

crack down on with this legislation. A company in San Diego, Alliance Pharmaceuticals, a very, very fine company, manufactures innovative drugs to treat critically ill patients with acute lung injury. Their drug, now in development, a highly oxygenated liquid which allows the lungs to breathe liquid, reportedly could help as many as 80,000 premature babies with insufficiently developed lungs to have the gift of life.

This bill is for Adriana Mancini, who was born weighing 1 pound 10 ounces, with a 1 in 10 chance of living. The drug, manufactured by Alliance Pharmaceuticals of San Diego, saved her life. Her mother, in a television report about this story, said, "I prayed, please God, save our baby, and God did." The agent of God's miracle was Alliance Pharmaceuticals. The company came through with the medication that, as I said, can be used on 80,000 premature babies every year.

What Adriana's mother said, and it is important for everyone in this Chamber to hear this, is:

I just wish that everyone could have been in that room to see the joy and excitement on everybody's faces. A baby who was about to die made an exciting 180-degree turn-around.

Alliance Pharmaceuticals for its role in helping baby Adriana found itself on the wrong end of a fraudulent lawsuit, that is the only way to describe it, a fraudulent lawsuit, that was brought within 24 hours of the public announcement of nothing more than a delay in a new product development.

The president of this company wrote to the President of our country, and I would like to quote from his letter:

Reform of the private securities litigation laws is needed to protect the companies that are victims of frivolous suits.

I should add that Alliance won its lawsuit, but they have received no compensation for all the lost time of their workers who were developing drugs. They received no compensation for all of the legal fees that they had to spend. There was nothing that could be done about the fact that all of the management were taken away from their critical job. These suits, which are brought to extort settlements, do nothing more than injure all of us. Let me continue reading from his letter.

Reform of the private securities litigation laws is needed to protect the victims of frivolous suits, while preserving the ability for shareholders to recover in instances of fraud. It is unconscionable that greedy lawyers are allowed the virtual unrestricted ability to promote their own self-interests. Companies like Alliance are developing truly innovative and potentially life-saving products. Every dollar we spend defending these meritorious suits is one less dollar available for meaningful research and one less dollar available for shareholders.

Mr. Speaker, let us move forward with this critically important legislation, which is so bipartisan and has overwhelming support.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RADANOVICH). Members should avoid

references in debate to Members of the other body.

Mr. HALL of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from California, Mr. FILNER.

Mr. FILNER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I will be opposing the rule and the bill. It is clear from the statements that we have heard and every editorial, every statement that I have read over the last few months, that if we had a reasonable and carefully crafted reform to the provisions of the antifraud cases that give rise to securities class actions, that would attract a resounding consensus in this body and around the country.

Instead, this legislation has attracted extraordinarily firm opposition from a broad group of people who have been involved in these issues. Virtually every witness with a reasonable claim to being objective and impartial testified in opposition to the initial Republican proposals earlier this year. The group representing securities regulators from all 50 States oppose it; groups representing the officials in State and local governments who issue municipal bonds oppose it. The U.S. Conference of Mayors and National League of Cities oppose it, along with more than 1,000 local officials, ranging from district attorneys to town treasurers to county commissioners.

The AARP, the National Association of Senior Citizens, the Gray Panthers all oppose it, as do the National Council of Individual Investors. Consumer Reports, Consumer Federation of America, and a host of other consumer groups oppose it. The AFL-CIO, the Teamsters, the Machinists, the Communications Workers, the American Federation of State, County and Municipal Employees, and the United Auto Workers, all these who manage more than \$100 billion in pension funds for retirees, oppose it. The Fraternal Order of Police and International Association of Firefighters also strongly oppose this legislation.

Mr. Speaker, if one reads the press beyond the Beltway, it overwhelmingly opposes it. If there is strong support for reasonable measures to stop frivolous lawsuits, but opposition to this bill, does that not tell us a lot?

I urge my colleagues to demonstrate that this bill should be fixed by voting "no"; "no" on the rule and "no" on the bill.

Mr. HALL of Texas. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, let me point out something that I think everyone should understand as we take up this bill today. That is that the Congressional Budget Office estimates that there will be new burdens for the Securities and Exchange Commission as a result of the passage of this legislation. Here is what CBO said:

By discouraging private litigation, enacting this bill would result in an increase in the number of enforcement actions brought by the SEC. CBO expects that the number of financial fraud enforcement actions would at least double, and possibly triple. Therefore,

CBO estimates the enactment of the bill would increase costs of the Securities and Exchange Commission for enforcement actions by \$25 million to \$50 million annually, or \$125 million to \$250 million over the next five years.

CBO's objective analysis is extremely revealing. First, it demonstrates that the CBO believes that this legislation will prevent defrauded investors from bringing meritorious cases, leaving the burden entirely on the Securities and Exchange Commission. So the CBO has in effect confirmed our fear that this legislation goes too far and will harm innocent investors in its zeal to wipe out frivolous lawsuits.

Now, one might reasonably ask whether the CBO analysis is credible, whether it is reliable, whether it is in fact accurate. That is a fair question. So we decided to look at what Republican leaders have been saying about the credibility of the CBO. Here are some of the more recent excerpts.

Committee on the Budget Chairman JOHN KASICH has made several recent comments about the CBO. In just the last few days he has said that the "CBO has painstakingly earned its reputation for accuracy and credibility over the years."

On the "MacNeil-Lehrer News Hour" 2 weeks ago, Chairman KASICH said, "I guess just the 'Lehrer News Hour,' that the 'CBO cannot be bullied; they cannot be beaten up, and their integrity will not be questioned.'"

On "Larry King Live" just 3 weeks ago, he said, "After using the CBO and understanding the integrity of the way they work, it's the best way to go."

Senator TRENT LOTT, the Republican majority whip in the Senate, said in a press conference 3 weeks ago, "We've got to have reliable numbers. CBO has been reliable over the years. Even this year, with some of the things we would like CBO to have said, they've said no, that's not a fact. So they are the honest brokers."

Of course, the legislation does not include a \$25 to \$50 million annual supplement to the Securities and Exchange Commission to make up for some of the meritorious and nonfrivolous cases which will have to be brought by the SEC as a result of passage of this legislation, cases where there has been actual fraud. Instead, the SEC budget is frozen and they are in fact fortunate to get that, because the Senate Finance Committee has actually targeted them for a 20 percent cut, even though this is a time of record growth, activity, participation and complexity in our capital markets and, after the passage of this bill, needed additional enforcement where there are actual meritorious cases involving deliberate fraud on the part of companies, financial firms, on innocent investors across this country.

By the way, the CBO is not alone in this forecast. Former Republican SEC

Chairman Richard Breeden testified in 1991 that if securities fraud lawsuits were curtailed, the SEC would need to hire 800 to 900 additional investigators and lawyers to make up the difference. And 11 States attorneys general have criticized the legislation as an unfunded mandate.

I apologize for taking so long, but this is the only time that we in the minority have had to discuss this bill this year. It is necessary for the gentleman from Michigan [Mr. DINGELL] and I and others on our side to put the facts out on the case, so that historically those who in this Chamber are blessed with hindsight will be able to see in 5 years or so what in fact has happened in the aftermath of the passage of this legislation.

Eleven attorneys general have criticized the legislation as an unfunded mandate. They argue in a strongly worded letter that the draft report's major provisions pose significant obstacles to meritorious fraud actions by investors and that these cases will inevitably land in the laps of already overburdened State and local prosecutors.

Considered together, it is ironic that we are on the verge of abandoning a largely successful and effective system of private market-based regulation. The changes could have been made to deal with the frivolous lawsuits, but instead we are going to put the burden on State and local prosecutors, and if the Federal Government does not act, there will be a huge vacuum that will leave investors at the mercy of unscrupulous financial operators.

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Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Speaker, I thank my friend from Ohio for yielding time to me.

I wanted to point out that there are a lot of people across the country that realize the mistake that this House is about to make in considering this legislation. In fact, it is unprecedented that Money magazine, which is the largest financial publication in this great country, with over 10 million readers, has written four editorials against this bill. Four editorials.

It is unprecedented that a Time, Inc. editor would, in fact, feel so strongly that he wrote, "I urge President Clinton to veto this legislation." That is unprecedented for an editor from Time, Inc. to write something like this.

In September 1995, the Money editorial said, "Congress aims at lawyers and ends up shooting small investors in the back." And to read just a portion of that editorial, he says,

At a time when massive securities fraud has become one of this country's growth in-

dustries, this law would cheat victims out of whatever chance they may have of getting their money back. In the final analysis, this legislation would actually be a grand slam for the sleaziest elements of the financial industry at the expense of ordinary investors.

In October 1995, a month later, Money magazine said, "This misguided law would, in fact, help white collar criminals to get away with cheating investors." They say, in responding to their calls for urging of the White House veto, the angriest responses so far have come from Republicans who were denouncing their own party for pushing these bills.

Then, in November of this year, they said the struggle over these securities litigation reform bills offers a picture window view of how laws are being created by the lobbyists and for the lobbyists in this 104th Congress. Money magazine says lawmakers said they wanted to discourage frivolous securities suits and that is a fine goal, but as one moderating amendment after another was voted down, the legislation the Republican majority and the lobbyists produced went far beyond curbing meritless lawsuits to all but legalizing securities fraud.

And, finally, as I said, in a fourth consecutive unprecedented editorial this month, Money magazine said now only Clinton can stop Congress from hurting small investors like you. They begin the editorial,

The President should not sign it; he should veto it and here is why: The bill helps executives get away with lying. Investors who sue and lose could be forced to pay the winners' legal costs. Even accountants, who okay fraudulent books, will get protections. This bill will undermine the public confidence in our financial markets. Without that confidence, this country is nowhere.

This rule should be voted down, the bill should be voted down, and we hope that our colleagues will heed us.

Mr. DREIER. Mr. Speaker, I yield 3 minutes to the gentleman from Appleton, WI, my friend [Mr. ROTH], who, I would note, as the debate on the rule for this very important conference report rapidly comes to a close, is the chairman of the Trade and Tourism Caucus, where he understands the importance of job creation.

Mr. ROTH. Mr. Speaker, I say to the gentleman from California, Thanks, coach, for putting me in.

I rise in strong support of this conference report. Today, abuse of our security laws is stifling our Nation's fastest growing companies. Whenever a company stock changes significantly in value, these companies face lawsuits from packs of so-called professional plaintiffs. These professional plaintiffs are individuals who have suffered no injury and hold no stock in the companies they use. Yet, in order to avoid the high legal costs of defending them-

selves, companies often settle the extortion demands of these professional thieves.

High-technology companies, the companies of tomorrow, are hit hardest and most frequently. Why? Because these companies often undergo dramatic change, but have few resources with which to defend themselves. As a result, we, all of us, lose. New products that could benefit my colleagues and all of the American people and the people throughout the world are never developed. Good paying jobs that could have been created never materialize.

Mr. Speaker, if we fail to act, we doom our children to lower living standards, lower than we enjoy today. This bill will protect companies from being sued on forward-looking projections. Under this bill, companies can issue cautionary statements confirming what my colleagues and I already know, that the projections are estimates and not facts certain.

No one can predict the future with a 100-percent accuracy. It is unfair to expect companies to do so. Yet, that is what the professional plaintiffs demand in exchange for retraining from their corporate extortion.

Further, this bill will ensure that no wrongdoers escape punishment. Any party intentionally causing injury will be liable for the full harm they cause, no less. And that is only fair. Under this bill everyone wins. Investors, whether individuals or municipalities, will benefit from higher returns on investment and lower risks.

American companies, unhindered by expensive litigation, will build new competitive advantages over their foreign rivals, and that is what we are looking for. New job opportunities will come up all across America. As chairman of the International Economic Policy and Trade Subcommittee, I know that passage of this conference report will go a long way toward ensuring that America will remain the world's most prosperous Nation. A vote for this conference report is a vote to help give us and our children futures of unlimited opportunity.

Mr. Speaker, let us vote for our Nation's future. Let us pass this important conference report. I thank the gentleman and my friend from California for yielding me this time.

Mr. DREIER. Mr. Speaker, I would like to inquire of my friend from Dayton if he has any remaining speakers.

Mr. HALL of Ohio. I hesitate to say that I do not have any additional speakers, but it appears that I do not, and I would yield back the balance of my time.

Before I do that, however, Mr. Speaker, I insert in the RECORD at this point the following extraneous material.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed: contained a closed rule on H.R. 1 within the closed rule	None
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive: Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	N/A
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive: only certain substitutes	2R; 4D
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive: considered in House no amendments	N/A
H.R. 2*	Line Item Veto	H. Res. 55	Open: Pre-printing gets preference	N/A
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open: Pre-printing gets preference	N/A
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open: Pre-printing gets preference	N/A
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive: 10 hr. Time Cap on amendments	N/A
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open: Pre-printing gets preference; Contains self-executing provision	N/A
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive: 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive: 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive: brought up under UC with a 6 hr. time cap on amendments	N/A
S. 2	Senate Compliance	N/A	Closed: Put on Suspension Calendar over Democratic objection	None
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed	H. Res. 88	Restrictive: makes in order only the Gibbons amendment; Waives all points of order; Contains self-executing provision	1D
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive: makes in order only the Obey substitute	1D
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive: 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive: 10 hr. Time Cap on amendments	N/A
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive: 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	1D
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive: 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaneness against it.	1D
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive: 7 hr. time cap on amendments; Pre-printing gets preference	N/A
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive: makes in order only 15 germane amendments and denies 64 germane amendments from being considered.	8D; 7R
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive: Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(g) of rule XXI against the amendments in the Record; 10 hr time cap on amendments, 30 minutes debate on each amendment.	N/A
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive: Makes in order only 4 amendments considered under a "Queen of the Hill" procedure and denies 21 germane amendments from being considered.	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive: Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a "Queen of the Hill" procedure; All points of order are waived against the amendments.	5D; 26R
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive: Self Executes language that makes tax cuts contingent on the adoption of a balanced budget plan and strikes section 3006. Makes in order only one substitute. Waives all points of order against the bill, substitute made in order as original text and Gephardt substitute.	1D
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive: waives cl 2(1)(6) of rule XI against the bill; makes H.R. 1391 in order as original text; makes in order only the Dingell substitute; allows Commerce Committee to file a report on the bill at any time.	1D
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open: waives sections 302(f) and 308(a) of the Congressional Budget Act against the bill's consideration and the committee substitute; waives cl 5(a) of rule XXI against the committee substitute.	N/A
H.R. 961	Clean Water Act	H. Res. 140	Open: pre-printing gets preference; waives sections 302(f) and 602(b) of the Budget Act against the bill's consideration; waives cl 7 of rule XVI, cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Makes in order Shuster substitute as first order of business.	N/A
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa	H. Res. 145	Open	N/A
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility	H. Res. 146	Open	N/A
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive: Makes in order 4 substitutes under regular order; Gephardt, Neumann/Solomon, Payne/Owens, President's Budget if printed in Record on 5/17/95; waives all points of order against substitutes and concurrent resolution; suspends application of Rule XLIX with respect to the resolution; self-executes Agriculture language.	3D; 1R
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive: Requires amendments to be printed in the Record prior to their consideration; 10 hr. time cap; waives cl 2(1)(6) of rule XI against the bill's consideration; Also waives sections 302(f), 303(a), 308(a) and 402(a) against the bill's consideration and the committee amendment in order as original text; waives cl 5(a) of rule XXI against the amendment; amendment consideration is closed at 2:30 p.m. on May 25, 1995. Self-executes provision which removes section 2210 from the bill. This was done at the request of the Budget Committee.	N/A
H.R. 1530	National Defense Authorization Act FY 1996	H. Res. 164	Restrictive: Makes in order only the amendments printed in the report; waives all points of order against the bill, substitute and amendments printed in the report. Gives the Chairman en bloc authority. Self-executes a provision which strikes section 807 of the bill; provides for an additional 30 min. of debate on Nunn-Lugar section; Allows Mr. Clinger to offer a modification of his amendment with the concurrence of Ms. Collins.	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open: waives cl. 2 and cl. 6 of rule XXI against the bill; 1 hr. general debate; Uses House passed budget numbers as threshold for spending amounts pending passage of Budget.	N/A
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive: Makes in order only 11 amendments; waives sections 302(f) and 308(a) of the Budget Act against the bill and cl. 2 and cl. 6 of rule XXI against the bill. All points of order are waived against the amendments.	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open: waives cl. 2, cl. 5(b), and cl. 6 of rule XXI against the bill; makes in order the Gilman amendments as first order of business; waives all points of order against the amendments; if adopted they will be considered as original text; waives cl. 2 of rule XXI against the amendments printed in the report. Pre-printing gets priority (Hall) (Menendez) (Goss) (Smith, NJ).	N/A
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open: waives cl. 2 and cl. 6 of rule XXI against the bill; makes in order the Shuster amendment as the first order of business; waives all points of order against the amendment; if adopted it will be considered as original text. Pre-printing gets priority.	N/A
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag	H. Res. 173	Closed: provides one hour of general debate and one motion to recommit with or without instructions; if there are instructions, the MO is debatable for 1 hr.	N/A
H.R. 1944	Rescissions Bill	H. Res. 175	Restrictive: Provides for consideration of the bill in the House; Permits the Chairman of the Appropriations Committee to offer one amendment which is unamendable; waives all points of order against the amendment.	N/A
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive: Provides for further consideration of the bill; makes in order only the four amendments printed in the rules report (20 min. each). Waives all points of order against the amendments; Prohibits intervening motions in the Committee of the Whole; Provides for an automatic rise and report following the disposition of the amendments.	N/A
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open: waives sections 302(f) and 308(a) of the Budget Act and cl 2 and cl 6 of rule XXI; provides that the bill be read by title; waives all points of order against the Tauzin amendment; self-executes Budget Committee amendment; waives cl 2(e) of rule XXI against amendments to the bill; Pre-printing gets priority.	N/A
H.R. 1977	Interior Appropriations	H. Res. 187	Open: waives sections 302(f), 306 and 308(a) of the Budget Act; waives clauses 2 and 6 of rule XXI against provisions in the bill; waives all points of order against the Tauzin amendment; provides that the bill be read by title; self-executes Budget Committee amendment and makes NEA funding subject to House passed authorization; waives cl 2(e) of rule XXI against the amendments to the bill; Pre-printing gets priority.	N/A

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open; waives clauses 2 and 6 of rule XXI against provisions in the bill; provides that the bill be read by title; Makes Skeen amendment first order of business, if adopted the amendment will be considered as base text (10 min.); Pre-printing gets priority.	N/A
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive; provides for the further consideration of the bill; allows only amendments pre-printed before July 14th to be considered; limits motions to rise.	N/A
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; provides the bill be read by title; Pre-printing gets priority.	N/A
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive; provides for consideration in the House of H.R. 2058 (90 min.) And H.J. Res. 96 (1 hr). Waives certain provisions of the Trade Act.	N/A
H.R. 2002	Transportation Appropriations	H. Res. 194	Open; waives cl. 3 of rule XIII and section 401 (a) of the CBA against consideration of the bill; waives cl. 6 and cl. 2 of rule XXI against provisions in the bill; Makes in order the Clinger/Solomon amendment waives all points of order against the amendment (Line Item Veto); provides the bill be read by title; Pre-printing gets priority. *RULE AMENDED*.	N/A
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open; Makes in order the Resources Committee amendment in the nature of a substitute as original text; Pre-printing gets priority; Provides a Senate hook-up with S. 395.	N/A
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Pre-printing gets priority; provides the bill be read by title.	N/A
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Provides that the amendment in part 1 of the report is the first business, if adopted it will be considered as base text (30 min.); waives all points of order against the Klug and Davis amendments; Pre-printing gets priority; Provides that the bill be read by title.	N/A
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive; 3 hours of general debate; Makes in order an amendment to be offered by the Minority Leader or a designee (1 hr); If motion to recommit has instructions it can only be offered by the Minority Leader or a designee.	ID
H.R. 2126	Defense Appropriations	H. Res. 205	Open; waives cl. 2(f)(6) of rule XI and section 306 of the Congressional Budget Act against consideration of the bill; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; self-executes a strike of sections 8021 and 8024 of the bill as requested by the Budget Committee; Pre-printing gets priority; Provides the bill be read by title.	N/A
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive; waives sec. 302(f) of the Budget Act against consideration of the bill; Makes in order the Commerce Committee amendment as original text and waives sec. 302(f) of the Budget Act and cl. 5(a) of rule XXI against the amendment; Makes in order the Bilely amendment (30 min.) as the first order of business, if adopted it will be original text; makes in order only the amendments printed in the report and waives all points of order against the amendments; provides a Senate hook-up with S. 652.	2R/3D/3 Bi-partisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open; Provides that the first order of business will be the managers amendments (10 min.), if adopted they will be considered as base text; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; waives all points of order against certain amendments printed in the report; Pre-printing gets priority; Provides the bill be read by title.	N/A
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open; 2 hr of gen. debate. makes in order the committee substitute as original text	N/A
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive; waives sections 302(f), 308(a) and 401(b) of the Budget Act. Makes in order the committee substitute as modified by Govt. Reform amend (striking sec. 505) and an amendment striking title VII. Cl 7 of rule XVI and cl 5(a) of rule XXI are waived against the substitute. Sections 302(f) and 401(b) of the CBA are also waived against the substitute. Amendments must also be pre-printed in the Congressional record.	N/A
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open; waives cl 7 of rule XVI against the committee substitute made in order as original text; Pre-printing gets priority.	N/A
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open; waives sections 302(f) and 308(a) of the Budget Act against consideration of the bill; bill will be read by title; waives cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Pre-printing gets priority.	N/A
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open; waives section 302(f) and 401(b) of the Budget Act against the substitute made in order as original text (H.R. 2332), cl. 5(a) of rule XXI is also waived against the substitute. provides for consideration of the managers amendment (10 min.) If adopted, it is considered as base text.	N/A
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open; waives section 302(f) of the Budget Act against consideration of the bill; Makes H.R. 2349 in order as original text; waives section 302(f) of the Budget Act against the substitute; provides for the consideration of a managers amendment (10 min.) If adopted, it is considered as base text; Pre-printing gets priority.	N/A
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive; waives cl 2(L)(2)(B) of rule XI against consideration of the bill; makes in order H.R. 2347 as base text; waives cl 7 of rule XVI against the substitute; Makes Hamilton amendment the first amendment to be considered (1 hr). Makes in order only amendments printed in the report.	2R/2D
H.R. 743	The Teamwork for Employees and managers Act of 1995	H. Res. 226	Open; waives cl 2(f)(2)(b) of rule XI against consideration of the bill; makes in order the committee amendment as original text; Pre-printing get priority.	N/A
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open; makes in order a committee amendment as original text; Pre-printing gets priority	N/A
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open; makes in order a committee amendment as original text; Pre-printing gets priority	N/A
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	N/A
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open; self-executes a provision striking section 304(b)(3) of the bill (Commerce Committee request); Pre-printing gets priority.	N/A
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive; waives cl 2(f)(2)(B) of rule XI against the bill's consideration; makes in order the text of the Senate bill S. 1254 as original text; Makes in order only a Conyers substitute; provides a senate hook-up after adoption.	1D
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive; waives all points of order against the bill's consideration; makes in order the text of H.R. 2485 as original text; waives all points of order against H.R. 2485; makes in order only an amendment offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5 of rule XXI (3/4 requirement on votes raising taxes).	1D
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive; provides for consideration of the bill in the House	N/A
H.R. 2491	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive; makes in order H.R. 2517 as original text; waives all pints of order against the bill; Makes in order H.R. 2530 as an amendment only if offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5 of rule XXI (3/4 requirement on votes raising taxes).	1D
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive; waives all points of order against the bill's consideration; Makes in order the Walsh amendment as the first order of business (10 min.); if adopted it is considered as base text; waives cl 2 and 6 of rule XXI against the bill; makes in order the Bonilla, Gunderson and Hostettler amendments (30 min.); waives all points of order against the amendments; debate on any further amendments is limited to 30 min. each.	N/A
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	N/A
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee; self-executes 4 amendments in the rule; Solomon, Medicare Coverage of Certain Anti-Cancer Drug Treatments, Habeas Corpus Reform, Chrysler (MI); makes in order the Walker amend (40 min.) on regulatory reform.	5R
H.R. 2539	ICC Termination	H. Res. 259	Open; waives section 302(f) and section 308(a)	N/A
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed; provides for consideration of the bill in the House; 30 min. of debate; makes in order the Burton amendment and the Gingrich en bloc amendment (30 min. each); waives all points of order against the amendments; Gingrich is only in order if Burton fails or is not offered.	2R
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open; waives cl. 2(f)(6) of rule XI against the bill's consideration; waives all points of order against the Istook and McIntosh amendments.	N/A
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive; waives all points of order against the bill's consideration; provides one motion to amend if offered by the Minority Leader or designee (1 hr non-amendable); motion to recommit which may have instructions only if offered by Minority Leader or his designee; if Minority Leader motion is not offered debate time will be extended by 1 hr.	N/A

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open; waives all points of order against the bill's consideration; makes in order the Transportation substitute modified by the amend in the report; Bill read by title; waives all points of order against the substitute; makes in order a managers amend as the first order of business, if adopted it is considered base text (10 min.); waives all points of order against the amendment; Pre-printing gets priority.	N/A
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open; makes in order the committee substitute as original text; makes in order a managers amendment which if adopted is considered as original text (20 min.) unamendable; pre-printing gets priority.	N/A

\* Contract Bills, 67% restrictive; 33% open. \*\* All legislation, 54% restrictive; 46% open. \*\*\* Restrictive rules are those which limit the number of amendments which can be offered, and include so called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103rd Congress. \*\*\*\* Not included in this chart are three bills which should have been placed on the Suspension Calendar. H.R. 101, H.R. 400, H.R. 440.

Mr. DREIER. Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Newport Beach, CA [Mr. Cox] to close on our side.

Mr. COX of California. Mr. Speaker, I thank the gentleman from California for yielding.

It has been said that a lawyer is someone who defends his client's interest and takes the principal. It is a cruel joke; it is an old joke. In fact, the best I can tell, it is at least a century old.

There has always been a conflict of interest between lawyers representing themselves and lawyers representing their clients. What we are seeking to do here is to protect investors so that they are in charge of these kinds of lawsuits. It is very important for us to know what exactly it is we are doing here today. There has been a lot of rhetoric. What we are doing are the following things:

We are outlawing professional plaintiffs. We heard testimony that one guy, who was described by a judge as truly the unluckiest investor in the world, was a plaintiff in 300 of these lawsuits. That will not happen anymore.

We have outlawed attorney conflicts of interest. So if the lawyers own the shares, the judge will scrutinize that and keep them out of the case if it is a conflict of interest.

We are mandating full disclosure to the investors, to the plaintiffs, of any proposed settlements, including what will be the lawyer's share of the settlement and what will be theirs.

These kinds of reforms are the reason that this is such bipartisan and popular legislation. And the truth is that half the Democrats here, half the Democrats in the Senate, Republicans who sponsored the legislation, all favor this. More than two-thirds of both bodies favor this.

The economists, whom we heard quoted many times as an opponent of this bill, are in favor of this bill. They have editorialized in their most recent magazine as follows: More than 650 class action strike suits have been filed in the past 4 years alone, including ones against each of the 10 biggest firms in Silicon Valley. There is nothing wrong with investors who use the courts to protect their rights, but a growing number of these suits are being brought by those who are victims not of corporate misinformation, but of their lawyer's greed.

The Washington Post has editorialized in favor of this legislation. It is sound, it is good, it is bipartisan. It is

high time investors got the kind of protection that this legislation affords. Fraud, through the device of a lawsuit; extortion, through the device of abuse of our securities' laws, hopefully will be no more after we pass this very popular bipartisan bill.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to indicate, as has been said, the general chairman of the Democratic National Committee, our colleague, Senator CHRIS DODD, is one of the prime authors of this legislation, along with many other Democrats who truly make this bipartisan and bicameral. I urge an "aye" vote on the rule and an "aye" vote on the conference report.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered. The SPEAKER pro tempore. (Mr. RADANOVICH). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appear to have it.

Mr. DINGELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 318, nays 97, answered "present" 1, not voting 16, as follows:

[Roll No. 838]  
YEAS—318

Allard	Browder	Condit	English	King	Radanovich
Archer	Brown (CA)	Cooley	Ensign	Kingston	Ramstad
Armey	Brown (FL)	Cox	Eshoo	Kleczka	Reed
Bachus	Brown (OH)	Crane	Everett	Klug	Regula
Baesler	Brownback	Crapo	Farr	Knollenberg	Richardson
Baker (CA)	Bryant (TN)	Creameans	Fawell	Kolbe	Riggs
Baker (LA)	Bunn	Cubin	Fazio	LaFalce	Roberts
Baldacci	Bunning	Cunningham	Fields (TX)	LaHood	Roemer
Ballenger	Burr	Danner	Flanagan	Lantos	Rogers
Barcia	Burton	Davis	Foley	Largent	Rohrabacher
Barrett (NE)	Buyer	de la Garza	Forbes	Latham	Rose
Bartlett	Callahan	Deal	Fox	LaTourette	Roth
Barton	Calvert	DeLauro	Frank (MA)	Lazio	Roukema
Bass	Camp	DeLay	Frank (CT)	Leach	Royce
Bateman	Canady	Deutsch	Frank (NJ)	Levin	Rush
Bentsen	Cardin	Diaz-Balart	Frelinghuysen	Lewis (CA)	Sabo
Bereuter	Castle	Dickey	Frisa	Lewis (KY)	Salmon
Bevill	Chabot	Dooley	Frost	Lightfoot	Sanford
Bilbray	Chambliss	Doolittle	Funderburk	Lincoln	Saxton
Bilirakis	Chenoweth	Dornan	Furse	Linder	Scarborough
Bishop	Christensen	Doyle	Galleghy	Livingston	Schaefer
Bliley	Chrysler	Dreier	Ganske	LoBiondo	Schiff
Blute	Clement	Duncan	Gejdenson	Lofgren	Shumer
Boehlert	Clinger	Dunn	Gekas	Longley	Seastrand
Boehner	Coble	Durbin	Geren	Lucas	Sensenbrenner
Bonilla	Coburn	Ehlers	Gibbons	Maloney	Shadegg
Boucher	Collins (GA)	Ehrlich	Gilchrest	Manton	Shaw
Brewster	Combest	Emerson	Gillmor	Manzullo	Shays
			Gilman	Martini	Shuster
			Gonzalez	Matsui	Sisisky
			Goodlatte	McCarthy	Skaggs
			Goodling	McCollum	Skeen
			Gordon	McCrary	Skelton
			Goss	McDade	Slaughter
			Graham	McHugh	Smith (MI)
			Green	McInnis	Smith (NJ)
			Greenwood	McIntosh	Smith (TX)
			Gunderson	McKeon	Smith (WA)
			Gutierrez	McNulty	Solomon
			Gutknecht	Meehan	Souder
			Hall (OH)	Metcalf	Spence
			Hall (TX)	Meyers	Spratt
			Hamilton	Mica	Stearns
			Hancock	Miller (FL)	Stenholm
			Hansen	Minge	Stockman
			Harman	Molinari	Stump
			Hastert	Montgomery	Talent
			Hastings (WA)	Moorhead	Tate
			Hayes	Moran	Tauzin
			Hayworth	Morella	Taylor (NC)
			Hefley	Murtha	Thomas
			Hefner	Myers	Thornberry
			Heineman	Myrick	Thornton
			Herger	Neal	Tiahrt
			Hilleary	Nethercutt	Torkildsen
			Hobson	Neumann	Towns
			Hoekstra	Ney	Traficant
			Hoke	Norwood	Upton
			Holden	Nussle	Vento
			Horn	Ortiz	Visclosky
			Hostettler	Orton	Vucanovich
			Houghton	Oxley	Walker
			Hoyer	Packard	Walsh
			Hutchinson	Pallone	Wamp
			Hyde	Parker	Ward
			Inglis	Paxon	Watts (OK)
			Istook	Payne (VA)	Weldon (FL)
			Jackson-Lee	Pelosi	Weldon (PA)
			Jacobs	Peterson (MN)	Weller
			Johnson (CT)	Petri	Whitfield
			Johnson, Sam	Pickett	Wicker
			Jones	Pombo	Wolf
			Kasich	Porter	Wyden
			Kelly	Portman	Wynn
			Kennedy (MA)	Poshard	Young (AK)
			Kennedy (RI)	Pryce	Young (FL)
			Kennelly	Quillen	Zeliff
			Kim	Quinn	Zimmer
				NAYS—97	
			Abercrombie	Andrews	Becerra
			Ackerman	Barrett (WI)	Beilenson

Berman	Jefferson	Peterson (FL)
Bonior	Johnson (SD)	Pomeroy
Borski	Johnson, E. B.	Rahall
Bryant (TX)	Johnston	Rangel
Clay	Kanjorski	Rivers
Clayton	Kaptur	Roybal-Allard
Clyburn	Kildee	Sanders
Coleman	Klink	Sawyer
Collins (IL)	Lewis (GA)	Schroeder
Collins (MI)	Lipinski	Scott
Conyers	Luther	Serrano
Costello	Markey	Stark
Coyne	Martinez	Stokes
Cramer	Mascara	Studds
Dellums	McDermott	Stupak
Dicks	McHale	Tanner
Dingell	McKinney	Taylor (MS)
Dixon	Meek	Thompson
Doggett	Menendez	Thurman
Edwards	Mfume	Torres
Engel	Miller (CA)	Torricelli
Evans	Mink	Velazquez
Fattah	Moakley	Waters
Fields (LA)	Mollohan	Watt (NC)
Filner	Nadler	Waxman
Flake	Oberstar	Williams
Foglietta	Obey	Wise
Ford	Olver	Woolsey
Gephardt	Owens	Yates
Hastings (FL)	Pastor	
Hilliard	Payne (NJ)	

ANSWERED "PRESENT"—1

Lowey

NOT VOTING—16

Barr	Hinchey	Volkmer
Bono	Hunter	Waldholtz
Chapman	Laughlin	White
DeFazio	Ros-Lehtinen	Wilson
Ewing	Tejeda	
Fowler	Tucker	

□ 1147

The Clerk announced the following pair:

On this vote:

Mr. Bono for, with Mr. DeFazio against.

Mrs. MEEK of Florida, Mr. DIXON, and Ms. ROYBAL-ALLARD changed their vote from "yea" to "nay."

Mr. KENNEDY of Massachusetts changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LAYING ON THE TABLE HOUSE RESOLUTION 260, WAIVING PROVISIONS OF CLAUSE 4(b) OF RULE XI AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED FROM COMMITTEE ON RULES

Mr. DREIER. Mr. Speaker, I ask unanimous consent that House Resolution 260, waiving the provisions of clause 4(b) of House rule XI against the consideration of certain resolutions reported from the Rules Committee, be laid on the table.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 1058, PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Mr. BLILEY. Mr. Speaker, pursuant to House Resolution 290, I call up the

conference report on the bill (H.R. 1058) to reform Federal securities litigation, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Tuesday, November 28, 1995, at page H13692.)

The SPEAKER pro tempore. The gentleman from Virginia [Mr. BLILEY] and the gentleman from Massachusetts [Mr. MARKEY] each will be recognized for 30 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I yield myself 3 minutes.

(Mr. BLILEY asked and was given permission to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, I rise today in strong support of the conference report on H.R. 1058, the Private Securities Litigation Reform Act of 1995.

This is extremely important legislation for investors and for our economy. It is designed to curb frivolous and abusive securities litigation. This kind of litigation exacts a tax on this country's most productive and competitive companies and their shareholders.

Job-creating, wealth-producing companies that have done nothing wrong, too often find themselves subject to class action lawsuits whenever their stock price drops. They are forced to pay extortionate settlements, because the costs of defending these lawsuits are prohibitive. And, when companies are forced to settle, their shareholders, ultimately, pay the costs. I am pleased that when this legislation was considered by the House earlier this year, majorities of both parties, Republicans and Democrats, supported it.

This legislation puts control of class action lawsuits back in the hands of the real shareholders, where it belongs. Just as important, it gives judges the tools they need to dismiss frivolous cases before they turn into lengthy and costly fishing expeditions. I want to underscore this point. This legislation puts strong and effective tools in the hands of judges, and we expect them to use these tools to dismiss frivolous cases and to sanction those who bring them.

Critics of this legislation think we should preserve the status quo—or simply thinker with the present system. But we cannot allow the current system to continue, when those who benefit most from it are professional plaintiffs and lawyers. The cost of securities strike suits, to our economy in the form of lost jobs, to our investors in the form of diminished returns, and to our companies in the form of diminished competitiveness are too great.

Let me explain how the conference report would address the flaws in the current system.

First, it limits the kind of abusive class action lawsuits that are driven by

entrepreneurial lawyers and their stable of professional plaintiffs. It permits courts to select as lead plaintiff the shareholder most capable of representing the class—not just the plaintiff who happens to file first because some law firm already has a compliant on its word processing machine ready to go. The legislation also requires full disclosure of settlement terms to investors. We no longer will permit lawyers to hide the facts from their real clients, something they have been doing for years.

These are hardly radical reforms. But, they will ensure that real investors with real grievances are the ones driving the litigation, not those who only interest is in winning their share of attorney fees.

Second, the conference report discourages frivolous lawsuits by imposing costs on those who initiate them. To accomplish this, it requires a court to impose sanctions on a party if the compliant, or any motion, constitutes a violation of rule 11(b) of the Federal Rules of Civil Procedure; in other words, if the complaint or a motion was filed to harass or cause unnecessary delays or costs. Again, this is hardly radical, but it is only fair. Those who abuse the system to inflict unnecessary costs on others should pay a price.

The conference report seeks to encourage early dismissal of frivolous lawsuits and limit the costs of discovery. It requires lawyers who file a complaint to "plead with particularity" the facts that would support a charge of fraud. If you sue someone, you should be able to explain what they did, and why it was a fraud. And it prevents lawyers from launching "fishing-expedition" discovery while a motion to dismiss is pending.

The conference report provides a cap on damages. We all have seen situations where an earnings surprising sends the price of a company's stock into a tailspin. The problem in the current system is that damages often are measured when the stock drops to its lowest point, even though it quickly rebounds and may even be higher within days, weeks, or months. This bill prevents a temporary drop in price from yielding huge awards for lawyers and professional plaintiffs.

The conference report addresses the unfairness of joint and several liability, which now allows a plaintiff to seek 100 percent of his damages from a defendant whose actions may deserve only 1 percent of the blame. The legislation requires every defendant to pay his or her fair share of the damages, based on a finding by a judge or jury. But, except in special circumstances, a defendant cannot be held liable for 100 percent of the damages unless a plaintiff proves the defendant acted with actual knowledge. Small investors, however, will be able to recover 100 percent of their damages even from those defendants whose participation was relatively minor.