

Azerbaijan, but would intentionally circumvent Armenia. This provision is extremely similar to H.R. 3361, the South Caucasus Integration and Open Railroads Act, legislation I introduced to ensure U.S. taxpayer funds are not used to promote a proposal or program that directly undermines the United States goal of fostering integration and cooperation among the countries in the South Caucasus.

Open and integrated transportation routes among Armenia, Azerbaijan, Georgia, and Turkey are necessary to promote cooperation, support economic growth, and help resolve regional conflicts. Unfortunately, this policy is being undermined in an effort to push Armenia further into isolation.

The design for the new rail line defies logistical and geographical logic, and intends to prevent future economic development from reaching Armenia. The proposed rail link would cost between \$400 million and \$800 million and would take years to construct, even though a perfectly workable rail link that goes through the city of Gyumri, Armenia already exists and would be fully operational with a few minor repairs.

Mr. Speaker, I commend my colleagues on the House Financial Services Committee that included this provision into this bill and I urge support for passage of H.R. 5068.

Mrs. BIGGERT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Illinois (Mrs. BIGGERT) that the House suspend the rules and pass the bill, H.R. 5068, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. PAUL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mrs. BIGGERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

□ 1430

#### PROMOTING TRANSPARENCY IN FINANCIAL REPORTING ACT OF 2006

Mr. DAVIS of Kentucky. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5024) to require annual oral testimony before the Financial Services Committee of the Chairperson or a designee of the Chairperson of the Securities and Exchange Com-

mission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board, relating to their efforts to promote transparency in financial reporting, as amended.

The Clerk read as follows:

H.R. 5024

*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 "Promoting Transparency in Financial Reporting Act of 2006".

#### SEC. 2. FINDINGS.

Congress finds the following:

(1) Transparent and clear financial reporting is integral to the continued growth and strength of our capital markets and the confidence of investors.

(2) The increasing detail and volume of accounting, auditing, and reporting guidance pose a major challenge [to the quality and transparency of financial reporting].

(3) The complexity of accounting and auditing standards in the United States has added to the costs and effort involved in financial reporting.

#### SEC. 3. ANNUAL TESTIMONY ON REDUCING COMPLEXITY IN FINANCIAL REPORTING.

The Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board shall annually provide oral testimony by their respective Chairpersons or a designee of the Chairperson, beginning in 2007, and for 5 years thereafter, to the Committee on Financial Services of the House of Representatives on their efforts to reduce the complexity in financial reporting to provide more accurate and clear financial information to investors, including—

(1) reassessing complex and outdated accounting standards;

(2) improving the understandability, consistency, and overall usability of the existing accounting and auditing literature;

(3) developing principles-based accounting standards;

(4) encouraging the use and acceptance of interactive data; and

(5) promoting disclosures in "plain English".

The SPEAKER pro tempore (Mr. HAYES). Pursuant to the rule, the gentleman from Kentucky (Mr. DAVIS) and the gentleman from New York (Mr. ISRAEL) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

#### GENERAL LEAVE

Mr. DAVIS of Kentucky. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. DAVIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume.

I want to recognize this bill as a result of a true bipartisan effort. I want to thank Chairman OXLEY and Ranking Member FRANK for their support, and particularly our original cosponsors Congressman ISRAEL from New York and Congressman SCOTT from Georgia.

This has been an effort that has come together across the aisle to provide a bill which would improve financial reporting, simplify our regulatory system over time to ultimately help our country compete in a global economy.

In the post-Enron financial era, transparent reporting has become an increasingly important component promoting a healthy corporate environment. Financially stable, accountable corporations are essential for expanding the U.S. business sector, promoting investor confidence, and for strengthening the economy. However, it is important to examine ways in which such accountability and reporting standards can become more efficient and more transparent. A cumbersome, costly system will only reduce our competitiveness in a connected world economy and ultimately will cost us jobs.

I regularly hear complaints from business owners and executives in Kentucky about the cost and the complexity of financial reporting requirements mandated by the Federal Government. As a former business consultant, I know firsthand the difficulties faced during the time-consuming and costly process of accounting and financial disclosure. We must update our methods of accountability to reflect 21st century technology in a global marketplace.

Unfortunately, financial reporting remains an arduous task with too many opportunities for error and for manipulation. Reassessing outdated accounting standards and improving the ability of the average investor to understand and utilize financial literature is essential to the livelihood of American business and the protection of American investors.

Requiring annual congressional testimony by the Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board stresses that simplification, cost reduction, and transparency in accounting standards and financial reporting are public priorities. We must assure continuity in our markets and continuity in the process.

This bill will provide the Federal Government the opportunity to apply a philosophy of continuous improvement, looking for ways to improve the regulatory structure and to reduce costs.

As stated in the bill, we would like to direct attention to several areas of particular concern. First, I would like to point out that H.R. 5024 will give Congress a way to measure progress on the efforts of these organizations over the next 5 years, and ensure that they are working to streamline and modernize the process of financial reporting.

First, we need to reassess complex and outdated accounting standards. We need to improve understandability, consistency, and the overall usability