Balkans, Africa, South America, and, tragically, in our own state of Oklahoma in response to the recent massive tornado.

I ask your support for this resolution that commemorates mankind's first major step to codify into international law the respect and dignity that we must foster for each other. The four articles of the Geneva Convention and the formation of the organizations flying the Red Cross and Red Crescent stand as milestones in humanity's progress towards a more civilized world. With this resolution we recognize the historic and humanitarian significance of the Conventions and commend the Red Cross and Red Crescent agencies worldwide for their unflagging efforts to protect the principles of international humanitarian law.

NOTICES OF HEARINGS

COMMITTEE ON HEALTH, EDUCATION, LABOR,
AND PENSIONS

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the Public that a hearing of the Senate Committee on Health, Education, Labor, and Pensions will be held on Wednesday, May 12, 1999, 9:30 a.m., in SD-628 of the Senate Dirksen Building. The subject of the hearing is "ESEA: Title I: Evaluation and Reform." For further information, please call the committee, 202/224-5375.

COMMITTEE ON HEALTH, EDUCATION, LABOR,
AND PENSIONS

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the Public that a hearing of the Senate Committee on Health, Education, Labor, and Pensions will be held on Thursday, May 13, 1999, 10 a.m., in SD-628 of the Senate Dirksen Building. The subject of the hearing is the nomination of Richard McGahey. For further information, please call the committee, 202/224-5375.

SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT,
PRODUCTION AND REGULATION, COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Energy Research, Development, Production and Regulation.

The hearing will take place on Tuesday, May 18, 1999, at 2:30 p.m. in SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 924, the Federal Royalty Certainty Act, introduced April 29, 1999.

Because of limited time available for each hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, D.C. 20510-6150.

For further information, please contact Dan Kish at (202) 224-4971.

ADDITIONAL STATEMENTS

THE CLEAN MONEY/CLEAN
ELECTIONS ACT

• Mr. KERRY. Mr. President, I want to speak before you today about a critical challenge before this Senate—the challenge of reforming the way in which elections are conducted in the United States; the challenge of ending the "moneyocracy" that has turned our elections into auctions where public office is sold to the highest bidder. I want to implore the Congress to take meaningful steps this year to ban soft money, strengthen the Federal Election Commission, provide candidates

the opportunity to pay for their campaigns with clean money, end the growing trend of dangerous sham issue ads, and meet the ultimate goal of restoring the rights of average Americans to have a stake in their democracy. Today I am proud to join with my colleague from Minnesota, PAUL WELLSTONE, to introduce the "Clean Money" bill which I believe will help all of us entrusted to shape public policy to arrive at a point where we can truly say we are rebuilding Americans' faith in our democracy.

For the last 10 years, I have stood before you to push for comprehensive campaign reform. We have made nips and tucks at the edges of the system, but we have always found excuses to hold us back from making the system work. It's long past time that we act—in a comprehensive way—to curtail the way in which soft money and the big special interest dollars are crowding ordinary citizens out of this political system.

Today the political system is being corrupted because there is too much unregulated, misused money circulating in an environment where candidates will do anything to get elected and where, too often, the special interests set the tone of debate more than the political leaders or the American people. Just consider the facts for a moment. The rising cost of seeking political office is outrageous. In 1996, House and Senate candidates spent more than \$765 million, a 76% increase since 1990 and a six fold increase since 1976. Since 1976, the average cost for a winning Senate race went from \$600,000 to \$3.3 million, and in the arms race for campaign dollars in 1996 many of us were forced to spend significantly more than that. In constant dollars, we have seen an increase of over 100 percent in the money spent for Senatorial races from 1980 to 1994. Today Senators often spend more time on the phone "dialing for dollars" than on the Senate floor. The average Senator must raise \$12,000 a week for six years to pay for his or her re-election campaign.

But that's just the tip of the iceberg. The use of soft money has exploded. In 1988, Democrats and Republicans raised a combined \$45 million in soft money. In 1992 that number doubled to reach \$90 million and in 1995-96 that number tripled to \$262 million. This trend continues in this cycle. What's the impact of all that soft money? It means that the special interests are being heard. They're the ones with the influence. But ordinary citizens can't compete. Fewer than one third of one percent of eligible voters donated more than \$250 in the electoral cycle of 1996. They're on the sidelines in what is becoming a coin-operated political system.

The American people want us to act today to forge a better system. An NBC/Wall Street Journal poll shows that 77% of the public believes that campaign finance reform is needed "because there is too much money being spent on political campaigns, which

leads to excessive influence by special interests and wealthy individuals at the expense of average people." Last spring a New York Times found that an astonishing 91% of the public favor a fundamental transformation of this system.

Cynics say that the American people don't care about campaign finance. It's not true. Citizens just don't believe we'll have the courage to act—they're fed up with our defense of the status quo. They're disturbed by our fear of moving away from this status quo which is destroying our democracy. Soft money, political experts tell us, is good for incumbents, good for those of us within the system already. Well, nothing can be good for any elected official that hurts our democracy, that drives citizens out of the process, and which keeps politicians glued to the phone raising money when they ought to be doing the people's business. Let's put aside the status quo, and let's act today to restore our democracy, to make it once more all that the founders promised it could be.

Let us pass the Clean Money Bill to restore faith in our government in this age when it has been so badly eroded.

Let us recognize that the faith in government and in our political process which leads Americans to go to town hall meetings, or to attend local caucuses, or even to vote—that faith which makes political expression worthwhile for ordinary working Americans—is being threatened by a political system that appears to reward the special interests that can play the game and the politicians who can game the system.

Each time we have debated campaign finance reform in this Senate, too many of our colleagues have safeguarded the status quo under the guise of protecting the political speech of the Fortune 500. But today we must pass campaign finance reform to protect the political voice of the 250 million ordinary, working Americans without a fortune. It is their dwindling faith in our political system that must be restored.

Twenty five years ago, I sat before the Foreign Relations Committee, a young veteran having returned from Vietnam. Behind me sat hundreds of veterans committed to ending the war the Vietnam War. Even then we questioned whether ordinary Americans, battle scarred veterans, could have a voice in a political system where the costs of campaigns, the price of elected office seemed prohibitive. Young men who had put their life on the front lines for their country were worried that the wall of special interests between the people and their government might have been too thick even then for our voices to be heard in the corridors of power in Washington, D.C.

But we had a reserve of faith left, some belief in the promise and the influence of political expression for all Americans. That sliver of faith saved lives. Ordinary citizens stopped a war that had taken 59,000 American lives.

Every time in the history of this republic when we have faced a moral challenge, there has been enough faith in our democracy to stir the passions of ordinary Americans to act—to write to their Members of Congress; to come to Washington and speak with us one on one; to walk door to door on behalf of issues and candidates; and to vote on election day for people they believe will fight for them in Washington.

It's the activism of citizens in our democracy that has made the American experiment a success. Ordinary citizens—at the most critical moments in our history—were filled with a sense of efficacy. They believed they had influence in their government.

Today those same citizens are turning away from our political system. They believe the only kind of influence left in American politics is the kind you wield with a checkbook. The senior citizen living on a social security check knows her influence is inconsequential compared to the interest group that can saturate a media market with a million dollars in ads that play fast and loose with the facts. The mother struggling to find decent health care for her children knows her influence is trivial compared to the special interests on K Street that can deliver contributions to incumbent politicians struggling to stay in office.

But I would remind you that whenever our country faces a challenge, it is not the special interests, but rather the average citizen, who holds the responsibility to protect our nation. The next time our nation faces a crisis and the people's voice needs to be heard to turn the tide of history, will the average American believe enough in the process to give words to the feelings beyond the beltway, the currents of public opinion that run beneath the surface of our political dialogue?

In times of real challenge for our country in the years to come, will the young people speak up once again? Not if we continue to hand over control of our political system to the special interests who can infuse the system with soft money and with phony television ads that make a mockery of the issues.

The children of the generation that fought to lower the voting age to 18 are abandoning the voting booth themselves. Polls reveal they believe it is more likely that they'll be abducted by aliens than it is that their vote will make a real difference. For America's young people the MTV Voter Participation Challenge "Choose or Lose" has become a cynical joke. In their minds, the choice has already been lost—lost to the special interests. That is a loss this Senate should take very seriously. That is tremendous damage done to our democracy, damage we have a responsibility in this Senate to repair. Mr. President, with this legislation we are introducing today, we can begin that effort—we can repair and revitalize our political process, and we can guarantee "clean elections" funded by "clean money," elections where our

citizens are the ones who make the difference.●

TRIBUTE TO KEN WHEELER

● Mr. MCCONNELL. Mr. President, I rise today to recognize the career and civic contributions of Mr. Ken Wheeler, an industry leader and community builder in Paducah, Kentucky. Ken's recent retirement is the culmination of a forty-two year career in the maritime industry spanning shipbuilding to inland shipping.

Ken earned a degree in mechanical engineering at Southern Methodist University and worked for twenty-four years for Ingalls Shipbuilding in the company's nuclear-submarine division. By the time he left Ingalls Shipbuilding, he was the company's vice-president of submarine programs. Contributions from individuals such as Ken Wheeler helped make our nation's nuclear-submarine fleet the safest, quietest, and most effective in the world. In the early 1980's, Ken and his wife, Jean, relocated to Paducah following Ken's career move to Midland Enterprises, which operates tow boats on the nation's inland riverways.

Since joining Midland Enterprises, Ken has held various positions including vice-president of repair and maintenance, Port Allen Marine; president, Walker Boat Yard; vice-president, Harley Marine Corp.; president, R & W Marine, Inc.; and vice-president, maintenance and repair for all the Midland Enterprise companies.

Ken has been a key player in establishing Paducah as a national hub for river trade. The city currently boasts about twenty towing companies, and more than 130 supporting businesses. The towing industry in Paducah accounts for approximately 1,300 jobs and a \$35,000,000 annual payroll. Ken has used his position within the industry as a "bully pulpit" to advocate needed infrastructure improvements on the riverways, our nation's internal trade lifeline. From the new Olmsted Dam on the Ohio River, not far from its confluence with the mighty Mississippi, to the expanded lock facilities at Kentucky Dam on the Tennessee River, Ken has worked to make sure that the general public as well as those in government understand the importance of a strong and vital river-transportation network. A network which has a great, but often unrecognized impact on our American way of life. Ken's goal as we cross the threshold into a new millennium has simply been to make certain that America's riverways continue to supply the economical transportation which we have so long enjoyed. As other countries around the world improve their inland transportation networks, we must work to ensure that increased costs of transportation do not put our exports at a competitive disadvantage.

In other areas of civic concern, Ken has also worked to better Western Kentucky by serving on the boards of Pa-

ducua Community College, and West Kentucky Technical College. He is a past president of the Propeller Club of the United States. Additionally, he chairs the River Heritage Center, an exciting new development which will showcase the history of the inland rivers and their importance.

Mr. President, I commend Ken Wheeler for his outstanding service to Kentucky and the nation. Whether it be building systems that helped win the Cold War, or championing an industry vital to our national commerce, Ken Wheeler's contributions will have long-lasting effect. I ask that my fellow colleagues join me in recognizing the career of this outstanding Kentuckian.●

COMMUNITY REINVESTMENT ACT

● Mr. FEINGOLD. Mr. President, I want to offer a few comments about one of the most important issues we have considered as part of the so-called financial modernization debate, namely the Community Reinvestment Act or CRA. It gives me particular pleasure to discuss CRA because it was authored by the former Senator from Wisconsin and Senate Banking Committee Chair, William Proxmire. CRA is over twenty years old now, and by all accounts it has been a success.

Banks have a special role in our free market system; they are the rationers of capital. For this reason and others we grant banks a number of special privileges, such as public charters, taxpayer-backed deposit insurance, and access to the discount window at the Federal Reserve. CRA is grounded in the philosophy that we grant these privileges in part to assure that banks will serve the public—all of the public in all parts of our communities.

In the context of last week's debate over so-called financial services modernization, the concept that we should require banks to actively find lending opportunities in communities they serve is all the more appropriate. The globalization of financial services, and the new structures proposed for financial institutions, increasingly means local institutions have ever expanding and increasingly distant opportunities for their loan portfolios. CRA serves as a reminder that ultimately we grant rights and privileges to banks in part to ensure consumers and businesses in our communities have access to financial services.

I have been interested in CRA since the early 1980s when I became Chair of the Banking Committee in the Wisconsin State Senate, and while it is not perfect, CRA has clearly helped give under served communities increased access to financial services. And it has done a great deal to foster economic development, both for individual families, and for neighborhoods and communities through home ownership and community development financing.

As noted in a recent report by the Wisconsin Rural Development Center,

for many low-income and minority groups, home ownership is a way out of poverty. Equity built through home ownership can be used to finance a start-up business, pay for a college education, fund a secure retirement or consolidate high interest rate debt. The report went on to note that home ownership in low-income neighborhoods can provide stability, increase pride and property values, and attract new capital.

CRA has helped foster access to financial services in each of these areas. Commitments by banks to home ownership, small business, and community development has increased because of CRA. According to 1997 Home Mortgage Disclosure Act data, lending to minority and low income borrowers is increasing. Since 1993, the number of home mortgage loans to African Americans increased by 58 percent, to Hispanics by 62 percent, and to low and moderate income borrowers by 38 percent.

In 1997, financial institutions subject to CRA reporting requirements made 2.6 million small business loans for a total of \$159 billion, two-thirds of small business loans made that year, and more than one-fifth of those loans were made to small businesses in low and moderate income communities.

And, in 1997, large commercial banks made \$18.6 billion in community development investments.

Altogether, nonprofit community organizations estimate that since 1992 the private sector has pledged over \$1 trillion in loans going forward for affordable home ownership and community development.

I have no doubt that CRA was responsible in great part for this record. And neither does Federal Reserve Board Chair Alan Greenspan. At a House Banking Committee hearing earlier this year, Chairman Greenspan testified that CRA has "very significantly increased the amount of credit in these communities" and that changes have been "quite profound."

It is important to note that CRA has succeeded in encouraging banks to serve those who have been financially under served without jeopardizing the safety and soundness of the institution. As Robert Kuttner has noted, in the decade after CRA, we learned that financial institutions often make costly mistakes, but lenders faltered in the 1980s not by being too kind to the inner city, but by making speculative loans in remote locations they knew little about, and by competing recklessly for market share. By comparison, the local Jimmy Stewart type loan looked pretty solid.

As Chairman Greenspan noted, "there is little or no evidence that banks' safety and soundness have been compromised by (low- and moderate-income) lending and bankers often report sound business opportunities."

In fact, CRA is a tool that can help banks. As former Federal Reserve Board Governor Lawrence Lindsey

said, "CRA-related activities can help develop new markets, potentially profitable business, and improve a bank's public image."

Let me note that there have been some improvements to CRA. In response to the very real problems facing many smaller community banks, a streamlined CRA process was approved a few years ago, and I was proud to support those changes and I understand the paperwork burden on smaller banks has been reduced as a result. Over 80 percent of banks covered by CRA qualify for the streamlined performance standards for small banks and thrifts, and I understand that actual time spent in community banks on CRA examinations has been reduced by 30 percent.

CRA has helped improve financial services for under served communities, but there is still significant room for improvement. Many still have few financial options, and as the Wisconsin Rural Development Center has found, in the absence of adequate financial services from traditional lenders, there has been an increase in so-called subprime or predatory lending from lenders who target homeowners with less than perfect credit with high-cost, sometimes fraudulent, mortgage servicing products.

We owe a great deal to Senator Proxmire and his creation. As we consider legislation to change the structure of our financial institutions, we must not lose sight of the original goals of CRA, namely that those institutions which enjoy the special privileges and protections afforded by the government have an obligation to ensure that the entire community has access to financial services.●

THE VERY BAD DEBT BOXSCORE

● Mr. HELMS. Mr. President, at the close of business Friday, May 7, 1999, the Federal debt stood at \$5,569,913,164,536.03.

One year ago, May 7, 1998, the Federal debt stood at \$5,484,428,000,000.

Fifteen years ago, May 7, 1984, the Federal debt stood at \$1,484,934,000,000.

Twenty-five years ago, May 7, 1974, the Federal debt stood at \$468,096,000,000 which reflects a debt increase of more than \$5 trillion—\$5,101,817,164,536.03 during the past 25 years.●

SENATOR BIDEN'S 10,000TH VOTE

● Mr. HOLLINGS. Mr. President, I rise to congratulate my esteemed colleague, the Senator from Delaware, on his 10,000th vote in the Senate. This is a tremendous milestone which few Senators ever reach. For our colleague to reach it at the young age of 56 is even more impressive.

I am proud and fortunate to count Senator BIDEN as one of my best friends. Since he came into the Senate in 1972, we have worked together, learned from each other, and swapped

stories. One story I recall in particular is that Senator BIDEN used to practice "speechifying," as some of our predecessors in the Senate would have said, in front of his classmates to overcome a stuttering problem. Well, Mr. President, I think we all will agree that he has overcome that problem quite nicely and has learned to excel at speechifying.

One of the most amazing facts of Senator BIDEN's career is that he was elected to this body at the ripe old age of 29. His 27 year-old sister was his campaign manager, and he saved mailing costs by having volunteers hand-deliver campaign literature to every house in the state. Of course, Senator BIDEN's campaigns are run a little more professionally now, but he has not lost touch with the people of his state. In fact, the Senator from Delaware has told me stories about virtually every town in his state, no matter how small. He is as familiar with his constituents and as concerned with their needs as any Senator I have known.

Of course, his devotion to his constituents has not prevented Senator BIDEN from playing a sometimes crucial role on national stage. As we all know, Mr. President, he presided over two of the most controversial Judiciary Committee hearings for Supreme Court nominees in American history: those for Judge Robert Bork and Justice Clarence Thomas.

Senator BIDEN was one of the foremost proponents of expanding the North Atlantic Treaty Organization. Last year, he led the successful effort to expand NATO. In 1997, he led the successful effort to ratify the Chemical Weapons Convention. Today, the Senator from Delaware continues to take an active interest in events in the Balkans, the Middle East, and Asia, and as Ranking Member of the Foreign Relations Committee, he remains an outspoken voice on foreign policy matters.

Senator BIDEN has been a leader also in the fight to protect women from violence. He authored the Violent Crime Control and Law Enforcement Act, which was signed into law in September 1994. This act, which included the landmark Violence Against Women Act, was the first comprehensive law to address gender-based crimes. The desire to prevent crime and help crime's victims has long been one of the guiding lights of our esteemed colleague's career. In 1984, he co-authored the Victims of Crime Act, which provides hundreds of millions of dollars to crime victims each year, paid for by criminals.

Senator BIDEN was the lead sponsor of the Juvenile Justice Prevention Act of 1974 and the Juvenile Justice Prevention Amendments of 1992, which provided states with federal grants for a comprehensive approach to preventing juvenile crime and improving the juvenile justice system. And in 1996, Senator BIDEN led the floor fight to restore 1996 appropriations to fund

crime bill initiatives, most notably the Community Oriented Policing Services program to help local and state governments hire more police.

The Senator from Delaware has long been a leader on Women's Health issues. He sponsored the Medicare Mammography Screening Expansion Act, which became law as part of the Balanced Budget Act of 1998. For five years running now, he has authored the annual National Mammography Day. And, in 1998, the President signed into law a bill co-sponsored by Senator BIDEN, which required the creation of a breast cancer postage stamp, with proceeds from the stamp's sale going to breast cancer research.

Like many of his colleagues, the Senator from Delaware has had to triumph over adversity to attain his many professional achievements. The hardships faced and overcome by my dear friend and colleague include the injury of his sons and the death of his beloved first wife and infant daughter in an auto accident shortly after his election to the Senate in 1972, and his own recovery from two operations for a near-fatal brain aneurysm in 1988. Despite this tragedy and adversity, Senator BIDEN has never succumbed to pessimism or forgotten his role as a public servant. He has never ceased working to serve his state and his nation. He remains optimistic about America's future and his ability, working within the Senate, to improve his state and nation.

The Senator from Delaware has called serving in the Senate the greatest, most privileged post-graduate education in America. I think all of us will agree, Mr. President, that he has passed this education with flying colors. There is no more devoted, hard-working member of this body than Senator BIDEN. He is known for his integrity, bipartisan collegiality, and desire to serve the public good. These qualities will always be cherished in this body, as in all walks of life. For any young Americans seeking a public figure to emulate, I can think of no better role model than the Senator from Delaware. And that, Mr. President, is the greatest compliment I can think to pay my dear friend, Senator BIDEN. For 27 years, it has been my great honor and pleasure to serve with him and to count him as a friend. It gives me great pleasure to know that before he leaves this great institution, Senator BIDEN almost certainly will receive accolades on the casting of his 20,000th vote.●

COMMEMORATING CARLOS HATHCOCK II

● Mr. HUTCHINSON. Mr. President, I rise today to honor a man of extraordinary courage. A fellow Arkansan. A soldier and a hero. His name was Carlos N. Hathcock II.

Carlos was born on May 20, 1942, in Little Rock, Arkansas, the son of a welder. At the age of eight, Carlos saw his first Marine in full uniform. The sight left an indelible impression—a

mark that would lead him to commit his life to the military. But in the meantime, he had some growing up to do. Carlos spent a great deal of time in the woods of North Little Rock, hunting squirrels and rabbits and bringing them home to eat. He had no problem filling the table. It seemed as if he was anticipating his future career.

Carlos could hardly wait to start his career in the military. In May 1959, at the age of seventeen, he signed up with the Marines with the permission of his father. The moment he turned eighteen, Carlos went into the Corps. He quickly realized his talent as an effective rifleman and began to carve out his niche in the Marines as a sniper. The intramurals of the Marine Shooting Team was his first official match, a match that he won handily. This victory would certainly not be the last. Carlos won many more shooting competitions and rose steadily through the ranks, with a only a few minor bumps along the way. Indeed, the months and years could be counted by championships and promotions, and marked by his marriage to his wife Jo and the birth of his son, "Sonny" Hathcock.

But soon enough, the skills of Sergeant Carlos Hathcock II were put to use and put to the test. In 1966, the Marines sent him to Vietnam. His tour of duty was no doubt difficult, but Carlos' amazing rifle skill made him a valuable asset to the Marines and an opponent to be dreaded by the North Vietnamese. For his great service, Carlos was presented with the Navy Commendation Medal with combat "V."

Carlos proved himself again on his fateful second tour of duty in Vietnam in 1969. By this time, Carlos knew the sweltering jungles of Vietnam. He could become one with his surroundings. With painstaking patience, he crawled and lay in wait—his hands controlled, resisting the urge to scratch or stretch, his body still as death—until that moment when he struck. Carlos was an expert. He even gained a reputation among the Viet Cong who dubbed him "Long Tra'ng," or white feather, for the single white feather in his hat. But as precise and deadly as he was, Carlos did not enjoy killing people. In fact, he saved the lives of his comrades in the 7th Marines, 1st Marine Division.

On September 16, 1969, the amphibious assault vehicle Carlos was riding ran over a landmine and exploded. Carlos, sprayed with burning gasoline and his flesh melting away, focused only on helping his comrades. Carlos went back to the vehicle and dragged his companions away to safety. He was burned almost beyond recognition.

Fortunately, Carlos was able to recover. For his heroism in Vietnam, Carlos was awarded a Purple Heart and Gold Star. And with swift dedication, Carlos went back to the Marines, serving almost ten more years, retiring on March 1, 1975, after nineteen years, ten months, and five days of service. He had entered the Marines as a callow

youth and left a Gunnery Sergeant, a veteran, and a hero.

He carried on his patriotism and service to America, speaking at military gatherings and teaching his sniper skills to the Virginia Beach Police Department. And in 1996, he was again awarded for his heroism in Vietnam, this time with a Silver Star.

Carlos Hathcock II passed away on February 23, 1999. But he lives on in the minds of many. His son, Carlos Hathcock III, is also a gunnery sergeant in the Marines. The Marines have a library in Carlos' name and an annual award presented to the best marksman in the Marine Corps. Marksmanship of legendary proportions will remain synonymous with the name Hathcock.●

AGRICULTURE MARKET FAILURE PROTECTION ACT OF 1999

● Mr. SARBANES. Mr. President, I rise today in support of S. 30, the Agricultural Market Failure Protection Act of 1999. The purpose of this bill, of which I am co-sponsor, is to protect farmers against income loss resulting from severe economic downturns and weather-related crop losses. In my view this legislation is very timely, considering the current status of our nation's agricultural economy.

We have been experiencing alarming economic conditions in the agricultural sector for over two years. A combination of declining crop prices, reduced yields, and unfavorable export markets have led to a substantial decrease in overall farm incomes. As a nation, we often forget how important it is to protect the vitality of our agricultural producers. We do not want to wait until farms disappear and our supermarkets can no longer stock their shelves to address this situation.

Farmers in my own state of Maryland are not immune to the effects of this crisis. Over the past two years, they have been hit hard by low commodity prices and a widespread drought that has destroyed a significant number of crops. The Maryland Agricultural Statistics Service reports that total farm income fell \$8.2 million last year to \$265.4 million overall. This was a 3 percent decline. Since 1996, farm incomes in Maryland have fallen 26 percent. Prices for grain, corn, soybeans, and hogs are all down, some at 20 to 30 year lows. A recently published article from The Baltimore Sun illustrates the impact of this crisis on the economy of Maryland.

In an effort to address this decline, the Agriculture Market Failure Protection Act would revise marketing assistance loan rates, authorize six-month loan extensions, and amend the Internal Revenue Code to temporarily increase the number of years permitted for the carry back of net operating losses for certain farmers. In short, it would help prevent future income loss by giving farmers a chance to run their operations without constantly being at

the mercy of the market. With these changes to the Agricultural Market Transition Act, farmers will be able to spread crop sales throughout the entire season, and subsequently allow them to take advantage of higher prices.

The legislation which Senator DASCHLE has introduced leaves commodities in the hands of farmers, thereby allowing them to make their own marketing decisions for the future. I commend him for introducing this legislation, and in light of the current state of the agricultural economy, I urge all of my colleagues to support S. 30, the Agricultural Market Failure Protection Act of 1999.

I ask to have printed in the RECORD the Baltimore Sun article.

The article follows.

MD. FARM INCOME DOWN 3% IN 1998; GRAIN GROWERS SUFFER BIG LOSSES, BUT POULTRY, DAIRY FARMERS DO WELL

(By Ted Shelsby)

The extra-fat paychecks of poultry farmers and dairymen last year were not enough to offset big losses by grain growers, and the state ended 1998 with a 3 percent decline in net farm income, according to preliminary estimates released yesterday by the Maryland Agricultural Statistics Service.

Total farm income in Maryland fell \$8.2 million last year to \$265.4 million.

It was the second consecutive year that Maryland farmers have been hurt by low commodity prices and drought. Farm income last year was 26 percent lower than in 1996.

"This is going to have a serious impact on our rural economy," Maryland Department of Agriculture Secretary Henry A. Virts said.

"The farm equipment dealers are going to suffer. The feed dealers are going to suffer. The truck dealers, restaurants and furniture stores are going to suffer, too. Anybody who serves the farm industry is going to feel the decline."

The drop in farm profit last year was blamed primarily on low commodity prices and a summer drought that destroyed grain crops in Southern Maryland and the Eastern Shore.

"Grain prices were down, down, down last year," said Ray Garibay, head of statistics services for the Agriculture Department, in releasing his net income estimate. He added that the prospects for prices are no better for this year as a result of large supplies of grain in storage.

But not all segments of agriculture shared in the hard times.

Garibay said that 1998 will be remembered fondly by poultry and dairy farmers.

"Last year was our best in the past 10 or 12 years," said Lewis R. Riley, an Eastern Shore chicken grower and former state agriculture secretary.

"Poultry prices stayed healthy throughout 1998, and in most case farmers were paid a price bonus by the processors," Riley said.

He explained that the bonus, which totaled between \$5,000 and \$6,000 for his farm, is like a profit-sharing plan in which the chicken processors pay farmers above their contract price when wholesale poultry prices rise.

"It's a windfall for good prices," Riley said, "and it made 1998 a very good year for poultry growers."

State dairy farmers also benefited from record milk prices late last year due to a shortage of milk caused by weather problems in Southern California.

Ed Fry, who operates a dairy farm near Kennedyville, said farmers profited from a shortage of cheese and butter last year.

"High milk prices, coupled with low grain prices, made for a very good year for the dairy industry in general," he said.

Fry noted that the good times are coming to a halt. He said the basic formula price of milk set by the U.S. Department of Agriculture dropped 37 percent last week, and farmers will feel the bite in their milk checks beginning next month.

Grain farmers have been feeling a financial pinch for more than a year.

Melvin Baile Jr., past president of the Maryland Grain Producers Association, said corn and soybean growers were lucky to break even last year.

"Prices were off 20 percent for corn and the same for soybean," said Baile, who farms 700 acres outside New Windsor in Carroll County.

He said the double whammy of low prices and poor yields was particularly hard on Southern Maryland and Eastern Shore farms that experienced the brunt of last year's drought. ●

TRIBUTE TO CAPTAIN ROBERT B. SHIELDS, JR., USN

● Mr. WARNER. Mr. President, I rise today to recognize and say farewell to an outstanding Naval Officer, Captain Robert B. Shields, Jr., as he prepares to retire upon completion of twenty-seven years of distinguished service. It is a privilege for me to honor his many outstanding achievements and commend him for his devotion to the Navy and our great Nation.

A native of Providence, Rhode Island, Captain Shields is a graduate of the United States Naval Academy. Upon graduation in 1972, his first sea tour was aboard the USS *Aylwin* (FF-1081) where he served as First Lieutenant and Anti-Submarine Warfare Officer. His second and third shipboard tours were served aboard USS *Nicholson* (DD-982) and USS *Richmond K. Turner* (CG-20). Captain Shields continued to demonstrate outstanding leadership abilities as the Executive Officer of USS *Sterett* (CG-31) and was rewarded with command of the destroyer USS *O'Bannon* (DD-987).

His most recent sea tour was as Commanding Officer of the cruiser USS *Vicksburg* (CG-69). During Captain Shield's tenure, his ship earned the Battle Efficiency "E" Award, the Ney award, and the Best Ship's Store Sales and Service Award. *Vicksburg* distinguished herself as Air Warfare Commander for the John F. Kennedy Battlegroup while deployed to the Mediterranean and Persian Gulf.

Captain Shields completed shore assignments at the Navy Postgraduate School where he earned a Masters of Science Degree in Engineering Acoustics; the Royal Navy Staff College in Greenwich, England; and in a variety of assignments in Washington, D.C. In Washington, he was assigned to the staff of the Chief of Naval Operations in the Research, Development and Acquisition Directorate and then completed a year as a Federal Executive Fellow at the American Enterprise Institute. Captain Shields first came in contact with our nation's lawmakers

when he served as a Congressional Liaison Officer for surface ship programs in the Navy's Office of Legislative Affairs. With many successful at-sea and shore tours behind him, Captain Shields' was then handpicked to serve as Deputy Legislative Assistant to the Chairman of the Joint Chiefs of Staff. His current, and last, assignment has been with the Navy's Office of Legislative Affairs where he is Deputy Chief.

Captain Shields is a dynamic and resourceful naval officer who throughout his tenure has proven to be an indispensable asset. He is a passionate advocate of the Sea Services and has been tireless in supporting the needs of the Sailors in the Fleet and their families. He understands better than anyone that they are truly the backbone of our national defense. His superior contributions and distinguished service will have long-term benefits for both the Navy and the country he so proudly served. As Captain Shields enters into his new profession, we will certainly miss him. I am proud to thank him for his service and wish him "fair winds and following seas" as he concludes his distinguished Naval career. ●

TRIBUTE TO HOWARD SCHNELLENBERGER

● Mr. MCCONNELL. Mr. President, I rise today to thank my good friend Howard Schnellenberger for making University of Louisville football the success that it is, and wish him the best in his latest endeavor to build a completely new football program at Florida Atlantic University.

Howard was the Cardinal's football coach for nine years and, when he left, had re-created the program to be unlike any the University of Louisville had ever seen. Howard didn't just talk about what he wanted to accomplish at U of L, he delivered. He recruited better players, he initiated plans for a brand new state-of-the-art stadium, and most importantly he inspired a kind of spirit in the Cardinals' faculty, fans and players that they had never experienced before. It was this winning spirit that helped Howard lead Cardinals football to its present glory.

Howard believed in his team and his school, and set no meager goals for them. He wanted nothing less than to transform them from a team that hadn't had a winning season in years, to a team that would be a legitimate bowl contender. While U of L may still have some progress to make, the Cards have played in, and won, several bowl games in recent years—and for that, Howard is largely responsible.

I have no doubt that Howard will have as significant an effect on Florida Atlantic University as he had on U of L. Howard will have a chance to build this program from the ground-up—as of yet, FAU doesn't even have a team. As FAU's Director of Football Operations, Howard will hand-pick the staff and the players and mold the football program in the likeness of his previous

success stories. With Howard's track record, FAU can expect an exciting program that will build steadily toward future success.

Thank you, Howard, for your nine years of dedicated service to the University of Louisville, which resulted in a winning team and a top-quality program. Five years after your departure, your spirit continues to drive the Cardinals football program toward victory. Best wishes at Florida Atlantic University, and may God bless you and Beverlee in this exciting adventure.

Mr. President, I ask to have printed in the RECORD a copy of a January 1999 article, "The Louisville Prototype," which appeared in the FAU Sports Digest.

The article follows.

THE FLORIDA ATLANTIC FOOTBALL PROGRAM WILL LARGELY BE MODELED AFTER WHAT HOWARD SCHNELLENBERGER BUILT AT LOUISVILLE, A PROGRAM WHICH MIGHT AS WELL HAVE BEEN STARTED FROM SCRATCH

(By Ron Steiner)

LOUISVILLE—At Miami, Coach Howard Schnellenberger revived a collegiate football program that was on the verge of extinction and won a national championship. Writers called that effort the "Miracle of Miami."

At Louisville, his hometown, Schnellenberger was the last hope for a program headed for the scrap heap. He built a team that went on to crush Alabama in the 20th Anniversary Fiesta Bowl, and that inspired construction of the school's first true on-campus stadium, a \$68 million structure financed almost entirely by the fans. In Kentucky they call that effort "The Miracle on Floyd St."

For Howard Schnellenberger, today it is his blueprint.

Now, the veteran coach is about to go for the hat trick by building a totally new collegiate football program at Florida Atlantic University in Boca Raton and much of what he does at FAU will be modeled after what was successful at Louisville, a program that might as well have been built from scratch.

Based on Schnellenberger's track record, it's a safe bet that he has at least one more miracle tucked away somewhere in the pocket of his blazer.

Taking Miami to the title game and beating a legendary Nebraska team was improbable. But at least that school had played in big bowl games and had long-aspired to greatness.

Tackling the job at Louisville, where basketball had been the only local sports language for decades? That was a massive undertaking the size of which even Schnellenberger had underestimated.

After one of his first spring practices at Louisville, held long before the new freshmen could arrive, Schnellenberger called a staff member to his office. The coach was slumped in his chair. He looked tired, disturbed and suddenly very gray.

"Did you see that practice? Did you see that?" he asked as if he were recounting a nightmare. "What in the world have we gotten ourselves into here?"

There was no answer.

No one, not even a veteran coach like Schnellenberger, could have known how hard it was going to be, or how much work there was to be done or even what unexpected obstacles, both seen and unseen, would be thrown into the path of progress.

But he pressed on with the same confidence, singleness of purpose and unceasing energy that he's armed with at Florida Atlantic.

At Louisville, it was a dream of Top-25 rankings, national television appearances, home sellouts, bowl bids and a new stadium, that kept the Cardinal football family going during the early years.

Back in 1985, when the Cards opened their first season under Schnellenberger at West Virginia, the lineup was iffy to say the least.

One starting defensive back was a freshman who had played quarterback in high school, and the other corner was a freshman who had played middle guard as a prep player. One of the starting defensive tackles was a freshman who had never lined up in a three-point stance in his life. The Louisville Cardinals were simply outmanned and that was the way things were going to be for a while.

Today, thanks largely to Schnellenberger's efforts, the Cards are fresh off their third bowl game in the '90s, and their facilities draw raves from the likes of award-winning quarterback Cade McNown. In town recently to receive the Johnny Unitas Golden Arm Award as the nation's top senior quarterback, McNown raved about the new stadium and football complex.

"I only wish we had facilities like these at UCLA," McNown said.

It wasn't that way when Schnellenberger toiled to jump-start the program.

Back then, summer preseason practice sessions were held on the school's suburban campus where grass fields were watered by garden hoses and makeshift, homemade sprinklers. There weren't many players on the team to start with and when some got a close look at the new way of doing things, there were fewer.

During the season, seven huge linemen would meet with their assistant coaches in tiny 10-foot offices built for one. Back then, closets were cleaned out and transformed into offices. Walls were knocked down. Pictures and inspirational signs were nailed up. They cried out: "Be Positive or Be Gone" and "It takes everyone to be No. 1" and "What have you done today to help Louisville win tomorrow?"

Back then, there were three phone lines for a 40-person staff. Coaches making recruiting calls and other staff members handling regular business would wait for a free line, like contestants on a game show. When one of the three lights on the phone set would go dark, they would battle to see who could punch it up first.

And back in '85, the foundation for a Top 25 contender was quietly being built in a small brick building on the property of the Kentucky Fairgrounds, among mules and jacks and the largest bulls you've ever seen.

The University of Louisville was trying to recruit its stars of the future in the middle of mobile home shows, gun shows, flea markets, ice shows, and appropriately, the circus.

As hard as it is to believe since Florida Atlantic doesn't even have a team yet, Schnellenberger will be dealing with a better hand in his role as Director of Football Operations.

He'll oversee the construction of on-campus facilities and develop a program with a tremendous population base for recruiting, a great climate and instant visibility in a football-crazy state. There will be tough sledding, nonetheless. But they will be experiences with a blend of familiarity. It goes with the territory of building something that will last.

At Louisville, there were plenty of times he would wonder. At times, he would go out on game day knowing as an expert that the other team would have to fumble four times and throw four interceptions if his team was to have a chance to even keep the score close.

But the next day he would always return to his office before dawn, whistling, and with a new idea, something that needed fixing, a new phone call to make, something—anything—that would bring progress that day. He hid his doubts very well. He had to. If the head coach didn't believe, then who else would?

Back then, like now, there was something else, too. There was something very special that few modern-day teams ever experience. Adventure.

There was a clear-cut goal of building a program that would some day challenge the nation's best and compete for a national title one day. And there was something new every day.

There was a pioneer spirit that caught on. Recruiting was based on that premise: "Sure, you can go to the established programs and be just another one of a long list of players at that school. Or you can come with us and make a major difference. You can come with us and help create something. It won't be easy. In fact, we guarantee it will probably be the hardest thing you will ever do. But you will be part of something truly special. Something important. Something lasting."

Back in the early days at Louisville, and it will likely be the same if he chooses to coach at Florida Atlantic, there was little early prestige. But inside themselves, the players and fans who became close to the program began to share a new spirit. The early years were crazy for those close to the Cards. They were frustrating and fulfilling all at the same time, tiring and exhilarating all at once. Breaking down historic walls of resistance and preconceptions took time. Building up the program took strength.

Together, new players, students, alumni, fans, staff and friends of the program, all who suffered and yet enjoyed those formative years, were drawn together at Louisville in a state known for basketball, in a stadium built for baseball, to create something new and special for collegiate football. Back then, they shared a dream. And they still do.

For example, NFL All Pro defensive tackle Ted Washington of the Buffalo Bills, a Tampa native, recently recalled his playing days at Louisville under Schnellenberger.

"It seemed like every day we would hear the coach say his favorite saying—'To Believe is to be Strong.' At the time I guess I didn't understand what it meant," Washington said. "But I do now, and a day doesn't go by that I don't use the phrase myself in football, in charity work and in working in the community."

Washington is just one of three NFL stars who played at Louisville who have been selected to this year's Pro Bowl. New Orleans defensive end Joe Johnson and the Atlanta Falcons' defensive back Ray Buchanan were Schnellenberger recruits who bought into the dream of building a tough-minded, top-quality program.

Perhaps the most dramatic example of the Schnellenberger magic is the sparkling new stadium that stands on the southernmost edge of the campus of the University of Louisville.

At first, the idea of building a proud football program at Louisville and then the absolute best stadium in the state was mocked by some local writers who called it simply a pipe dream. After all, the future of Cardinal football was a fragile thing in the late 1980s. Again, there had been talk of de-emphasizing the sport, possibly dropping back to Division I-AA or disbanding completely.

But then came Schnellenberger. And then came winning seasons, bowl victories and sellout crowds. If ever Louisville was going to fulfill its football destiny, if ever there was going to be a time to give the program

a solid foundation for the future, the time had come.

Schnellenberger's quiet belief was that once U of L and the Greater Louisville community committed to building a new stadium, and once that stadium was completed, there would be no turning back. Football would suddenly become more important than ever before, and have every possible chance to succeed as never before.

From that point on, he reasoned, there would be a financial imperative to aim high and provide fans with quality schedules and competitive teams. Recruiting of coaches and players would be enhanced immediately and for decades to come. And finally, the Louisville football program and its deserving fans would have a first-class home to call their own.

Today the stadium that Schnellenberger and his early recruits could only dream about is a reality. It is considered the finest, most fan-friendly college stadium in America today. It has a state-of-the-art playing surface, 42,000 chairback seats, a video replay board, corporate suites and a magnificent club level, all of which might make some NFL teams envious.

But there's something much more important about the stadium in Louisville they call Papa John's Cardinal Stadium. It's a testimony to the Schnellenberger way of doing things. It's all about vision, hard work, persistence, dreaming and determination.

Unlike many of the state of Kentucky's sports facilities, and many others around the nation, Louisville's new stadium is not a gift from the government.

Instead it is certainly one of the most remarkable collegiate projects ever built—and for the people.

Schnellenberger had begun lobbying for a new stadium on Dec. 1, 1984, the day he took over the Cardinal program. But it took years to wade through administrative bureaucracies and to build a football team that would energize the community.

As the program improved, fan interest grew. New attendance records were set. Top teams like Texas, Texas A&M, Florida, Florida State, Arizona State and Tennessee were scheduled. Winning seasons turned into near-perfect seasons. And then came decision time.

When it became clear that a new stadium at Louisville would have to be built with private funds, skeptics chuckled. After all, no modern-day university had ever achieved such a feat.

But on June 2, 1993, the overall plan for fans to fund the new stadium was in place. But no one knew for sure how the fans would react.

That warm evening the U of L Athletic Department conducted its most amazing day of fund-raising ever. A kickoff party designed primarily as an information session, turned into a bonanza. Fans began writing checks. Big checks. And it was all the staff could do to keep up with the outpouring of support.

On that pivotal day, Cardinal loyalists pledge more than \$1 million. And suddenly, the effort had the momentum it needed.

"What happened that day and throughout the stadium campaign, was unprecedented in college sports," said Dean Billick, now athletic director at Lamar University in Texas who served as a consultant to the stadium drive for four months.

"The passion the U of L fans had for their program and for that project was remarkable. People were taking out second mortgages on their homes to be able to buy lifetime seats. Some people were making commitments that were probably beyond what they could afford. But their commitment to making the stadium happen is something I

will never forget. After years of discussions and studies, the Louisville fans finally got their chance at bat, and they stepped up to the plate and hit a home run. It was simply amazing to see."

In only four months, thousands of Louisville fans came together to commit nearly \$15 million to the stadium project. They gave it life.

Corporate and political leaders, knowing a winner when they saw one, jumped to the head of the victory parade and began to support the project. Others like Papa John's Pizza founder John Schnatter, saw it as a way for a hometown boy to give back to his community, and he pitched in \$5 million.

But without the fans some of whom pledged as little as \$25 per year, and some who donated up to \$25,000 per seat, Louisville's dream would never have happened. Their passion for both the project and the program was founded in being part of the dream from the very beginning.

They had been there for those first practices and first games under their new coach. They had shared the tough times and later celebrated the good times together. And they had dared to dream together.

As Louisville fans prepared for their bowl trip this year, local country singer Mickey Clark recorded a song to commemorate the Cardinals' successful season. The title? The Dream Lives On. It sure does.

And that should be good news for Florida Atlantic fans who are about to embark on a dream of their own.

They'll be doing so alongside that fellow named Schnellenberger, who might just make this new story he's working on the best one yet. ●

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

S. 900, the Financial Services Modernization Act of 1999, as amended and passed by the Senate on May 6, 1999, is as follows:

S. 900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Financial Services Modernization Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—FACILITATING AFFILIATION AMONG BANKS, SECURITIES FIRMS, AND INSURANCE COMPANIES

Subtitle A—Affiliations

- Sec. 101. Glass-Steagall Act repealed.
- Sec. 102. Financial activities.
- Sec. 103. Conforming amendments.
- Sec. 104. Operation of State law.

Subtitle B—Streamlining Supervision of Bank Holding Companies

- Sec. 111. Streamlining bank holding company supervision.
- Sec. 112. Authority of State insurance regulator and Securities and Exchange Commission.
- Sec. 113. Role of the Board of Governors of the Federal Reserve System.
- Sec. 114. Examination of investment companies.
- Sec. 115. Equivalent regulation and supervision.
- Sec. 116. Interagency consultation.
- Sec. 117. Preserving the integrity of FDIC resources.

Subtitle C—Activities of National Banks

- Sec. 121. Authority of national banks to underwrite municipal revenue bonds.

- Sec. 122. Subsidiaries of national banks.
- Sec. 123. Agency activities.
- Sec. 124. Prohibiting fraudulent representations.
- Sec. 125. Insurance underwriting by national banks.

Subtitle D—National Treatment of Foreign Financial Institutions

- Sec. 151. National treatment of foreign financial institutions.
- Sec. 152. Representative offices.

TITLE II—INSURANCE CUSTOMER PROTECTIONS

- Sec. 201. Functional regulation of insurance.
- Sec. 202. Insurance customer protections.
- Sec. 203. Federal and State dispute resolution.

TITLE III—REGULATORY IMPROVEMENTS

- Sec. 301. Elimination of SAIF and DIF special reserves.
- Sec. 302. Expanded small bank access to S corporation treatment.
- Sec. 303. Meaningful CRA examinations.
- Sec. 304. Financial information privacy protection.
- Sec. 305. Cross marketing restriction; limited purpose bank relief; divestiture.
- Sec. 306. "Plain language" requirement for Federal banking agency rules.
- Sec. 307. Retention of "Federal" in name of converted Federal savings association.
- Sec. 308. Community Reinvestment Act exemption.
- Sec. 309. Bank officers and directors as officers and directors of public utilities.

- Sec. 310. Control of bankers' banks.
- Sec. 311. Multistate licensing and interstate insurance sales activities.
- Sec. 312. CRA sunshine requirements.
- Sec. 313. Interstate branches and agencies of foreign banks.
- Sec. 314. Disclosures to consumers under the Truth in Lending Act.
- Sec. 315. Approval for purchases of securities.

- Sec. 316. Provision of technical assistance to microenterprises.
- Sec. 317. Federal reserve audits.
- Sec. 318. Study and report on advertising practices of online brokerage services.
- Sec. 319. Eligibility of community development financial institution to borrow from the Federal Home Loan Bank system.

TITLE IV—FEDERAL HOME LOAN BANK SYSTEM MODERNIZATION

- Sec. 401. Short title.
- Sec. 402. Definitions.
- Sec. 403. Savings association membership.
- Sec. 404. Advances to members; collateral.
- Sec. 405. Eligibility criteria.
- Sec. 406. Management of banks.
- Sec. 407. Resolution Funding Corporation.
- Sec. 408. GAO study on Federal Home Loan Bank System capital.

TITLE V—FUNCTIONAL REGULATION OF BROKERS AND DEALERS

- Sec. 501. Definition of broker.
- Sec. 502. Definition of dealer.
- Sec. 503. Definition and treatment of banking products.
- Sec. 504. Qualified investor defined.
- Sec. 505. Government securities defined.
- Sec. 506. Effective date.
- Sec. 507. Rule of construction.

TITLE VI—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

- Sec. 601. Prevention of creation of new S&L holding companies with commercial affiliates.

Sec. 602. Optional conversion of Federal savings associations.

TITLE VII—ATM FEE REFORM

Sec. 701. Short title.

Sec. 702. Electronic fund transfer fee disclosures at any host ATM.

Sec. 703. Disclosure of possible fees to consumers when ATM card is issued.

Sec. 704. Feasibility study.

Sec. 705. No liability if posted notices are damaged.

TITLE I—FACILITATING AFFILIATION AMONG BANKS, SECURITIES FIRMS, AND INSURANCE COMPANIES

Subtitle A—Affiliations

SEC. 101. GLASS-STEAGALL ACT REPEALED.

(a) SECTION 20 REPEALED.—Section 20 of the Banking Act of 1933 (12 U.S.C. 377) (commonly referred to as the “Glass-Steagall Act”) is repealed.

(b) SECTION 32 REPEALED.—Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is repealed.

SEC. 102. FINANCIAL ACTIVITIES.

(a) IN GENERAL.—Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end the following new subsections:

“(k) ENGAGING IN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

“(1) IN GENERAL.—Notwithstanding subsection (a), a bank holding company may engage in any activity, and may acquire and retain the shares of any company engaged in any activity, that the Board, in coordination with the Secretary of the Treasury, determines (by regulation or order) to be financial in nature or incidental to such financial activities.

“(2) COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.—

“(A) PROPOSALS RAISED BEFORE THE BOARD.—

“(i) CONSULTATION.—The Board shall notify the Secretary of the Treasury of, and consult with the Secretary of the Treasury concerning, any request, proposal, or application under this subsection for a determination of whether an activity is financial in nature or incidental to such a financial activity.

“(ii) TREASURY VIEW.—The Board shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Secretary of the Treasury notifies the Board in writing, not later than 30 days after the date of receipt of the notice described in clause (i) (or such longer period as the Board determines to be appropriate in light of the circumstances) that the Secretary of the Treasury believes that the activity is not financial in nature or incidental to a financial activity.

“(B) PROPOSALS RAISED BY THE TREASURY.—

“(i) TREASURY RECOMMENDATION.—The Secretary of the Treasury may, at any time, recommend in writing that the Board find an activity to be financial in nature or incidental to a financial activity.

“(ii) TIME PERIOD FOR BOARD ACTION.—Not later than 30 days after the date of receipt of a written recommendation from the Secretary of the Treasury under clause (i) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Board shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify the Secretary of the Treasury in writing of the determination of the Board and, in the event that the Board determines not to seek public comment on the proposal, the reasons for that determination.

“(3) FACTORS TO BE CONSIDERED.—The Board shall determine that an activity is financial in nature or incidental to financial activities, if the Board finds that such activity is consistent with—

“(A) the purposes of this Act and the Financial Services Modernization Act of 1999;

“(B) changes or reasonably expected changes in the marketplace in which bank holding companies compete;

“(C) changes or reasonably expected changes in the technology for delivering financial services; and

“(D) fostering—

“(i) effective competition with any company seeking to provide financial services in the United States;

“(ii) the efficient delivery of information and services that are financial in nature through the use of technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions; and

“(iii) the provision to customers of any available or emerging technological means for using financial services.

“(4) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—For purposes of this subsection, the following activities shall be considered to be financial in nature:

“(A) Lending, exchanging, transferring, investing for others, or safeguarding money or securities.

“(B) Insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or providing and issuing annuities, and acting as principal, agent, or broker for purposes of the foregoing, in any State, in full compliance with the laws and regulations of that State that apply to each type of insurance license or authorization in that State.

“(C) Providing financial, investment, or economic advisory services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

“(D) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

“(E) Underwriting, dealing in, or making a market in securities.

“(F) Engaging in any activity that the Board has determined, by order or regulation that is in effect on the date of enactment of the Financial Services Modernization Act of 1999, to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (subject to the same terms and conditions contained in such order or regulation, unless modified by the Board).

“(G) Engaging, in the United States, in any activity that—

“(i) a bank holding company may engage in outside of the United States; and

“(ii) the Board has determined, under regulations issued pursuant to subsection (c)(13) (as in effect on the day before the date of enactment of the Financial Services Modernization Act of 1999) to be usual in connection with the transaction of banking or other financial operations abroad.

“(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution that the bank holding company controls), or otherwise, shares, assets, or ownership interests (including debt or equity securities, partnership interests, trust certificates, or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

“(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or subsidiary of a depository institution; and

“(ii) such shares, assets, or ownership interests are acquired and held by—

“(I) a securities affiliate or an affiliate thereof; or

“(II) an affiliate of an insurance company described in paragraph (I)(ii) that provides investment advice to an insurance company and is registered pursuant to the Investment Advisers Act of 1940, or an affiliate of such investment adviser, as part of a bona fide underwriting or merchant banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment.

“(I) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls), or otherwise, shares, assets, or ownership interests (including debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

“(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or a subsidiary of a depository institution; and

“(ii) such shares, assets, or ownership interests are acquired and held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance) or providing and issuing annuities; and

“(iii) such shares, assets, or ownership interests represent, as determined by the insurance authority of the State of domicile of the insurance company, an investment made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments.

“(J) Activities that the Board determines (by regulation or order) are complementary to financial activities, or any other service that the Board determines (by regulation or order) not to pose a substantial risk to the safety or soundness of depository institutions or the financial system generally.

“(5) ACTIONS REQUIRED.—

“(A) IN GENERAL.—The Board shall, by regulation or order, define, consistent with the purposes of this Act, the activities described in subparagraph (B) as financial in nature, and the extent to which such activities are financial in nature or incidental to activities that are financial in nature.

“(B) ACTIVITIES.—The activities described in this subparagraph are—

“(i) lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities;

“(ii) providing any device or other instrumentality for transferring money or other financial assets;

“(iii) arranging, effecting, or facilitating financial transactions for the account of third parties; and

“(iv) activities that are complementary to financial activities, or any other service that the Board determines (by regulation or order) not to pose a substantial risk to the safety or soundness of depository institutions or the financial system generally.

“(6) REQUIRED NOTIFICATION.—

“(A) IN GENERAL.—A bank holding company that acquires any company or commences any activity pursuant to this subsection shall provide written notice to the Board describing the activity commenced or

conducted by the company acquired not later than 30 calendar days after commencing the activity or consummating the acquisition, as applicable.

“(B) APPROVAL NOT REQUIRED FOR CERTAIN FINANCIAL ACTIVITIES.—Except as provided in subsection (j) with regard to the acquisition of a savings association, a bank holding company may commence any activity, or acquire any company, pursuant to paragraph (4) or any regulation prescribed or order issued under paragraph (5), without prior approval of the Board.

“(I) CONDITIONS FOR ENGAGING IN EXPANDED FINANCIAL ACTIVITIES.—

“(1) IN GENERAL.—Notwithstanding subsection (k), a bank holding company may not engage in any activity, or directly or indirectly acquire or retain shares of any company engaged in any activity, under subsection (k), other than activities permissible for a bank holding company under subsection (c)(8), unless—

“(A) all of the insured depository institution subsidiaries of the bank holding company are well capitalized;

“(B) all of the insured depository institution subsidiaries of the bank holding company are well managed; and

“(C) the bank holding company has filed with the Board—

“(i) a declaration that the company elects to engage in activities or acquire and retain shares of a company which were not permissible for a bank holding company to engage in or acquire before the enactment of the Financial Services Modernization Act of 1999; and

“(ii) a certification that the company meets the requirements of subparagraphs (A) and (B).

“(2) FOREIGN BANKS.—For purposes of paragraph (1), the Board shall apply comparable capital and management standards to a foreign bank that operates a branch or agency or owns or controls a commercial lending company in the United States, giving due regard to the principle of national treatment and equality of competitive opportunity.

“(3) DEFINITIONS.—For purposes of this subsection—

“(A) the term ‘well capitalized’ has the same meaning as in section 38 of the Federal Deposit Insurance Act;

“(B) the term ‘well managed’ means—

“(i) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

“(I) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

“(II) at least a rating of 2 for management, if that rating is given;

“(ii) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory; and

“(iii) the terms ‘appropriate Federal banking agency’ and ‘depository institution’ have the same meanings as in section 3 of the Federal Deposit Insurance Act.

“(m) PROVISIONS APPLICABLE TO BANK HOLDING COMPANIES THAT FAIL TO MEET CERTAIN REQUIREMENTS.—

“(I) IN GENERAL.—If the Board finds that—

“(A) a bank holding company is engaged, directly or indirectly, in any activity under subsection (k), other than activities that are permissible for a bank holding company under subsection (c)(8); and

“(B) such bank holding company is not in compliance with the requirements of subsection (l),

the Board shall give notice to the bank holding company to that effect, describing the conditions giving rise to the notice.

“(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—Not later than 45 days after the date of receipt by a bank holding company of a notice given under paragraph (1) (or such additional period as the Board may permit), the bank holding company shall execute an agreement with the Board to comply with the requirements applicable to a bank holding company under subsection (l).

“(3) BOARD MAY IMPOSE LIMITATIONS.—Until the conditions described in a notice to a bank holding company under paragraph (1) are corrected, the Board may impose such limitations on the conduct or activities of that bank holding company or any affiliate of that company as the Board determines to be appropriate under the circumstances and consistent with the purposes of this Act.

“(4) FAILURE TO CORRECT.—If the conditions described in a notice to a bank holding company under paragraph (1) are not corrected within 180 days after the date of receipt by the bank holding company of a notice under paragraph (1), the Board may require such bank holding company, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the discretion of the Board, either—

“(A) to divest control of any subsidiary insured depository institutions; or

“(B) to cease to engage in any activity conducted by such bank holding company or its subsidiaries (other than a depository institution or a subsidiary of a depository institution) that is not an activity that is permissible for a bank holding company under subsection (c)(8).

“(n) AUTHORITY TO RETAIN COMMODITY ACTIVITIES AND AFFILIATIONS.—Notwithstanding subsection (a), a company that is not a bank holding company or a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) and becomes a bank holding company after the date of enactment of the Financial Services Modernization Act of 1999, may continue to engage in, or directly or indirectly own or control shares of a company engaged in, activities related to the trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies to conduct in the United States as of September 30, 1997, if—

“(1) the bank holding company, or any subsidiary of the bank holding company, lawfully was engaged, directly or indirectly, in any of such activities as of September 30, 1997, in the United States;

“(2) the attributed aggregate consolidated assets of the company held by the bank holding company pursuant to this subsection, and not otherwise permitted to be held by a bank holding company, are equal to not more than 5 percent of the total consolidated assets of the bank holding company, except that the Board may increase that percentage by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act; and

“(3) the bank holding company does not permit—

“(A) any company, the shares of which it owns or controls pursuant to this subsection, to offer or market any product or service of an affiliated insured depository institution; or

“(B) any affiliated insured depository institution to offer or market any product or

service of any company, the shares of which are owned or controlled by such bank holding company pursuant to this subsection.”

(b) FINANCIAL ACTIVITIES OF BANK HOLDING COMPANIES INELIGIBLE FOR SUBSECTION (k) POWERS.—

(1) IN GENERAL.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

“(8) shares of any company, the activities of which had been determined by the Board by regulation or order under this paragraph as of the day before the date of enactment of the Financial Services Modernization Act of 1999, to be so closely related to banking as to be a proper incident thereto (subject to such terms and conditions contained in such regulation, unless modified by the Board);”

(2) CONFORMING CHANGES TO OTHER STATUTES.—

(A) AMENDMENT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.—Section 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850) is amended by striking “, to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act,”

(B) AMENDMENT TO THE BANK SERVICE COMPANY ACT.—Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by striking the period at the end and inserting the following: “as of the day before the date of enactment of the Financial Services Modernization Act of 1999.”

SEC. 103. CONFORMING AMENDMENTS.

Section 10(c)(2)(F)(i) of the Home Owners’ Loan Act (12 U.S.C. 1467a(c)(2)(F)(i)) is amended—

(1) by inserting “is permitted for bank holding companies under subsection (c) or (k) of section 4 of the Bank Holding Company Act of 1956, or which” after “(i) which”; and

(2) by striking “section 4(c)” and inserting “subsection (c) or (k) of section 4”.

SEC. 104. OPERATION OF STATE LAW.

(a) STATE REGULATION OF THE BUSINESS OF INSURANCE.—The Act entitled “An Act to express the intent of Congress with reference to the regulation of the business of insurance” and approved March 9, 1945 (15 U.S.C. 1011 et seq.), commonly referred to as the “McCarran-Ferguson Act” remains the law of the United States.

(b) MANDATORY INSURANCE LICENSING REQUIREMENTS.—No person or entity shall provide insurance in a State as principal or agent unless such person or entity is licensed, as required by the appropriate insurance regulator of such State in accordance with the relevant State insurance laws, subject to subsections (c), (d), and (e).

(c) AFFILIATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict the affiliations authorized or permitted by this Act and the amendments made by this Act.

(2) INSURANCE.—With respect to affiliations between insured depository institutions, or any subsidiary or affiliate thereof, and persons or entities engaged in the business of insurance, paragraph (1) does not prohibit any State from collecting, reviewing, and taking actions on required applications and other documents or reports as may be necessary concerning proposed acquisitions, changes, or continuations of control of any entity engaged in the business of insurance and domiciled in that State, if the State actions do not have the practical effect of discriminating, either intentionally or unintentionally, against an insured depository institution or a subsidiary or affiliate thereof, or against any person or entity based upon affiliation with an insured depository institution.

(d) ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (3), and except with respect to insurance sales, solicitation, and cross marketing activities, which shall be governed by paragraph (2), no State may, by statute, regulation, order, interpretation or other action, prevent or restrict an insured depository institution or subsidiary or affiliate thereof from engaging directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other entity or person, in any activity authorized or permitted under this Act and the amendments made by this Act.

(2) INSURANCE SALES.—

(A) IN GENERAL.—In accordance with the legal standards for preemption set forth in the decision of the Supreme Court of the United States in *Barnett Bank of Marion County N.A. v. Nelson*, 116 S. Ct. 1103 (1996), no State may, by statute, regulation, order, interpretation, or other action, prevent or significantly interfere with the ability of an insured depository institution, or a subsidiary or affiliate thereof, to engage, directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other party, in any insurance sales, solicitation, or cross-marketing activity.

(B) CERTAIN STATE LAWS PRESERVED.—Notwithstanding subparagraph (A), a State may impose any of the following restrictions, or restrictions that are substantially the same as but no more burdensome or restrictive than those in each of the following clauses:

(i) Restrictions prohibiting the rejection of an insurance policy solely because the policy has been issued or underwritten by any person not associated with such insured depository institution, or any subsidiary or affiliate thereof, when such insurance is required in connection with a loan or extension of credit.

(ii) Restrictions prohibiting a requirement for any debtor, insurer, or insurance agent or broker to pay a separate charge in connection with the handling of insurance that is required in connection with a loan or other extension of credit or the provision of another traditional banking product, unless such charge would be required when the insured depository institution, or any subsidiary or affiliate thereof, is the licensed insurance agent or broker providing the insurance.

(iii) Restrictions prohibiting the use of any advertisement or other insurance promotional material by an insured depository institution, or any subsidiary or affiliate thereof, that would cause a reasonable person to believe mistakenly that—

(I) a State or the Federal Government is responsible for the insurance sales activities of, or stands behind the credit of, the institution, affiliate, or subsidiary; or

(II) a State, or the Federal Government guarantees any returns on insurance products, or is a source of payment on any insurance obligation of or sold by the institution, affiliate, or subsidiary.

(iv) Restrictions prohibiting the payment or receipt of any commission or brokerage fee or other valuable consideration for services as an insurance agent or broker to or by any person, unless such person holds a valid State license regarding the applicable class of insurance at the time at which the services are performed, except that, in this clause, the term "services as an insurance agent or broker" does not include a referral by an unlicensed person of a customer or potential customer to a licensed insurance agent or broker that does not include a discussion of specific insurance policy terms and conditions.

(v) Restrictions prohibiting any compensation paid to or received by any individual

who is not licensed to sell insurance for the referral of a customer that seeks to purchase, or seeks an opinion or advice on, any insurance product to a person that sells or provides opinions or advice on such product, based on the purchase of insurance by the customer.

(vi) Restrictions prohibiting the release of the insurance information of a customer (defined as information concerning the premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and insurance claims of a customer contained in the records of the insured depository institution, or a subsidiary or affiliate thereof) to any person or entity other than an officer, director, employee, agent, subsidiary, or affiliate of an insured depository institution, for the purpose of soliciting or selling insurance, without the express consent of the customer, other than a provision that prohibits—

(I) a transfer of insurance information to an unaffiliated insurance company, agent, or broker in connection with transferring insurance in force on existing insureds of the insured depository institution, or subsidiary or affiliate thereof, or in connection with a merger with or acquisition of an unaffiliated insurance company, agent, or broker; or

(II) the release of information as otherwise authorized by Federal or State law.

(vii) Restrictions prohibiting the use of health information obtained from the insurance records of a customer for any purpose, other than for its activities as a licensed agent or broker, without the express consent of the customer.

(viii) Restrictions prohibiting the extension of credit (or any product or service that is equivalent to an extension of credit), lease or sale of property of any kind, or furnishing of any services or fixing or varying the consideration for any of the foregoing, on the condition or requirement that the customer obtain insurance from the insured depository institution, a subsidiary or affiliate thereof, or a particular insurer, agent, or broker, other than a prohibition that would prevent any insured depository institution, or any subsidiary or affiliate thereof—

(I) from engaging in any activity that would not violate section 106 of the Bank Holding Company Act Amendments of 1970, as interpreted by the Board of Governors of the Federal Reserve System; or

(II) from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon the procurement by the customer of acceptable insurance, or that insurance is available from the insured depository institution, or any subsidiary or affiliate thereof.

(ix) Restrictions requiring, when an application by a customer for a loan or other extension of credit from an insured depository institution is pending, and insurance is offered or sold to the customer or is required in connection with the loan or extension of credit by the insured depository institution or any subsidiary or affiliate thereof, that a written disclosure be provided to the customer or prospective customer indicating that his or her choice of an insurance provider will not affect the credit decision or credit terms in any way, except that the insured depository institution may impose reasonable requirements concerning the creditworthiness of the insurance provider and scope of coverage chosen.

(x) Restrictions, requiring clear and conspicuous disclosure, in writing where practicable, to the customer prior to the sale of any insurance policy that such policy—

(I) is not a deposit;

(II) is not insured by the Federal Deposit Insurance Corporation;

(III) is not guaranteed by the insured depository institution or, if appropriate, its subsidiaries or affiliates or any person soliciting the purchase of or selling insurance on the premises thereof; and

(IV) where appropriate, involves investment risk, including potential loss of principal.

(xi) Restrictions requiring that, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, the credit and insurance transactions be completed through separate documents.

(xii) Restrictions prohibiting, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, inclusion of the expense of insurance premiums in the primary credit transaction without the express written consent of the customer.

(xiii) Restrictions requiring—

(I) maintenance of separate and distinct books and records relating to insurance transactions, including all files relating to and reflecting customer complaints; and

(II) that such insurance books and records be made available to the appropriate State insurance regulator for inspection upon reasonable notice.

(C) LIMITATIONS.—

(i) OCC DEFERENCE.—Section 203(e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(ii) NONDISCRIMINATION.—Subsection (e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(iii) CONSTRUCTION.—Nothing in this paragraph shall be construed—

(I) to limit the applicability of the decision of the Supreme Court in *Barnett Bank of Marion County N.A. v. Nelson*, 116 S. Ct. 1103 (1996) with respect to any State statute, regulation, order, interpretation, or other action that is not referred to or described in this paragraph; or

(II) to create any inference with respect to any State statute, regulation, order, interpretation, or other action that is not referred to in this paragraph.

(3) INSURANCE ACTIVITIES OTHER THAN SALES.—State statutes, regulations, interpretations, orders, and other actions shall not be preempted under paragraph (1) to the extent that they—

(A) relate to, or are issued, adopted, or enacted for the purpose of regulating the business of insurance in accordance with the Act of March 9, 1945 (commonly known as the "McCarran-Ferguson Act");

(B) apply only to persons or entities that are not insured depository institutions, but that are directly engaged in the business of insurance (except that they may apply to depository institutions engaged in providing savings bank life insurance as principal to the extent of regulating such insurance);

(C) do not relate to or directly or indirectly regulate insurance sales, solicitations, or cross marketing activities; and

(D) are not prohibited under subsection (e).

(4) FINANCIAL ACTIVITIES OTHER THAN INSURANCE.—No State statute, regulation, interpretation, order, or other action shall be preempted under paragraph (1) to the extent that—

(A) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, insurance sales, solicitations, or cross marketing activities covered under paragraph (2);

(B) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, the business of insurance activities other than sales, solicitations, or cross marketing activities, covered under paragraph (3);

(C) it does not relate to securities investigations or enforcement actions referred to in subsection (f); and

(D) it is not prohibited under subsection (e).

(e) NONDISCRIMINATION.—Except as provided in any restriction described in subsection (d)(2)(B), no State may, by statute, regulation, order, interpretation, or other action, regulate the activities authorized or permitted under this Act and the amendments made by this Act, or any other provision of Federal law, of an insured depository institution, or subsidiary or affiliate thereof, to the extent that such statute, regulation, order, interpretation, or other action—

(1) distinguishes by its terms between insured depository institutions, or subsidiaries or affiliates thereof, and other persons or entities engaged in such activities, in a manner that is in any way adverse to any such insured depository institution, or subsidiary or affiliate thereof;

(2) as interpreted or applied, has or will have an impact on insured depository institutions, or subsidiaries or affiliates thereof, that is substantially more adverse than its impact on other persons or entities providing the same products or services or engaged in the same activities that are not insured depository institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(3) effectively prevents an insured depository institution, or subsidiary or affiliate thereof, from engaging in activities authorized or permitted by this Act and the amendments made by this Act, or any other provision of Federal law; or

(4) conflicts with the intent of this Act and the amendments made by this Act generally to permit affiliations that are authorized or permitted by Federal law.

(f) LIMITATION.—Subsections (c) and (d) shall not be construed to affect—

(1) the jurisdiction of the securities commission (or any agency or office performing like functions) of any State, under the laws of that State, to investigate and bring enforcement actions, consistent with section 18(c) of the Securities Act of 1933, with respect to fraud or deceit or unlawful conduct by any person, in connection with securities or securities transactions; or

(2) State laws, regulations, orders, interpretations, or other actions of general applicability relating to the governance of corporations, partnerships, limited liability companies, or other business associations incorporated or formed under the laws of that State or domiciled in that State, or the applicability of the antitrust laws of any State or any State law that is similar to the antitrust laws if such laws, regulations, interpretations, orders, or other actions are not inconsistent with the purposes of this Act to authorize or permit certain affiliations and to remove barriers to such affiliations.

(g) CERTAIN STATE AFFILIATION LAWS PRE-EMPTED FOR INSURANCE COMPANIES AND AFFILIATES.—Except as provided in subsection

(c)(2), no State may, by law, regulation, order, interpretation, or otherwise—

(1) prevent or restrict the ability of any insurer, or any affiliate of an insurer (whether such affiliate is organized as a stock company, mutual holding company, or otherwise), to become a bank holding company, or to acquire control of an insured depository institution, where the practical effect of such State action would be to discriminate, intentionally or unintentionally, against an insurer, or any affiliate of an insurer, based upon its affiliation with an insured depository institution;

(2) limit the amount of the assets of an insurer that may be invested in the voting securities of an insured depository institution (or any company that controls such institution), except that the laws of the State of domicile of the insurer may limit the amount of such investment to an amount that is not less than 5 percent of the admitted assets of the insurer; or

(3) prevent, restrict, or have the authority to review, approve, or disapprove a plan of reorganization by which an insurer proposes to reorganize from mutual form to become a stock insurer (whether as a direct or indirect subsidiary of a mutual holding company or otherwise), unless the State is the State of domicile of the insurer, except that the appropriate regulatory authority of the State of domicile of the insurer shall consult with the appropriate regulatory authority in other States in which the insurer conducts business, regarding issues affecting the best interests of policyholders.

(h) MOTOR VEHICLE RENTAL AGENCY ACTIVITIES.—

(1) FINDINGS.—Congress finds that—

(A) in many States, the insurance laws are unclear as to whether personal insurance sales in connection with the short-term rental or leasing of motor vehicles should be licensed by the State as an insurance activity; and

(B) in those States that have not yet implemented regulations governing the offer or sale of insurance in connection with the short-term lease or rental of a motor vehicle, a presumption should exist that no insurance license is required in connection with such sales.

(2) EXCEPTION FOR CERTAIN INSURANCE PRODUCTS.—Subsection (b) does not apply to any person or entity who offers or provides insurance ancillary to a short-term lease or rental transaction of a motor vehicle in a State that does not, by statute, rule, or regulation, impose any licensing, appointment, personal or corporate qualifications, or education requirements on such persons or entities.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed to alter the validity or effect of any State law, or the prospective application of any final State statute, rule, or regulation which, by its specific terms, expressly regulates or exempts from regulation any person or entity who offers or provides insurance ancillary to a short-term lease or rental transaction of a motor vehicle.

(4) LEASE PERIOD.—For purposes of this subsection, a person shall be considered to be providing insurance ancillary to a short-term lease or rental transaction of a motor vehicle if the lease or rental transaction is for 60 days or less, and the insurance is provided for a period of consecutive days not exceeding the length of the lease or rental.

(5) EFFECT.—This subsection shall remain in effect during the period beginning on the date of enactment of this Act and ending 5 years after that date of enactment.

(i) DEFINITIONS.—For purposes of this section—

(1) the term “antitrust laws” has the same meaning as in subsection (a) of the first section of the Clayton Act, and includes section 5 of the Federal Trade Commission Act (to the extent that such section 5 relates to unfair methods of competition);

(2) the term “insured depository institution” has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

(3) the term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

Subtitle B—Streamlining Supervision of Bank Holding Companies

SEC. 111. STREAMLINING BANK HOLDING COMPANY SUPERVISION.

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended to read as follows:

“(c) REPORTS AND EXAMINATIONS.—

“(1) REPORTS.—

“(A) IN GENERAL.—The Board, from time to time, may require a bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

“(i) the financial condition of the bank holding company or subsidiary, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the bank holding company; and

“(ii) compliance by the company or subsidiary with applicable provisions of this Act.

“(B) USE OF EXISTING REPORTS.—

“(i) IN GENERAL.—For purposes of compliance with this paragraph, the Board shall, to the fullest extent possible, accept—

“(I) reports that a bank holding company or any subsidiary of such company has provided or been required to provide to other Federal or State supervisors or to appropriate self-regulatory organizations;

“(II) information that is otherwise required to be reported publicly; and

“(III) externally audited financial statements.

“(ii) REPORTS FILED WITH OTHER AGENCIES.—In the event that the Board requires a report under this subsection from a functionally regulated subsidiary of a bank holding company of a kind that is not required by another Federal or State regulatory authority or an appropriate self-regulatory organization, the Board shall request that the appropriate regulatory authority or self-regulatory organization obtain such report. If the report is not made available to the Board, and the report is necessary to assess a material risk to the bank holding company or any of its depository institution subsidiaries or compliance with this Act, the Board may require such functionally regulated subsidiary to provide such a report to the Board.

“(2) EXAMINATIONS.—

“(A) EXAMINATION AUTHORITY FOR BANK HOLDING COMPANIES AND SUBSIDIARIES.—Subject to subparagraph (B), the Board may make examinations of each bank holding company and each subsidiary of such holding company in order—

“(i) to inform the Board of the nature of the operations and financial condition of the holding company and such subsidiaries;

“(ii) to inform the Board of—

“(I) the financial and operational risks within the holding company system that may pose a threat to the safety and soundness of any depository institution subsidiary of such holding company; and

“(II) the systems for monitoring and controlling such risks; and

“(iii) to monitor compliance with the provisions of this Act and those governing

transactions and relationships between any depository institution subsidiary and its affiliates.

“(B) FUNCTIONALLY REGULATED SUBSIDIARIES.—Notwithstanding subparagraph (A), the Board may make examinations of a functionally regulated subsidiary of a bank holding company only if—

“(i) the Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution; or

“(ii) based on reports and other available information, the Board has reasonable cause to believe that a subsidiary is not in compliance with this Act or with provisions relating to transactions with an affiliated depository institution, and the Board cannot make such determination through examination of the affiliated depository institution or the bank holding company.

“(C) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a bank holding company to—

“(i) the bank holding company; and

“(ii) any subsidiary of the bank holding company that could have a materially adverse effect on the safety and soundness of any depository institution subsidiary of the holding company due to—

“(I) the size, condition, or activities of the subsidiary; or

“(II) the nature or size of transactions between the subsidiary and any depository institution that is also a subsidiary of the bank holding company.

“(D) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, for the purposes of this paragraph, use the reports of examinations of depository institutions made by the appropriate Federal and State depository institution supervisory authority.

“(E) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, forego an examination by the Board under this paragraph and instead review the reports of examination made of—

“(i) any registered broker or dealer by or on behalf of the Securities and Exchange Commission;

“(ii) any registered investment adviser properly registered by or on behalf of either the Securities and Exchange Commission or any State;

“(iii) any licensed insurance company by or on behalf of any State regulatory authority responsible for the supervision of insurance companies; and

“(iv) any other subsidiary that the Board finds to be comprehensively supervised by a Federal or State authority.

“(3) CAPITAL.—

“(A) IN GENERAL.—The Board may not, by regulation, guideline, order, or otherwise, prescribe or impose any capital or capital adequacy rules, guidelines, standards, or requirements on any subsidiary of a bank holding company that—

“(i) is not an insured depository institution; and

“(ii) is—

“(I) in compliance with the applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority; or

“(II) properly registered as an investment adviser under the Investment Advisers Act of 1940, or with any State.

“(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than with respect to investment advisory ac-

tivities or activities incidental to investment advisory activities.

“(C) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing bank holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board may not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, if the investment company is not—

“(i) a bank holding company; or

“(ii) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, where the shares owned by the bank holding company have a market value equal to more than \$1,000,000.

“(4) TRANSFER OF BOARD AUTHORITY TO APPROPRIATE FEDERAL BANKING AGENCY.—

“(A) IN GENERAL.—In the case of any bank holding company that is not significantly engaged in nonbanking activities, the Board, in consultation with the appropriate Federal banking agency, may designate the appropriate Federal banking agency of the lead insured depository institution subsidiary of such holding company as the appropriate Federal banking agency for the bank holding company.

“(B) AUTHORITY TRANSFERRED.—An agency designated by the Board under subparagraph (A) shall have the same authority as the Board under this Act—

“(i) to examine and require reports from the bank holding company and any affiliate of such company (other than a depository institution) under this section;

“(ii) to approve or disapprove applications or transactions under section 3;

“(iii) to take actions and impose penalties under subsections (e) and (f) of this section and under section 8; and

“(iv) to take actions regarding the holding company, any affiliate of the holding company (other than a depository institution), or any institution-affiliated party of such company or affiliate under the Federal Deposit Insurance Act and any other statute that the Board may designate.

“(C) AGENCY ORDERS.—Section 9 of this Act and section 105 of the Bank Holding Company Act Amendments of 1970 shall apply to orders issued by an agency designated under subparagraph (A) in the same manner as such sections apply to orders issued by the Board.

“(5) FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE ACTIVITIES.—

“(A) SECURITIES ACTIVITIES.—Securities activities conducted in a functionally regulated subsidiary of a bank shall be subject to regulation by the Securities and Exchange Commission, and by relevant State securities authorities, as appropriate, subject to section 104 of the Financial Services Modernization Act of 1999, to the same extent as if they were conducted in a nondepository institution subsidiary of a bank holding company.

“(B) INSURANCE ACTIVITIES.—Subject to section 104 of the Financial Services Modernization Act of 1999, insurance agency and brokerage activities and activities as principal conducted in a functionally regulated subsidiary of a bank shall be subject to regulation by a State insurance authority to the same extent as if they were conducted in a nondepository institution subsidiary of a bank holding company.

“(6) DEFINITION.—For purposes of this subsection, the term ‘functionally regulated subsidiary’ means any company—

“(A) that is not a bank holding company; and

“(B) that is—

“(i) a broker or dealer that is registered under the Securities Exchange Act of 1934;

“(ii) a registered investment adviser, properly registered by or on behalf of either the Securities and Exchange Commission or any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

“(iii) an investment company that is registered under the Investment Company Act of 1940;

“(iv) an insurance company or insurance agency that is subject to supervision by a State insurance commission, agency, or similar authority; or

“(v) an entity that is subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.”.

SEC. 112. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.

Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by adding at the end the following new subsection:

“(g) AUTHORITY OF STATE INSURANCE REGULATOR AND THE SECURITIES AND EXCHANGE COMMISSION.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the Board that requires a bank holding company to provide funds or other assets to an insured depository institution subsidiary shall not be effective nor enforceable, if—

“(A) such funds or assets are to be provided by—

“(i) a bank holding company that is an insurance company or that is a broker or dealer registered under the Securities Exchange Act of 1934; or

“(ii) an affiliate of the insured depository institution that is an insurance company or a broker or dealer registered under the Securities Exchange Act of 1934; and

“(B) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker or dealer, as the case may be, determines in a written notice sent to the bank holding company and to the Board that the bank holding company shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker or dealer, as the case may be.

“(2) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the Board requires a bank holding company, or an affiliate of a bank holding company, that is an insurance company or a broker or dealer, as described in paragraph (1)(A), to provide funds or assets to an insured depository institution subsidiary of the bank holding company pursuant to any regulation, order, or other action of the Board referred to in paragraph (1), the Board shall promptly notify the State insurance authority for the insurance company or the Securities and Exchange Commission, as the case may be, of such requirement.

“(3) DIVESTITURE IN LIEU OF OTHER ACTION.—If the Board receives a notice described in paragraph (1)(B) from a State insurance authority or the Securities and Exchange Commission with regard to a bank holding company or affiliate referred to in that paragraph, the Board may order the bank holding company to divest the insured depository institution subsidiary not later than 180 days after receiving the notice, or such longer period as the Board determines to be consistent with the safe and sound operation of the insured depository institution.

“(4) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date on which an order to divest is issued by the

Board under paragraph (3) to a bank holding company and ending on the date on which the divestiture is completed, the Board may impose any conditions or restrictions on ownership or operation by the bank holding company of the insured depository institution, including restricting or prohibiting transactions between the insured depository institution and any affiliate of the institution, as are appropriate under the circumstances.

"(5) RULE OF CONSTRUCTION.—No provision of this subsection may be construed to limit or otherwise affect the regulatory authority, including the scope of the authority, of any Federal agency or department with regard to any entity that is within the jurisdiction of such agency or department."

SEC. 113. ROLE OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by inserting after section 10 the following new section:

"SEC. 10A. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.

"(a) LIMITATION ON DIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a functionally regulated subsidiary of a bank holding company unless—

"(1) the action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by such subsidiary that poses a material risk to—

"(A) the financial safety, soundness, or stability of an affiliated insured depository institution; or

"(B) the domestic or international payment system; and

"(2) the Board finds that it is not reasonably possible to protect effectively against the material risk at issue through action directed at or against the affiliated insured depository institution or against insured depository institutions generally.

"(b) LIMITATION ON INDIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a bank holding company where the purpose or effect of doing so would be to take action indirectly against or with respect to a functionally regulated subsidiary of a bank holding company that may not be taken directly against or with respect to such subsidiary in accordance with subsection (a).

"(c) ACTIONS SPECIFICALLY AUTHORIZED.—Notwithstanding subsection (a), the Board may take action under this Act or section 8 of the Federal Deposit Insurance Act to enforce compliance by a functionally regulated subsidiary of a bank holding company with Federal law that the Board has specific jurisdiction to enforce against such subsidiary.

"(d) 'FUNCTIONALLY REGULATED SUBSIDIARY' DEFINED.—For purposes of this section, the term 'functionally regulated subsidiary' has the same meaning as in section 5(c)(6)."

SEC. 114. EXAMINATION OF INVESTMENT COMPANIES.

(a) EXCLUSIVE COMMISSION AUTHORITY.—Except as provided in subsection (c), a Federal banking agency may not inspect or examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—The Commission shall provide to any Federal banking agency, upon request, the results of any examination, reports, records, or other information with respect to any registered investment company to the extent necessary for the agency to carry out its statutory responsibilities.

(c) CERTAIN EXAMINATIONS AUTHORIZED.—Nothing in this section shall prevent the Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the insured depository institution and the affiliate, and the effect of such relationship on the insured depository institution.

(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) BANK HOLDING COMPANY.—The term "bank holding company" has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

(2) CORPORATION.—The term "Corporation" means the Federal Deposit Insurance Corporation.

(3) COMMISSION.—The term "Commission" means the Securities and Exchange Commission.

(4) FEDERAL BANKING AGENCY.—The term "Federal banking agency" has the same meaning as in section 3(z) of the Federal Deposit Insurance Act.

(5) REGISTERED INVESTMENT COMPANY.—The term "registered investment company" means an investment company that is registered with the Commission under the Investment Company Act of 1940.

(6) SAVINGS AND LOAN HOLDING COMPANY.—The term "savings and loan holding company" has the same meaning as in section 10(a)(1)(D) of the Home Owners' Loan Act.

SEC. 115. EQUIVALENT REGULATION AND SUPERVISION.

(a) IN GENERAL.—Notwithstanding any other provision of law, the provisions of—

(1) section 5(c) of the Bank Holding Company Act of 1956 (as amended by this Act) that limit the authority of the Board of Governors of the Federal Reserve System to require reports from, to make examinations of, or to impose capital requirements on holding companies and their functionally regulated subsidiaries or that require deference to other regulators;

(2) section 5(g) of the Bank Holding Company Act of 1956 (as added by this Act) that limit the authority of the Board to require capital from a functionally regulated subsidiary of a holding company to an insured depository institution subsidiary of the holding company and to take certain actions including requiring divestiture of the insured depository institution; and

(3) section 10A of the Bank Holding Company Act of 1956 (as added by this Act) that limit whatever authority the Board might otherwise have to take direct or indirect action with respect to holding companies and their functionally regulated subsidiaries,

shall also limit whatever authority that a Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) might otherwise have under applicable Federal law to require reports, make examinations, impose capital requirements, or take any other direct or indirect action with respect to any functionally regulated subsidiary of an insured depository institution, subject to the same standards and requirements as are applicable to the Board under those provisions.

(b) CERTAIN EXEMPTION AUTHORIZED.—Nothing in this section shall prevent the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

(c) "FUNCTIONALLY REGULATED SUBSIDIARY" DEFINED.—For purposes of this section, the term "functionally regulated subsidiary" has the same meaning as in section 5(c)(6) of the Bank Holding Company Act of 1956, as amended by this Act.

SEC. 116. INTERAGENCY CONSULTATION.

(a) EXAMINATION RESULTS AND OTHER INFORMATION.—

(1) INFORMATION OF THE BOARD.—Upon the request of the appropriate insurance regulator of any State, the Board may provide to that regulator any information of the Board regarding the financial condition, risk management policies, and operations of any bank holding company that controls a company that is engaged in insurance activities and is regulated by that State insurance regulator, and regarding any transaction or relationship between such an insurance company and any affiliated depository institution. The Board may provide any other information to the appropriate State insurance regulator that the Board believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(2) BANKING AGENCY INFORMATION.—Upon the request of the appropriate insurance regulator of any State, the appropriate Federal banking agency may provide to that regulator any information of the agency regarding any transaction or relationship between a depository institution supervised by that Federal banking agency and any affiliated company that is engaged in insurance activities regulated by the State insurance regulator. The appropriate Federal banking agency may provide any other information to the appropriate State insurance regulator that the agency believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(3) STATE INSURANCE REGULATOR INFORMATION.—Upon the request of the appropriate Federal banking agency, a State insurance regulator may provide any examination or other reports, records, or other information to which the State insurance regulator may have access with respect to a company that—

(A) is engaged in insurance activities and is regulated by that insurance regulator; and

(B) is an affiliate of an insured depository institution or a bank holding company.

(b) CONSULTATION.—Before making any determination relating to the initial affiliation of, or the continuing affiliation of, an insured depository institution or bank holding company with a company engaged in insurance activities, the appropriate Federal banking agency shall consult with the appropriate State insurance regulator of such company and take the views of such insurance regulator into account in making such determination.

(c) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to an insured depository institution or bank holding company or any affiliate thereof under any provision of law.

(d) CONFIDENTIALITY AND PRIVILEGE.—

(1) CONFIDENTIALITY.—The appropriate Federal banking agency may not provide any information or material that is entitled to confidential treatment under applicable Federal banking agency regulations, or other applicable law, to a State insurance regulator, unless such regulator agrees to maintain the information or material in confidence and to take all reasonable steps to oppose any effort to secure disclosure of the information or material by the regulator. The appropriate Federal banking agency shall treat as confidential any information or material obtained from a State insurance regulator that is entitled to confidential treatment under applicable State regulations, or other applicable law, and take all reasonable steps to oppose any effort to secure disclosure of the information or material by the Federal banking agency.

(2) PRIVILEGE.—The provision pursuant to this section of information or material by a Federal banking agency or a State insurance regulator shall not constitute a waiver of, or otherwise affect, any privilege to which the information or material is otherwise subject.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY; INSURED DEPOSITORY INSTITUTION.—The terms "appropriate Federal banking agency" and "insured depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) BOARD; BANK HOLDING COMPANY.—The terms "Board" and "bank holding company" have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

SEC. 117. PRESERVING THE INTEGRITY OF FDIC RESOURCES.

Section 11(a)(4)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(B)) is amended by striking "to benefit any shareholder of" and inserting "to benefit any shareholder, affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act), or subsidiary of".

Subtitle C—Activities of National Banks

SEC. 121. AUTHORITY OF NATIONAL BANKS TO UNDERWRITE MUNICIPAL REVENUE BONDS.

The paragraph designated the Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24(7)) is amended by adding at the end the following:

"The limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing investment securities for the national bank's own account do not apply to obligations (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986) issued by or on behalf of any State or political subdivision of a State, including any municipal corporate instrumentality of 1 or more States, or any public agency or authority of any State or political subdivision of a State, if the national banking association is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act)."

SEC. 122. SUBSIDIARIES OF NATIONAL BANKS.

(a) IN GENERAL.—Chapter one of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A as section 5136C; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

"SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.

"(a) AUTHORIZATION TO CONDUCT IN OPERATING SUBSIDIARIES CERTAIN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

"(1) IN GENERAL.—Subject to paragraph (2), a national bank may control a financial sub-

siary, or hold an interest in a financial subsidiary, only if—

"(A) the consolidated total assets of the national bank do not exceed \$1,000,000,000;

"(B) the national bank is not an affiliate of a bank holding company;

"(C) the subject activities are not real estate development or real estate investment activities, unless otherwise expressly authorized by law;

"(D) the national bank and each insured depository institution affiliate of the national bank is well capitalized and well managed; and

"(E) the national bank has received the approval of the Comptroller of the Currency to engage in such activities, which approval shall be based solely upon the factors set forth in subparagraph (D) and factors set forth in subsection (c).

"(2) REGULATIONS REQUIRED.—The Comptroller of the Currency shall, by regulation, prescribe procedures for the enforcement of this section.

"(b) SAFETY AND SOUNDNESS FIRE WALLS.—

"(1) CAPITAL REDUCTION REQUIRED.—In determining compliance with applicable capital standards for purposes of subsection (a)(1)(D)—

"(A) the aggregate amount of outstanding equity investments by a national bank in a financial subsidiary shall be deducted from the assets and tangible equity of the national bank; and

"(B) the assets and liabilities of the financial subsidiary shall not be consolidated with those of the national bank.

"(2) INVESTMENT LIMITATION.—A national bank may not, without the prior approval of the Comptroller of the Currency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the national bank could pay as a dividend without obtaining prior regulatory approval.

"(c) SAFEGUARDS FOR THE BANK.—A national bank that establishes or maintains a financial subsidiary shall assure that—

"(1) the procedures of the national bank for identifying and managing financial and operational risks within the national bank and financial subsidiary adequately protect the national bank from such risks;

"(2) the bank has, for the protection of the national bank, reasonable policies and procedures to preserve the separate corporate identity and limited liability of the national bank and the financial subsidiaries of the national bank; and

"(3) the national bank is in compliance with this section.

"(d) STREAMLINING REGULATION AND SUPERVISION AND ENCOURAGING CONSULTATION AMONG FEDERAL AND STATE REGULATORS.—

"(1) IN GENERAL.—To the extent that a national bank engages in activities that are authorized by subsection (a) through a functionally regulated financial subsidiary, the regulation and supervision of such subsidiary by the Comptroller of the Currency, including its ability to require a contribution of capital or assets to the national bank from that functionally regulated financial subsidiary, shall be limited, as set forth under section 115 of the Financial Services Modernization Act of 1999.

"(2) INTERAGENCY CONSULTATION.—The provisions of section 116 of the Financial Services Modernization Act of 1999, relating to interagency consultation, shall apply to the Comptroller of the Currency and the appropriate State regulators of functionally regulated financial subsidiaries of a national bank.

"(e) PRESERVATION OF EXISTING OPERATING SUBSIDIARY AUTHORITY.—Notwithstanding any other provision of this section—

"(1) a national bank may retain control of a company, or retain an interest in a company, and conduct through such company any activities lawfully conducted therein as of the date of enactment of the Financial Services Modernization Act of 1999; and

"(2) a national bank may own shares of or any other interest in any company that is engaged only in activities that are permissible for the national bank to engage in directly, if such activities are engaged in under the same terms and conditions that would govern the conduct if conducted by a national bank directly.

"(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) FINANCIAL SUBSIDIARY.—The term 'financial subsidiary' means a company that—

"(A) is a subsidiary of a national bank; and

"(B) is engaged as principal in any activity that is permissible for a bank holding company under section 4(k) of the Bank Holding Company Act of 1956 and is not permissible for national banks to engage in directly.

"(2) FUNCTIONALLY REGULATED.—The term 'functionally regulated financial subsidiary' means a financial subsidiary that is—

"(A) a broker or dealer that is registered under the Securities Exchange Act of 1934;

"(B) an investment adviser that is registered under the Investment Advisers Act of 1940, or with any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

"(C) an insurance company that is subject to supervision by a State insurance commission, agency, or similar authority; and

"(D) an entity that is subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

"(3) SUBSIDIARY.—The term 'subsidiary' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

"(4) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act.

"(5) WELL MANAGED.—The term 'well managed' means—

"(A) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

"(i) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

"(ii) at least a rating of 2 for management, if such rating is given; or

"(B) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.

"(6) INCORPORATED DEFINITIONS.—The terms 'appropriate Federal banking agency', 'depository institution', and 'insured depository institution', have the same meanings as in section 3 of the Federal Deposit Insurance Act."

(b) LIMITING THE CREDIT EXPOSURE OF A NATIONAL BANK TO A FINANCIAL SUBSIDIARY TO THE AMOUNT OF PERMISSIBLE CREDIT EXPOSURE TO AN AFFILIATE.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

"(e) RULES RELATING TO NATIONAL BANKS WITH FINANCIAL SUBSIDIARIES.—

"(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term 'financial subsidiary' has the same meaning as in section 5136A(f) of the Revised Statutes of the United States.

"(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A NATIONAL BANK AND THE NATIONAL BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a national bank and the national bank (or between such financial subsidiary and any other subsidiary of the national bank that is not a financial subsidiary), and notwithstanding subsection (b)(2) of this section or section 23B(d)(1)—

"(A) the financial subsidiary of the national bank—

"(i) shall be deemed to be an affiliate of the national bank and of any other subsidiary of the bank that is not a financial subsidiary; and

"(ii) shall not be deemed to be a subsidiary of the national bank; and

"(B) a purchase of or investment in equity securities issued by the financial subsidiary shall not be deemed to be a covered transaction.

"(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

"(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary (that is not a subsidiary of a national bank) shall not be deemed to be a transaction between a subsidiary of a national bank and an affiliate of that bank for purposes of section 23A or section 23B.

"(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of this paragraph, the term 'affiliate' does not include a national bank, or a subsidiary of a national bank that is engaged exclusively in activities permissible for a national bank to engage in directly or agency activities permitted under section 123 of the Financial Services Modernization Act of 1999."

(c) ANTIPLYING.—Section 106(a) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971) is amended by adding at the end the following: "For purposes of this section, a financial subsidiary of a national bank engaging in activities pursuant to section 5136A(a) of the Revised Statutes of the United States shall be deemed to be a subsidiary of a bank holding company, and not a subsidiary of a bank."

(d) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended—

(1) by redesignating the item relating to section 5136A as relating to section 5136C; and

(2) by inserting after the item relating to section 5136 the following new item:

"5136A. Subsidiaries of national banks."

SEC. 123. AGENCY ACTIVITIES.

A national bank may control a company, or hold an interest in a company that engages in agency activities that have been determined by the Comptroller of the Currency to be permissible for national banks or to be financial in nature or incidental to such financial activities (as determined pursuant to section 4(k) of the Bank Holding Company Act of 1956) if the company engages in such activities solely as agent and not directly or indirectly as principal.

SEC. 124. PROHIBITING FRAUDULENT REPRESENTATIONS.

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1007 the following new section:

"SEC. 1008. MISREPRESENTATIONS REGARDING FINANCIAL INSTITUTION LIABILITY FOR OBLIGATIONS OF AFFILIATES.

"(a) PROHIBITION.—It shall be unlawful for an institution-affiliated party of an insured depository institution or institution-affiliated party of a subsidiary or affiliate of an insured depository institution to fraudulently represent that the institution is or will be liable for any obligation of a subsidiary or other affiliate of the institution.

"(b) PENALTIES.—Whoever violates subsection (a) shall be fined under this title, imprisoned not more than 1 year, or both.

"(c) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this section, the term 'institution-affiliated party' has the same meaning as in section 3 of the Federal Deposit Insurance Act, except that references to an insured depository institution shall be deemed to include references to a subsidiary or affiliate of an insured depository institution.

"(d) OTHER DEFINITIONS.—For purposes of this section, the terms 'affiliate', 'insured depository institution', and 'subsidiary' have same meanings as in section 3 of the Federal Deposit Insurance Act."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following new item:

"1008. Misrepresentations regarding financial institution liability for obligations of affiliates."

SEC. 125. INSURANCE UNDERWRITING BY NATIONAL BANKS.

(a) IN GENERAL.—

(1) IN GENERAL.—Except as provided in paragraph (2), a national bank and the subsidiaries of a national bank may only provide insurance in a State as principal in accordance with section 5136A(a) of the Revised Statutes of the United States, as added by this Act.

(2) EXCEPTION.—A national bank and the subsidiaries of a national bank may provide authorized insurance products as principal without regard to section 5136A(a) of the Revised Statutes of the United States, as added by this Act.

(b) AUTHORIZED INSURANCE PRODUCTS.—For purposes of this section, a product is an "authorized insurance product" if—

(1) as of January 1, 1999, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not an annuity contract, the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

(c) DEFINITION.—For purposes of this section, the term "insurance" means—

(1) any product regulated as insurance as of January 1, 1999, in accordance with the relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1999, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial

multiperil, general liability, professional liability, workers' compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

(i) a deposit product;

(ii) a loan, discount, letter of credit, or other extension of credit;

(iii) a trust or other fiduciary service;

(iv) a qualified financial contract (as defined in or determined pursuant to section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act); or

(v) a financial guaranty, except that this subparagraph shall not apply to a product that includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of the Internal Revenue Code of 1986; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of the Internal Revenue Code of 1986, if the bank were subject to tax as an insurance company under section 831 of that Code; and

(3) any annuity contract, the income on which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

Subtitle D—National Treatment of Foreign Financial Institutions

SEC. 151. NATIONAL TREATMENT OF FOREIGN FINANCIAL INSTITUTIONS.

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end the following new paragraph:

"(3) TERMINATION OF GRANDFATHERED RIGHTS.—

"(A) IN GENERAL.—If any foreign bank or foreign company files a declaration under section 4(f) of the Bank Holding Company Act of 1956, any authority conferred by this subsection on any foreign bank or company to engage in any activity that the Board has determined to be permissible for bank holding companies under section 4(k) of that Act shall terminate immediately.

"(B) RESTRICTIONS AND REQUIREMENTS AUTHORIZED.—If a foreign bank or company that engages, directly or through an affiliate pursuant to paragraph (1), in an activity that the Board determines to be permissible for bank holding companies under section 4(k) of the Bank Holding Company Act of 1956, has not filed a declaration with the Board of its status as a bank holding company under section 4(l) of that Act by the end of the 2-year period beginning on the date of enactment of the Financial Services Modernization Act of 1999, the Board, giving due regard to the principle of national treatment and equality of competitive opportunity, may impose such restrictions and requirements on the conduct of such activities by such foreign bank or company as are comparable to those imposed on a bank holding company organized under the laws of the United States, including a requirement to conduct such activities in compliance with any prudential safeguards established under section 10A of the Bank Holding Company Act of 1956."

SEC. 152. REPRESENTATIVE OFFICES.

(a) DEFINITION OF "REPRESENTATIVE OFFICE".—Section 1(b)(15) of the International Banking Act of 1978 (12 U.S.C. 3101(15)) is amended by striking "State agency, or subsidiary of a foreign bank" and inserting "or State agency".

(b) EXAMINATIONS.—Section 10(c) of the International Banking Act of 1978 (12 U.S.C.

3107(c)) is amended by adding at the end the following: "The Board may also make examinations of any affiliate of a foreign bank conducting business in any State, if the Board deems it necessary to determine and enforce compliance with this Act, the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), or other applicable Federal banking law."

TITLE II—INSURANCE CUSTOMER PROTECTIONS

SEC. 201. FUNCTIONAL REGULATION OF INSURANCE.

The insurance activity of any person or entity shall be functionally regulated by the States, subject to subsections (c), (d), and (e) of section 104.

SEC. 202. INSURANCE CUSTOMER PROTECTIONS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 45. INSURANCE CUSTOMER PROTECTIONS.

"(a) REGULATIONS REQUIRED.—

"(1) IN GENERAL.—The Federal banking agencies shall prescribe and publish in final form, before the end of the 1-year period beginning on the date of enactment of the Financial Services Modernization Act of 1999, customer protection regulations (which the agencies jointly determine to be appropriate) that—

"(A) apply to retail sales practices, solicitations, advertising, or offers of any insurance product by any insured depository institution or any person that is engaged in such activities at an office of the institution or on behalf of the institution; and

"(B) are consistent with the requirements of this Act and provide such additional protections for customers to whom such sales, solicitations, advertising, or offers are directed.

"(2) APPLICABILITY TO SUBSIDIARIES.—The regulations prescribed pursuant to paragraph (1) shall extend such protections to any subsidiaries of an insured depository institution as deemed appropriate by the Federal banking agencies, where such extension is determined to be necessary to ensure the customer protections provided by this section.

"(3) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraph (1), after consultation with the State insurance regulators, as appropriate.

"(b) SALES PRACTICES.—The regulations prescribed pursuant to subsection (a) shall include antitying and anticoercion rules applicable to the sale of insurance products that prohibit an insured depository institution from engaging in any practice that would lead a customer to believe an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970, is conditional upon—

"(1) the purchase of an insurance product from the institution or any of its affiliates or subsidiaries; or

"(2) an agreement by the customer not to obtain, or a prohibition on the customer from obtaining, an insurance product from an unaffiliated entity.

"(c) DISCLOSURES AND ADVERTISING.—The regulations prescribed pursuant to subsection (a) shall include the following provisions relating to disclosures and advertising in connection with the initial purchase of an insurance product:

"(1) DISCLOSURES.—

"(A) IN GENERAL.—Requirements that the following disclosures be made orally and in writing before the completion of the initial sale and, in the case of clauses (iii) and (iv), at the time of application for an extension of credit:

"(i) UNINSURED STATUS.—As appropriate, the product is not insured by the Federal De-

posit Insurance Corporation, the United States Government, or the insured depository institution.

"(ii) INVESTMENT RISK.—In the case of a variable annuity or insurance product that involves an investment risk, that there is an investment risk associated with the product, including possible loss of value.

"(iii) ANTI-TYING; ANTICOERCION.—The approval of an extension of credit may not be conditioned on—

"(I) the purchase of an insurance product from the institution in which the application for credit is pending or any of its affiliates or subsidiaries; or

"(II) an agreement by the customer not to obtain, or a prohibition on the customer from obtaining, an insurance product from an unaffiliated entity.

"(iv) PROHIBITION ON ENHANCED TREATMENT DUE TO OTHER PURCHASES OR SERVICES.—The processing of an extension of credit or the delivery of any other financial product or service will not be expedited depending upon the purchase by the customer of any additional product or service from an affiliated person or entity of the insured depository institution.

"(B) MAKING DISCLOSURE READILY UNDERSTANDABLE.—Regulations prescribed under subparagraph (A) shall encourage the use of disclosure that is conspicuous, simple, direct, and readily understandable, such as the following:

"(i) 'NOT FDIC-INSURED'.

"(ii) 'NOT GUARANTEED BY THE BANK'.

"(iii) 'MAY GO DOWN IN VALUE'.

"(C) LIMITATION.—Nothing in this paragraph requires the inclusion of the foregoing disclosures in advertisements of a general nature describing or listing the services or products offered by an institution.

"(D) MEANINGFUL DISCLOSURES.—Disclosures shall not be considered to be meaningfully provided under this paragraph if the institution or its representative states that disclosures required by this subsection were available to the customer in printed material available for distribution, where such printed material is not provided and such information is not orally disclosed to the customer.

"(E) ADJUSTMENTS FOR ALTERNATIVE METHODS OF PURCHASE.—In prescribing the requirements under subparagraphs (A) and (F), necessary adjustments shall be made for purchase in person, by telephone, or by electronic media to provide for the most appropriate and complete form of disclosure and acknowledgments.

"(F) CUSTOMER ACKNOWLEDGMENT.—A requirement that an insured depository institution shall require any person selling an insurance product at any office of, or on behalf of, the institution to obtain, at the time at which a customer receives the disclosures required under this paragraph or at the time of the initial purchase by the customer of such product, an acknowledgment by such customer of the receipt of the disclosure required under this paragraph with respect to such product.

"(2) PROHIBITION ON MISREPRESENTATIONS.—A prohibition on any practice, or any advertising, at any office of, or on behalf of, the insured depository institution, or any subsidiary, as appropriate, that could mislead any person or otherwise cause a reasonable person to reach an erroneous belief with respect to—

"(A) the uninsured nature of any insurance product sold, or offered for sale, by the institution or any subsidiary of the institution; or

"(B) in the case of a variable annuity or insurance product that involves an investment risk, the investment risk associated with any such product.

"(d) SEPARATION OF BANKING AND NON-BANKING ACTIVITIES.—

"(1) REGULATIONS REQUIRED.—The regulations prescribed pursuant to subsection (a) shall include such provisions as the Federal banking agencies consider appropriate to ensure that the routine acceptance of deposits is kept, to the extent practicable, physically segregated from insurance product activity.

"(2) REQUIREMENTS.—Regulations prescribed pursuant to paragraph (1) shall include the following requirements:

"(A) SEPARATE SETTING.—A clear delineation of the setting in which, and the circumstances under which, transactions involving insurance products should be conducted in a location physically segregated from an area where retail deposits are routinely accepted.

"(B) REFERRALS.—Standards that permit any person accepting deposits from the public in an area where such transactions are routinely conducted in an insured depository institution to refer a customer who seeks to purchase any insurance product to a qualified person who sells such product, only if the person making the referral receives no more than a one-time nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

"(C) QUALIFICATION AND LICENSING REQUIREMENTS.—Standards prohibiting any insured depository institution from permitting any person to sell or offer for sale any insurance product in any part of any office of the institution, or on behalf of the institution, unless such person is appropriately qualified and licensed.

"(e) EFFECT ON OTHER AUTHORITY.—

"(1) IN GENERAL.—No provision of this section shall be construed as granting, limiting, or otherwise affecting—

"(A) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rule-making Board, or the Secretary of the Treasury under any Federal securities law; or

"(B) except as provided in paragraph (2), any authority of any State insurance commission (or any agency or office performing like functions), or of any State securities commission (or any agency or office performing like functions), or other State authority under any State law.

"(2) COORDINATION WITH STATE LAW.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), insurance customer protection regulations prescribed by a Federal banking agency under this section shall not apply to retail sales, solicitations, advertising, or offers of any insurance product by any insured depository institution or to any person who is engaged in such activities at an office of such institution or on behalf of the institution, in a State where the State has in effect statutes, regulations, orders, or interpretations, that are inconsistent with or contrary to the regulations prescribed by the Federal banking agencies.

"(B) PREEMPTION.—

"(i) IN GENERAL.—If, with respect to any provision of the regulations prescribed under this section, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Corporation determine jointly that the protection afforded by such provision for customers is greater than the protection provided by a comparable provision of the statutes, regulations, orders, or interpretations referred to in subparagraph (A) of any State, the appropriate State regulatory authority shall be notified of such determination in writing.

"(ii) CONSIDERATIONS.—Before making a final determination under clause (i), the Federal agencies referred to in clause (i) shall

give appropriate consideration to comments submitted by the appropriate State regulatory authorities relating to the level of protection afforded to consumers under State law.

“(iii) **FEDERAL PREEMPTION AND ABILITY OF STATES TO OVERRIDE FEDERAL PREEMPTION.**—If the Federal agencies referred to in clause (i) jointly determine that any provision of the regulations prescribed under this section affords greater protections than a comparable State law, rule, regulation, order, or interpretation, those agencies shall send a written preemption notice to the appropriate State regulatory authority to notify the State that the Federal provision will preempt the State provision and will become applicable unless, not later than 3 years after the date of such notice, the State adopts legislation to override such preemption.

“(f) **NON-DISCRIMINATION AGAINST NON-AFFILIATED AGENTS.**—The Federal banking agencies shall ensure that the regulations prescribed pursuant to subsection (a) shall not have the practical effect of discriminating, either intentionally or unintentionally, against any person engaged in insurance sales or solicitations that is not affiliated with an insured depository institution.”.

SEC. 203. FEDERAL AND STATE DISPUTE RESOLUTION.

(a) **FILING IN COURT OF APPEALS.**—In the case of a regulatory conflict between a State insurance regulator and a Federal regulator regarding insurance issues, including whether a State law, rule, regulation, order, or interpretation regarding any insurance sales or solicitation activity is properly treated as preempted under Federal law, either regulator may seek expedited judicial review of such determination by the United States Court of Appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit by filing a petition for review in such court.

(b) **EXPEDITED REVIEW.**—The United States Court of Appeals in which a petition for review is filed in accordance with subsection (a) shall complete all action on such petition, including rendering a judgment, before the end of the 60-day period beginning on the date on which such petition is filed, unless all parties to such proceedings agree to any extension of such period.

(c) **SUPREME COURT REVIEW.**—Any request for certiorari to the Supreme Court of the United States of any judgment of a United States Court of Appeals with respect to a petition for review under this section shall be filed with the Supreme Court of the United States as soon as practicable after such judgment is issued.

(d) **STATUTE OF LIMITATION.**—No action may be filed under this section challenging an order, ruling, determination, or other action of a Federal regulator or State insurance regulator after the later of—

(1) the end of the 12-month period beginning on the date on which the first public notice is made of such order, ruling, determination or other action in its final form; or

(2) the end of the 6-month period beginning on the date on which such order, ruling, determination, or other action takes effect.

(e) **STANDARD OF REVIEW.**—The court shall decide an action filed under subsection (a) based on its review on the merits of all questions presented under State and Federal law, including the nature of the product or activity and the history and purpose of its regulation under State and Federal law, according equal deference to the Federal regulator and the State insurance regulator.

TITLE III—REGULATORY IMPROVEMENTS

SEC. 301. ELIMINATION OF SAIF AND DIF SPECIAL RESERVES.

(a) **SAIF SPECIAL RESERVE.**—Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by striking subparagraph (L).

(b) **DIF SPECIAL RESERVE.**—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is amended—

(1) by striking subsection (b); and

(2) in subsection (d)—

(A) by striking paragraph (4);

(B) in paragraph (6)(C)(i), by striking “(6) and (7)” and inserting “(5), (6), and (7)”; and

(C) in paragraph (6)(C), by striking clause (ii) and inserting the following:

“(ii) by redesignating paragraph (8) as paragraph (5).”.

(c) **EFFECTIVE DATE.**—This section and the amendments made by this section shall become effective on the date of enactment of this Act.

SEC. 302. EXPANDED SMALL BANK ACCESS TO S CORPORATION TREATMENT.

(a) **STUDY.**—The Comptroller General of the United States shall conduct a study of—

(1) possible revisions to the rules governing S corporations, including—

(A) increasing the permissible number of shareholders in such corporations;

(B) permitting shares of such corporations to be held in individual retirement accounts;

(C) clarifying that interest on investments held for safety, soundness, and liquidity purposes should not be considered to be passive income;

(D) discontinuation of the treatment of stock held by bank directors as a disqualifying personal class of stock for such corporations; and

(E) improving Federal tax treatment of bad debt and interest deductions; and

(2) what impact such revisions might have on community banks.

(b) **REPORT TO CONGRESS.**—Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress on the results of the study conducted under subsection (a).

(c) **DEFINITION.**—For purposes of this section, the term “S corporation” has the same meaning as in section 1361(a)(1) of the Internal Revenue Code of 1986.

SEC. 303. MEANINGFUL CRA EXAMINATIONS.

(a) **COMPLIANCE.**—Notwithstanding any other provision of law, an insured depository institution rated as “satisfactory” or better in its most recent examination under the Community Reinvestment Act of 1977, and in each such examination during the immediately preceding 36-month period shall be deemed to be in compliance with the requirements of that Act until the completion of a subsequent regularly scheduled examination under that Act, unless substantial verifiable information arising since the time of its most recent examination under that Act demonstrating noncompliance is filed with the appropriate Federal banking agency.

(b) **OBJECTIONS.**—

(1) **AGENCY DETERMINATION.**—The appropriate Federal banking agency shall determine, on a timely basis, whether the information filed by any person under subsection (a) provides sufficient proof that the subject insured depository institution is no longer in compliance with the requirements of the Community Reinvestment Act of 1977, as provided in subsection (a).

(2) **BURDEN OF PROOF.**—A person filing information under subsection (a) shall bear the burden of proving to the satisfaction of the appropriate Federal banking agency, the substantial verifiable nature of that information.

(c) **DEFINITIONS.**—In this section, the terms “insured depository institution” and “appropriate Federal banking agency” have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 304. FINANCIAL INFORMATION PRIVACY PROTECTION.

(a) **FINANCIAL INFORMATION ANTI-FRAUD.**—The Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end the following:

“TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION

“SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

“(a) **SHORT TITLE.**—This title may be cited as the ‘Financial Information Anti-Fraud Act of 1999’.

“(b) **TABLE OF CONTENTS.**—The table of contents for this title is as follows:

“TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION

“Sec. 1001. Short title; table of contents.

“Sec. 1002. Definitions.

“Sec. 1003. Privacy protection for customer information of financial institutions.

“Sec. 1004. Administrative enforcement.

“Sec. 1005. Civil liability.

“Sec. 1006. Criminal penalty.

“Sec. 1007. Relation to State laws.

“Sec. 1008. Agency guidance.

“SEC. 1002. DEFINITIONS.

“For purposes of this title, the following definitions shall apply:

“(1) **CUSTOMER.**—The term ‘customer’ means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

“(2) **CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.**—The term ‘customer information of a financial institution’ means any information maintained by a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

“(3) **DOCUMENT.**—The term ‘document’ means any information in any form.

“(4) **FINANCIAL INSTITUTION.**—

“(A) **IN GENERAL.**—The term ‘financial institution’ means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

“(B) **CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.**—The term ‘financial institution’ includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

“(C) **FURTHER DEFINITION BY REGULATION.**—The Board of Governors of the Federal Reserve System may prescribe regulations further defining the term ‘financial institution’, in accordance with subparagraph (A), for purposes of this title.

“SEC. 1003. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.

“(a) **PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.**—It shall be a violation of this title for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

"(1) by knowingly making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution with the intent to deceive the officer, employee, or agent into relying on that statement or representation for purposes of releasing the customer information;

"(2) by knowingly making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution with the intent to deceive the customer into relying on that statement or representation for purposes of releasing the customer information or authorizing the release of such information; or

"(3) by knowingly providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation, if the document is provided with the intent to deceive the officer, employee, or agent into relying on that document for purposes of releasing the customer information.

"(b) PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.—It shall be a violation of this title to request a person to obtain customer information of a financial institution, knowing or consciously avoiding knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

"(c) NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

"(d) NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.—No provision of this section shall be construed to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

"(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

"(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

"(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

"(e) NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.—No provision of this section shall be construed to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

"SEC. 1004. ADMINISTRATIVE ENFORCEMENT.

"(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Except as provided in subsection (b), compliance with this title shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the Fair Debt Collection Practices Act to enforce compliance with that title.

"(b) ENFORCEMENT BY OTHER AGENCIES IN CERTAIN CASES.—

"(1) IN GENERAL.—Compliance with this title shall be enforced under—

"(A) section 8 of the Federal Deposit Insurance Act, in the case of—

"(i) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

"(ii) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act, by the Board;

"(iii) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System and national nonmember banks) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation; and

"(iv) savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation, by the Director of the Office of Thrift Supervision; and

"(B) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

"(2) VIOLATIONS OF THIS TITLE TREATED AS VIOLATIONS OF OTHER LAWS.—For the purpose of the exercise by any agency referred to in paragraph (1) of its powers under any Act referred to in that paragraph, a violation of this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (1), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with this title, any other authority conferred on such agency by law.

"(c) STATE ACTION FOR VIOLATIONS.—

"(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

"(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

"(B) may bring an action on behalf of the residents of the State to recover damages of not more than \$1,000 for each violation; and

"(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

"(2) RIGHTS OF FEDERAL REGULATORS.—

"(A) PRIOR NOTICE.—The State shall serve prior written notice of any action under paragraph (1) upon the Federal Trade Commission and, in the case of an action which involves a financial institution described in section 1004(b)(1), the agency referred to in such section with respect to such institution and provide the Federal Trade Commission and any such agency with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

"(B) RIGHT TO INTERVENE.—The Federal Trade Commission or an agency described in subsection (b) shall have the right—

"(i) to intervene in an action under paragraph (1);

"(ii) upon so intervening, to be heard on all matters arising therein;

"(iii) to remove the action to the appropriate United States district court; and

"(iv) to file petitions for appeal.

"(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, no provision of this subsection shall be con-

strued as preventing the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Federal Trade Commission or any agency described in subsection (b) has instituted a civil action for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Federal Trade Commission or such agency for any violation of this title that is alleged in that complaint.

"SEC. 1005. CIVIL LIABILITY.

"Any person, other than a financial institution, who fails to comply with any provision of this title with respect to any financial institution or any customer information of a financial institution shall be liable to such financial institution or the customer to whom such information relates in an amount equal to the sum of the amounts determined under each of the following paragraphs:

"(1) ACTUAL DAMAGES.—The greater of—

"(A) the amount of any actual damage sustained by the financial institution or customer as a result of such failure; or

"(B) any amount received by the person who failed to comply with this title, including an amount equal to the value of any non-monetary consideration, as a result of the action which constitutes such failure.

"(2) ADDITIONAL DAMAGES.—Such additional amount as the court may allow.

"(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

"SEC. 1006. CRIMINAL PENALTY.

"(a) IN GENERAL.—Whoever violates, or attempts to violate, section 1003 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

"(b) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates, or attempts to violate, section 1003 while violating another law of the United States or as part of a pattern of any illegal activity involving more than \$100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

"SEC. 1007. RELATION TO STATE LAWS.

"(a) IN GENERAL.—This title shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this title, and then only to the extent of the inconsistency.

"(b) GREATER PROTECTION UNDER STATE LAW.—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this title if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this title.

"SEC. 1008. AGENCY GUIDANCE.

"In furtherance of the objectives of this title, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) shall issue advisories to depository institutions under the jurisdiction

of the agency, in order to assist such depository institutions in deterring and detecting activities proscribed under section 1003."

(b) **REPORT TO CONGRESS ON FINANCIAL PRIVACY.**—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Federal Trade Commission, the Federal banking agencies, and other appropriate Federal law enforcement agencies, shall submit to the Congress a report on—

(1) the efficacy and adequacy of the remedies provided in the amendments made by subsection (a) in addressing attempts to obtain financial information by fraudulent means or by false pretenses; and

(2) any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(c) **REPORTS ON ONGOING FTC STUDY OF CONSUMER PRIVACY ISSUES.**—With respect to the ongoing multistage study being conducted by the Federal Trade Commission on consumer privacy issues, the Commission shall submit to the Congress an interim report on the findings and conclusions of the Commission, together with such recommendations for legislative and administrative action as the Commission determines to be appropriate, at the conclusion of each stage of such study and a final report at the conclusion of the study.

(d) **CONSUMER GRIEVANCE PROCESS.**—The Federal banking agencies (as that term is defined in section 3 of the Federal Deposit Insurance Act) shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under section 45 of the Federal Deposit Insurance Act (as added by section 202 of this Act), which mechanism shall—

(1) establish a group within each Federal banking agency to receive such complaints; and

(2) develop procedures for—

(A) investigating such complaints;

(B) informing consumers of rights they may have in connection with such complaints; and

(C) addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses, to the extent appropriate.

SEC. 305. CROSS MARKETING RESTRICTION; LIMITED PURPOSE BANK RELIEF; DIVESTITURE.

(a) **CROSS MARKETING RESTRICTION.**—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended by striking paragraph (3).

(b) **DAYLIGHT OVERDRAFTS.**—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended by inserting after paragraph (2) the following new paragraph:

"(3) **PERMISSIBLE OVERDRAFTS DESCRIBED.**—For purposes of paragraph (2)(C), an overdraft is described in this paragraph if—

"(A) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate;

"(B) such overdraft—

"(i) is permitted or incurred on behalf of an affiliate that is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

"(ii) is fully secured, as required by the Board, by bonds, notes, or other obligations that are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system; or

"(C) such overdraft—

"(i) is permitted or incurred by, or on behalf of, an affiliate that is engaged in activities that are so closely related to banking, or managing or controlling banks, as to be a proper incident thereto; and

"(ii) does not cause the bank to violate any provision of section 23A or 23B of the Federal Reserve Act, either directly, in the case of a bank that is a member of the Federal Reserve System, or by virtue of section 18(j) of the Federal Deposit Insurance Act, in the case of a bank that is not a member of the Federal Reserve System."

(c) **INDUSTRIAL LOAN COMPANIES; AFFILIATE OVERDRAFTS.**—Section 2(c)(2)(H) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(2)(H)) is amended by inserting before the period at the end ", or that is otherwise permissible for a bank controlled by a company described in section 4(f)(1)".

(d) **ACTIVITIES LIMITATIONS.**—Section 4(f)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(2)) is amended—

(1) by striking "Paragraph (1) shall cease to apply to any company described in such paragraph if—" and inserting "Subject to paragraph (3), a company described in paragraph (1) shall no longer qualify for the exemption provided under that paragraph if—";

(2) in subparagraph (A)—

(A) in clause (ii)(X), by striking "and" at the end;

(B) in clause (ii)(X), by inserting "and" after the semicolon;

(C) in clause (ii), by inserting after subparagraph (X) the following:

"(XI) assets that are derived from, or incidental to, activities in which institutions described in section 2(c)(2)(F) or section 2(c)(2)(H) are permitted to engage"; and

(D) by striking "or" at the end; and

(3) by striking subparagraph (B) and inserting the following:

"(B) any bank subsidiary of such company—

"(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties; and

"(ii) engages in the business of making commercial loans (except that, for purposes of this clause, loans made in the ordinary course of a credit card operation shall not be treated as commercial loans); or

"(C) after the date of enactment of the Competitive Equality Amendments of 1987, any bank subsidiary of such company permits any overdraft (including any intraday overdraft), or incurs any such overdraft in the account of the bank at a Federal reserve bank, on behalf of an affiliate, other than an overdraft described in paragraph (3)."

(e) **DIVESTITURE REQUIREMENT.**—Section 4(f)(4) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(4)) is amended to read as follows:

"(4) **DIVESTITURE IN CASE OF LOSS OF EXEMPTION.**—If any company described in paragraph (1) fails to qualify for the exemption provided under paragraph (1) by operation of paragraph (2), such exemption shall cease to apply to such company and such company shall divest control of each bank it controls before the end of the 180-day period beginning on the date on which the company receives notice from the Board that the company has failed to continue to qualify for such exemption, unless, before the end of such 180-day period, the company has—

"(A) either—

"(i) corrected the condition or ceased the activity that caused the company to fail to continue to qualify for the exemption; or

"(ii) submitted a plan to the Board for approval to cease the activity or correct the condition in a timely manner (which shall not exceed 1 year); and

"(B) implemented procedures that are reasonably adapted to avoid the reoccurrence of such condition or activity."

SEC. 306. "PLAIN LANGUAGE" REQUIREMENT FOR FEDERAL BANKING AGENCY RULES.

(a) **IN GENERAL.**—Each Federal banking agency shall use plain language in all proposed and final rulemakings published by the agency in the Federal Register after January 1, 2000.

(b) **REPORT.**—Not later than March 1, 2001, each Federal banking agency shall submit to the Congress a report that describes how the agency has complied with subsection (a).

(c) **DEFINITIONS.**—For purposes of this section, the terms "Federal banking agency" and "State bank supervisor" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 307. RETENTION OF "FEDERAL" IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.

Section 2 of the Act entitled "An Act to enable national banking associations to increase their capital stock and to change their names or locations", approved May 1, 1886 (12 U.S.C. 30), is amended by adding at the end the following new subsection:

"(d) **RETENTION OF 'FEDERAL' IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.**—

"(1) **IN GENERAL.**—Notwithstanding subsection (a) or any other provision of law, any depository institution, the charter of which is converted from that of a Federal savings association to a national bank or a State bank after the date of enactment of the Financial Services Modernization Act of 1999 may retain the term 'Federal' in the name of such institution if such institution remains an insured depository institution.

"(2) **DEFINITIONS.**—For purposes of this subsection, the terms 'depository institution', 'insured depository institution', 'national bank', and 'State bank' have the same meanings as in section 3 of the Federal Deposit Insurance Act."

SEC. 308. COMMUNITY REINVESTMENT ACT EXEMPTION.

(a) **IN GENERAL.**—No community financial institution shall be subject to the Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.).

(b) **DEFINITION OF COMMUNITY FINANCIAL INSTITUTION.**—As used in this section, the term "community financial institution" means an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act), that has aggregate assets of not more than \$100,000,000, and that is located in a non-metropolitan area.

(c) **ADJUSTMENTS.**—The dollar amount referred to in subsection (b) shall be adjusted annually after December 31, 1999, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.

(d) **DEFINITION.**—For purposes of this section, the term "non-metropolitan area" means any area, no part of which is within an area designated as a metropolitan statistical area by the Office of Management and Budget.

SEC. 309. BANK OFFICERS AND DIRECTORS AS OFFICERS AND DIRECTORS OF PUBLIC UTILITIES.

Section 305(b) of the Federal Power Act (16 U.S.C. 825d(b)) is amended—

(1) by striking "(b) After six" and inserting the following:

"(b) **INTERLOCKING DIRECTORATES.**—

"(1) **IN GENERAL.**—After 6"; and

(2) by adding at the end the following:

"(2) **APPLICABILITY.**—

"(A) **IN GENERAL.**—In the circumstances described in subparagraph (B), paragraph (1) shall not apply to a person that holds or proposes to hold the positions of—

“(i) officer or director of a public utility; and

“(ii) officer or director of a bank, trust company, banking association, or firm authorized by law to underwrite or participate in the marketing of securities of a public utility.

“(B) CIRCUMSTANCES.—The circumstances described in this subparagraph are that—

“(i) a person described in subparagraph (A) does not participate in any deliberations or decisions of the public utility regarding the selection of a bank, trust company, banking association, or firm to underwrite or participate in the marketing of securities of the public utility, if the person serves as an officer or director of a bank, trust company, banking association, or firm that is under consideration in the deliberation process;

“(ii) the bank, trust company, banking association, or firm of which the person is an officer or director does not engage in the underwriting of, or participate in the marketing of, securities of the public utility of which the person holds the position of officer or director;

“(iii) the public utility for which the person serves or proposes to serve as an officer or director selects underwriters by competitive procedures; or

“(iv) the issuance of securities the public utility for which the person serves or proposes to serve as an officer or director has been approved by all Federal and State regulatory agencies having jurisdiction over the issuance.”

SEC. 310. CONTROL OF BANKERS' BANKS.

Section 2(a)(5)(E)(i) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)(5)(E)(i)) is amended by inserting “one or more” before “thrift institutions”.

SEC. 311. MULTISTATE LICENSING AND INTERSTATE INSURANCE SALES ACTIVITIES.

(a) FINDINGS.—Congress finds that—

(1) the States regulate the business of insurance, including the licensing of insurance agents and brokers;

(2) the current State insurance licensing system requires insurance agents and brokers to obtain licenses on a line-by-line, class-by-class, producer-by-producer, State-by-State basis;

(3) in the commercial and industrial insurance arena, this State-based system usually requires a single agent or broker to hold scores of licenses if that agent or broker intends to sell or broker insurance on a nationwide basis;

(4) because of the duplicative licensing requirements both within States and from State to State, a single insurance agent or broker must satisfy literally hundreds of administrative filing requirements to become fully licensed to engage in the sale of a full range of insurance products on a nationwide basis;

(5) these administrative requirements appear to be essentially unrelated to any requisite standards of professionalism;

(6) many States impose certain requirements on insurance agents and brokers that pose an undue, discriminatory burden on nonresident agents, including some States that ban solicitation of insurance clients by nonresident agents and brokers;

(7) many States impose anticompetitive post-licensure requirements on nonresident agents and brokers, including countersignature laws that require an agent or broker servicing the needs of an out-of-State client to have any insurance policy that is sold “countersigned” by a resident agent;

(8) in some cases, such countersignature laws also require a nonresident agent or broker to pay at least half of any commis-

sion earned in a State in which the agent or broker is not a resident to a resident agent or broker; and

(9) such duplicative and onerous filing requirements and anticompetitive burdens inhibit interstate commerce, constitute unjustifiable trade barriers, greatly undermine the competition that this Act seeks to foster.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) by the end of the 36-month period beginning on the date of enactment of this Act, the States should—

(A) implement uniform insurance agent and broker licensing application and qualification requirements that result in a fully reciprocal licensing system; and

(B) eliminate any pre- or post-licensure requirements that have the practical effect of discriminating, directly or indirectly, against nonresident insurance agents or brokers;

(2) if such actions are not taken, Congress should take steps to directly rectify the problems identified in subsection (a); and

(3) any entity established by the Congress to so rectify the problems should be under the supervision and oversight of the National Association of Insurance Commissioners.

SEC. 312. CRA SUNSHINE REQUIREMENTS.

(a) DISCLOSURE AND REPORTING.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), is amended by adding at the end thereof the following new section:

“SEC. 46. CRA SUNSHINE REQUIREMENTS.

“(a) PUBLIC DISCLOSURE OF AGREEMENTS.—Any agreement entered into by an insured depository institution or affiliate with a nongovernmental entity or person made pursuant to or in connection with the Community Reinvestment Act involving funds or other resources of such insured depository institution or affiliate shall be in its entirety fully disclosed, and the full text thereof made available to the appropriate Federal banking agency with supervisory responsibility over the insured depository institution and to the public and shall obligate each party to comply with the provisions of this section.

“(b) ANNUAL REPORT OF ACTIVITY.—Each party to the agreement shall report, as applicable, to the appropriate Federal banking agency with supervisory responsibility over the insured depository institution, no less frequently than once each year, such information as the Federal banking agency may by rule require relating to the following actions taken by the party pursuant to an agreement described in subsection (a) during the previous 12-month period—

“(1) payments, fees or loans made to any party to the agreement or received from any party to the agreement and the terms and conditions of the same; and

“(2) aggregate data on loans, investments and services provided by each party in its community or communities pursuant to the agreement; and

“(3) such other pertinent matters as determined by rule by the appropriate Federal banking agency with supervisory responsibility over the insured depository institution.

The Federal banking agency shall ensure that the regulations implementing this section do not impose an undue burden on the parties and that proprietary and confidential information is protected.

“(c) EXISTING AGREEMENTS.—The requirements of subsection (b) (1), (2), and (3) shall be deemed to be fulfilled with respect to any agreement made prior to May 5, 1999.

“(d) SECONDARY AGREEMENTS.—Any agreement made on or after May 5, 1999 pursuant to an agreement described in subsection (a)

also is subject to the requirements of subsections (a) and (b).

“(e) DEFINITIONS.—

“(1) AGREEMENT.—As used in this section, the term ‘agreement’ refers to any written contract, written arrangement, or other written understanding with a value in excess of \$10,000 annually, or a group of substantively related contracts with an aggregate value of \$10,000 annually, made pursuant to or in connection with the Community Reinvestment Act of 1977, at least one party to which is an insured depository institution or affiliate thereof, or entity owned or controlled by an insured depository institution or affiliate, whether organized on a profit or not-for-profit basis. The term ‘agreement’ shall not include any specific contract or commitment for a loan or extension of credit to individuals, businesses, farms, or other entities, where the purpose of the loan or extension of credit does not include any re-lending of the borrowed funds to other parties.

“(2) APPROPRIATE FEDERAL BANKING AGENCY AND INSURED DEPOSITORY INSTITUTION.—As used in this section, the terms ‘appropriate Federal banking agency’ and ‘insured depository institution’ have the same meanings as defined in section 3 of this Act.

“(d) VIOLATIONS.—Any violation of the provisions of this section shall be considered a violation of this Act. If the party to the agreement that is not an insured depository institution or affiliate fails to comply with this section, the agreement shall not be enforceable after being given notice and a reasonable period of time to perform or comply.

“(e) LIMITATION.—Nothing in this section is intended to provide any authority upon any appropriate Federal banking agency to enforce the provisions of the agreements that are subject to the requirements of subsection (a).

“(f) REGULATIONS.—Each appropriate Federal banking agency shall prescribe regulations requiring procedures reasonably designed to assure and monitor compliance with the requirements of this section.”

SEC. 313. INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.

Section 5 of the International Banking Act of 1978, as amended (12 U.S.C. 3103), is amended by striking subsection (a)(7) and substituting the following:

“(7) Additional authority for interstate branches and agencies of foreign banks; upgrades of certain foreign bank agencies and branches

“Notwithstanding paragraphs (1) and (2), a foreign bank may—

“(A) with the approval of the Board and the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside the foreign bank’s home State if—

“(i) the establishment and operation of such branch or agency is permitted by the State in which the branch or agency is to be established; and

“(ii) in the case of a Federal or State branch, the branch receives only such deposits as would be permitted for a corporation organized under section 25A of the Federal Reserve Act (12 U.S.C. 611 et seq.); or

“(B) with the approval of the Board and the relevant licensing authority (the Comptroller in the case of a Federal branch or the appropriate State supervisor in the case of a State branch), upgrade an agency, or a branch of the type referred to in subsection (a)(7)(A)(ii), located in a State outside the foreign bank’s home State, into a Federal or State branch if the establishment and operation of such branch is permitted by such State and—

"(i) such agency or branch was in operation in such State on the day before September 29, 1994, or

"(ii) such agency or branch has been in operation in such State for a period of time that meets the State's minimum age requirement permitted under section 1831u(a)(5) of title 12, United States Code."

SEC. 314. DISCLOSURES TO CONSUMERS UNDER THE TRUTH IN LENDING ACT.

(a) DISCLOSURE OF LATE PAYMENT DEADLINES AND PENALTIES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(12) If a charge is to be imposed due to the failure of the obligor to make payment on or before a required payment due date, the date that payment is due or, if different, the date on which a late payment fee will be charged, shall be stated prominently in a conspicuous location on the billing statement, together with the amount of the charge to be imposed if payment is made after such date."

(b) DISCLOSURES RELATED TO "TEASER RATES".—Section 127(c) (15 U.S.C. 1637(c)) is amended by inserting after paragraph (5) (as so redesignated by section 4 of this Act) the following:

"(6) ADDITIONAL NOTICE CONCERNING 'TEASER RATES'.—

"(A) IN GENERAL.—An application or solicitation for a credit card for which a disclosure is required under this subsection shall contain the disclosure contained in subparagraph (B) or (C), as appropriate, if the application or solicitation offers, for an introductory period of less than 1 year, an annual percentage rate of interest that—

"(i) is less than the annual percentage rate of interest that will apply after the end of the introductory period; or

"(ii) in the case of an annual percentage rate that varies in accordance with an index, is less than the current annual percentage rate under the index that will apply after the end of such period.

"(B) FIXED ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will be a fixed rate, the application or solicitation shall include the following disclosure: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will apply after [insert applicable date] and will be [insert applicable percentage rate].'

"(C) VARIABLE ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will vary in accordance with an index, the application or solicitation shall include the following disclosure: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will be determined by an index, and will apply after [insert applicable date]. If the index that will apply after such date were applied to your account today, the annual percentage rate would be [insert applicable percentage rate].'

"(D) CONDITIONS FOR INTRODUCTORY RATES.—If the annual percentage rate of interest that will apply during the introductory period described in subparagraph (A) is revocable or otherwise conditioned upon any action by the obligor, including any failure by the obligor to pay the minimum payment amount or finance charge or to make any payment by the stated monthly payment due date, the application or solicitation shall include disclosure of—

"(i) the conditions that the obligor must meet to retain the annual percentage rate of interest during the introductory period; and

"(ii) the annual percentage rate of interest that will apply as a result of the failure of the obligor to meet such conditions.

"(E) FORM OF DISCLOSURE.—The disclosures required under this paragraph shall be made in a clear and conspicuous manner, in a prominent fashion."

SEC. 315. APPROVAL FOR PURCHASES OF SECURITIES.

Section 23B(b)(2) of the Federal Reserve Act (12 U.S.C. 371c-1) is amended to read as follows:

"Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank based on a determination that the purchase is a sound investment for the bank irrespective of the fact that an affiliate of the bank is a principal underwriter of the securities."

SEC. 316. PROVISION OF TECHNICAL ASSISTANCE TO MICROENTERPRISES.

(a) IN GENERAL.—Title I of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by adding at the end the following:

"Subtitle C—Microenterprise Technical Assistance and Capacity Building Program"

"SEC. 171. SHORT TITLE.

"This subtitle may be cited as the 'Program for Investment in Microentrepreneurs Act of 1999', also referred to as the 'PRIME Act'.

"SEC. 172. DEFINITIONS.

"For purposes of this subtitle—

"(1) the term 'Administrator' has the same meaning as in section 103;

"(2) the term 'capacity building services' means services provided to an organization that is, or is in the process of becoming a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

"(3) the term 'collaborative' means 2 or more nonprofit entities that agree to act jointly as a qualified organization under this subtitle;

"(4) the term 'disadvantaged entrepreneur' means a microentrepreneur that is—

"(A) a low-income person;

"(B) a very low-income person; or

"(C) an entrepreneur that lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as determined by the Administrator;

"(5) the term 'Fund' has the same meaning as in section 103;

"(6) the term 'Indian tribe' has the same meaning as in section 103;

"(7) the term 'intermediary' means a private, nonprofit entity that seeks to serve microenterprise development organizations and programs as authorized under section 175;

"(8) the term 'low-income person' has the same meaning as in section 103;

"(9) the term 'microentrepreneur' means the owner or developer of a microenterprise;

"(10) the term 'microenterprise' means a sole proprietorship, partnership, or corporation that—

"(A) has fewer than 5 employees; and

"(B) generally lacks access to conventional loans, equity, or other banking services;

"(11) the term 'microenterprise development organization or program' means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs or prospective entrepreneurs;

"(12) the term 'training and technical assistance' means services and support provided to disadvantaged entrepreneurs or prospective entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services; and

"(13) the term 'very low-income person' means having an income, adjusted for family size, of not more than 150 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that section).

"SEC. 173. ESTABLISHMENT OF PROGRAM.

"The Administrator shall establish a microenterprise technical assistance and capacity building grant program to provide assistance from the Fund in the form of grants to qualified organizations in accordance with this subtitle.

"SEC. 174. USES OF ASSISTANCE.

"A qualified organization shall use grants made under this subtitle—

"(1) to provide training and technical assistance to disadvantaged entrepreneurs;

"(2) to provide training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist such organizations and programs in developing microenterprise training and services;

"(3) to aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs; and

"(4) for such other activities as the Administrator determines are consistent with the purposes of this subtitle.

"SEC. 175. QUALIFIED ORGANIZATIONS.

"For purposes of eligibility for assistance under this subtitle, a qualified organization shall be—

"(1) a nonprofit microenterprise development organization or program (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs;

"(2) an intermediary;

"(3) a microenterprise development organization or program that is accountable to a local community, working in conjunction with a State or local government or Indian tribe; or

"(4) an Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

"SEC. 176. ALLOCATION OF ASSISTANCE; SUBGRANTS.

"(a) ALLOCATION OF ASSISTANCE.—

"(1) IN GENERAL.—The Administrator shall allocate assistance from the Fund under this subtitle to ensure that—

"(A) activities described in section 174(1) are funded using not less than 75 percent of amounts made available for such assistance; and

"(B) activities described in section 174(2) are funded using not less than 15 percent of amounts made available for such assistance.

"(2) LIMIT ON INDIVIDUAL ASSISTANCE.—No single organization or entity may receive more than 10 percent of the total funds appropriated under this subtitle in a single fiscal year.

"(b) TARGETED ASSISTANCE.—The Administrator shall ensure that not less than 50 percent of the grants made under this subtitle are used to benefit very low-income persons, including those residing on Indian reservations.

"(c) SUBGRANTS AUTHORIZED.—

"(1) IN GENERAL.—A qualified organization receiving assistance under this subtitle may

provide grants using that assistance to qualified small and emerging microenterprise organizations and programs, subject to such rules and regulations as the Administrator determines to be appropriate.

"(2) LIMIT ON ADMINISTRATIVE EXPENSES.—Not more than 7.5 percent of assistance received by a qualified organization under this subtitle may be used for administrative expenses in connection with the making of subgrants under paragraph (1).

"(d) DIVERSITY.—In making grants under this subtitle, the Administrator shall ensure that grant recipients include both large and small microenterprise organizations, serving urban, rural, and Indian tribal communities and racially and ethnically diverse populations.

"SEC. 177. MATCHING REQUIREMENTS.

"(a) IN GENERAL.—Financial assistance under this subtitle shall be matched with funds from sources other than the Federal Government on the basis of not less than 50 percent of each dollar provided by the Fund.

"(b) SOURCES OF MATCHING FUNDS.—Fees, grants, gifts, funds from loan sources, and in-kind resources of a grant recipient from public or private sources may be used to comply with the matching requirement in subsection (a).

"(c) EXCEPTION.—

"(1) IN GENERAL.—In the case of an applicant for assistance under this subtitle with severe constraints on available sources of matching funds, the Administrator may reduce or eliminate the matching requirements of subsection (a).

"(2) LIMITATION.—Not more than 10 percent of the total funds made available from the Fund in any fiscal year to carry out this subtitle may be excepted from the matching requirements of subsection (a), as authorized by paragraph (1) of this subsection.

"SEC. 178. APPLICATIONS FOR ASSISTANCE.

"An application for assistance under this subtitle shall be submitted in such form and in accordance with such procedures as the Fund shall establish.

"SEC. 179. RECORDKEEPING.

"The requirements of section 115 shall apply to a qualified organization receiving assistance from the Fund under this subtitle as if it were a community development financial institution receiving assistance from the Fund under subtitle A.

"SEC. 180. AUTHORIZATION.

"In addition to funds otherwise authorized to be appropriated to the Fund to carry out this title, there are authorized to be appropriated to the Fund to carry out this subtitle—

- "(1) \$15,000,000 for fiscal year 2000;
- "(2) \$15,000,000 for fiscal year 2001;
- "(3) \$15,000,000 for fiscal year 2002; and
- "(4) \$15,000,000 for fiscal year 2003.

"SEC. 181. IMPLEMENTATION.

"The Administrator shall, by regulation, establish such requirements as may be necessary to carry out this subtitle."

(b) ADMINISTRATIVE EXPENSES.—Section 121(a)(2)(A) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4718(a)(2)(A)) is amended—

(1) by striking "\$5,550,000" and inserting "\$6,100,000"; and

(2) in the first sentence, by inserting before the period "including costs and expenses associated with carrying out subtitle C".

(c) CONFORMING AMENDMENTS.—Section 104(d) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703(d)) is amended—

- (1) in paragraph (2)—
- (A) by striking "15" and inserting "17";
- (B) in subparagraph (G)—
- (i) by striking "9" and inserting "11";

(ii) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively; and

(iii) by inserting after clause (iii) the following:

"(iv) 2 individuals who have expertise in microenterprises and microenterprise development;"; and

(2) in paragraph (4), in the first sentence, by inserting before the period "and subtitle C".

SEC. 317. FEDERAL RESERVE AUDITS.

(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 11A the following:

"SEC. 11B. ANNUAL INDEPENDENT AUDITS OF FEDERAL RESERVE BANKS.

"(a) AUDIT REQUIRED.—Each Federal reserve bank shall annually obtain an audit of the financial statements of each Federal reserve bank (which shall have been prepared in accordance with generally accepted accounting principles) using generally accepted auditing standards from an independent auditor that meets the requirements of subsection (b).

"(b) AUDITOR'S QUALIFICATIONS.—The independent auditor referred to in subsection (a) shall—

"(1) be a certified public accountant who is independent of the Federal Reserve System; and

"(2) meet any other qualifications that the Board may establish.

"(c) CERTIFICATION REQUIRED.—In each audit required under subsection (a), the auditor shall certify to the Federal reserve bank and to the Board that the auditor—

"(1) is a certified public accountant and is independent of the Federal Reserve System; and

"(2) conducted the audit using generally accepted auditing standards.

"(d) CERTIFICATION BY FEDERAL RESERVE BANK.—Not later than 30 days after the completion of each audit required under subsection (a), the Federal reserve bank shall provide to the Comptroller General of the United States—

"(1) a certification that—

"(A) the Federal reserve bank has obtained the audit required under subsection (a);

"(B) the Federal reserve bank has received the certifications of the auditor required under subsection (c); and

"(C) the audit fully complies with subsection (a).

"(e) DETECTION OF ILLEGAL ACTS.—

"(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

"(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

"(A) shall determine whether it is likely that the illegal act has occurred; and

"(B) shall, if the auditor determines that the illegal act is likely to have occurred—

"(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal reserve bank; and

"(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

"(3) REPORT TO CONGRESS.—The independent auditor under this section shall, as soon as practicable, directly report its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on

Government Reform of the House of Representatives with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of the audit required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

"(A) the possible illegal act has a direct and material effect on the financial statements of the Federal reserve bank;

"(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

"(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audit engagement.

"(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit a Federal reserve bank under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

"(f) RECORDKEEPING.—To facilitate compliance with this section, each Federal reserve bank shall—

"(1) ensure that the books, records, and accounts of the Federal reserve bank are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of the assets of the bank;

"(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

"(3) ensure that access to assets of the Federal reserve bank is permitted only in accordance with the general or specific authorization of the Board; and

"(4) ensure that—

"(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

"(B) appropriate action is taken with respect to any differences.

"(g) REPORTS TO BOARD, CONGRESS.—Not later than April 30 of each year, each Federal reserve bank shall submit a copy of each audit conducted under this section to the Board, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

"SEC. 11C. INDEPENDENT AUDITS OF FEDERAL RESERVE SYSTEM AND FEDERAL RESERVE BOARD.

"(a) AUDIT OF RESERVE SYSTEM.—The Board shall annually obtain an audit of the consolidated financial statements of the Federal Reserve System (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards, based on reports of audits of Federal reserve banks submitted to the Board under section 11B(g) and the audit of the Board under subsection (b) of this section.

"(b) AUDIT OF BOARD.—

"(1) IN GENERAL.—The Board shall annually obtain an audit of the financial statements of the Board (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards.

"(2) PRICED SERVICES AUDIT.—

“(A) IN GENERAL.—As part of each audit of the Board required by this subsection, the auditor shall—

“(i) audit the calculation of the private sector adjustment factor established by the Board pursuant to section 11A(c)(3) for the year that is the subject of the audit; and

“(ii) audit the pro forma balance sheet and income statement for the services described in section 11A(b), including the determination of revenue, expenses, and income before income taxes for each service listed in that section (in accordance with the criteria specified in section 11A(c)(3)).

“(B) REPORT TO THE BOARD.—The auditor shall report the results of the audit under subparagraph (A)(ii) to the Board in written form.

“(3) LIMITATION.—The evaluations and audits required by this subsection shall not include deliberations, decisions, or actions on monetary policy matters, including discount authority under section 13, reserves of national banks, securities credit, interest on deposits, and open market operations.

“(c) AUDITOR'S QUALIFICATIONS.—An independent auditor referred to in this section shall—

“(1) be a certified public accountant and be independent of the Federal Reserve System; and

“(2) meet any other qualifications that the Board may establish.

“(d) CERTIFICATION REQUIRED.—In each audit required under this section, the auditor shall certify to the Board that the auditor—

“(1) is a certified public accountant and is independent of the Federal Reserve System; and

“(2) conducted the audit using generally accepted auditing standards.

“(e) DETECTION OF ILLEGAL ACTS.—

“(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

“(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit of the Federal Reserve System or the Board as required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

“(A) shall determine whether it is likely that the illegal act has occurred; and

“(B) shall, if the auditor determines that the illegal act is likely to have occurred—

“(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal Reserve System or the Board, as applicable; and

“(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

“(3) REPORT TO CONGRESS.—An independent auditor under this section shall directly report, as soon as practicable, its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of an audit of the Federal Reserve System or the Board required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

“(A) the possible illegal act has a direct and material effect on the financial state-

ments of the Federal Reserve System or the Board, as applicable;

“(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

“(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audits engagement.

“(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit the Federal Reserve System or the Board under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

“(f) RECORDKEEPING.—To facilitate compliance with this section, the Board shall—

“(1) ensure that the books, records, and accounts of the Board are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of assets;

“(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

“(3) ensure that access to assets of the Board is permitted only in accordance with general or specific authorization of the Board; and

“(4) ensure that—

“(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

“(B) appropriate action is taken with respect to any differences.

“(g) REPORTS TO CONGRESS.—Not later than May 31 of each year, the Board shall make available all audits and reports required by this section to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.”

(b) FEDERAL RESERVE REQUIREMENTS.—

(1) CLARIFICATION OF FEE SCHEDULE REQUIREMENTS.—

(A) IN GENERAL.—Section 11A(b) of the Federal Reserve Act (12 U.S.C. 248a(b)) is amended—

(i) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(ii) by inserting after paragraph (6) the following:

“(7) transportation of paper checks in the clearing process;”

(B) PUBLICATION OF REVISED SCHEDULE.—Not later than 60 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish a revision of the schedule of fees required under section 11A of the Federal Reserve Act that reflects the changes made in the schedule in accordance with the amendments made by subparagraph (A) of this paragraph.

(2) CLARIFICATION OF APPLICABLE PRICING CRITERIA.—Section 11A(c) of the Federal Reserve Act (12 U.S.C. 248a(c)) is amended by striking paragraph (3) and inserting the following:

“(3)(A) In each fiscal year, fees shall be established for each service provided by the Federal reserve banks on the basis of all direct and indirect costs actually incurred (excluding the effect of any pension cost credit) in providing each of the services, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs, which takes into account the taxes that would have been paid and the re-

turn on capital that would have been provided had the services been provided by a private business firm.

“(B) The pricing principles referred to in subparagraph (A) shall be carried out with due regard to competitive factors and the provision of an adequate level of such services nationwide.

“(C)(i) Not later than 1 year after the date of enactment of the Financial Services Modernization Act of 1999, and not less frequently than once every 3 years thereafter, the Board shall conduct a comprehensive review of the methodology used to calculate the private sector adjustment factor pursuant to section 11A(c)(3), including a public notice and comment period.

“(ii) In conducting the review under clause (i), the Board shall publish in the Federal Register all elements of the methodology in use by the Board in the calculation of the private sector adjustment factor pursuant to section 11A(c)(3) provide notice and solicit public comment on the methodology, requesting commentators to identify areas of the methodology that are outdated, inappropriate, unnecessary, or that contribute to an inaccurate result in the calculation of the private sector adjustment factor.

“(iii) The Board shall—

“(I) publish in the Federal Register a summary of the comments received under this subparagraph, identifying significant issues raised; and

“(II) provide comment on such issues and make changes to the methodology to the extent that the Board considers to be appropriate.

“(iv) Not later than 30 days after the completion of each review under clause (i), the Board shall submit to Congress a report which shall include—

“(I) a summary of any significant issues raised by public comments received by the Board under this subparagraph and the relative merits of such issues; and

“(II) an analysis of whether the Board is able to address the concerns raised, or whether such concerns should be addressed by legislation.”

SEC. 318. STUDY AND REPORT ON ADVERTISING PRACTICES OF ONLINE BROKERAGE SERVICES.

(a) STUDY.—The Securities and Exchange Commission (hereafter in this section referred to as the “Commission”), in consultation with the National Association of Securities Dealers and other interested parties, shall conduct a study of—

(1) the nature and content of advertising by online brokerage services in all media, including television, on the Internet, radio, and in print;

(2) if such advertising influences investors and potential investors to make investment decisions, and if such advertising improperly influences those investors and potential investors to make inappropriate investment decisions;

(3) whether such advertising properly discloses the risks associated with trading and investing in the capital markets; and

(4) whether—

(A) there are appropriate regulatory mechanisms in place to prevent any improper or deceptive advertising; and

(B) the Commission has or needs additional resources or authority to actively participate in such regulation.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Commission shall submit a report to the Congress on the results of the study conducted under subsection (a), together with any recommendations for changes that it considers necessary to protect investors and potential investors from improper or deceptive advertising.

SEC. 319. ELIGIBILITY OF COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION TO BORROW FROM THE FEDERAL HOME LOAN BANK SYSTEM.

Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in subsection (a) by striking the second sentence and inserting the following two sentences: "Such mortgagees must be (i) chartered institutions having succession and (ii) subject to the inspection and supervision of some governmental agency or a community development financial institution (other than an insured depository institution or a subsidiary thereof) that, at the time the advance is made, is certified under the Community Development Banking and Financial Institutions Act of 1994. The principal activity of such mortgagees in the mortgage field must consist of lending their own funds and any advances may be subject to the same collateralization requirements as applied to other nonmember borrowers.";

(2) in the last sentence of subsection (a) by replacing the word "such" with "the same" and by replacing the phrase "shall be determined by the board" with the phrase "are comparable extensions of credit to members"; and

(3) in subsection (b) by inserting in the first sentence between the words "agency" and "for" the following phrase: "or a certified community development financial institution".

TITLE IV—FEDERAL HOME LOAN BANK SYSTEM MODERNIZATION

SEC. 401. SHORT TITLE.

This title may be cited as the "Federal Home Loan Bank System Modernization Act of 1999".

SEC. 402. DEFINITIONS.

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) in paragraph (1), by striking "term 'Board' means" and inserting "terms 'Finance Board' and 'Board' mean";

(2) by striking paragraph (3) and inserting the following:

"(3) STATE.—The term 'State', in addition to the States of the United States, includes the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.";

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

"(13) COMMUNITY FINANCIAL INSTITUTION.—
"(A) IN GENERAL.—The term 'community financial institution' means a member—

"(i) the deposits of which are insured under the Federal Deposit Insurance Act; and

"(ii) that has, as of the date of the transaction at issue, less than \$500,000,000 in average total assets, based on an average of total assets over the 3 years preceding that date.

"(B) ADJUSTMENTS.—The \$500,000,000 limit referred to in subparagraph (A)(ii) shall be adjusted annually by the Finance Board, based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor."

SEC. 403. SAVINGS ASSOCIATION MEMBERSHIP.

(a) FEDERAL HOME LOAN BANK MEMBERSHIP.—Section 5(f) of the Home Owners' Loan Act (12 U.S.C. 1464(f)) is amended to read as follows:

"(f) FEDERAL HOME LOAN BANK MEMBERSHIP.—On and after June 1, 2000, a Federal savings association may become a member of the Federal Home Loan Bank System, and shall qualify for such membership in the manner provided by the Federal Home Loan Bank Act."

(b) WITHDRAWAL.—Section 6(e) of the Federal Home Loan Bank Act (12 U.S.C. 1426(e)) is amended by striking "Any member other

than a Federal savings and loan association may withdraw" and inserting "Any member may withdraw if, on the date of withdrawal there is in effect a certification by the Finance Board that the withdrawal will not cause the Federal Home Loan Bank System to fail to meet its obligation under section 21B(f)(2)(C) to contribute to the debt service for the obligations issued by the Resolution Funding Corporation".

SEC. 404. ADVANCES TO MEMBERS; COLLATERAL.

(a) IN GENERAL.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting appropriately;

(2) by striking "(a) Each" and inserting the following:

"(a) IN GENERAL.—

"(1) ALL ADVANCES.—Each";

(3) by striking the second sentence and inserting the following:

"(2) PURPOSES OF ADVANCES.—A long-term advance may only be made for the purposes of—

"(A) providing funds to any member for residential housing finance; and

"(B) providing funds to any community financial institution for small businesses, small farms, and small agri-businesses.";

(4) by striking "A Bank" and inserting the following:

"(3) COLLATERAL.—A Bank";

(5) in paragraph (3) (as so designated by paragraph (4) of this subsection)—

(A) in subparagraph (C) (as so redesignated by paragraph (1) of this subsection) by striking "Deposits" and inserting "Cash or deposits";

(B) in subparagraph (D) (as so redesignated by paragraph (1) of this subsection), by striking the second sentence; and

(C) by inserting after subparagraph (D) (as so redesignated by paragraph (1) of this subsection) the following new subparagraph:

"(E) Secured loans for small business, agriculture, or securities representing a whole interest in such secured loans, in the case of any community financial institution.";

(6) in paragraph (5)—

(A) in the second sentence, by striking "and the Board";

(B) in the third sentence, by striking "Board" and inserting "Federal Home Loan Bank"; and

(C) by striking "(5) Paragraphs (1) through (4)" and inserting the following:

"(4) ADDITIONAL BANK AUTHORITY.—Subparagraphs (A) through (E) of paragraph (3)"; and

(7) by adding at the end the following:

"(5) REVIEW OF CERTAIN COLLATERAL STANDARDS.—The Board may review the collateral standards applicable to each Federal Home Loan Bank for the classes of collateral described in subparagraphs (D) and (E) of paragraph (3), and may, if necessary for safety and soundness purposes, require an increase in the collateral standards for any or all of those classes of collateral.

"(6) DEFINITIONS.—For purposes of this subsection, the terms 'small business', 'agriculture', 'small farm', and 'small agri-business' shall have the meanings given those terms by rule or regulation of the Finance Board."

(b) CLERICAL AMENDMENT.—The section heading for section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended to read as follows:

"SEC. 10. ADVANCES TO MEMBERS."

SEC. 405. ELIGIBILITY CRITERIA.

Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended—

(1) in paragraph (2)(A), by inserting, "(other than a community financial institution)" after "institution";

(2) in the matter immediately following paragraph (2)(C)—

(A) by striking "An insured" and inserting the following:

"(3) CERTAIN INSTITUTIONS.—An insured"; and

(B) by striking "preceding sentence" and inserting "paragraph (2)"; and

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

"(4) LIMITED EXEMPTION FOR COMMUNITY FINANCIAL INSTITUTIONS.—A community financial institution that otherwise meets the requirements of paragraph (2) may become a member without regard to the percentage of its total assets that is represented by residential mortgage loans, as described in subparagraph (A) of paragraph (2)."

SEC. 406. MANAGEMENT OF BANKS.

(a) BOARD OF DIRECTORS.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(1) by striking "(d) The term" and inserting the following:

"(d) TERMS OF OFFICE.—The term"; and

(2) by striking "shall be two years".

(b) COMPENSATION.—Section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended by striking "subject to the approval of the board".

(c) REPEAL OF SECTIONS 22A AND 27.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by striking sections 22A (12 U.S.C. 1442a) and 27 (12 U.S.C. 1447).

(d) SECTION 12.—Section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended—

(1) in subsection (a)—

(A) by striking ", but, except" and all that follows through "ten years";

(B) by striking "subject to the approval of the Board" each place that term appears;

(C) by striking "and, by its Board of directors," and all that follows through "agent of such bank," and inserting "and, by the board of directors of the Bank, to prescribe, amend, and repeal by-laws governing the manner in which its affairs may be administered, consistent with applicable laws and regulations, as administered by the Finance Board. No officer, employee, attorney, or agent of a Federal Home Loan Bank"; and

(D) by striking "Board of directors" each place that term appears and inserting "board of directors"; and

(2) in subsection (b), by striking "loans banks" and inserting "loan banks".

(e) POWERS AND DUTIES OF FEDERAL HOUSING FINANCE BOARD.—

(1) ISSUANCE OF NOTICES OF VIOLATIONS.—Section 2B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1422b(a)) is amended by adding at the end the following new paragraphs:

"(5) To issue and serve a notice of charges upon a Federal Home Loan Bank or upon any executive officer or director of a Federal Home Loan Bank if, in the determination of the Finance Board, the Bank, executive officer, or director is engaging or has engaged in, or the Finance Board has reasonable cause to believe that the Bank, executive officer, or director is about to engage in, any conduct that violates any provision of this Act or any law, order, rule, or regulation or any condition imposed in writing by the Finance Board in connection with the granting of any application or other request by the Bank, or any written agreement entered into by the Bank with the agency, in accordance with the procedures provided in section 1371(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. Such authority includes the same authority to take affirmative action to correct conditions resulting from violations or practices

or to limit activities of a Bank or any executive officer or director of a Bank as appropriate Federal banking agencies have to take with respect to insured depository institutions under paragraphs (6) and (7) of section 8(b) of the Federal Deposit Insurance Act, and to have all other powers, rights, and duties to enforce this Act with respect to the Federal Home Loan Banks and their executive officers and directors as the Office of Federal Housing Enterprise Oversight has to enforce the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, the Federal National Mortgage Association Charter Act, or the Federal Home Loan Mortgage Corporation Act with respect to the Federal housing enterprises under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

“(6) To sue and be sued, by and through its own attorneys.”.

(2) **TECHNICAL AMENDMENT.**—Section 111 of Public Law 93-495 (12 U.S.C. 250) is amended by inserting “Federal Housing Finance Board,” after “Director of the Office of Thrift Supervision.”.

(f) **ELIGIBILITY TO SECURE ADVANCES.**—

(1) **SECTION 9.**—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended—

(A) in the second sentence, by striking “with the approval of the Board”; and

(B) in the third sentence, by striking “, subject to the approval of the Board,”.

(2) **SECTION 10.**—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended—

(A) in subsection (c)—

(i) in the first sentence, by striking “Board” and inserting “Federal Home Loan Bank”; and

(ii) in the second sentence, by striking “held by” and all that follows before the period; and

(B) in subsection (d)—

(i) in the first sentence, by striking “and the approval of the Board”; and

(ii) by striking “Subject to the approval of the Board, any” and inserting “Any”.

(g) **SECTION 16.**—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended—

(1) in the third sentence—

(A) by striking “net earnings” and inserting “previously retained earnings or current net earnings”; and

(B) by striking “, and then only with the approval of the Federal Housing Finance Board”; and

(2) by striking the fourth sentence.

(h) **SECTION 18.**—Section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)) is amended by striking paragraph (4).

SEC. 407. RESOLUTION FUNDING CORPORATION.

(a) **IN GENERAL.**—Section 21B(f)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)) is amended to read as follows:

“(C) **PAYMENTS BY FEDERAL HOME LOAN BANKS.**—

“(i) **IN GENERAL.**—To the extent that the amounts available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, each Federal Home Loan Bank shall pay to the Funding Corporation in each calendar year, 20.75 percent of the net earnings of that Bank (after deducting expenses relating to section 10(j) and operating expenses).

“(ii) **ANNUAL DETERMINATION.**—The Board annually shall determine the extent to which the value of the aggregate amounts paid by the Federal Home Loan Banks exceeds or falls short of the value of an annuity of \$300,000,000 per year that commences on the issuance date and ends on the final scheduled maturity date of the obligations, and shall select appropriate present value factors for making such determinations.

“(iii) **PAYMENT TERM ALTERATIONS.**—The Board shall extend or shorten the term of the payment obligations of a Federal Home Loan Bank under this subparagraph as necessary to ensure that the value of all payments made by the Banks is equivalent to the value of an annuity referred to in clause (ii).

“(iv) **TERM BEYOND MATURITY.**—If the Board extends the term of payment obligations beyond the final scheduled maturity date for the obligations, each Federal Home Loan Bank shall continue to pay 20.75 percent of its net earnings (after deducting expenses relating to section 10(j) and operating expenses) to the Treasury of the United States until the value of all such payments by the Federal Home Loan Banks is equivalent to the value of an annuity referred to in clause (ii). In the final year in which the Federal Home Loan Banks are required to make any payment to the Treasury under this subparagraph, if the dollar amount represented by 20.75 percent of the net earnings of the Federal Home Loan Banks exceeds the remaining obligation of the Banks to the Treasury, the Finance Board shall reduce the percentage pro rata to a level sufficient to pay the remaining obligation.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall become effective on June 1, 2000. Payments made by a Federal Home Loan Bank before that effective date shall be counted toward the total obligation of that Bank under section 21B(f)(2)(C) of the Federal Home Loan Bank Act, as amended by this section.

SEC. 408. GAO STUDY ON FEDERAL HOME LOAN BANK SYSTEM CAPITAL.

(a) **STUDY.**—The Comptroller General of the United States shall conduct a study of—

(1) possible revisions to the capital structure of the Federal Home Loan Bank System, including the need for—

(A) more permanent capital;

(B) a statutory leverage ratio; and

(C) a risk-based capital structure; and

(2) what impact such revisions might have on the operations of the Federal Home Loan Bank System, including the obligation of the Federal Home Loan Bank System under section 21B(f)(2)(C) of the Federal Home Loan Bank Act.

(b) **REPORT TO CONGRESS.**—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress on the results of the study conducted under subsection (a).

TITLE V—FUNCTIONAL REGULATION OF BROKERS AND DEALERS

SEC. 501. DEFINITION OF BROKER.

(a) It is the intention of this Act subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation to ensure that securities transactions effected by a bank are regulated by securities regulators, notwithstanding any other provision of this Act.

(b) Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

“(4) **BROKER.**—

“(A) **IN GENERAL.**—The term ‘broker’ means any person engaged in the business of effecting transactions in securities for the account of others.

“(B) **EXCEPTION FOR CERTAIN BANK ACTIVITIES.**—A bank shall not be considered to be a broker because the bank engages in any of the following activities under the conditions described:

“(i) **THIRD PARTY BROKERAGE ARRANGEMENTS.**—The bank enters into a contractual or other arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank, if—

“(I) such broker or dealer is clearly identified as the person performing the brokerage services;

“(II) the broker or dealer performs brokerage services in an area of the bank that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

“(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

“(IV) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement are in compliance with the Federal securities laws before distribution;

“(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities and may describe in general terms the range of investment vehicles available from the bank and the broker or dealer under the contractual or other arrangement;

“(VI) bank employees do not directly receive incentive compensation for any brokerage transaction, unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

“(VII) such services are provided by the broker or dealer on a basis in which all customers that receive any services are fully disclosed to the broker or dealer;

“(VIII) the bank does not carry a securities account of the customer, except in a customary custodian or trustee capacity; and

“(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank, and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

“(ii) **TRUST ACTIVITIES.**—The bank effects transactions in a trustee capacity, or effects transactions in a fiduciary capacity in its trust department or other department that is regularly examined by bank examiners for compliance with fiduciary principles and standards, and does not publicly solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

“(iii) **PERMISSIBLE SECURITIES TRANSACTIONS.**—The bank effects transactions in—

“(I) commercial paper, bankers acceptances, or commercial bills;

“(II) exempted securities;

“(III) qualified Canadian Government obligations, as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

“(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such

foreign government to retire outstanding commercial bank loans.

“(iv) CERTAIN STOCK PURCHASE PLANS.—

“(I) EMPLOYEE BENEFIT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its subsidiaries, if the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan.

“(II) DIVIDEND REINVESTMENT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of that issuer's dividend reinvestment plan, if—

“(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan; and

“(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission.

“(III) ISSUER PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of a plan or program for the purchase or sale of that issuer's shares, if—

“(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program; and

“(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission.

“(IV) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclauses (I), (II), and (III) will not be affected by delivery of written or electronic plan materials by a bank to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

“(aa) comparable in scope or nature to that permitted by the Commission as of the date of the enactment of the Financial Services Modernization Act of 1999; or

“(bb) otherwise permitted by the Commission.

“(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of bank deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

“(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate of the bank (as defined in section 2 of the Bank Holding Company Act of 1956) other than—

“(I) a registered broker or dealer; or

“(II) an affiliate that is engaged in merchant banking, as described in section 4(k)(4)(H) of the Bank Holding Company Act of 1956.

“(vii) PRIVATE SECURITIES OFFERINGS.—The bank effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933, or the rules and regulations issued thereunder.

“(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

“(I) IN GENERAL.—The bank, as part of customary banking activities—

“(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

“(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency,

in connection with the clearance and settlement of its customers' transactions in securities;

“(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions; or

“(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law.

“(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

“(ix) BANKING PRODUCTS.—The bank effects transactions in traditional banking products, as defined in section 503(a) of the Financial Services Modernization Act of 1999.

“(x) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (ix), not more than 500 transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

“(C) EXECUTION BY BROKER OR DEALER.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

“(i) the bank directs such trade to a registered broker or dealer for execution;

“(ii) the trade is a cross trade or other substantially similar trade of a security that—

“(I) is made by the bank or between the bank and an affiliated fiduciary; and

“(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

“(iii) the trade is conducted in some other manner permitted under such rules, regulations, or orders as the Commission may prescribe or issue.

“(D) NO EFFECT OF BANK EXEMPTIONS ON OTHER COMMISSION AUTHORITY.—The exception to being considered a broker for a bank engaged in activities described in subparagraphs (B) and (C) shall not affect the authority of the Commission under any other provision of this title or any other securities law.

“(E) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii) of this paragraph and paragraph (5)(C), the term ‘fiduciary capacity’ means—

“(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian, either under a uniform gift to minor act or for an individual retirement account, or as an investment adviser if the bank receives a fee for its investment advice or services, or as a service provider to any pension, retirement, profit sharing, bonus, thrift, savings, incentive, or other similar benefit plan;

“(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

“(iii) in any other similar capacity.

“(F) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term ‘broker’ does not include a bank that—

“(i) was, on the day before the date of enactment of the Financial Services Modernization Act of 1999, subject to section 15(e); and

“(ii) is subject to such restrictions and requirements as the Commission considers appropriate.”.

SEC. 502. DEFINITION OF DEALER.

Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

“(5) DEALER.—

“(A) IN GENERAL.—The term ‘dealer’ means any person engaged in the business of buying and selling securities for such person's own account through a broker or otherwise.

“(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term ‘dealer’ does not include a person that buys or sells securities for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

“(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of the following activities under the conditions described:

“(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

“(I) commercial paper, bankers acceptances, or commercial bills;

“(II) exempted securities;

“(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

“(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

“(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

“(I) for the bank; or

“(II) for accounts for which the bank acts in a trustee capacity or fiduciary capacity.

“(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or otherwise, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations, or pools of any such obligations predominantly originated by the bank, or a syndicate of banks of which the bank is a member, or an affiliate of any such bank other than a broker or dealer.

“(iv) BANKING PRODUCTS.—The bank buys or sells traditional banking products, as defined in section 503(a) of the Financial Services Modernization Act of 1999.”.

SEC. 503. DEFINITION AND TREATMENT OF BANKING PRODUCTS.

(a) DEFINITION OF TRADITIONAL BANKING PRODUCT.—For purposes of this title and paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4), (5)), as amended by this title, the term “traditional banking product” means—

(1) a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;

(2) a banker's acceptance;

(3) a letter of credit issued or loan made by a bank;

(4) a debit account at a bank arising from a credit card or similar arrangement;

(5) a participation in a loan which the bank or an affiliate of the bank (other than a

broker or dealer) funds, participates in, or owns that is sold—

- (A) to qualified investors; or
- (B) to other persons that—

(i) have the opportunity to review and assess any material information, including information regarding the borrower's creditworthiness; and

(ii) based on such factors as financial sophistication, net worth, and knowledge and experience in financial matters, have the capability to evaluate the information available, as determined under generally applicable banking standards or guidelines; and

(6) any swap agreement (as defined in section 11(e)(8)(D)(vi) of the Federal Deposit Insurance Act), including credit swaps and equity swaps, unless the appropriate Federal banking agency determines that credit swaps and equity swaps shall not be included in the definition of such term.

(b) TRANSACTIONS INVOLVING HYBRID PRODUCTS.—

(1) COMMISSION AUTHORITY.—The Commission may, with the concurrence of the Board, determine, by regulation published in the Federal Register, that a bank that effects transactions in, or buys or sells, a new product should be subject to the registration requirements of this section.

(2) LIMITATION.—The Commission may not impose the registration requirements of this section on any bank that effects transactions in, or buys or sells, a product under this subsection unless the Commission, with the concurrence of the Board, determines in the regulations described in paragraph (1) that—

(A) the subject product is a new product;

(B) the subject product is a security; and

(C) imposing the registration requirements of this section is necessary or appropriate in the public interest and for the protection of investors.

(c) CLASSIFICATION LIMITED.—Classification of a particular product or instrument as a traditional banking product pursuant to this section shall not be construed as finding or implying that such product or instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

(d) NO LIMITATION ON OTHER AUTHORITY TO CHALLENGE.—Nothing in this section shall affect the right or authority of the Board, any appropriate Federal banking agency, or any interested party under any other provision of law to object to or seek judicial review as to whether a product or instrument is or is not appropriately classified as a traditional banking product under subsection (a).

(e) OTHER DEFINITIONS.—For purposes of this section—

(1) the term "appropriate Federal banking agency" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(2) the term "bank" has the same meaning as in section 3(a)(6) of the Securities Exchange Act of 1934;

(3) the term "Board" means the Board of Governors of the Federal Reserve System;

(4) the term "Commission" means the Securities and Exchange Commission;

(5) the term "government securities" has the same meaning as in section 3(a)(42) of the Securities Exchange Act of 1934, and, for purposes of this subsection, commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities;

(6) the term "new product" means a product or instrument offered or provided by a bank that—

(i) was not subject to regulation by the Commission as a security under the Federal

securities laws before the date of enactment of this Act; and

(ii) is not a traditional banking product; and

(7) the term "qualified investor" has the same meaning as in section 3(a)(54) of the Securities Exchange Act of 1934, as added by this title.

SEC. 504. QUALIFIED INVESTOR DEFINED.

Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end the following new paragraphs:

"(54) QUALIFIED INVESTOR.—

"(A) DEFINITION.—The term 'qualified investor' means—

"(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

"(ii) any issuer eligible for an exclusion from the definition of 'investment company' pursuant to section 3(c)(7) of the Investment Company Act of 1940;

"(iii) any bank (as defined in paragraph (6)), savings association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business development company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

"(iv) any small business investment company licensed by the Small Business Administration under subsection (c) or (d) of section 301 of the Small Business Investment Act of 1958;

"(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

"(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

"(vii) any market intermediary that is exempt under section 3(c)(2) of the Investment Company Act of 1940;

"(viii) any associated person of a broker or dealer, other than a natural person;

"(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

"(x) the government of any foreign country;

"(xi) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than \$10,000,000 in investments;

"(xii) any natural person who owns and invests on a discretionary basis, not less than \$10,000,000 in investments;

"(xiii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis, not less than \$50,000,000 in investments; or

"(xiv) any multinational or supranational entity or any agency or instrumentality thereof.

"(B) ADDITIONAL AUTHORITY.—The Commission may, by rule or order, define a 'qualified investor' as any other person not described in subparagraph (A), taking into consideration such factors as the financial sophistication of the person, net worth, and knowledge and experience in financial matters."

SEC. 505. GOVERNMENT SECURITIES DEFINED.

Section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)) is amended—

(1) by striking "or" at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting "; or"; and

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

"(E) for purposes of section 15C, as applied to a bank, a qualified Canadian Government obligation, as defined in section 5136 of the Revised Statutes of the United States."

SEC. 506. EFFECTIVE DATE.

This title shall become effective at the end of the 1-year period beginning on the date of enactment of this Act.

SEC. 507. RULE OF CONSTRUCTION.

Nothing in this title shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act (7 U.S.C. 1 et seq.).

TITLE VI—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

"(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

"(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

"(i) under paragraph (1)(C) or (2) of this subsection; or

"(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

"(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

"(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on May 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

"(i) meets and continues to meet the requirements of paragraph (3); and

"(ii) continues to control not fewer than 1 savings association that it controlled on May 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

"(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

"(i) involves solely a company under common control with a savings and loan holding company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

"(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

"(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

"(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

"(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on May 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999; and

"(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since May 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999."

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking "except subparagraph (B)" and inserting "or (c)(9)(A)(ii)".

SEC. 602. OPTIONAL CONVERSION OF FEDERAL SAVINGS ASSOCIATIONS.

Section 5(i) of the Home Owners' Loan Act (12 U.S.C. 1464(i)) is amended by adding at the end the following new paragraph:

"(5) CONVERSION TO NATIONAL BANK.—Notwithstanding any other provision of law, any Federal savings association chartered and in operation prior to the date of enactment of the Financial Services Modernization Act of 1999, with branches in one or more States, may convert, at its option, with the approval of the Comptroller of the Currency, into one or more National banks, each of which may encompass one or more of the branches of the Federal savings association in one or more States; but only if the resulting National bank or banks will meet any and all financial, management, and capital requirements applicable to National banks."

TITLE VII—ATM FEE REFORM

SEC. 701. SHORT TITLE.

This title may be cited as the "ATM Fee Reform Act of 1999".

SEC. 702. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following:

"(3) FEE DISCLOSURES AT AUTOMATED TELLER MACHINES.—

"(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

"(i) the fact that a fee is imposed by such operator for providing the service; and

"(ii) the amount of any such fee.

"(B) NOTICE REQUIREMENTS.—

"(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated

teller machine at which the electronic fund transfer is initiated by the consumer; and

"(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

"(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

"(i) the consumer receives such notice in accordance with subparagraph (B); and

"(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

"(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

"(i) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer' includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

"(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term 'automated teller machine operator' means any person who—

"(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

"(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

"(iii) HOST TRANSFER SERVICES.—The term 'host transfer services' means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator."

SEC. 703. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting "; and"; and

(3) by inserting after paragraph (9) the following:

"(10) a notice to the consumer that a fee may be imposed by—

"(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

"(B) any national, regional, or local network utilized to effect the transaction."

SEC. 704. FEASIBILITY STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic and transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(2)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

SEC. 705. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

"(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i)."

ORDERS FOR TUESDAY, MAY 11,
1999

Mr. ROBERTS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, May 11. I further ask consent that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to S. 254, the juvenile justice bill, for debate only until 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTS. I ask consent the Senate stand in recess from the hour of 12:30 p.m. until 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTS. I ask unanimous consent that Members have until 2 p.m. today in order to introduce legislation and submit statements for the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERTS. For the information of all Senators, the Senate will begin debate on the juvenile justice bill at 9:30. Amendments are expected to that legislation, and therefore rollcall votes can be expected during tomorrow afternoon's session of the Senate. As always, Members will be notified accordingly as any votes are ordered with respect to this legislation.

Members who intend to offer amendments to the juvenile justice bill are encouraged to work with the chairman and the ranking member to schedule a time to come to the floor to debate those amendments.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERTS. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator CONRAD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTINUING AGRICULTURE CRISIS

Mr. CONRAD. Mr. President, I rise today to again talk about the continuing agriculture crisis that is facing America's farmers. I spent this weekend in North Dakota. I spoke at the annual graduation of the North Dakota State School of Science and then at North Dakota State University's graduation on Saturday morning. On Friday, I went to an event we call Marketplace For Kids, which we hold every year, in which children from a large part of North Dakota come in and show the things they have been working on—inventions, creative ideas that they have had.

In these three sets of events I ran into literally hundreds of North Dakota farm families. Without exception they told me, Senator, unless there is a Federal response and unless it comes quickly, literally thousands of us are going to be forced off the land this spring.

This is a crisis as deep and as serious as any I have seen in my 13 years now

representing North Dakota in the Senate. We have had quite a string of crises: in 1988–1989, the worst drought since the 1930s; in 1997, the worst flood in 500 years that devastated the town of Grand Forks, ND; and now this continuing agriculture crisis, as a result of, really, three factors. One is the collapse of farm prices. The second is incredibly bad weather over the last 5 years—overly wet conditions. In fact, as I flew over North Dakota, it looked like Lake Agassiz, which existed thousands of years ago, was reforming, because everywhere I looked, as I flew in a light plane over half of North Dakota, flying from east to west, all I saw was water everywhere. It was really stunning to see it. Then, of course, we have been hit by bad policy: A farm bill that has reductions in support from Government no matter what happens to farm prices, very steep reductions that are included in that policy; and, of course, a trade policy that left us vulnerable to incredible increases in imports from Canada traded on an unfair basis.

This stew that is being cooked is increasingly hard to choke down for our farmers. This is a recent headline, April 4, in the Bismarck Tribune, my hometown newspaper. The headline is: "Farm Families Forced To Cancel Health Insurance." In the story they talk about Clint Jacobs, a 30-year-old farmer, who raises 200 head of cattle near Amidon, ND. That is out in western North Dakota. He and his wife and their 1½-year-old daughter were paying \$550 every 3 months for health insurance and they had \$1,000 deductible. They had to drop their health insurance.

This is a story that is repeated every day across North Dakota, and I am sure in other farm belt States as well, as we cope with the lowest prices in 52 years—the lowest prices in 52 years. These farm families, with incredibly hard-working, decent, honest people, are having to dump their health insurance in a bid to survive financially. This really is not right.

As I traveled across my State this weekend, farm families came to me, bankers came to me with a very consistent message: You have to respond and you have to respond quickly, because this is a set of facts that is going to suck thousands of us down.

This article I was referring to says that 26 out of 82 farmers and ranchers who were surveyed had dropped health insurance to make ends meet. The survey was done by the Lutheran Disaster Response of Lutheran Social Services in North Dakota. As one person said, if you have four or five bad years and you tighten the belt every time, health insurance gets to be one of the things that is cut.

That is what is happening today in my State. Patients are skipping preventive care, such as checkups and mammograms. Some doctors and other health care providers are not getting paid.

In a sidebar story by the Associated Press, their farm writer says: Facing a dim agriculture forecast this year, farmers can now prepare for financial cutbacks. A Purdue University extension specialist who offers financial advice to struggling farmers in Indiana said families must determine what they can do without.

That is exactly what is happening in North Dakota. Maybe there are some who are listening and saying that we have had to do that in our life, we have had to cut back when times are tough, we have had to consider what you can do without; so what.

This is not a typical downturn. This goes far beyond what somebody can fairly plan for—the lowest prices in 52 years; 5 years of the worst weather on record; as a result, an outbreak of disease unprecedented in our State's history.

In over 100 years, we have never seen an outbreak of disease like we are coping with now. Scab, a fungus that breaks out when there are overly wet conditions, dramatically reduced production, with prices, as I indicated, the lowest they have been in 52 years. What a double whammy. On top of it, to have a farm bill passed—and it does not matter what farm prices are—that is slashing Government support for producers at the very time our chief competitors are spending more.

The Europeans, who are our chief competitors and who we were supposed to be convincing to cut their subsidies by cutting ours, did they decide to follow suit? Absolutely not. They have decided to spend more, and they are already spending \$50 billion a year to support their farmers. We are spending \$5 billion. That is not a fair fight.

Our farmers are ready to take on anybody anytime anywhere. They are ready to compete. They are ready to take on the farmers of France and Germany and England, and all the rest, but they are not prepared to take on, in addition to the farmers from those countries, the governments of those countries. They are not prepared to take on the French Government, the German Government, and the British Government, as well as the farmers from those countries. That is not a fair fight.

Yet, that is what we have said to our farmers: You go out there and you take on the French farmers and, while you are at it, take on the French Government as well. You go out there and compete against the German farmer, and while you are at it, take on the German Government as well.

That is not a fair fight. We have to put tools in the hands of our farmers so they have a chance to fight back. If we do not, we will wake up sometime soon and find that tens of thousands of farm families have been forced off the land and have been destroyed financially. That is what is happening in my State each and every day. Good people, honest people are being destroyed. The question is, Are we going to stand and

help them or are we going to stand by and do nothing? That is the choice that is before us. I hope we respond, and I hope we respond quickly.

We need to immediately pass the emergency supplemental that is in the conference committee between the House and the Senate tomorrow. We need to pass that legislation because it provides an expansion of credit to get farmers into the fields, and we need to add to that package. We need to add \$1.5 billion to keep the promise that we made last year in the disaster bill. We now know the farmers have signed up for the program that we have promised. We found we are \$1.5 billion short of funding what we promised. We ought to keep the promise, and we ought to do it in this bill.

In addition, we ought to provide the same supplemental benefit we provided last year to offset this dramatic decline in prices. That would be an AMTA supplemental, transition payments that were provided for in the last farm bill that are going down each and every year. Last year, because of the crisis, we provided a 50-percent supplement. We need to do that again this year. It will cost \$2.8 billion.

That is a total package approaching \$5 billion. Last year, we passed a package of \$6 billion. I would like to have that amount again this year, but the reality is that we are going to have to make do with the package like the one I have described, at least for now. But it needs to happen now. We should not wait because while we are waiting, literally thousands of people are being forced off the land and being financially destroyed, through no fault of their own, by being caught up in a circumstance of bad weather, bad prices, and bad policy. There is not much we can do about the prices, there is not much we can do about the weather, but we can do something about the policy. That is our responsibility. I hope we meet that responsibility and meet it this week.

I want to show, before I leave this subject, some charts that appeared in the newspapers back home while I was there. It showed the net return per acre of wheat in North Dakota going back to 1986. You can see the kinds of returns that farmers were seeing per acre for planting wheat. Our State is a major wheat State, really one of the key breadbasket States in the Nation.

As you can see, there were positive returns of over \$30 an acre in 1986 and 1987. Then we saw pretty tough times in 1988, 1989, and 1990, the drought years. We saw a substantial improvement in 1991, 1992, and 1993. In 1994, we saw a steep slide; 1995, further erosion; 1996 was about the same as 1995, and

then the bottom fell out in 1997, negative returns per acre approaching a \$20 loss per acre. The more you planted, the worse off you were, and the same pattern was repeated in 1998.

If we do not act, 1999 is going to be a whole lot worse and, literally, as I have indicated, thousands of farm families are going to be facing auction. I showed a cartoon that was in the biggest paper in my State several weeks ago. It showed a pole, and it had auction signs, 9 or 10 different auction signs all pointing in different directions. Sitting on top of the pole was a buzzard. That is kind of the feeling in my State right now. The buzzards are swooping overhead waiting for another farm failure, waiting for another auction, waiting to see another farm family sold out, because that is what is happening all too frequently in my State these days.

If it was not enough to have the dominant crop in negative return territory the last year, this is the pattern of raising cattle. You can see very much a similar pattern, only returns went negative earlier for cattle. In 1995 and 1996, they were negative, and they were barely in the black for 1997 and 1998.

Two-thirds of the income in my State is crop income. So when crops are giving negative returns, and then you face on top of that livestock giving negative returns, it is impossible to make money—impossible to make money—again, not through any fault of these farm families. These are the hardest working, most honest people I know, but they are being devastated by events beyond their control.

The financial collapse in Asia cost them their biggest customer. The financial collapse in Russia cost them a very big customer. Those events, working together, have created a nightmare for these farm families. Then on top of that, after you stack these natural disasters, you put the final coup de grace—the bad policy coming out of Washington—and it is pretty hard for a farm family to make it.

It is pretty hard for them to take on the Europeans when those countries have decided that they are going to spend \$50 billion a year to support their producers and we are spending \$5 billion. We are being outspent, outgunned, 10-to-1. And why? Because the Europeans decided some time ago that it made sense to their countries to have people out across the land. They did not want to see everybody forced into the city. They did not think that made sense for their society.

I hope very soon we will come to a similar conclusion in this country and will decide that it makes sense to have people out across the land, because if

we do not respond, there will be precious few people out there; they will all be headed to the cities. The last thing we need in the Washington metropolis is more people: More crowding, more pollution, more hassle. That is exactly what is going to happen unless we respond.

This is a good country, a generous country, and one that responds when people are in crisis. We are going to respond to the disasters in Oklahoma, in Kansas, in Tennessee, and the other States that have been affected. I believe we are going to respond in this crisis, as well, in the farm States of America, because they are on the brink of a total financial collapse. That is the seriousness of what is happening.

Now is the time; this week is the time; on this supplemental is the time to respond, and to respond strongly, to give people the help they desperately need.

I thank the Chair and yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. If there is no further business to come before the Senate, the Senate stands in adjournment under the previous order.

Thereupon, the Senate, at 1:32 p.m., adjourned until Tuesday, May 11, 1999, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 10, 1999:

DEPARTMENT OF STATE

M. MICHAEL EINIK, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA.

MARK WYLEA ERWIN, OF NORTH CAROLINA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MAURITIUS, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL ISLAMIC REPUBLIC OF THE COMOROS AND AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SEYCHELLES.

CHRISTOPHER E. GOLDTHWAIT, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CHAD.

UNITED STATES INFORMATION AGENCY

EDWARD E. KAUFMAN, OF DELAWARE, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM EXPIRING AUGUST 13, 2000. (REAPPOINTMENT)

DEPARTMENT OF STATE

LARRY C. NAPPER, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR RANK OF AMBASSADOR DURING TENURE OF SERVICE AS COORDINATOR OF THE SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) PROGRAM.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

DONALD LEE PRESSLEY, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, VICE THOMAS A. DINE, RESIGNED.

EXTENSIONS OF REMARKS

IN RECOGNITION OF THE NATIONAL CONSUMERS LEAGUE ON THE OCCASION OF ITS 100TH ANNIVERSARY

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. MORAN of Virginia. Mr. Speaker, I rise today to recognize the contributions made by the National Consumers League.

Mr. Speaker, the National Consumers League is the nation's oldest consumer advocacy league. The League celebrates its 100th anniversary in May of this year with a Consumer Summit to be held here in Washington, DC.

The League has fought persistently for such important measures as child labor laws, fair wage and fair hour workplace standards and the elimination of sweatshops both here and abroad. The League has also been actively involved in consumer protection issues such as product safety and telemarketing fraud.

As a nonprofit advocacy group representing consumers on marketplace and workplace issues, the League operates multiple programs to give consumers the tools they need to make informed choices, and also to provide a forum for recourse.

One of the League's projects is the National Fraud Information Center, a toll-free hotline which offers help and support to victims of telemarketing and Internet fraud. Fraud reports are sent within minutes to law enforcement agencies, including the Federal Trade Commission and state attorneys general. The League supplies the U.S. government national fraud database with a large majority of its data.

The League has been an energetic and effective champion of American consumers and workers. I applaud the League's perennial concern for and contributions to the well being of Americans, and I wish them the best of luck in all their future endeavors.

TRIBUTE TO RABBI STEVEN JACOBS

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Rabbi Steven Jacobs, who has maintained a commitment to his congregants at Temple Kol Tikvah and the San Fernando Valley Community for the past thirty years.

The Talmud states that "He who does charity and justice is as if he had filled the whole world with kindness." In the spirit of such words, dedicated community leaders such as Rabbi Jacobs actively participate in delivering tremendous support, selflessly dedicating their time and energy to enriching our community.

I can think of no better tribute to Rabbi Jacobs.

Motivated by a sense of the many injustices in the world, Rabbi Jacobs has actively pursued solutions to right the wrong. Dedicated to improving the status quo, he devotes his energy and time in ways that truly do make a difference. Outreach to everyone and a desire and sensitivity for social action continually shapes his Rabbinate.

Most recently, Rabbi Jacobs was invited by the Rev. Jesse Jackson to join a 20-member delegation on a mission to free the three soldiers who were captured along the Macedonia-Kosovo border. Rabbi Jacobs, who was able to speak with the captured soldiers and comfort them, played an integral role in the mission. Rabbi Jacobs and the rest of the delegation eventually facilitated the release of the soldiers.

Mr. Speaker, distinguished colleagues, please join me in honoring Rabbi Steven Jacobs for his ongoing service to the Jewish community and the community at large.

HONORING CAPTAIN ANDREW CONSIGLIO, JR. FOR THIRTY-THREE YEARS OF DEDICATED PUBLIC SERVICE

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Ms. DELAURO. Mr. Speaker, friends, family and members of the city of New Haven will gather on May 13th to honor one of our city's finest public servicemen. For more than three decades, Captain Andrew Consiglio, Jr. has served as a member of the New Haven Police Department, protecting the City and its residents.

In 1966, Andy entered one of the most challenging and rewarding professions. Law enforcement officials make tremendous sacrifices in service to our community, putting their lives on the line each and every day. In his three decades on the New Haven Police Force, Andy has always been on the front lines, his first priority always the safety and security of the public. Moving steadily up through the ranks, he has met every new challenge with energy, integrity and vision. His commitment to enhancing public safety has made a profound difference in the City of New Haven.

Throughout his career, Andy has distinguished himself as an exceptionally dedicated member of the force. His many accolades include 18 Certificates of Commendation, 10 Letters of Commendation, 2 Awards of Merit, 26 Letters of Appreciation, and 1 Certificate of Appreciation—a true testimony to his dedication to the City of New Haven and of the community's respect for him.

It is an honor for me to pay tribute to Andy who is not only an exemplary public serviceman, but a true friend to me. I grew up with Andy in New Haven's Wooster Square, and he

has been an unfailing source of support for me and my family throughout my life. He is a trusted and well-known figure in the community, who will long be remembered for his extraordinary commitment to the people of New Haven.

Andy has seen the City change over the years and has worked tirelessly to make our community a place where we feel safe to live and raise our families. Today, I am proud to join with family, friends and the City of New Haven to thank him for his innumerable contributions to our community and for thirty-three years of dedicated public service. Mere words cannot express our appreciation and we wish him much health and happiness in his retirement.

WATER RESOURCES DEVELOPMENT ACT OF 1999

SPEECH OF

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 29, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1480) to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes:

Mr. SHUSTER. Mr. Chairman, I wanted to take a moment to clarify the intent of a provision included in the Committee Amendment passed unanimously by the House to Sections 502 and 517 of H.R. 1480, The Water Resources Development Act of 1999. Sections 502 paragraph (17) and Section 517(b)(27) were added to the bill as part of the Managers Amendment. These provisions authorized \$8 million for water related infrastructure in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe Counties, Pennsylvania including assistance for the Montoursville Regional Sewer Authority, Lycoming County. This provision was included to direct the Army Corps of Engineers to provide waste water treatment and water supply infrastructure to several hardship communities in Northeastern Pennsylvania. More specifically, \$4,986,500 of the authorized funding under this provision was provided for four communities in Lycoming County with regard to public sanitary sewer improvements. These projects include, \$1,815,000 for the design and construction of the Muncy Creek Township Sewer System; \$990,000 for Montoursville Regional Sewer System (MRSS); \$1818,500 to complete conveyance and treatment capacity for the Armstrong Township sewer collection project; and \$2,000,000 for wastewater collection and conveyance capacity for the existing users of the Montoursville Regional Sewer System (MRSS).

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Mr. Speaker, these projects are important components in Lycoming County's compliance with the Environmental Protection Agency and the Pennsylvania Department of Environmental Protection's Clean Water Action Regulations. This authorization provides these communities with the resources to comply with these important environmental goals and meet Lycoming County's objective of providing public sanitary sewer service at affordable rates.

CONGRATULATIONS TO MRS.
PATRICIA HAUGH, R.N.

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Ms. BALDWIN. Mr. Speaker, I rise today to proudly salute a truly outstanding nurse from my district, Mrs. Patricia Haugh, who recently was presented with a Wisconsin Outstanding Nurses of the Year Award. The Award is sponsored by the Wisconsin League for Nursing and Blue Cross Blue Shield United of Wisconsin.

Mrs. Haugh, who was nominated by her co-workers at Reedsburg Area Medical Center, works in the Intensive Care Unit, Emergency Department, and Cardiac Rehabilitation Unit. During her 27 years of service, she kept the focus of work on the needs of patients and has been an example to her friends and co-workers. She compassionately spends hours with patients and families explaining their loved one's medical condition and helping them understand what treatments are being offered.

Mrs. Haugh's commitment to quality care is a quintessential example of the kind of selfless dedication that millions of American nurses demonstrate every day. We should all be fortunate to have health care professionals of her caliber working in our hospital and medical centers.

Mr. Speaker, please join me in honoring Mrs. Patricia Haugh. This week is National Nurses' Week, and we should all pause to celebrate Mrs. Haugh and all America's nurses; the heroes of the best health care system in the world.

TRIBUTE TO SHIRLEY AND ERIC
MAUER

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Shirley and Eric Mauer, recipients of the Rabbi Elijah J. And Penina Schochet Founders Award for Community Service. The Mauers are being honored for their 25 years of outstanding contributions in the field of education.

The Talmud states that "He who does charity and justice is as if he filled the whole world with kindness." In the spirit of such words, wonderful community activists such as Shirley and Eric actively participate in delivering tremendous support, selflessly dedicating their time and energy to enriching our community. I can think of no better tribute to Shirley and Eric.

Both natives of Montreal, Canada, Shirley and Eric have been married for 41 years. Shirley received her degree from McDonald College for Teachers and Eric earned his degree in accounting from McGill University. Shirley has enjoyed a long and prosperous teaching career. She began her career by developing a kindergarten program and teaching it at the Boulevard School. Several years later, she became Director of the Boulevard School.

In 1981, the Mauers bought the Boulevard School and transformed it into one of the most distinguished and academically enriched preschools in the San Fernando Valley. In addition, Shirley sits on the Board of Directors at Temple Aliyah and Eric engages in ongoing volunteer activities.

Mr. Speaker, distinguished colleagues, please join me in honoring Shirley and Eric Mauer for their ongoing service to the Jewish community and the community at large.

IN RECOGNITION OF MR. TURNER
KING, SR.

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. SHOWS. Mr. Speaker, I rise today to recognize the outstanding achievements of Mr. Turner King, Sr., a member of New Hope Missionary Baptist Church in Southaven, Mississippi.

Mr. Turner, now 84 years young, was born in Nesbit, Mississippi and married the late Mrs. Remell Bridgforth King. Mr. King supplemented his farming income by becoming a self-taught tailor, and by so doing he and his wife were able to provide education for their seven children, a niece and a nephew.

Della Mae King Sutton, a retired teacher, received her Bachelor's Degree from Mississippi Industrial College in Holly Springs. Turner King, Jr., now deceased, attended college for two years. Irene King McNeal, a teacher, earned her Bachelor's Degree at Mississippi Valley State University in Itta Bena. Earning their degrees at Rust College in Holly Springs include teachers Margaret King and Lerah Yvonne King Macklin, and Doris Ann King, who is in the banking business. Niece Marilyn Clarice Young White attended the University of Mississippi at Oxford for 3½ years and nephew Donald Ray Young graduated from Southaven High School.

Mr. Speaker, through hard work and determination, Mr. and Mrs. Turner King raised a fine family that has contributed much to our state. Turner King, Sr. and the late Mrs. King are role models for us all. I am proud to share with my colleagues in Congress this tribute to the King Family.

HONORING THE TOWN OF
DUMFRIES' 250TH ANNIVERSARY

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. DAVIS of Virginia. Mr. Speaker, it gives me great pleasure to rise today to pay tribute to the Town of Dumfries and its good people

as they celebrate their 250th anniversary. The Town of Dumfries, located in Prince William County, has played a significant role in shaping the Eleventh District and the Commonwealth of Virginia.

It is an honor for me to highlight the foundations of Dumfries, Virginia. The history of Dumfries echoes the commitment to establish a new and greater world by our nation's founding fathers. I ask of you to join me as we turn back the pages of history and share the last 250 years of the Town of Dumfries.

Captain John Smith first saw Dumfries as he and his courageous team of explorers sailed up the Potomac River in 1608. In 1651, Richard Turney was issued the first patent in an area that would later become "Old" Prince William County.

Development began before 1690 as river front plantations began to take shape and commercial enterprises were established.

In 1749, the Town of Dumfries was officially chartered.

The directors and trustees included George Mason, author of the Virginia Declaration of Rights and the principle figure in insisting that the Constitution of the United States of America contain the Bill of Rights. By 1759, the legislature moved the county court to Dumfries. Dumfries had grown into a major center of commerce. Dumfries' port rivaled those of New York, Philadelphia and Boston.

In 1796, after several up and down decades, the merchants of Dumfries formed the Quantico Creek Navigation Company to compete with other river ports and to help facilitate the trade town's economy.

During the Civil War, General Robert E. Lee brought many troops into the area to protect the Potomac River line. This brought much excitement to the area, in what had primarily become an agriculture town over the previous five decades. With the growth of America's railroad system, the economy turned to oak railroad ties as the primary means of trade.

In 1872, the Town of Dumfries was officially incorporated by the state legislature in Richmond.

We jump now to 1920, the King's Highway of the colonial days and Telegraph Road of the Civil War, now known as U.S. Highway 1 was overhauled to carry the north and south traffic patterns. This remained a main transportation crossing until the construction of the modern-day interstate highway system. The Town of Dumfries has continued to grow and sustain a well-balanced community ever since.

In 1961, the Town of Dumfries celebrated the reinstitution of its charter. A town celebration was also held to honor the Bicentennial of the United States of America.

Today, the Town of Dumfries is proud of the growth and success of its recently formed industrial park.

Mayor Christopher Keith Brown, currently serving his first term, has been a lifelong resident of the Town of Dumfries. Mayor Brown has played an extremely important role in the success of the Town of Dumfries and its anniversary celebration. I know and trust that the Town of Dumfries is in good hands for the future with Mayor Brown as its leader.

Mr. Speaker, I know my colleagues join me in honoring the Town of Dumfries on its 250th anniversary. The residents of Dumfries have been outstanding citizens of the Commonwealth of Virginia. Their commitment to enhancing the greater Prince William community

is greatly appreciated. I know my colleagues join me in saluting the Town of Dumfries on their very special anniversary and wish them continued success into the future.

PROTECT KENTUCKY DAIRY FARMERS

HON. KEN LUCAS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. LUCAS of Kentucky. Mr. Speaker, I rise today in strong support of our nation's dairy farmers. In my home state, Kentucky farmers are experiencing price volatility in all commodities from hogs to tobacco and dairy. When dairy farmers are hurt, it has a multiplying effect on the community. We have an opportunity here in Congress to provide stability to our dairy farmers. We can do this by ratifying the Southern Dairy Compact.

Already in Kentucky, the General Assembly passed legislation authorizing Kentucky to enter the Southern Dairy Compact and I am pleased to support federal legislation that authorizes the Compact. Because of fluctuating milk prices, Kentucky has lost almost one dairy operation per day in the last two years. Just this year, the BFP (Base Formula Price) for April milk fell by more than \$7 per 100 weight. If ever there was a time to protect our dairy farmers and consumers from fluctuation in fluid milk prices, it is now. H.R. 1604 would provide a safety net for dairy farmers and their families and allows for the establishment of a pricing mechanism for fluid milk sold in the region. Ratification of the Dairy Compact will give our dairy farmers the tools they need to survive and prosper. It will reduce the instability in milk prices, which has hurt both consumers and dairy farmers alike.

Another issue that has a major impact on our dairy farms is the recent announcement by the Administration of the final rule on the Federal Milk Marketing Order reform. These reforms were directed as part of the 1996 Farm Bill. Milk marketing orders classify milk by use, set minimum prices that handlers must pay for each class of milk, and provide for paying average prices to all dairy farmers who supply a particular region.

In Kentucky, our dairy farmers already face economic pressures. Our milk is coming from fewer farms. In fact, there has been a 26 percent decline in dairy operations from 1993–1999. Unfortunately, the plan that the Administration proposed ignores what 46 of 48 states prefer. This is why I support Option 1A and have cosponsored a bill that would legislate this reform, H.R. 1402. Kentucky produces a high volume of Class I, fluid milk. I believe Option 1A is the best choice to guarantee our consumers an adequate supply of fresh, wholesome milk. Our farmers should not have to spend their time figuring out a complex system of milk prices, when instead they could be out working on their farm. Option 1A would reduce volatility of the dairy market and assure that there will be enough fresh milk in all markets of our nation.

With over 2000 dairy farms in Kentucky, our neighbors, families and communities are counting on us to pass these important pieces

of legislation. Now is the time to help our farmers.

HAPPY 100TH BIRTHDAY SONOCO!

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. SPRATT. Mr. Speaker, one hundred years ago today, Major James Lide Coker, a Civil War veteran, formed the Southern Novelty Company. The South was still agrarian and still starved for capital, but men like D.A. Tompkins in Charlotte and Henry Grady in Atlanta envisioned a New South. Entrepreneurs like James Lide Coker brought the New South into being. Coker perfected a way of producing paper from pulp of Southern yellow pine and created a manufacturing process for making paper cones in high quantities at low cost. The Customer: textile companies then emerging all over the South. Cotton yarn was wound and packaged on the paper cones.

By 1923, the Southern Novelty Company was international, part of a joint venture in Great Britain, and the company changed its name to Sonoco. From its humble beginning in Hartsville, South Carolina, Sonoco has grown into a global packaging leader. Today, Sonoco makes a wide spectrum of consumer and industrial products, supplying customers in 85 countries. It has a network of 275 manufacturing plants on five continents, but it has never forgotten its origin. It is still headquartered in the same small city where it started, Hartsville, South Carolina, which a year ago was named an "All-American City," due in no small part of its chief corporate citizen.

Sonoco packaging touches us every day. It may be a paperboard can of frozen orange juice, a container for potato chips, pet food, motor oil, or window caulking. It may be a paperboard carton holding medicine, cosmetics, or film, or a protective liner sealing foods and beverages. And when you use plastic grocery bags or shopping bags, the chances are good they were made by Sonoco because Sonoco is a major supplier. Sonoco remains a world leader in packaging for industry, still producing tubes and cores for textile products like yarn, but also for film, paper, and metals. And I should add that Sonoco is a world leader and innovator in using recycled materials.

While Sonoco products are not household names, the company grows by helping its customers manufacture and distribute their products to consumers around the world. Sonoco ranks number one or number two in all of its major product lines.

How does Sonoco do it? Through one hundred years of commitment to innovation and quality; through leadership in paper recycling since 1920; through constantly seeking out customer feedback; through a company mission to be the best, the lowest-cost provider of preferred products worldwide; and through excellent managers and a first-rate workforce. The bottom-line bears testimony to all of the above. Since Sonoco's founding in 1899, the company has averaged an annual increase in earnings of 12.4 percent.

Mr. Speaker, I am proud to represent corporate citizens like Sonoco. I sent Sonoco em-

ployees around the globe, from Hartsville to Hong Kong, our best wishes for a happy 100th birthday, and for many more returns!

THE 130TH ANNIVERSARY OF MORRISTOWN HIGH SCHOOL, COUNTY OF MORRIS, NEW JERSEY

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to congratulate the people of Morristown and surrounding communities, in Morris County, New Jersey, as they commemorate the 130th anniversary of the founding of Morristown High School.

Morristown High School began as the Maple Avenue School on December 13, 1869. Over 400 students, seven of whom would become the first alumni of Morristown High School, entered the halls of this new school that day. Students from many distant communities came to Morristown to participate in one of the few high school programs offered in the State of New Jersey. At that time, Morristown offered the most complete curriculum, including courses of studies in varying levels of mathematics, science, and philosophy, as well as reading, composition, singing, and drawing. Morristown High School now offers students over 200 courses of study and more than 100 extracurricular activities in which to participate. The newspaper, yearbook, and student literary magazine have been awarded the highest national honors, and the athletic, music, and drama programs are ranked among the highest in the State.

Even in the earliest days of its existence, Morristown High School did not discriminate against anyone who was eager to learn. In 1886, Clarence H. Walker, the first African-American student was admitted, an occurrence unheard of in other communities at that time. His sister, Estella Walker, member of the Class of 1897, went on to attend Wilber-Force College. Equal educational access was, and would always be, a priority at Morristown High School.

Many of Morristown High School's students have gone on to serve proudly in our Nation's Armed Forces. John Monteith, member of the Class of 1912, was the first Morristown High School graduate to make the ultimate sacrifice by giving his life in World War I. Roland M. Brown, member of the Class of 1941, distinguished himself as a Tuskegee Airman and Admiral Fredrick Turner, also a member of the Class of 1941, would command the U.S. Sixth Fleet.

Mr. Speaker, for the past 130 years Morristown High School has prospered as an exceptional educational institution and continues to flourish today. Its graduates have gone on to serve both our community and our Nation in countless ways. By all accounts, it will continue to prosper in the future. I ask you, Mr. Speaker, and my colleagues to congratulate all members of the Morristown High School community and their alumnae on this special anniversary year.

J.J. "JAKE" PICKLE FEDERAL
BUILDING

SPEECH OF

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1999

Mr. HOUGHTON. Mr. Speaker, J.J. (Jake) Pickle is one of the outstanding men I've ever known. He is a doer. His House record is filled with significant and sensitive accomplishments. But you have to dig it out. As contrasted to the hefty P.R. machines that work around Washington, Jake's was modest, infrequent, and honest.

As a human being and friend, one could find no more genuine example. Friendship consists of a special radar and consistency. The knowledge that a friend is "there" reflects the kernel of friendship. That is Jake Pickle.

Jake stood on the world stage for years with distinction. But his most meaningful contributions always seemed to show up with everyday people. Some have that touch to relate. Jake's touch is infallible.

To dedicate anything to Jake Pickle does the greatest credit to the originators.

TRIBUTE TO JUDY GELLER

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1999

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Judy Geller as she is honored as Woman of the Year by Temple Valley Beth Shalom.

Mohandas Gandhi said that "You find yourself by losing yourself in service to your fellow man, God, and country." As Judy Geller receives the prestigious Woman of the Year Award, it seems an appropriate time to acknowledge her dedicated service to Valley Beth Shalom, to the Jewish community and the community at large, and to her family.

Judy's commitment and devotion to Valley Beth Shalom sets an example for us all. Prior to serving as Temple President, Judy held numerous other positions at Valley Beth Shalom including Administration Vice President, Religion Vice President, Membership Vice President, Education Vice President, and Sisterhood President. She also continues to serve, as she has since 1982, as a member of the Temple's Board of Directors.

Service to the Jewish community and the greater community have been central to Judy's life as well. She is a member of the Hillel Campus Council at Los Angeles Pierce and Valley Colleges, a Past President of the San Fernando Council of B'nai B'rith Women, Past President of the Encino Chapter of B'nai B'rith Women, and is a Life Member of Jewish Women International and Hadassah. She also has served as a Social Welfare Aide Volunteer with the American Red Cross, and is a past Chair of the Women's Auxiliary Committee of the Los Angeles Open Golf Tournament.

Through her forty-four years of married life, Judy and her husband, Gene, have maintained a Jewish home which is compassionate, accepting, moral, and intellectually alive. They have passed these values as well on to their three children and five grandchildren.

Mr. Speaker, distinguished colleagues, please join me in honoring Judy Geller for her exemplary dedication and service to Valley Beth Shalom, to her family, and to our community.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 11, 1999 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 12

9:30 a.m.

Indian Affairs

To hold oversight hearings on HUBzones implementation.

SR-485

Health, Education, Labor, and Pensions

To resume hearings on proposed legislation authorizing funds for programs of the Elementary and Secondary Education Act, focusing on Title I provisions.

SD-628

Energy and Natural Resources

To resume hearings to examine damage to the national security from alleged Chinese espionage at the Department of Energy nuclear weapons laboratories. (Hearings may go into a closed session).

SH-216

Armed Services

Closed business meeting to markup S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and related measures.

SR-222

Commerce, Science, and Transportation Communications Subcommittee

To hold hearings on S. 800, to promote and enhance public safety through the use of 9-1-1 as the universal emergency assistance number, further deployment of wireless 9-1-1 service, support of States in upgrading 9-1-1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous, and reliable networks for personal wireless services.

SR-253

10 a.m.

Judiciary

Technology, Terrorism, and Government Information Subcommittee

Business meeting to consider S. 692, to prohibit Internet gambling.

SD-226

Finance

To hold hearings on Medicare reform, focusing on the key differences between Medicare and other group health insurance programs.

SD-215

2 p.m.

Judiciary

Immigration Subcommittee

To hold hearings to examine workforce needs of American agriculture, farm workers, and the United States Economy.

SD-226

Armed Services

Closed business meeting to markup S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and related measures.

SR-222

Intelligence

To hold closed hearings on pending intelligence matters.

SH-219

2:30 p.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to examine incentives and barriers created by the federal government in bringing new technologies to the marketplace.

SR-253

3 p.m.

Foreign Relations

Western Hemisphere, Peace Corps, Narcotics and Terrorism Subcommittee

To hold hearings on the state of democracy and the rule of law in the Americas.

SD-562

MAY 13

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 698, to review the suitability and feasibility of recovering costs of high altitude rescues at Denali National Park and Preserve in the state of Alaska; S. 711, to allow for the investment of joint Federal and State funds from the civil settlement of damages from the Exxon Valdez oil spill; and S. 748, to improve Native hiring and contracting by the Federal Government within the State of Alaska.

SD-366

Armed Services

Closed business meeting to markup S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and related measures.

SR-222

10 a.m.

Environment and Public Works

To hold hearings on issues relating to the Clean Water Action Plan.

SD-406

Health, Education, Labor, and Pensions

To hold hearings on the nomination of Richard M. McGahey, of the District of Columbia, to be an Assistant Secretary of Labor.

SD-628

Foreign Relations

To hold hearings on issues relating to the ABM Treaty, focusing on Start II and missile defense.

SD-562

Finance

To hold oversight hearings on United States Customs, focusing on commercial operations.

SD-215

2 p.m.

Judiciary

Criminal Justice Oversight Subcommittee

To hold hearings to examine the Department of Justice's refusal to enforce the Law on Voluntary Confessions.

SD-226

Armed Services

Closed business meeting to markup S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and related measures.

SR-222

2:30 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings to examine fire preparedness on Federal lands.

SD-366

MAY 14

9:30 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2000 for the Department of Defense.

SD-192

MAY 18

10 a.m.

Finance

To resume oversight hearings on United States Customs, focusing on commercial operations.

SD-215

2:30 p.m.

Energy and Natural Resources

Energy Research, Development, Production and Regulation Subcommittee

To hold hearings on S. 924, entitled the "Federal Royalty Certainty Act".

SD-366

MAY 19

9:30 a.m.

Indian Affairs

To hold hearings on S. 614, to provide for regulatory reform in order to encourage investment, business, and economic development with respect to activities conducted on Indian lands; and S. 613, to encourage Indian economic development, to provide for the disclosure of Indian tribal sovereign immunity in contracts involving Indian tribes, and for other purposes.

SR-485

Energy and Natural Resources

Business meeting to consider pending calendar business.

SD-366

2 p.m.

Energy and Natural Resources

National Parks, Historic Preservation, and Recreation Subcommittee

To hold oversight hearings on the status of Youth Conservation Corps and other job programs conducted by the National Park Service, Bureau of Land Management, Forest Service, and the U.S. Fish and Wildlife Service.

SD-366

MAY 20

9:30 a.m.

Environment and Public Works

Transportation and Infrastructure Subcommittee

To resume hearings on the implementation of the Transportation Equity Act for the 21st century.

SD-406

10 a.m.

Governmental Affairs

Business meeting to consider S. 746, to provide for analysis of major rules, to promote the public's right to know the costs and benefits of major rules, and to increase the accountability of quality of Government; S. 59, to provide Government-wide accounting of regulatory costs and benefits; S. 468, to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public; the nomination of Eric T. Washington, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals; the nomination of Stephen H. Glickman, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals; the nomination of Hiram E. Puig-Lugo, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia; and the nomination of John T. Spotila, of New Jersey, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget.

SD-342

2 p.m.

Energy and Natural Resources

Energy Research, Development, Production and Regulation Subcommittee

To hold hearings on S. 348, to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public.

SD-366

2:30 p.m.

Energy and Natural Resources

Energy Research, Development, Production and Regulation Subcommittee

To hold joint oversight hearings with the House Committee on Government Reform's Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs, on the Administration's fiscal year 2000 budget request

for climate change programs and compliance with various statutory provisions in fiscal year 1999 appropriations acts requiring detailed accounting of climate change spending and performance measures for each requested increase in funding.

SD-366

MAY 25

9:30 a.m.

Energy and Natural Resources

To hold oversight hearings on state progress in retail electricity competition.

SD-366

10 a.m.

Finance

To resume oversight hearings on United States Customs, focusing on commercial operations.

SD-215

2:15 p.m.

Energy and Natural Resources

National Parks, Historic Preservation, and Recreation Subcommittee

To hold hearings on S. 140, to establish the Thomas Cole National Historic Site in the State of New York as an affiliated area of the National Park System; S. 734, entitled the "National Discovery Trails Act of 1999"; S. 762, to direct the Secretary of the Interior to conduct a feasibility study on the inclusion of the Miami Circle in Biscayne National Park; S. 938, to eliminate restrictions on the acquisition of certain land contiguous to Hawaii Volcanoes National Park; S. 939, to correct spelling errors in the statutory designations of Hawaiian National Parks; S. 946, to authorize the Secretary of the Interior to transfer administrative jurisdiction over land within the boundaries of the Home of Franklin D. Roosevelt National Historic Site to the Archivist of the United States for the construction of a visitor center; and S. 955, to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefied in Virginia, as previously authorized by law, by purchase or exchange as well as by donation.

SD-366

MAY 26

9:30 a.m.

Indian Affairs

To hold oversight hearings on Native American Youth Activities and Initiatives.

SR-485

MAY 27

2 p.m.

Energy and Natural Resources

Water and Power Subcommittee

To hold hearings on S. 244, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a non-profit corporation, for the planning and construction of the water supply system; S. 623, to amend Public Law 89-108 to increase authorization levels for State and Indian tribal, municipal, rural, and industrial water supplies, to meet current and future water quantity and quality needs of the Red River Valley, to deauthorize certain project features and irrigation service areas, to enhance natural resources and fish and wildlife habitat; and S. 769, to provide a final settlement on certain debt owed by the city of Dickinson, North Dakota, for the construction of the bascule gates on the Dickinson Dam.

SD-366

JUNE 17

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on mergers and consolidations in the communications industry.

SR-253

SEPTEMBER 28

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

345 Cannon Building

Monday, May 10, 1999

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S4937–S4980

Measures Introduced: Three bills and one resolution were introduced, as follows: S. 992–994, and S. Con. Res. 31.

Page S4945

Nominations Received: Senate received the following nominations: M. Michael Einik, of Virginia, to be Ambassador to The Former Yugoslav Republic of Macedonia. Mark Wylea Erwin, of North Carolina, to be Ambassador to the Republic of Mauritius, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Islamic Republic of the Comoros and as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Christopher E. Goldthwait, of Florida, to be Ambassador to the Republic of Chad.

Edward E. Kaufman, of Delaware, to be a Member of the Broadcasting Board of Governors for a term expiring August 13, 2000. (Reappointment)

Larry C. Napper, of Texas, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for Rank of Ambassador during tenure of service as Coordinator of the Support for East European Democracy (SEED) Program.

Donald Lee Pressley, of Virginia, to be an Assistant Administrator of the Agency for International Development.

Page S4980

Communications:

Pages S4943–45

Statements on Introduced Bills:

Pages S4945–49

Additional Cosponsors:

Pages S4949–50

Notices of Hearings:

Page S4951

Additional Statements:

Pages S4951–57

Text of S. 900 as Previously Passed:

Pages S4957–78

Adjournment: Senate convened at 12 noon, and adjourned at 1:32 p.m., until 9:30 a.m., on Tuesday, May 11, 1999. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S4979.)

Committee Meetings

(Committees not listed did not meet)

AUTHORIZATION—DEFENSE

Committee on Armed Services: Subcommittee on Personnel met in closed session and approved for full committee consideration those provisions which fall within the subcommittee's jurisdiction S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, and to prescribe military personnel strengths for fiscal years 2000 and 2001.

TWA FLIGHT #800

Committee on the Judiciary: Subcommittee on Administrative Oversight and the Courts concluded oversight hearings on the investigation of TWA Flight #800, after receiving testimony from Hank Hughes, Senior Accident Investigator, Frank Zakar, Metallurgist, and Michael Marks, former Metallurgist, all of the National Transportation Safety Board; Donald M. Kerr, Assistant Director, Laboratory Division, New York Division, and William Tobin, former Supervisory Special Agent (Chief Forensic Metallurgist), all of the Federal Bureau of Investigation, Department of Justice; and Andrew Vita, Assistant Director, Field Operations, Bureau of Alcohol Tobacco and Firearms, Department of the Treasury.

House of Representatives

Chamber Action

Bills Introduced: 3 public bills, H.R. 1742–1744 were introduced. Page H2928

Reports Filed: Reports were filed as follows:

Filed on May 7: H.R. 1555, to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account and the Central Intelligence Agency Retirement and Disability System, amended (H. Rept. 106–130 Pt. 1);

Filed on May 7: H.R. 775, to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, amended (H. Rept. 106–131);

H.R. 150, to amend the Act popularly known as the Recreation and Public Purposes Act to authorize disposal of certain public lands or national forest lands to local education agencies for use for elementary or secondary schools, including public charter schools, amended (H. Rept. 106–132); and

H.R. 1550, to authorize appropriations for the United States Fire Administration for fiscal years 2000 and 2001, amended (H. Rept. 106–133).

Pages H2927–28

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Petri to act as Speaker pro tempore for today. Page H2923

Quorum Calls—Votes: No quorum calls or recorded votes developed during the proceedings of the House today.

Adjournment: The House met at 2:00 p.m. and adjourned at 2:11 p.m.

Committee Meetings

No committee meetings were held.

COMMITTEE MEETINGS FOR TUESDAY, MAY 11, 1999

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Agriculture, Nutrition, and Forestry: to hold hearings on agricultural trade sanctions, 9 a.m., SR–328A.

Committee on Appropriations: Subcommittee on Defense, to hold hearings on proposed budget estimates for fiscal year 2000 for the Department of Defense, 10 a.m., SD–192.

Subcommittee on Foreign Operations, to hold hearings on proposed budget estimates for fiscal year 2000 for the Department of the Treasury, 10:30 a.m., SD–124.

Committee on Armed Services: Subcommittee on Readiness and Management Support, closed business meeting to mark up those provisions, which fall within the jurisdiction of the subcommittee, of S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, 9:45 a.m., SR–222.

Subcommittee on Emerging Threats and Capabilities, closed business meeting to mark up those provisions, which fall within the jurisdiction of the subcommittee, of S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, 11 a.m., SR–222.

Subcommittee on Strategic Forces, closed business meeting to mark up those provisions, which fall within the jurisdiction of the subcommittee, of S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, 2:30 p.m., SR–222.

Subcommittee on Seapower, closed business meeting to mark up those provisions, which fall within the jurisdiction of the subcommittee, of S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, 4 p.m., SR–222.

Subcommittee on Airland Forces, closed business meeting to mark up those provisions, which fall within the jurisdiction of the subcommittee, of S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, 5 p.m., SR–222.

Committee on Energy and Natural Resources: to resume hearings on S. 25, to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people; S. 532, to provide increased funding for the Land and Water Conservation Fund and Urban Parks and Recreation Recovery Programs, to resume the funding of the State grants program of the Land and Water Conservation Fund, and to provide for the acquisition and development of conservation and recreation facilities and programs in urban areas; S. 446, to provide for the permanent protection of the resources of the United States in the year 2000 and beyond; S. 819, to provide funding for the National Park System from outer Continental

Shelf revenues; and the Administration's Lands Legacy Initiative, 9:30 a.m., SD-366.

Committee on Environment and Public Works: business meeting to consider pending calendar business, 9 a.m., SD-406.

Committee on Foreign Relations: to hold hearings on United States agriculture sanctions policy for the 21st century, 2:30 p.m., SD-562.

Committee on Governmental Affairs: Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia, to hold hearings on multiple program coordination in early childhood education, 10:30 a.m., SD-342.

Committee on the Judiciary: to hold hearings on how to promote a responsive and responsible role for the Federal Government on combating hate crimes, 10 a.m., SD-226.

House

Committee on the Budget, Social Security Task Force, hearing on Using Long-term Market Investment Strategies to Enhance Social Security Returns, 12 p.m., 210 Cannon.

Committee on Commerce, Subcommittee on Telecommunications, Trade, and Consumer Protection, hearing on the NTIA Reauthorization Act of 1999, 2 p.m., 2123 Rayburn.

Committee on Education and the Workforce, Subcommittee on Early Childhood, Youth, and Families, hearing on Education Technology under ESEA, 1:30 p.m., 2175 Rayburn.

Committee on Government Reform, hearing on Johnny Chung: Foreign Connections, Foreign Contributions, 12 p.m., 2154 Rayburn.

Committee on International Relations, Subcommittee on Africa, to mark up the following resolutions: H. Con.

Res. 75, condemning the National Islamic Front (NIF) government for its genocidal war in southern Sudan, support for terrorism, and continued human rights violations; and H. Res. 62, expressing concern over the escalating violence, the gross violations of human rights, and the ongoing attempts to overthrow a democratically elected government in Sierra Leone, 2 p.m., 2172 Rayburn.

Committee on Resources, oversight hearing on status of Nuclear Claims, Relocation and Resettlement Efforts in the Marshall Islands, 11 a.m., 1324 Longworth.

Subcommittee on National Parks and Public Lands, hearing on the following bills: H.R. 592, to redesignate Great Kills Park in the Gateway National Recreation Area as "World War II Veterans Park at Great Kills"; and H.R. 1031, White Bluffs Protection Act, 10 a.m., 1334 Longworth.

Committee on Rules, to consider H.R. 775, Year 2000 Readiness and Responsibility Act, 1 p.m., H-313 Capitol.

Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings, Hazardous Materials and Pipeline Transportation, hearing on GSA's Fiscal Year 2000 Capital Investment Program, 1 p.m., 2253 Rayburn.

Joint Meetings

Conferees: meeting of conferees on H.R. 1141, making emergency supplemental appropriations for the fiscal year ending September 30, 1999, 2:30 p.m., SC-5, Capitol.

Commission on Security and Cooperation in Europe: to hold hearings to examine the status of the International Criminal Tribunal for the former Yugoslavia, 2 p.m., 2255, Cannon Building.

Next Meeting of the Senate

9:30 a.m., Tuesday, May 11

Senate Chamber

Program for Tuesday: Senate will begin consideration of S. 254, to reduce violent juvenile crime, promote accountability by rehabilitation of juvenile criminals, punish and deter violent gang crime.

(Senate will recess from 12:30 p.m. until 2:15 p.m. for their respective party conferences.)

Next Meeting of the HOUSE OF REPRESENTATIVES

12:30 p.m., Tuesday, May 11

House Chamber

Program for Tuesday: Consideration of 4 Suspensions:

1. H.R. 1183, Fastener Quality Act Amendments Act of 1999;
2. H.R. 209, Technology Transfer Commercialization Act of 1999;
3. H.R. 1550, Fire Administration Authorization Act of 1999; and
4. H. Res. —Honoring and Recognizing Slain Peace Officers.

Extensions of Remarks, as inserted in this issue

HOUSE

Baldwin, Tammy, Wisc., E906
Davis, Thomas M., Va., E906
DeLauro, Rosa L., Conn., E905

Frelinghuysen, Rodney P., N.J., E907
Houghton, Amo, N.Y., E908
Lucas, Ken, Ky., E907
Moran, James P., Va., E905
Sherman, Brad, Calif., E905, E906, E908

Shows, Ronnie, Miss., E906
Shuster, Bud, Pa., E905
Spratt, John M., Jr., S.C., E907



Congressional Record

provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶Public access to the Congressional Record is available online through *GPO Access*, a service of the Government Printing Office, free of charge to the user. The online database is updated each day the Congressional Record is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available on the Wide Area Information Server (WAIS) through the Internet and via asynchronous dial-in. Internet users can access the database by using the World Wide Web; the Superintendent of Documents home page address is http://www.access.gpo.gov/su_docs, by using local WAIS client software or by telnet to swais.access.gpo.gov, then login as guest (no password required). Dial-in users should use communications software and modem to call (202) 512-1661; type swais, then login as guest (no password required). For general information about *GPO Access*, contact the *GPO Access* User Support Team by sending Internet e-mail to gpoaccess@gpo.gov, or a fax to (202) 512-1262; or by calling Toll Free 1-888-293-6498 or (202) 512-1530 between 7 a.m. and 5 p.m. Eastern time, Monday through Friday, except for Federal holidays. ¶The Congressional Record paper and 24x microfiche will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, \$165.00 for six months, \$325.00 per year, or purchased for \$2.75 per issue, payable in advance; microfiche edition, \$141.00 per year, or purchased for \$1.50 per issue payable in advance. The semimonthly Congressional Record Index may be purchased for the same per issue prices. Mail orders to: Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954, or phone orders to (202) 512-1800, or fax to (202) 512-2250. Remit check or money order, made payable to the Superintendent of Documents, or use VISA, MasterCard, Discover, or GPO Deposit Account. ¶Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.

The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate