

achieve. In at least nine instances¹ the bill makes reference to the "purposed of the Act." Unfortunately, the "purposes" section contained in the bill which passed the House was stripped from the conference bill and no "purposes" section was inserted to replace it. The failure to include a statement of the congressional purposes for enacting the bill is, in my opinion, a huge error, leaves the bill's references to "the purposes of the Act" irrational and could lead to much conjecture and possible litigation about what, in fact, we intended to achieve.

(2) The privacy provisions in the bill are not strong enough. While the legislation will give consumers the right to "opt-out" of having their financial information disclosed to unaffiliated third parties, I do not believe this privacy provision goes far enough to safeguard the privacy of customers. It also leaves a huge loophole in the definition of "unaffiliated third party." Because the legislation will eliminate the firewalls that have existed since 1933 between banks, insurance companies and securities firms, the newly formed financial services conglomerates sanctioned by the bill will be able to exchange information on their customers freely. While most of the businesses operating in this new frontier will use this ability to share information reasonably, some will not. The few who do not could yield privacy horror stories that could ultimately result in a public demand for much greater privacy protections. Financial services modernization should not come at the expense of consumers' rights to control the details of their private personal and financial life and the financial services industry should exercise these new rights carefully. Otherwise, this bill will not be the final chapter written on this point.

(3) The bill's provisions which impose continuing reporting requirements on community groups which are parties to CRA agreements with banks are offensive and unprecedented. I am disappointed that my Republican colleagues who repeatedly talk about eliminating the era of "big government" are now on the other side of this issue. This bill expands the reach of federal banking regulators and the Federal Reserve by obligating them to police CRA contracts between banks and community groups despite the fact that the regulators

¹Section 103(a)(3)(A): the factors the Federal Reserve shall use to determine whether an activity is financial in nature or incidental to a financial activity. Section 103(a)(5)(A): the factors the Federal Reserve shall use to impose regulations on financial activities. Section 103(a)(7)(A): the factors the Federal Reserve and the Treasury may use to impose regulations on merchant banking activities. Section 103(m)(3): the factors the Federal Reserve may use to impose on the conduct or activities of a financial holding company or any affiliate of that company. Section 114(a)(1)(A): the factors the OCC may use to impose regulations on the relationships or transactions between a national bank and a subsidiary of a national bank. Section 114(b)(2)(A): the factors the Federal Reserve may use to impose regulations on the relationships or transactions between a depository institution subsidiary of a bank holding company and any affiliate of the depository institution and between a State member and a subsidiary of a bank. Section 114(b)(42)(A): the standards of review for the Federal Reserve to impose regulations on the relationships or transactions between a foreign bank in the United States and any affiliate of the foreign bank in the United States. Section 114(c)(1)(A): the factors the FDIC may use to impose regulations on the relationships or transactions between a State nonmember bank and a subsidiary of the State nonmember bank. Section 121(b)(3): the factors the Treasury may use to determine whether an activity is financial in nature or incidental to a financial activity.

have no regulatory authority over community groups and these contracts involve no government money. While Senator PHIL GRAMM has characterized community groups who enter into these agreements as "extortionists," no bank has come forward to complain about a CRA agreement and the "sunshine" requirements in the conference bill are, therefore, a solution in search of a problem. Even worse, the reporting provisions impose burdensome paperwork requirements on community groups which are unfair and will be a heavy disincentive to the groups to participate in efforts to force banks to comply with the CRA or to help achieve the intended results of the CRA.

(4) The bill lengthens the time between CRA examinations for some banks. The CRA paperwork requirements for small banks with assets less than \$250 million were already streamlined in 1995. Relaxing the current practice of CRA examinations, which occur approximately every two years, could reduce the effectiveness of the CRA because federal banking regulators will be allowed to go up to five years before checking to ensure that some banks are abiding by their CRA obligations. My Republican colleagues need to be reminded that the CRA has served a very important purpose by expanding access to credit and capital in all communities and that the CRA is not an affirmative action program. Rather the CRA benefits small businesses, farmers and people who live in low and moderate income communities throughout America, not just in minority communities. Congress should be working to strengthen and expand the CRA, not to diminish its effectiveness.

Despite my concerns about the process and about the substantive provisions in the conference bill, I continue to believe that financial services modernization is important and necessary. While all the concerns I have expressed are legitimate and important, and certainly result in a bill which is less meritorious than it could and should be, in my judgment they do not outweigh the need for the bill or warrant a "no" vote.

Congress has waited too long to catch up with what is already occurring in the marketplace. Except for the concerns outlined above and several others of lesser significance, I believe the conference bill provides a good framework to eliminate barriers between the various industries in the financial market and still maintain sufficient safeguards to protect the safety and soundness of our banking system. This framework does not exist now, yet the regulators and businesses are breaking through the barriers without a uniform set of rules. A framework is needed and this bill provides it.

While some of my colleagues who support this bill will call the bill a great bill and some who oppose it will call it a terrible bill, in my opinion, both of these positions are exaggerated. From my perspective, like most bills we consider, this one is either a good bill which contains some bad provisions or a bad bill which contains some good provisions. In the seven years I have served in Congress I have not yet seen a perfect bill. This one is no exception. I have had to learn "not to let the perfect be the enemy of the good."

I believe this is a good bill that contains some bad provisions and does not include some provisions I desired to have included. However, despite its flaws and imperfections, it represents a step forward and, on balance, deserves to be supported.

DR. PALMA FORMICA: "WOMAN OF THE CENTURY"

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. PALLONE. Mr. Speaker, on Monday, November 15, 1999, Saint Peter's University Hospital and the Muscular Dystrophy Association of Central New Jersey will honor Palma E. Formica, M.D., of Old Bridge, NJ, as a Woman of the Century.

Dr. Formica is chairwoman of family practice at Saint Peter's University Hospital in New Brunswick, NJ, and is a professor of family medicine at the University of Medicine and Dentistry of New Jersey. She began her family practice in Old Bridge in 1959. Denied admission by medical schools in the United States because they believed she would "just get married and have kids," Pam Formica got her M.D. from the Università Di Roma, Facoltà di Medicina e Chirurgia in Rome, Italy.

Actually, Mr. Speaker, Dr. Formica did get married and have kids. She also was a pioneer for women in medicine. She was the first female president of the Medical Society of New Jersey, and held the same distinction for the Middlesex County Medical Society. She is a Past President and current Member of the Board of Trustees of the American Medical Association (AMA). She serves on numerous other boards and commissions, and has won awards too numerous to mention here. The Medical Society of New Jersey has established an award in her name for women who actively lead the way for women's equality in the medical field.

Mr. Speaker, it is a great honor for me to join in paying tribute to Dr. Palma Formica, a great physician, a great New Jerseyan, and a fighter for equal opportunities for women in education, in medicine, in community affairs and in all fields of endeavor. She is indeed a Woman of the Century.

HONORING THE 10TH ANNIVERSARY OF MICROSTRATEGY

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 10, 1999

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to honor a company that represents the very best of the Information Age, a true superstar in the information technology arena that is helping to fuel the economy in my home state of Virginia and, indeed, across the entire nation. For Vienna-based MicroStrategy, it seems that the sky is the limit.

Founded in 1989 with a \$100,000 contract in hand from DuPont, MicroStrategy has quickly grown into a giant in the fledgling world of Business Intelligence. The company focuses on providing technology to build "intelligence applications"—applications that extract insight from large databases. Its software empowers organizations to understand the interactions they have with their customers, suppliers, and businesses.

That insight enables MicroStrategy's impressive array of clients—MCI, Pepsi-Cola, Coca-Cola, Wal-Mart, AT&T, Fannie Mae, American