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

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

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

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

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

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

SEC. 8. EFFECTIVE DATE.

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

CLARIFYING THE RIEGLE-NEAL INTERSTATE BANKING ACT

HON. BILL ORTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

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

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

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

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

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

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

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

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

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

CONGRATULATIONS TO LADY OLYMPIANS OF MARATHON, NY

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

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

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

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

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

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

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

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

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

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

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

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

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