CITIZEN VICTORIES

Mr. MCCONNELL. Mr. President, yesterday the American people actually scored a victory in the ongoing battle against government overreach. They literally rose, spoke out, and they forced the Obama administration to withdraw the latest gem from the ''department of terrible ideas'' over at the Environmental Protection Agency.

They showed two things in the process; first, the need for constant vigilance when it comes to protecting our liberties, especially with the current crowd down at the White House; and, second, the impact ordinary citizens can actually have.

The proposal in question was a uniquely awful idea. The goal was for the EPA to grant itself the authority to garnish the wages of private citizens without even giving them a day in court. Imagine. You received a letter from the government accusing you of violating some obscure regulation, a regulation most likely you never heard of and did not even know you were violating. The government then hits you with massive fines, sometimes on the order of tens of thousands of dollars a day, as you weigh your legal options and whether to fight it in court.

If you cannot or will not pay these fines in the meantime, too bad. Bureaucrats in Washington will take them out of your paycheck anyway—out of our paycheck anyway—without even the option of contesting the government's actions in court for it. This is certainly government overreach at its very worst. That is why I joined Senators THUNE, VITTER, and BARRASSO in speaking out against it. That is why we developed a resolution of disapproval to block it.

But the real key to our success was the action of the American people themselves. They got our help, but they did not sit back and wait. They let their outrage be known. They fought back against this brazen power grab. Thanks to all of those efforts, the administration finally literally threw in the towel yesterday. Certainly we were glad to see it.

But look, the fact that the Obama administration's EPA even introduced this rule in the first place should concern all of us. It was truly outrageous, but it is also not surprising because this is the same administration that just proposed a so-called waters of the U.S. regulation that would expand the government's authority so broadly that the Agency could regulate and fine almost every pothole and ditch in our backyards.

This is the same administration that has been waging a costly war on coal jobs in my State through similarly onerous and arbitrary regulations aimed at pleasing hard-core activists in Washington without any regard for real-world consequences.

It is as though these distant elites in Washington view their mission as ideological warfare. They do not seem the least bit concerned about the casualties they leave behind in the process. I have tried to get some of these bureaucratic foot soldiers down to Kentucky to see the impact of their efforts firsthand, but of course they are not interested. They are not interested in people such as the 32-year-old unemployed miner who walked into a Pikeville pregnancy center to ask for baby clothes. An employee at the center wrote to tell me what this miner had to say.

Here is what he said:

I don't come from a family that has ever had to ask for help. I feel humiliated, but my baby is suffering.

That pregnancy center employee wrote that the look on his face broke her heart. She wrote: ''[But] this is the plight of many of our families in Eastern Kentucky, their livelihood is being taken away by the War on Coal.''

These are the people whom distant bureaucrats in Washington should be forced to meet before they draft their rules. This guy just wants to put food on the table, to keep the lights on, and to give his kids a better life. But the war on coal jobs is taking away more than just his livelihood and that of so many others. It is taking away his dignity as well. Maybe that is why the administration doesn't want to meet Kentuckians like him. Maybe that is why they don't want to look my constituents in the eye. It is a big problem, and that is why I am so proud of the people who stood up to this latest ominous regulation.

Yesterday the EPA confirmed that it won't hold a single hearing within hours of my State as it works to finalize national energy tax regulations that could devastate the lives of tens of thousands of Kentuckians. They don't care, and they are not listening.

Well, I care. I see these folks when I go home. I hear their stories. My heart breaks for them. I am going to keep fighting. I am going to keep fighting against the Obama administration's various power grabs and its regulatory overreach. I am going to keep fighting against the national energy tax. I am going to keep fighting for practical ideas that aim to help struggling families for once—a marked departure from the administration's constant attacks against them—ideas such as the Coal Country Protection Act and the Saving Coal Jobs Act.

These proposals are common sense. If the majority leader would stop blocking them, we could deliver some relief to middle-class families for once. So he should know I am not going to let up and neither are the American people who won this important victory yesterday on another subject over the EPA's latest power grab because, as we also saw with the administration's recent withdrawal of an IRS regulation aimed at restricting free speech, the people can still win with enough determination. Civic involvement works—and given the pattern of abuse we keep seeing with this administration, it is absolutely critical.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

## TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to consideration of S. 2244, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2244) to extend the termination date of the Terrorism Insurance Program established under the Terrorism Risk Insurance Act of 2002, and for other purposes.

There being no objection, the Senate proceeded to consider the bill (S. 2244) to extend the termination date of the Terrorism Insurance Program established under the Terrorism Risk Insurance Act of 2002, and for other purposes, which had been reported from the Committee on Banking, Housing, and Urban Affairs, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 2244

*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 ''Terrorism Risk Insurance Program Reauthorization Act of 2014''.

**SEC. 2. EXTENSION OF TERRORISM INSURANCE PROGRAM.**

Section 108(a) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking ''December 31, 2014'' and inserting ''December 31, 2021''.

**SEC. 3. FEDERAL SHARE.**

Section 103(e)(1)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by inserting ''and beginning **[**in the calendar year that follows the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2014**]** *on January 1, 2016*, shall decrease by **[**1 percent**]** *1 percentage point* per calendar year until equal to 80 percent'' after ''85 percent''.

**SEC. 4. RECOUPMENT OF FEDERAL SHARE OF COMPENSATION UNDER THE PROGRAM.**

Section 103(e) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in paragraph (6), in the matter preceding subparagraph (A), by striking ''shall be'' and all that follows through subparagraph (E) and inserting **[**''shall be $27,500,000,000 and beginning in the calendar year that follows the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2014 shall increase by $2,000,000,000 per calendar year until equal to $37,500,000,000.''; and**]** *''shall be the lesser of—*

*''(A) $27,500,000,000, as such amount is adjusted pursuant to this paragraph; and*

*''(B) the aggregate amount, for all insurers, of insured losses during such calendar year,*

*provided that beginning in the calendar year that follows the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2014, the amount set forth under subparagraph (A) shall increase by $2,000,000,000 per calendar year until equal to $37,500,000,000.''*;

(2) in paragraph (7)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking ''for each of the periods referred to in subparagraphs (A) through (E) of paragraph 6 *(6)*''; and

(ii) in clause (i), by striking ''for such period'';

[(B) in subparagraph (B)—

(i) by striking ''for any period referred to in any of subparagraphs (A) through (E) of paragraph (6)''; and

(ii) by striking ''for such period'';]

*(B) by striking subparagraph (B) and inserting the following:*

*''(B) [Reserved.]'';*

[(C) in subparagraph (C), by striking ''occurring during any of the periods referred to in any of subparagraphs (A) through (E) of paragraph (6)''; and]

*(C) in subparagraph (C)—*

*(i) by striking ''occurring during any of the periods referred to in any of subparagraphs (A) through (E) of paragraph (6), terrorism loss risk-spreading premiums in an amount equal to 133 percent'' and inserting '', terrorism loss risk-spreading premiums in an amount equal to 135.5 percent''; and*

*(ii) by inserting ''as calculated under subparagraph (A)'' after ''mandatory recoupment amount''; and*

(D) in subparagraph (E)(i)—

(i) in subclause (I)—

(I) by striking ''2010'' and inserting ''2017''; and

(II) by striking ''2012'' and inserting ''2019'';

(ii) in subclause (II)—

(I) by striking ''2011'' and inserting ''2018'';

(II) by striking ''2012'' and inserting ''2019''; and

(III) by striking ''2017'' and inserting ''2024''; and

(iii) in subclause (III)—

(I) by striking ''2012'' and inserting ''2019''; and

(II) by striking ''2017'' and inserting ''2024''.

**SEC. 5. TECHNICAL AMENDMENTS.**

The Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in section 102—

*(A) in paragraph (3)—*

*(i) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;*

*(ii) in the matter preceding clause (i) (as so redesignated), by striking ''An entity has'' and inserting the following:*

*''(A) IN GENERAL.—An entity has''; and*

*(iii) by adding at the end the following new subparagraph:*

*''(B) RULE OF CONSTRUCTION.—An entity, including any affiliate thereof, does not have 'control' over another entity, if, as of the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2014, the entity is acting as an attorney-in-fact, as defined by the Secretary, for the other entity and such other entity is a reciprocal insurer, provided that the entity is not, for reasons other than the attorney-in-fact relationship, defined as having 'control' under subparagraph (A).'';*

([A]*B*) in paragraph (7)—

(i) by striking subparagraphs (A) through (F) and inserting the following:

''(A) the value of an insurer's direct earned premiums during the immediately preceding calendar year, multiplied by 20 percent; and'';

(ii) by redesignating subparagraph (G) as subparagraph (B); and

(iii) in subparagraph (B), as so redesignated by clause (ii)—

(I) by striking ''notwithstanding subparagraphs (A) through (F), for the Transition Period or any Program Year'' and inserting ''notwithstanding subparagraph (A), for any calendar year''; and

(II) by striking ''Period or Program Year'' and inserting ''calendar year'';

([B]*C*) by striking paragraph (11); and

([C]*D*) by redesignating paragraphs (12) through (16) as paragraphs (11) through (15), respectively; and

(2) in section 103—

(A) in subsection (c), by striking ''Program Year'' and inserting ''calendar year'';

(B) in subsection (e)—

(i) in paragraph (1)—

(I) in subparagraph (A), as previously amended by section 3—

(aa) by striking ''the Transition Period and each Program Year through Program Year 4 shall be equal to 90 percent, and during Program Year 5 and each Program Year thereafter'' and inserting ''each calendar year'';

(bb) by striking the comma after ''80 percent''; and

(cc) by striking ''such Transition Period or such Program Year'' and inserting ''such calendar year''; and

(II) in subparagraph (B), by striking ''exceed'' and all that follows through clause (ii) and inserting ''exceed $100,000,000 with respect to such insured losses occurring in the calendar year.'';

(ii) in paragraph (2)(A), by striking ''the period beginning on the first day of the Transition Period and ending on the last day of Program Year 1, or during any Program Year thereafter'' and inserting ''a calendar year''; and

(iii) in paragraph (3), by striking ''the period beginning on the first day of the Transition Period and ending on the last day of Program Year 1, or during any other Program Year'' and inserting ''any calendar year''; and

(C) in subsection (g)(2)—

(i) by striking ''the Transition Period or a Program Year'' each place that term appears and inserting ''the calendar year'';

(ii) by striking ''such period'' and inserting ''the calendar year''; and

(iii) by striking ''that period'' and inserting ''the calendar year''.

***SEC. 6. IMPROVING THE CERTIFICATION PROCESS.***

*(a) DEFINITIONS.—As used in this section—*

*(1) the term ''act of terrorism'' has the same meaning as in section 102(1) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note);*

*(2) the term ''certification process'' means the process by which the Secretary determines whether to certify an act as an act of terrorism under section 102(1) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note); and*

*(3) the term ''Secretary'' means the Secretary of the Treasury.*

*(b) STUDY.—Not later than 9 months after the date of enactment of this Act, the Secretary shall conduct and complete a study on the certification process.*

*(c) REQUIRED CONTENT.—The study required under subsection (a) shall include an examination and analysis of—*

*(1) the establishment of a reasonable timeline by which the Secretary must make an accurate determination on whether to certify an act as an act of terrorism;*

*(2) the impact that the length of any timeline proposed to be established under paragraph (1) may have on the insurance industry, policyholders, consumers, and taxpayers as a whole;*

*(3) the factors the Secretary would evaluate and monitor during the certification process, including the ability of the Secretary to obtain the required information regarding the amount of projected and incurred losses resulting from an act which the Secretary would need in determining whether to certify the act as an act of terrorism;*

*(4) the appropriateness, efficiency, and effectiveness of the consultation process required under section 102(1)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) and any recommendations on changes to the consultation process; and*

*(5) the ability of the Secretary to provide guidance and updates to the public regarding any act that may reasonably be certified as an act of terrorism.*

*(d) REPORT.—Upon completion of the study required under subsection (a), the Secretary shall submit a report on the results of such study to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.*

*(e) RULEMAKING.—Section 102(1) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—*

*(1) by redesignating subparagraph (D) as subparagraph (E); and*

*(2) by inserting after subparagraph (C) the following:*

*''(D) TIMING OF CERTIFICATION.—Not later than 9 months after the report required under section 6 of the Terrorism Risk Insurance Program Reauthorization Act of 2014 is submitted to the appropriate committees of Congress, the Secretary shall issue final rules governing the certification process, including any timeline applicable to any certification by the Secretary on whether an act is an act of terrorism under this paragraph.''.*

***SEC. 7. GAO STUDY ON UPFRONT PREMIUMS.***

*(a) STUDY.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall complete a study on the viability and effects of the Federal Government assessing and collecting upfront premiums on insurers that participate in the Terrorism Insurance Program established under the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) (hereafter in this section referred to as the ''Program'').*

*(b) REQUIRED CONTENT.—The study required under subsection (a) shall examine, but shall not be limited to, the following issues:*

*(1) How the Federal Government could determine the price of such upfront premiums on insurers that participate in the Program.*

*(2) How the Federal Government could collect and manage such upfront premiums.*

*(3) How the Federal Government could ensure that such upfront premiums are not spent for purposes other than claims through the Program.*

*(4) How the assessment and collection of such upfront premiums could affect take-up rates for terrorism risk coverage in different regions and industries and how it could impact small businesses and consumers in both metropolitan and non-metropolitan areas.*

*(5) The effect of collecting such upfront premiums on insurers both large and small.*

*(6) The effect of collecting such upfront premiums on the private market for terrorism risk reinsurance.*

*(7) The size of any Federal Government subsidy insurers may receive through their participation in the Program, taking into account the Program's current post-event recoupment structure.*

*(c) REPORT.—Upon completion of the study required under subsection (a), the Comptroller General shall submit a report on the results of such study to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.*

*(d) PUBLIC AVAILABILITY.—The study and report required under this section shall be made available to the public in electronic form and shall be published on the website of the Government Accountability Office.*

The PRESIDING OFFICER. Under the previous order, the committee-reported amendments are agreed to, and the bill, as amended, is considered as original text for purposes of further amendment.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON. I ask to speak for 3 minutes as in morning business.

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

(The remarks of Mr. NELSON are printed in today's RECORD under ''Morning Business.'')

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. First, I thank my good friend from Florida for his heartfelt and his always articulate words. We are now going to debate, finally, the reauthorization of the Terrorism Risk Insurance Program.

Senator CRAPO and I have opening statements, but Senator TESTER, who has added an extremely important amendment to this legislation, has a markup shortly, so we are going to accede and let him speak about his amendment first, and then we will get on with our opening statements. I thank Senator TESTER for his hard work on this issue as well as his ability to compromise to get something done.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 3552

Mr. TESTER. I call up amendment No. 3552, ask for its immediate consideration, and I ask that Senator KLOBUCHAR and Senator PRYOR be added as cosponsors.

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

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. TESTER] for himself, Ms. KLOBUCHAR and Mr. PRYOR, proposes an amendment numbered 3552.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. TESTER. I thank Chairman JOHNSON and Ranking Member CRAPO and Senators SCHUMER and HELLER for their hard work on helping me on the TRIA bill and for helping me on this amendment, as well as Senator SCHUMER and Senator HELLER for their hard work not only on the TRIA legislation but also on the NARAB amendment, which I am going to talk about in a moment. I also wish to give a special thank-you to Senator JOHANNS, who is a cosponsor on this amendment and somebody with whom I have worked very closely to get this amendment to the point it is today.

The Tester-Johanns amendment is the National Association of Registered Agents and Brokers Act, otherwise known as NARAB. NARAB is a bill Senator JOHANNS and I introduced last year. It was reported out of the Banking, Housing, and Urban Affairs Committee on a voice vote.

Our amendment creates a nonprofit association to provide one-stop licensing for insurance agents and brokers operating outside of their home State. This arrangement would fully preserve the authority of State insurance regulators to supervise these markets.

Currently, an insurance agent or broker seeking to operate in multiple States must meet different State-specific licensing requirements and seek approval from each State's insurance commissioner. This process is time consuming, it is costly, it is redundant, and it is sometimes contradictory—without providing any greater consumer protection. That is a big disincentive for smaller agents and brokers to grow their businesses.

This is not a new issue for the insurance industry. Congress recognized the need for a forum to reform the insurance licensing system in 1999 when it incorporated the National Association of Registered Agents and Brokers Act subtitle into the Gramm-Leach-Bliley Act. Unfortunately, at that time Congress did not immediately establish NARAB. As a result, Gramm-Leach-Bliley did not achieve the level of reciprocity and uniformity Congress expected and these efforts to streamline cross-state insurance licensing never took hold. That is why this important amendment is before the Senate today.

Senator JOHANNS' and my amendment would provide insurance agents and brokers with the option of becoming a member of NARAB provided that they meet the professional standards set by the association and undergo a criminal background check.

NARAB will streamline the licensing process for agents and brokers, enabling them to be licensed under one single, strong national licensing standard rather than following different State standards, thereby saving time and money.

In addition to setting rigorous professional standards, the association will let agents and brokers renew their licenses all at once and fully preserve the abilities of regulators to protect consumers and supervise and discipline agents and brokers.

Currently, on average, insurance agents sell their products in eight States, with many serving even more. A one-stop licensing compliance mechanism will benefit all agents and brokers but particularly the smaller folks who must spend time and money dealing with different standards in different States.

A one-stop shop for insurance licensing will help smaller players compete against the bigger competitors. That is good for business, and it is good for consumers.

NARAB represents a decade of effort, and I am pleased we will finally achieve the goals laid out in Gramm-Leach-Bliley. Some feared NARAB would diminish States rights. As a former State legislator, when folks start talking about States rights issues, I pay attention, but in this case I believe they are wrong.

I wish to take a minute and talk about how this amendment protects States rights. Under this amendment, States would retain all authority to license their own resident agents and brokers. The association would be required to notify States when agents and brokers apply for membership, letting the States notify NARAB of any reason membership should not be granted to the producer.

States will also have significant control over NARAB. The nonprofit association would be governed by a board of directors dominated by State insurance regulators and chaired by a State insurance regulator. Most importantly, NARAB deals only with marketplace entry and would not impact the day-to-day regulation of insurance. States will maintain exclusive control of the regulation of marketplace activities, consumer protection requirements, unfair trade practices, and other important areas.

Under this bill, under this amendment, we will preserve the authority of States to supervise insurance producers. Any agent or broker who obtains the authority to operate in a jurisdiction through NARAB is still subject to the full regulatory authority of that State and must comply with all marketplace requirements. Under our amendment, States will continue to receive insurance licensing fees, which will be collected by NARAB and remitted to the States.

This legislation is supported by the National Association of Insurance and Financial Advisers, the Council of Insurance Agents and Brokers, and the Independent Insurance Agents and Brokers of America. It is also supported by the National Association of Insurance Commissioners, which has expressed its full support for this bill and the final TRIA bill.

I urge my colleagues to support the Tester-Johanns amendment. It is truly a commonsense amendment that helps not only the industry but also the consumers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. JOHANNS. Mr. President, I will begin today by acknowledging the good work of the good Senator from Montana. This bill has been around for a long time, and it is our hope that we will get to a point today where we can say that finally we have solved the problems.

The Senator from Montana has done an excellent job of laying out what this bill is all about and what it is not about, and I don't feel a need today to repeat what he has said, but let me just make a couple of points.

First, the partnership we had in working on this bill was excellent, and that is why it is this far along. It was a bipartisan effort.

This legislation is long overdue, and it does benefit consumers and businesses all across this great country. It is exactly what we look for. It reduces redtape, it encourages competition and protects State law, and it promotes consumer choice. For these reasons, it is my hope the entire Senate unanimously supports the amendment.

I might mention that we passed this legislation out of the banking committee about a year ago. That was after working on this for about 10

years. The House passed this bill last year by an overwhelming bipartisan vote, 397 to 6. So I am pleased we can advance this legislation today as part of the terrorism risk insurance bill, which I also support and will vote yes on.

Frankly, it is refreshing to finally be allowed to vote on amendments on the Senate floor. I hope this is a sign of things to come. I thank Senator SCHUMER and Senator CRAPO for their work in bringing us to this point. Without their work, TRIA would not be where it is today.

I urge the adoption of the amendment. I hope we can move the legislation to the President's desk as soon as possible.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I thank my colleagues from Montana and Nebraska for their hard work on not only this legislation but their very important amendment—long overdue. I certainly thank Senators JOHNSON and CRAPO, without whose leadership we couldn't be here to pass this bill. I thank my original cosponsors, Senator KIRK from Illinois who is here, Senator JACK REED, Senator HELLER, Senator MURPHY, Senator JOHANNS, Senator WARNER, Senator BLUNT, and Senator MENENDEZ, all of whom recognized the importance of having this incredibly important program reauthorized.

As author of the original TRIA legislation, I have watched this evolution closely. I could not be more convinced of the necessity to reauthorize the program for the long haul.

I remember the dark days right after 9/11. I was there. The worst thing was the loss of life—people we had all known. I know people who were lost—a guy I played basketball with in high school, a businessman who helped me on the way up, a firefighter with whom I did blood drives. But there was also the economic worry. People thought southern Manhattan would not come back. People thought businesses would flee New York—that New York's greatest days were behind us. And of course the people of New York, with their resiliency, backed up by everyone in this country—including President Bush, very strongly—did come back. But the uncertainty we faced in the immediate aftermath was that there would be no building in southern Manhattan or Manhattan at all. And we have some history.

One of the things that greatly stood in the way was the private sector did not offer any sufficient coverage to protect against the threat of terrorism. No one knew when there might be another terrorist incident. Insurance companies, knowing how large the losses were, figured it was better not to underwrite insurance than write it for such an astronomical sum that the building would not be even economically feasible.

We have some colleagues who said this should be a private sector endeavor. Well, we have history. The private sector was unable, because of the potential economic losses if, God forbid, there was another terrorist attack, whether it be conventional, nuclear, or chemical, to provide terrorism insurance. When that occurs, banks would not finance buildings, knowing there was no insurance backup, and we would have been in huge trouble. That is why we devised the terrorism insurance bill.

For those who say let the private sector do it, we have an experiment. We have what the scientists would call a controlled experiment. When there was no terrorism insurance after 9/11, the private sector would not offer insurance. We even find to this day, as the existing bill expires, fewer people underwrite terrorism insurance and fewer buildings are financed.

So we can do one of two things: We can sit back and let the market handle this on its own and lose millions—literally millions—of jobs, lose economic stability, safety, prosperity, and growth or we can renew this legislation. We can come up with a smart, responsible, risk-sharing system where the private sector is paying upfront. But if, God forbid, there is another serious incident beyond the capability of the private sector to shoulder, the Federal Government can step in and provide a backstop. That is what we have done.

The TRIA Program is a shining example of the government partnering with the private sector to solve problems that neither can solve on its own.

Let me underline, first, the importance to my city of New York. The redevelopment of downtown Manhattan is booming there. People are flocking to live there and work there. It is the hot area of New York again—not just with financial services but with law and advertising and high-tech. It serves as a reminder of the role the Federal Government can and should play in helping facilitate the stability and growth of cities across the country.

This bill will not lessen the impact of a terrorist attack but will help ensure that our cities throughout the country are less vulnerable to the economic devastation that would follow such a horrific event.

But this bill is hardly just focused on New York City. It not only affects every large city—my good friend from Nebraska spoke—it affects the football stadium and any renovations that might occur there in Lincoln. I have been there for a Nebraska-Oklahoma game. It was an amazing experience. It affects any city that has large gatherings of people and buildings—shopping centers, athletic facilities, colleges. So it affects almost every State. That is one of the reasons we have come together and gotten such broad bipartisan support.

We must make sure that every reauthorization of the program provides the certainty lenders and developers need to make the kind of long-term investment our country and large projects need to stimulate job growth and economic growth, and this bill does just that. That is why it was passed out of the banking committee unanimously.

Again, I thank my colleagues, particularly on the other side of the aisle. As Senator JOHANNS said—and we say it on each bill where there is some bipartisan support—this one has overwhelming support. Maybe this bill can be a model that at least on many issues we can work together.

Time is of the essence. Insurance policies for 2015 are already being written. Each day that goes by without a TRIA Program causes great uncertainty in the market and holds back the potential for more development, more construction, more jobs, and more economic growth.

I will talk about the amendments later, but I urge my colleagues, both here in the Senate and in the House, to move as quickly as possible because our economy is greatly affected by it. It is one of those that ''runs quiet, runs deep.'' It is a quiet policy but a policy that greatly affects lots of things that go on.

Again, I thank my colleagues, Senator CRAPO for his good and hard work, as well as Senator JOHNSON and my cosponsors.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I am appreciative of Senator SCHUMER and the work we have been able to do together to move this legislation forward.

I rise today to speak in favor of S. 2244, the Terrorism Risk Insurance Act, or TRIA, program. As a cosponsor of this bill, I recognize Senator SCHUMER, Senator KIRK, Senator HELLER, Senator REED, and others for helping to put this bipartisan piece of legislation together.

Chairman JOHNSON and his staff also deserve a great amount of thanks for their strong efforts in moving this bill forward.

Working together, we developed a balanced bipartisan product that was literally unanimously supported in the banking committee 22 to 0. This bill we have put together allows the private insurance industry to absorb and cover the losses of all but the largest acts of terror—ones in which the Federal Government would likely be forced to step in, in any event, if the program were not there. Taxpayer protections have been increased in this reauthorization by moving more of the responsibility for losses on to private insurers.

For those who are not familiar with the program, TRIA was initially passed as a response to the unavailability of terrorism insurance in the wake of 9/11. The private market had already retreated in response to those terrorist attacks. It was then thought that a temporary program would allow the market time to develop products that would allow policyholders to protect themselves from terrorism losses.

More than a decade after the tragic events of 9/11, the temporary inability

to insure against terrorism has abated, and private capital is better positioned to take on more exposure to terrorism.

When the banking committee held its first hearing on TRIA's reauthorization last year, we discussed the ability of the private insurance market to step in to provide terrorism insurance if the TRIA Program expired. In that hearing, and in subsequent meetings with providers, policyholders, and stakeholders, we recognized on a bipartisan basis the continued difficulties associated with providing terrorism insurance required that we look again at extending the act.

Terrorism is difficult to predict. Therefore, the ability to develop products to insure against terrorism is very difficult to do. The size, severity, and frequency of attacks are hard to model. Also, attacks may be highly correlated, making it difficult for private insurers to diversify their risks.

Having TRIA in place was determined to be important. But if the market is too heavily reliant on Federal support, we may deter private companies from coming up with cost-effective solutions. That is why, instead of a straight reauthorization, I and others pushed for reforms to maintain the program and increase protections for taxpayers.

In order to do that, we examined each of the policy levers in the program. The bill marked up by the banking committee would increase the insurance industry's aggregate retention level and the company coinsurance levels. As the program stands today, the Federal Government would recoup any TRIA payments it makes up to $27.5 billion through post-event payments. This industry retention level allows the taxpayer to recover TRIA payments through an industrywide assessment on property-casualty policies. This aspect of the bill was last changed in the 2005 reauthorization. The bill before us today increases that recoupment level by $2 billion a year, to an overall level of $37.5 billion—an additional $10 billion. This is a significant reduction in the potential exposure and cost to taxpayers.

In addition, the bill increases the company coinsurance level from 15 percent to 20 percent over 5 years. This means that before the backstop is reached, each company will take on a greater portion of the losses above their deductible.

In order to get more private capital in the marketplace, Senator FLAKE has an amendment to create an advisory committee to promote the creation and development of private sector risk-sharing mechanisms. I support the addition of the Flake amendment and believe the advisory committee will find private sector solutions that will allow us to further decrease the program in future reauthorizations.

Before I conclude, I have a handful of letters in my possession here from groups across the country strongly supporting and encouraging that we adopt this legislation.

The U.S. Chamber of Commerce has listed this as a key vote. The Coalition to Insure Against Terrorism, which represents dozens and dozens of the financial sector interests across this country, recommends and encourages that we support this legislation, and the Mortgage Bankers Association, the National Association of Insurance Companies, the Property Casualty Insurers, the National Apartment Association, the National Multifamily Housing Council, and the American Builders Conference.

These are just a sampling of letters we have received from interests across the Nation that support this legislation. I ask unanimous consent that these letters be printed in the RECORD.

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

ASSOCIATED BUILDERS AND CONTRACTORS, INC.,
*Washington, DC, July 17, 2014.*

U.S. SENATE,
*Washington, DC.*

DEAR SENATOR: on behalf of Associated Builders and Contractors (ABC), a national construction industry association with 70 chapters representing nearly 21,000 members, I am writing to express our support for S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014. The bill, introduced by Sen. Chuck Schumer (D–N.Y.), would extend the Terrorism Risk Insurance Act (TRIA) for seven years beyond the current expiration date of December 14, 2014, ensuring the construction industry will be able to secure sufficient terrorism insurance.

Following the tragic attacks on our country on September 11, 2001, terrorism insurance rates skyrocketed and many contractors were unable to secure insurance, forcing projects to be put on hold, costing jobs and hindering economic development. The attacks had a particularly devastating impact on the construction industry: more than one million jobs were lost and $15 billion in real estate transactions were canceled.

In 2002, President Bush signed TRIA into law, immediately providing much needed assurance to builders and lenders. TRIA acted as a spark to help our economy recover in the face of continued terrorist threats by allowing contractors across the country to secure this commercially necessary product.

Since 2002, TRIA has been reauthorized twice in overwhelmingly bipartisan fashion and has continued to act as a public-private partnership to ensure the stability of the terrorism insurance marketplace. The seven year extension contained in S. 2244 would provide a long term backstop that is necessary to ensure the construction industry's future success. Without the extension, banks will be less inclined to lend necessary funds to new construction projects and companies may be forced out of the industry because of financial risks, costing jobs and putting a roadblock in our nation's drive to economic recovery.

In the wake of a recession in which our industry faced a 27.2 percent unemployment rate, the construction economy cannot sustain the uncertainty and disruption that the expiration of TRIA would trigger.

ABC and its members fully support the extension of TRIA, and urges all Senators to support S. 2244.

Sincerely,

GEOFFREY BURR,
*Vice President, Government Affairs.*

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NATIONAL MULTIFAMILY HOUSING COUNCIL, NATIONAL APARTMENT ASSOCIATION,
*Washington, DC, July 16, 2014.*

DEAR SENATOR: This week the U.S. Senate is scheduled to consider a bill to reauthorize the Terrorism Risk Insurance Act (TRIA). We commend Chairman Johnson and Ranking Member Crapo for their good work on S. 2244, the Terrorism Risk Insurance Reauthorization Act of 2014. It represents a bipartisan, balanced approach to maintaining the necessary program elements of TRIA while enhancing taxpayer protections. TRIA was first enacted after the events of 9–11 creating a federal backstop so that affordable terrorism coverage would be available and affordable for commercial policyholders across the country, including apartment property owners, developers and managers. The program has been a successful public/private partnership and is fiscally sound.

On behalf of the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA), we urge your support of S. 2244. As policyholders, our members are anxious to advance legislation in a swift manner to eliminate the uncertainty associated with the year-end program expiration.

NMHC/NAA represent the nation's leading firms participating in the multifamily rental housing industry. Our combined memberships engage in all aspects of the apartment industry, including ownership, development, management and finance. NMHC represents the principal officers of the apartment industry's largest and most prominent firms. NAA is a federation of 170 state and local apartment associations comprised of approximately 64,000 multifamily housing companies representing nearly 7.5 million apartment homes throughout the United States and Canada.

TRIA and subsequent extensions of the program have been the mechanism that provides ready access to affordable insurance coverage. Terrorism risk does not resemble other commercial risks. Unlike natural disasters in which insurers have had significant experiences and data to project the risk of damage, terrorism remains unpredictable and therefore largely uninsurable. The impact of an event can be enormous, and insurance modeling for such risks is still not reliable, thus underscoring the importance of continued federal involvement.

In 2012 data collected from our members relative to their cost of insurance, take up rates for terrorism coverage was 91%. This is not insignificant and demonstrates that certainty offered by TRIA in costs and coverage limits are critical components in a multifamily property owner's continued ability to offer safe and affordable housing.

We thank you for your support of this measure and appreciate your taking steps to move this important legislation one step closer to enactment before the December 2014 expiration.

Sincerely,

DOUGLAS M. BIBBY,
PRESIDENT,
*National Multi Housing Council.*

DOUGLAS S. CULKIN, CAE,
PRESIDENT,
*National Apartment Association.*

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA,
*July 16, 2014.*

Contact: Eileen Gilligan
Phone: 202–639–0497
Email: Eileen.Gilligan@pciaa.net

PCI URGES THE SENATE TO SUPPORT THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2014

Washington—Nat Wienecke, senior vice president, federal government relations of the Property Casualty Insurers Association of America (PCI) issued the following statement in regards to the Senate's upcoming consideration of S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014.

''PCI strongly supports passage of S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014, and commends the Senate Committee on Banking, Housing, and Urban Affairs for unanimously passing this legislation and sending it to the full Senate for a vote,'' said Wienecke. ''TRIA is a critical part of the fabric of our national response plan for terrorist attacks. Ensuring America's economic resiliency to terrorist attacks is a solemn responsibility and we call on the members of the Senate to vote aye and move this legislation one step closer to the president's desk.''

PCI is composed of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI members write over $195 billion in annual premium, 39 percent of the nation's property casualty insurance. Member companies write 46 percent of the U.S. automobile insurance market, 32 percent of the homeowners market, 37 percent of the commercial property and liability market, and 41 percent of the private workers compensation market.

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NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES,
*July 16, 2014.*

DEAR SENATOR: as the Senate completes floor consideration of S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014, the National Association of Mutual Insurance Companies respectfully urges you to vote ''yes'' on this critical piece of legislation. A long-term reauthorization of the TRIA program ensures a vital piece of the nation's economic national security infrastructure will continue to encourage private sector involvement in the terrorism insurance marketplace—thereby protecting and promoting our nation's finances, security, and economic strength.

NAMIC is the largest and most diverse property/casualty trade association in the country, with 1,400 regional and local mutual insurance member companies on main streets across America joining many of the country's largest national insurers who also call NAMIC their home. Member companies serve more than 135 million auto, home and business policyholders, writing in excess of $196 billion in annual premiums that account for 50 percent of the automobile/ homeowners market and 31 percent of the business insurance market. More than 200,000 people are employed by NAMIC member companies.

NAMIC appreciates the bipartisan leadership of the Senate Banking Committee in reporting legislation by a unanimous vote which both increases taxpayer protections and which will maintain a robust terrorism insurance market for consumers and companies of all sizes. In particular, we applaud the crafters of S. 2244 for recognizing that raising the ''trigger level'' could make it impossible for many small to medium-sized insurers to continue to write terrorism and other business coverages without ultimately doing anything to reduce taxpayer exposure.

As it is, we are encouraging you to pass this compromise legislation to reauthorize a program that has protected the economic security of the United States since its creation following the September 11, 2001 terrorist attacks.

Sincerely,

JAMES D. GRANDE,
*SVP—Federal and Political Affairs, National Association of Mutual Insurance Companies.*

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MORTGAGE BANKERS ASSOCIATION,
*July 14, 2014.*

Hon. HARRY REID,
*Majority Leader, U.S. Senate, Washington, DC.*
Hon. MITCH MCCONNELL,
*Minority Leader, U.S. Senate, Washington, DC.*

DEAR LEADER REID AND LEADER MCCONNELL: On behalf of the Mortgage Bankers Association (MBA), I am writing to urge the Senate to pass S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014, which was unanimously approved by the Senate Banking Committee last month. With the year-end expiration of the Terrorism Risk Insurance Act (TRIA) looming closer, it is critical that Congress take action to pass a long-term extension of the terrorism risk insurance program.

MBA's paramount objective for TRIA reauthorization is for terrorism risk insurance to remain both available and affordable, in the long-term, for commercial real estate and multifamily properties. The clearest path to this objective is a long-term TRIA extension without modifications. If changes to the program are inevitable, our perspective on TRIA reauthorization legislation is then guided by its potential impact on the availability and affordability of terrorism risk insurance. By introducing a limited number of incremental programmatic modifications, S. 2244 is consistent with past reauthorization efforts that MBA has supported.

A long-term extension of TRIA is essential to the health and vitality of the $2.5 trillion commercial and multifamily real estate finance sector and the nation as a whole. The absence of available and affordable terrorism risk insurance would not only impact the commercial real estate finance center, but would ripple through the economy as buildings became more difficult and costly to finance and purchase.

Any changes to TRIA should be incremental, at most, and implemented over the course of a long-term reauthorization period in order to avoid unintended consequences. Past reauthorization efforts for the program have introduced gradual changes that did not negatively impact the availability and affordability of terrorism risk insurance. A departure from this approach could result in price and availability shocks for terrorism risk insurance. We are pleased the Senate is placing a high priority on TRIA reauthorization.

Regarding S. 2244, MBA offers the following observations:

Long-Term Extension—MBA strongly supports the seven-year extension period because it will allow for extended market certainty that a terrorism risk insurance program will be in place.

Increased Recoupment—The federal government's potential recoupment is increased from $27.5 billion to $37.5 billion over a five-year period. The five-year adjustment period ($2 billion per year) represents an incremental approach to an important element of the program.

Increased Insurance Company Co-Pay—After the initial deductible, the insurance company co-pay will be increased by one percent a year for five years until the co-pay increases from 15 percent to 20 percent. This also represents an incremental change to another important element of the program. TRIA reauthorization should take into consideration the potential impacts on small property insurance companies.

MBA urges all members of the Senate to vote in favor of S. 2244 and to oppose amendments that would weaken the TRIA program. We look forward to working with Congress, other policymakers, and engaged stakeholders to ensure the long-term reauthorization of the TRIA program as quickly as possible.

Sincerely,

DAVID H. STEVENS,
*President and Chief Executive Officer.*

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COALITION TO INSURE AGAINST TERRORISM,
*Washington, DC, July 16, 2014.*

DEAR SENATOR: The Coalition to Insure Against Terrorism (CIAT) strongly urges you to support S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014. S. 2244 would extend the Terrorism Risk Insurance Act (TRIA) for seven years.

CIAT represents a wide range of businesses and organizations throughout the transportation, real estate, manufacturing, construction, energy, education, entertainment and retail sectors that regularly must obtain insurance against terrorism. We know firsthand that, as part of its economic national security, America needs a stable, reliable terrorism competitive insurance market so employers can invest in assets and create jobs without assuming the risk and liabilities of a terrorist attack.

Again, we urge you to support S. 2244 and we thank you for your consideration of CIAT's concerns on this vital issue.

Sincerely,

THE COALITION TO INSURE AGAINST TERRORISM.

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NATIONAL ASSOCIATION OF REALTORS,
*July 16, 2014.*

DEAR SENATOR: On behalf of the over one-million members of the National Association of REALTORS (NAR), I urge you to support S. 2244, the ''Terrorism Risk Insurance Program Reauthorization Act of 2014,'' when the Senate votes on it on Thursday, July 17th. This bipartisan legislation, unanimously approved by the Senate Banking Committee in June, extends the Terrorism Risk Insurance Act (TRIA) for seven years and makes minimal changes to a program that has worked since its inception in 2002 at virtually no cost to taxpayers.

NAR's membership includes commercial practitioners and brokers who work with clients that would be adversely affected if TRIA is allowed to expire at the end of 2014, or if it is renewed in a manner that constricts the ability of private insurers to make terrorism coverage available and affordable throughout the country. The current TRIA program continues to be a success, keeping private terrorism insurance coverage available and affordable while protecting taxpayers and limiting the federal government's exposure to only the most extreme events. Though we do have concerns that provisions in S. 2244 to increase the mandatory recoupment amount (from $27.5 billion to $37.5 billion) could adversely impact the economy in the wake of a terrorist attack, overall we are pleased that the bill received unanimous bipartisan support from the Banking Committee. NAR urges the full Senate to approve it today.

Please give your support to S. 2244 when it reaches the Senate floor. TRIA provides a crucial framework for economic recovery in

the wake of a catastrophic terrorist attack, and allows the United States to maintain a stable terrorism insurance market so employers can invest in properties and create jobs without assuming the risk and liabilities of a terrorist attack. Your support of this extension bill will aid in preventing market uncertainty for years to come.

Sincerely,

STEVE BROWN,
*2014 President,*
*National Association of REALTORS®.*

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NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES, PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA, U.S. CHAMBER OF COMMERCE, COMMERCIAL REAL ESTATE FINANCE COUNCIL,

*July 8, 2014.*

Hon. HARRY REID,
*Majority Leader, U.S. Senate,*
*Washington, DC*
Hon. MITCH MCCONNELL,
*Minority Leader, U.S. Senate,*
*Washington, DC.*

DEAR MAJORITY LEADER REID AND MINORITY LEADER MCCONNELL: The undersigned organizations respectfully request quick action on S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014. This bipartisan legislation was reported last month with a unanimous vote by the Senate Committee on Banking, Housing, and Urban Affairs and is essential to retain the Terrorism Risk Insurance Program that has protected U.S. national and economic security since its creation following the September 11, 2001 terrorist attacks. To date, a quarter of the Senators have cosponsored S. 2244.

The TRIA program is a vital piece of the nation's economic national security infrastructure. The federal government plays an important and appropriate role in encouraging private sector involvement in the terrorism insurance marketplace—thereby protecting and promoting our nation's finances, security, and economic strength. The Terrorism Risk Insurance Program has been a remarkable success in achieving its primary mission to ''protect consumers by addressing market disruptions and ensure the continued widespread availability and affordability of property and casualty insurance for terrorism risk.''

The undersigned parties are very appreciative of the bipartisan leadership of the Senate Banking Committee in reporting legislation that increases taxpayer protections while retaining broad support of consumer groups and the marketplace. Working together, Sens. Johnson and Crapo and members of the Committee achieved consensus agreement on a bipartisan piece of legislation. The bill reauthorizes the TRIA program for seven years, a period of time that will bring longer-term certainty to the market and facilitate economic development, and increases the ultimate private sector share of the responsibility for insured losses, thereby reducing any potential burden on the taxpayer.

We are particularly appreciative that the Senate consensus bill largely maintains the current thresholds that facilitate broad private participation in the terrorism insurance market. For example, the bill maintains the current $100 million ''trigger''—the minimum size of a terrorist event required to trigger any Federal involvement. An excessive trigger could make it impossible for many small to medium-sized insurers to continue to write terrorism and other business coverages. If insurers are forced out of the market, the result is expected to be less availability of coverage and less competition. That would be antithetical to TRIA's stated purposes. Small and medium-sized insurers represent almost 98 percent of all insurers writing TRIA coverage and almost half of all TRIA-related premiums. Small and medium-sized insurers are a critical source of terrorism coverage as well as other lines of insurance meeting all of needs of American businesses large and small. The primary impact of raising the trigger would be on smaller, regional, and niche insurers whose deductible—and even total exposure—is less than the amount of an elevated trigger level that has been set too high. We applaud the crafters of S. 2244 for recognizing this important fact.

We urge the Senate to take up S. 2244 as quickly as possible. Consumers are already having to purchase terrorism insurance coverage that extends beyond TRIA's current December 31, 2014 expiration without any certainty regarding the levels of protection TRIA will provide. Many newly issued policies contain conditional terrorism exclusions, which could result in no protection for consumers if Congress fails to act in a timely manner. While most stakeholders prefer a straight extension of TRIA with no changes, we recognize and appreciate the bipartisan leadership of the committee in moving S.2224 forward and hope that you can reach agreement to bring this legislation to the Senate floor as soon as possible where we believe it will have overwhelming support.

Given the broad support this bill has already attracted, we would encourage the full Senate to consider this legislation as soon as possible with minimal revisions, and in particular, no amendments to raise the trigger from its current $100 million level. We believe that the current version of the legislation will help maintain a vital program that has succeeded in fostering a robust terrorism insurance market for consumers and companies of all sizes, at virtually no cost to the federal government.

Sincerely,

National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America, U.S. Chamber of Commerce, Commercial Real Estate Finance Council.

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U.S. CHAMBER OF COMMERCE,
*Washington, DC, July 16, 2014.*

TO THE MEMBERS OF THE UNITED STATES SENATE: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly supports S. 2244, the ''Terrorism Risk Insurance Program Reauthorization Act of 2014,'' and applauds the Senate Committee on Banking, Housing, and Urban Affairs for reporting out this important bill with unanimous support.

In the months following the 9/11 terrorist attacks, the inability for insurance policyholders to secure terrorism risk insurance contributed to a paralysis in the economy, especially in the construction, travel and tourism, and real estate finance sectors. Since its initial enactment in 2002, the Terrorism Risk Insurance Act (TRIA) has served as a vital public-private risk sharing mechanism, ensuring that private terrorism risk insurance coverage remains commercially available and that the U.S. economy could more swiftly recover in the event of a terrorist attack.

Catastrophic terrorism remains an uninsurable risk because its frequency and location cannot be accurately predicted, and its potential scale could be economically devastating. TRIA continues to promote long-term availability of terrorism risk insurance for catastrophic terror events and provides a standard of stability for financial markets and recovery after such an attack.

The Chamber strongly urges you to support S. 2244, the ''Terrorism Risk Insurance Program Reauthorization Act of 2014,'' and may consider votes on, or in relation to, this bill in our annual How They Voted scorecard.

Sincerely,

R. BRUCE JOSTEN.

Mr. CRAPO. Getting terrorism risk insurance right is important in order to protect taxpayers and to limit economic and physical impacts of any future terrorist attacks on the United States. This bill will help us maintain a properly balanced terrorism risk insurance program that increases the Nation's economic resilience to terrorism. Again, I thank Chairman JOHNSON and Senators SCHUMER, KIRK, REED, and HELLER for their partnership in bringing this bill forward and encourage its adoption.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. KIRK. Mr. President, I haven't spoken that much in this Chamber since I suffered that stroke. I so strongly believe in this legislation to make it happen.

Behind me is a representation of the world's tallest buildings, the 10 tallest buildings in the world. Only one is in the U.S.A. Look over at that tallest one. That still distresses me, the Burj Khalifa, which is right now the tallest building in the world. I believe as the Senator representing Chicagoland, the city that invented the skyscraper, that Chicagoland citizens have a right to grow up in the shadow of the world's tallest buildings. Unless we quantify the risk for building one of these buildings through the TRIA legislation, we will not return skyscrapers to the country that invented skyscrapers.

With that I yield back the remainder of my time.

Thank you.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Senator CRAPO listed some letters and asked that they be put in the RECORD for some groups supporting our legislation.

We have a very long list, and I ask unanimous consent that list be added to the RECORD, the supporters of the legislation.

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

SUPPORT S. 2244, THE BIPARTISAN TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2014

On April 10th, following two Banking Committee hearings on the need for Congress to reauthorize TRIA, Senators Schumer (D-NY), Kirk (R-IL), Reed (D-RI), Heller (R-NV), Murphy (D-CT), Johanns (R-NE), Warner (D-VA), Blunt (R-MO) and Menendez (D-NJ) introduced the Terrorism Risk Insurance Program Reauthorization Act of 2014. The sponsors, working with Banking Committee Chairman Johnson and Crapo, crafted a bipartisan compromise with the following key features:

*Long-term extension that will promote national security, economic growth and market certainty*

7 year extension of TRIA until December 31, 2021.

*Improve existing taxpayer protections*

Gradually raise the insurer co-payment from 15% to 20% over 5 years.

Gradually raise the mandatory recoupment threshold from $27.5 billion to $37.5 billion over 5 years.

When considering S. 2244, the Banking Committee made several improvements to the bill offered by both Republican and Democratic Committee Members, including requiring a study and rulemaking by the Treasury Department to improve the TRIA certification process to provide better guidance and certainty following events that may qualify to be certified as ''acts of terror'' under the program.

*Broad support for S. 2244 and extending TRIA*

*Unanimous, Bipartisan Support in Committee:* By a unanimous and bipartisan vote of 22-0, the Banking Committee voted on June 3, 2014, to report S. 2244 to the Senate floor.

*Quarter of the Senate are Cosponsors:* A quarter of the Senate is now cosponsors of S. 2244, including the original sponsors and Senators Blumenthal (D-CT), Booker (D-NJ), Cardin (D-MD), Chambliss (R-GA), Crapo (R-ID), Donnelly (D-IN), Durbin (D-IL), Franken (D-MN), Gillibrand (D-NY), Isakson (R-GA), Johnson (D-SD), Klobuchar (D-MN), Markey (D-MA), Merkley (D-OR), Mikulski (D-MD), and Tester (D-MT).

*Strong Support from a Wide Range of Stakeholders Across the Country:* A large number of businesses and organizations have called on Congress to extend TRIA and support S. 2244, including the U.S. Chamber of Commerce, American Hotel and Lodging Association, Real Estate Roundtable, Realtors, Mortgage Bankers Association, MLB's Office of the Commissioner, NBA, NCAA, NFL and NHL.

*S. 2244 is strongly supported by a wide range of organizations, including:*

American Association of Port Authorities, American Bankers Association, American Bankers Insurance Association, American Bankers Securities Association, American Council of Engineering Companies, American Gaming Association, American Hotel and Lodging Association, American Insurance Association, American Land Title Association, American Public Gas Association, American Public Power Association, American Resort Development Association, American Society of Association Executives, Associated Builders and Contractors, Associated General Contractors of America, Association of American Railroads, Association of Art Museum Directors, Building Owners and Managers Association International, Boston Properties, Campbell Soup Company.

Coalition to Insure Against Terrorism, Cornerstone Real Estate Advisers, LLC, CRE Finance Council, CSX Corporation, Emerson, Financial Services Roundtable, Food Marketing Institute, Helicopter Association International, Hilton Worldwide, Host Hotels & Resorts, Inc., Institute of Real Estate Management, InterContinental Hotel Group, International Council of Shopping Centers, International Franchise Association, International Safety Equipment Association, International Speedway Corporation, Long Island Import Export Association, Marriott International, Mortgage Bankers Association, NAIOP.

National Apartment Association, National Association of Chain Drug Stores, National Association of Home Builders, National Association of Manufacturers, National Association of Mutual Insurance Companies (NAMIC), National Association of REALTORS, National Association of Real Estate Investment Trusts, National Association for Stock Car Auto Racing (NASCAR), National Association of Waterfront Employers, National Basketball Association, National Collegiate Athletic Association, National Council of Chain Restaurants, National Football League, National Hockey League, National Multifamily Housing Council, National Restaurant Association, National Retail Federation, National Roofing Contractors Association, National Rural Electric Cooperative Association, New England Council.

Partnership for NYC, Property Casualty Insurers Association of America (PCI), Public Sector Alliance, Public Utilities Risk Management Association, Office of the Commissioner of Baseball, The Real Estate Board of New York, The Real Estate Roundtable, Securities Industry and Financial Markets Association, Self-Insurance Institute of America, Inc., Starwood Hotels and Resorts, Tenaska, Taxicab, Limousine & Paratransit Association, UJA-Federation of New York, United Airlines, Union Pacific, University Risk Management and Insurance Association, U.S. Chamber of Commerce, U.S. Travel Association.

Mr. SCHUMER. Now I would like to discuss the amendment process to preview it for my colleagues a little bit.

I would also ask unanimous consent that quorum calls be counted equally against both sides.

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

Mr. SCHUMER. As was mentioned, I believe by some of my colleagues, the give-and-take on this bill was ideally how things should work. First, a bipartisan group of Senators got together and crafted the legislation. As Senator CRAPO noted, there was some push and pull, what should be the balance between government and the private sector, and we did move a little bit more in giving greater responsibility to the private sector. People should note that at the end of the day the private sector will pay back all the money the government would lay out if, God forbid, there is a terrorist incident, but it would be over a period of time of course.

But we had Democrats and Republicans come together and we came up with a bill. The chairman and ranking member agreed that the bill was a good idea, held hearings, and then we moved forward with the legislation.

Then always comes the even greater morass. We do get some bills passed out of this place with bipartisan support and many of them are significant bills, but then we go to the floor and we wonder what is going to happen now. We have the age-old dispute about how many amendments, what type of amendments, should they be relevant. In this case we asked colleagues on both sides of the aisle who would want amendments.

The amendments that came back were reasonable. Most—not all—were related to terrorism insurance. Those that weren't, such as by Senator TESTER and Senator VITTER, were in the jurisdiction of the Banking Committee, so they at least had some relationship. We did not get a flurry of amendments from all over the place on issues that naturally divide the parties.

Then we had to do some negotiating, but we allowed—Senator CRAPO and Senator JOHNSON allowed every amendment, that any author who wanted to offer an amendment could. We worked out some compromises on the Tester amendment. Senator COBURN had objections, and a compromise was worked out there. Some were withdrawn, but at the end of the day anyone who wanted an amendment got it. Both sides showed restraint, and I think that is what brought us to this position.

So the good news for my colleagues, we have a very limited number of amendments, and we intend to dispose of the entire bill before lunch this morning.

Let me briefly go over the amendments.

Senator COBURN will offer an amendment on recoupment timing. The Coburn amendment would give the Treasury Secretary the ability to extend the recoupment period of up to 10 years following an attack. The problem is the way Senator COBURN had drafted his amendment, it would create a significant score. He offered in it the Banking Committee and it failed on a bipartisan vote, the majority of both parties, I believe, voting against it. But he wanted to offer it on the floor, and so he will.

There is a point of order, a pay-go point of order that will be raised against the Coburn amendment, and I will raise that because it does break the budget. It doesn't have a pay-for in exchange for it. So Chairman JOHNSON and I believe the sponsors of the legislation recommend a ''no'' vote on waiving pay-go against the Coburn amendment.

The Tester amendment, as modified by Senator COBURN, I believe will be voice-voted. Senator TESTER and Senator JOHANNS described that adequately, but it is something long overdue that would create a National Association of Registered Agents and Brokers and make the whole brokerage business work more smoothly. It has very broad support in this body.

Senator VITTER will offer an amendment that would require the President to nominate at least one individual with primary experience working in or supervising community banks on the Federal Reserve Board of Governors. I am sure he will come to the floor to explain his amendment. We expect this amendment, which we will all agree to, will be approved by voice vote, and Chairman JOHNSON has recommended a voice vote to the Members on our side.

Finally, there is a Flake amendment that would create an advisory committee on risk-sharing mechanisms. Again, I think Senator FLAKE will come down at some point and explain his amendment. There will be a recorded vote on this at least as planned now, and I will be supportive and I know Chairman JOHNSON again has recommended a ''yes'' vote on the Flake amendment.

With that, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. FLAKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. 59/b

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

AMENDMENT NO. 3551

Mr. FLAKE. I ask unanimous consent to temporarily set aside the pending amendment so I may call up my amendment 3551, which is at the desk.

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

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arizona [Mr. FLAKE] proposes an amendment numbered 3551.

The amendment is as follows:

(Purpose: To establish the Advisory Committee on Risk-Sharing Mechanisms)

On page 13, after line 22, insert the following:

**SEC. 8. ADVISORY COMMITTEE ON RISK-SHARING MECHANISMS.**

(a) FINDING; RULE OF CONSTRUCTION.—

(1) FINDING.—Congress finds that it is desirable to encourage the growth of nongovernmental, private market reinsurance capacity for protection against losses arising from acts of terrorism.

(2) RULE OF CONSTRUCTION.—Nothing in this Act, any amendment made by this Act, or the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) shall prohibit insurers from developing risk-sharing mechanisms to voluntarily reinsure terrorism losses between and among themselves.

(b) ADVISORY COMMITTEE ON RISK-SHARING MECHANISMS.—

(1) ESTABLISHMENT.—The Secretary of the Treasury shall establish and appoint an advisory committee to be known as the ''Advisory Committee on Risk-Sharing Mechanisms'' (referred to in this subsection as the ''Advisory Committee'').

(2) DUTIES.—The Advisory Committee shall provide advice, recommendations, and encouragement with respect to the creation and development of the nongovernmental risk-sharing mechanisms described under subsection (a).

(3) MEMBERSHIP.—The Advisory Committee shall be composed of 9 members who are directors, officers, or other employees of insurers, reinsurers, or capital market participants that are participating or that desire to participate in the nongovernmental risk-sharing mechanisms described under subsection (a), and who are representative of the affected sectors of the insurance industry, including commercial property insurance, commercial casualty insurance, reinsurance, and alternative risk transfer industries.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2015.

Mr. FLAKE. Mr. President, I am pleased to have the opportunity to offer this amendment. I thank my colleagues, the ranking member of the Banking Committee, and the senior Senator from New York for working with my office to make this possible.

The Terrorism Risk Insurance Program Reauthorization Act before us extends for 7 years the Federal loss sharing program developed in response to the market destructions that were caused by 9/11. Created in 2002, the Terrorism Risk Insurance Program was intended to be just a 3-year program. This program has since been extended twice, and the bill before us would extend its life through December 31, 2021.

Given the longevity of the program, I think it would be prudent for us to focus some attention on the growing private market reinsurance capability and capacity.

My amendment simply establishes an advisory committee composed of members of the insurance industry to provide recommendations to accelerate the creation and development of private nongovernmental risk-sharing mechanisms for terrorism losses. I urge my colleagues to join me in taking this modest step toward developing a functioning private-run market for terrorism risk insurance, thereby reducing dependency on the Federal Government in this regard.

I yield the floor and I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CRAPO. Mr. President, I wish to take this opportunity to make comments on a couple of the amendments that have been or will be presented to the bill.

First, with regard to the amendment presented by Senator FLAKE. As I mentioned in my opening remarks, I support this amendment. One of the issues we deal with in the reauthorization of TRIA each time we face it is the correct balance and the level of government protection and support that needs to be in place to help the market deal with major catastrophic events in the United States and the level of requirement we insist there be from the private sector and how they will step in and deal with these risks on an insurance basis rather than requiring the taxpayers to be the ultimate backstop.

Ultimately our objective should be and must be that the taxpayer be relieved of this kind of burden and that the private sector step in and cover the risks through our private sector insurance markets. I think we have a pretty broad consensus that we are not at the level yet where we can get there, but each time we have reauthorized TRIA, we have moved it closer to that objective, and this legislation itself moves it closer.

As I said in my introductory remarks, we have increased the retention level—in other words, the amount of money the private sector must pay back to the Treasury if the taxpayer is ultimately required to step in and backstop a catastrophic terrorist attack. This legislation will increase that amount by another $10 billion—from $27.5 billion to $37.5 billion. We are also increasing the amount of money which the private sector insurance industry must put up upfront before the government steps in and provides a backstop. We are increasing that from a 15-percent copay to 20-percent copay.

We are taking significant steps in this legislation to get to the ultimate objective of having the private sector fully handle the insurance risk due to a catastrophic terrorist attack.

Senator FLAKE has provided an amendment, which I support, that would help us create an advisory committee that will focus on this specific issue and help us to find private sector solutions to allow us to further decrease the program in the future reauthorizations. I think this is an incredibly important amendment, and I believe there is strong bipartisan support for it. It allows us to have advice and support from this advisory committee that would be created under his amendment to take further and more important steps toward achieving the ultimate objective of having to be able to eliminate the need for taxpayer involvement in dealing with catastrophic events such as a terrorist attack.

I strongly support the addition of the Flake amendment. I believe the advisory committee he proposes will find private sector solutions which will allow us to further decrease and ultimately eliminate the program in future reauthorizations.

Another amendment that has been discussed on the floor today by Senator TESTER of Montana and Senator JOHANNS of Nebraska is the NARAB amendment, which is an amendment that will be added to this legislation. This is also an important piece of legislation from the banking committee and it is called the National Association of Registered Agents and Brokers, or NARAB. Again, it is a bipartisan piece of legislation that has strong support across the United States in various industries to try to allow our registered agents and brokers to have a more efficient and effective system in which to obtain necessary authorization to conduct their business nationwide.

I am an original cosponsor of this language because it simplifies the process of agent licensing across State lines while preserving the authority of State insurance regulators. This bill has broad support from the insurance community, including the National Association of Insurance Commissioners, the Independent Insurance Agents and Brokers of America, the National Association of Insurance and Financial Advisers, and the Council of Insurance Agents and Brokers.

The creation of NARAB will allow agents and brokers to focus on their responsibilities to their clients and spend

less time dealing with redtape. By reducing costs and increasing competition among insurance producers, we will generate lower costs and better service for consumers. Importantly, NARAB II deals specifically with marketplace entry and would not impact the States' jurisdiction over day-to-day authority in the insurance marketplace. This is a very critical point because I believe one of the biggest issues relating to this legislation is preserving and protecting States rights and State jurisdiction with regard to regulation of the insurance marketplace.

Insurance commissioners of the States will be able to better catch bad actors who, after losing a license in one State, move quickly to enter into another State. State regulators will serve on the board of NARAB with the same objectives they have as insurance commissioners—to protect the public interest by promoting the fair and equitable treatment of insurance consumers.

The idea for NARAB is now 14 years old. We have literally been working on it for that long, and I am hoping we can get this legislation across the finish line today.

These are two important amendments that will come forward today with regard to the TRIA legislation, and there are several more. As we move forward today I am hopeful we will make the kind of progress on these important and critical issues that will enable us to not only pass this legislation but to do so with a strong vote here in the Senate and then get us into a conference with the House so we can put this important legislation, which has been developed on a bipartisan basis, on the President's desk.

Far too often we are seeing gridlock in this Chamber. We have two pieces of legislation today where we have a bipartisan agreement and bipartisan support, and I think it is a good day for the Senate to see this kind of legislation moving forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. MURPHY. Thank you, Mr. President. Let me join my friend Senator CRAPO in congratulating the leadership on both the Republican and Democratic side and the leadership on the banking committee for bringing this bill before us this morning. It is, unfortunately, all too rare when we can bring a piece of legislation to the floor that has been worked on by both sides of the aisle and has broad agreement on both sides of the aisle. Of course, as the Senator from Idaho knows, there is nothing partisan about the effects of not reauthorizing TRIA. This is going to affect every part of the country. Republicans and Democrats, people of liberal and conservative persuasions, will ultimately be paying a lot more and losing a lot more because of our failure to get this bill done. So let me again thank Senator CRAPO and Senator JOHNSON for all the work they have done. I was one of the original cointroducers of this bill, along with Senator SCHUMER and Senator REID, as well as Senators MENENDEZ, WARNER, KIRK, HELLER, JOHANNS, and BLUNT.

Ultimately, we were educated by what happened in the weeks and months following September 11. In that period of time, the real estate market in large parts of this country—certainly in my part of the country surrounding New York City—collapsed. As a result, $15 billion worth of projects stalled overnight, and we lost about 300,000 construction jobs that were planned to come online—all because the insurance industry decided, with justification, that they could no longer insure for the risk of terrorism. Prior to September 11 we got coverage for terrorism essentially at no cost. But after September 11, again, for good reason, for good cause, insurers, without knowing what their exposure was going to be should there be another attack, decided they could no longer insure for that risk. So, in this sense, it logically fell to the Federal Government to provide that assurance that no matter where one is—whether in Idaho or Nebraska or Connecticut or New Jersey—if a person is building a project and they were the subject of terrorism, they would get a backstop of protection for those losses.

Some said at the time: Why don't we treat insurance, when it comes to protecting for terrorism, the same as we protect against other disasters? Of course, we see these threats as fundamentally different. We can make a decision as to whether we want to live in a part of the country that may be subject to greater risk from floods or hurricanes. So we have grown to accept the fact that we are going to pay a little bit more if we are going to have a house or a business right on the water. And we have a program here by which we mitigate that risk so that it is not extraordinarily different, understanding there is still good reason why people have to congregate in those spaces. But a terrorist attack, frankly, whether it happens in New York City right on the precipice of Connecticut, or in Los Angeles or in a rural environment in the Midwest, is an attack on the United States of America. That is an attack on all of us, no matter what specific geography in which it happens to be located. So that is why we made the decision as a Nation to help backstop those localities that may feel the initial burden of having to reconstruct after a terrorism attack, because we believe it is a national responsibility.

So for the practical reason that there was no longer an ability for the insurance industry to calculate how on Earth they would assess a premium based on the enormous potential loss of a terrorist event, and because of the fact that as Americans we felt as though we should come together and insure against this risk, we passed TRIA initially. Over time we have come together as Republicans and Democrats to reauthorize it.

Now, as time has gone on, we have had a conversation about how to best share this responsibility between the public sector and the private sector, because we expect that private insurers still should, as is their business, pick up some of this cost. So this version of the bill continues along the line of transferring some of this responsibility from the Federal Government and the Federal taxpayers to private insurers. For instance, the underlying legislation continues to have a 20-percent deductible. But after that 20-percent deductible is met, under the previous version of the bill the insurer was responsible for picking up 15 percent of the cost. Under this bill they are going to pick up 20 percent of the cost. So there is a little bit more responsibility built in for the cost of paying out claims after a terrorist attack is picked up by insurers.

There is a provision in the bill which says the Federal Treasury will recoup the costs from insurers of any claims it pays out. It can do that over a long period of time. Previously, it was mandatory to recoup all of that money for claims under $27 billion. Now that number is $37 billion. So we now have a mandatory return to the Treasury of any claims under $37 billion, which is an additional protection for taxpayers as well as an additional responsibility for insurers now because we will collect from the insurers for losses up to a higher amount than the previous law. I think all of this is pretty reasonable.

I wish there were more days such as this and weeks such as this—although maybe TRIA isn't infused with the same kind of politics that other issues such as immigration reform and energy reform and criminal justice reform can be—but this was made possible by some really hard work by a number of people who knew this was right to do for the country. Speaking as a Senator from a State that has a big stake in the reauthorization of TRIA, I say thank you to all of the people who made this possible and give an advanced shout-out to the House of Representatives which we hope will pass this bipartisan bill in an expeditious manner. Connecticut cares about this because we were, as I said, on the edge of the attack of September 11. We lost dozens and dozens of Connecticut residents in that attack. Our economy was effectively shut down because of the inability to assess this risk throughout the real estate sector surrounding New York City. But we also are home to some of the biggest and, frankly, most responsible property and casualty insurers. The Hartford and Travelers, in particular, have been a big part of trying to figure out a public-private partnership to solve this problem, and this certainly helps them to be able to provide more of a very important product to the rest of the country.

So, again, my thanks to all of those who made this piece of legislation possible. My hope is we get a big vote later today across the aisle, sending a message to the House of Representatives

that they can take this bipartisan piece of legislation, pass it, and then get it to the President's desk. Then we can, once again, give some sense of surety to our insurance markets and our real estate market that the United States of America is, once again, going to step up and decide that terrorism, no matter where it happens—whether it is in New York City or in Topeka—is not going to get this country back.

I yield the floor, and I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3550

Mr. VITTER. Mr. President, I ask unanimous consent to temporarily set aside the pending amendment so that I may call up my amendment No. 3550, which is at the desk.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. VITTER] proposes an amendment numbered 3550.

Mr. VITTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To reaffirm the importance of community banking and community banking regulatory experience on the Federal Reserve Board of Governors, to ensure the Federal Reserve Board of Governors has a member who has previous experience in community banking or community banking supervision)

On page 13, after line 22, add the following:

**SEC. 8. MEMBERSHIP OF BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.**

(a) IN GENERAL.—The first undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 241) is amended by inserting after the second sentence the following: ''In selecting members of the Board, the President shall appoint at least 1 member with demonstrated primary experience working in or supervising community banks having less than $10,000,000,000 in total assets.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act and apply to appointments made on and after that effective date, excluding any nomination pending in the Senate on that date.

Mr. VITTER. Mr. President, I rise to talk about this amendment which I look forward to being adopted on this important terrorism risk insurance reauthorization bill. It is a commonsense amendment. It is about the Federal Reserve Board, and it says at least one member of that important Board should have significant experience as a community banker or a community bank supervisor.

This used to be commonplace because community banks—smaller institutions—were and are an important part of our financial system. In fact, these days it is one part of our financial system that sets us apart from many others, such as Canada and Europe, which are far more dominated by mega-institutions. Of course, the United States has some very big institutions, and they serve an important role and they have an important place, but smaller institutions, so-called community banks, serve a vital role as well and particularly in smaller communities and in more rural areas they serve those communities in a way megabanks simply do not.

I have been looking at this trend on the Federal Reserve, and unfortunately there is an unmistakable trend away from having adequate representation from folks with community bank experience; that same trend has been toward having the Federal Reserve Board completely dominated by academics and folks with megabank and academic economist experience.

This chart I have in the Chamber shows that trend. From 1936 until the present, it goes decade by decade. The chart is a little busy, and we have this color coding here, but basically we can see this huge growth in the domination of this red category: folks with pure academic economic experience. Folks with community bank experience, which used to actually dominate the Federal Reserve Board several decades ago, are now very limited.

Look, there is nothing wrong with folks with academic experience, but it should not be so dominant on the Federal Reserve and we should have regular representation from community banks or community bank supervisors because that is a vital part of our banking system.

My amendment is therefore very simple. It would mandate that at least one member of the Federal Reserve Board have that experience, have direct community bank experience or have direct experience as a community bank supervisor. Specifically, we are talking about institutions with less than $10 billion in total assets.

This bill follows a letter several of my colleagues joined me in sending to President Obama. We were asking him to nominate an individual with that sort of experience, and I thank the cosigners on that letter: Senators TESTER, MORAN, MERKLEY, COBURN, and JOHANNS on the committee; and noncommittee Members Senators HIRONO, KING, FRANKEN, BALDWIN, BEGICH, LANDRIEU, HEINRICH, and UDALL.

We seem to be making progress in that regard. There is widespread reporting that the White House is considering a list of candidates for the Federal Reserve with community banking experience. But this specific mandate—just one member, a very modest mandate—would help ensure that happens and would help ensure that regularly happens into the future to reverse this trend, to get more balance on the Federal Reserve Board.

This is very important in the context of the too-big-to-fail debate. Too big to fail helped lead to the crisis several years ago in the banking industry. It helped lead to the massive bailouts of mega-institutions, and unfortunately I am one who believes—and there are many others—that too big to fail is alive and well today, and in some ways Dodd-Frank institutionalized too big to fail. It did not end too big to fail in any way.

We need to do a number of things to even the playing field, to make it fairer for smaller institutions, community banks that serve our smaller communities in rural areas, particularly on the Federal Reserve Board, which is such a significant governing and supervisory board in our banking industry.

I specifically thank the ranking member of the committee, Senator CRAPO, for his support of this concept, his support in negotiations of this amendment, and his very active involvement in getting this amendment accepted on to the TRIA bill.

I think the ranking member may have a few words about this and other matters. I will relinquish the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I will just take a moment to speak about Senator VITTER's amendment, which I strongly support.

During Dr. Yellen's nomination hearing, I noted the need to fill additional vacancies at the Federal Reserve Board with individuals bringing balanced viewpoints. The President should nominate someone with community bank experience to the Board to fill at least one of the remaining vacancies.

Community banks play an important role in their local economies and face a disproportionate burden from our existing regulations. We should ensure that the perspective of these banks is represented in policymaking. That is what this amendment does, and I encourage my colleagues to support it.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. VITTER. Mr. President, just one final wrapup issue. I ask unanimous consent to have printed in the RECORD a letter of support for this amendment from ICBA, the Independent Community Bankers of America.

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

INDEPENDENT COMMUNITY BANKERS OF AMERICA,
*Washington, DC, July 17, 2014.*

U.S. SENATE,
*Washington, DC.*

DEAR SENATOR: On behalf of the Independent Community Bankers of America and the more than 6,500 community banks nationwide, I write to urge you to vote YES on Amendment 3550, offered by Senator David Vitter, to the Terrorism Risk Insurance Program Reauthorization Act of 2014 (S. 2244). This amendment would ensure at least one member of the Board of Governors of the Federal Reserve (the Board) has experience as a community banker or as a supervisor of community banks. The Board not only plays

a key role in our economy by promoting employment and stable prices, but is also an important regulatory body for the U.S. and global financial system. A broad range of representation on the Board is critical to its effectiveness.

Community banks are vitally important to the nation's economy, particularly with respect to small business lending and providing banking services in small and rural communities. These banks and the communities they serve have vital interests at stake in the economic, banking, and payment system issues that come before the Board. The Board must consider how best to tier regulation to meet regulatory objectives without disproportionately impacting community banks. Expertise is also required to ensure that regulations intended for the largest banks do not unintentionally sweep in community banks. The unexpected compliance problems associated with the December 2013 Volcker Rule vividly illustrate this risk.

By requiring community bank representation on the Board, Senator Vitter's amendment will help secure the future of the community banking industry and the customers and communities that depend on it. Again, ICBA urges you to vote YES on this important amendment.

Thank you for your consideration.

Sincerely,

CAMDEN R. FINE,
*President and CEO.*

Mr. VITTER. Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 3549

Mr. COBURN. Mr. President, I ask unanimous consent that the pending amendment be set aside and my amendment No. 3549 be called up.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. COBURN] proposes an amendment numbered 3549.

Mr. COBURN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To allow the Secretary to extend the deadline for collecting terrorism loss risk-spreading premiums if the mandatory recoupment is morethan $1,000,000,000)

On page 4, line 21, strike ''(i)''.

On page 4, between lines 21 and 22, insert the following:

(i) in clause (i)—

On page 4, line 22, strike ''(i)'' and insert ''(I)'' and move such subclause 2 ems to the right.

On page 4, line 23, strike ''(I)'' and insert ''(aa)''and move such item 2 ems to the right.

On page 5, line 1, strike ''(II)'' and insert ''(bb)'' and move such item 2 ems to the right.

On page 5, line 3, strike ''(ii)'' and insert ''(II)'' and move such subclause 2 ems to the right.

On page 5, line 4, strike ''(I)'' and insert ''(aa)'' and move such item 2 ems to the right.

On page 5, line 6, strike ''(II)'' and insert ''(bb)'' and move such item 2 ems to the right.

On page 5, line 8, strike ''(III)'' and insert ''(cc)'' and move such item 2 ems to the right.

On page 5, line 10, strike ''(iii)'' and insert ''(III)'' and move such subclause 2 ems to the right.

On page 5, line 11, strike ''(I)'' and insert ''(aa)'' and move such item 2 ems to the right.

On page 5, line 13, strike ''(II)'' and insert ''(bb)'' and move such item 2 ems to the right.

On page 5, line 14, strike the period at the end and insert ''; and''.

On page 5, between lines 14 and 15, insert the following:

(ii) by adding at the end the following:

''(iii) DEADLINE EXTENSIONS.—

''(I) IN GENERAL.—If the mandatory recoupment amount under subparagraph (A) is more than $1,000,000,000 in any given calendar year, the Secretary may extend the applicable deadline for collecting terrorism loss risk-spreading premiums under clause (i) for a period not to exceed more than 10 years after the date on which such act of terrorism occurred.

''(II) DETERMINATION.—Any determination by the Secretary to grant an extension under subclause (I) shall be based on—

''(aa) the economic conditions in the commercial marketplace, including the capitalization, profitability, and investment returns of the insurance industry and the current cycle of the insurance markets;

''(bb) the affordability of commercial insurance for small- and medium-sized businesses; and

''(cc) such other factors as the Secretary considers appropriate.

''(III) REPORT.—If the Secretary grants an extension under subclause (I), the Secretary shall promptly submit to Congress a report—

''(aa) justifying the reason for such extension; and

''(bb) detailing a plan for the collection of the required terrorism loss risk-spreading premiums.''.

Mr. COBURN. Mr. President, we have before us a bill where unfortunately we do not believe in markets. We are told markets will not work, so we have a terrorism risk insurance bill. That means the Federal Government is going to be the insurer of last resort. There have been some improvements over what we have put forward in the past, and I agree with those improvements if in fact we have to do this. I am not convinced we have to do it, but we are going to do it, and I understand that. I think the work of the committee, of which I am a member, has been very good.

But there is one real problem with this bill, and it is about smoke and mirrors, it is about not being honest with the American people. This bill was designed so it would have no score. It was not designed to do the best we can for America should we have a tragedy, and it was not designed to create the flexibility that would be necessary if we do have a tragedy.

Let me outline this for you. The way this bill is set up is that we could have a significant tragedy, God forbid, in this country from a terrorist attack, and the bill will mandate spikes in casualty and property insurance far above what will need to happen because we passed the bill to pass a CBO score. So what could happen is we would have to collect billions of dollars over an 18-month period through premium increases on everybody in the country, not just where we had the problem—everybody in the country—because we have designed a bill that will in fact mandate that or at least could mandate that.

I have been around this place for 10 years. I know exactly what is going to happen if that comes about through this TRIA bill. The first thing that will happen is the Senate and the House will pass an elimination of this requirement. So what will happen is the American taxpayer will get stuck with all this. They all know that. Everybody agrees they designed the bill to meet CBO. So what I put in was an amendment that would give flexibility to the Treasury so we do not, after one tragedy, create another tragedy with markedly elevated casualty and property rates. We still recoup the money, but we do it over a longer period of time, if it is necessary, and we give the Secretary of the Treasury the ability to do that.

My friend from New York says there is a budget point of order that lies against it. It does according to CBO. I agree, it does. But the difference between this and most budget points of order is my amendment will not increase the deficit one penny—not one penny.

I would also note that my colleague from New York has voted to override budget points of order every time they have been offered this year. So it is going to be curious to me to all of a sudden have a budget point of order raised by someone who has voted to override the budget point of order every time it has been offered in the Senate this session, and it goes to why we should not pass this bill without common sense in terms of how we collect the recoupment.

I understand the constraints of CBO, but I also understand common sense. So we are going to play the game on the constraints, and we are ultimately going to pass on—rather than recoup—we are ultimately going to pass it on to the American taxpayer, which hollows out the whole purpose of the bill.

So this has a billion-dollar score, on which we are going to have a point of order, which I am sure I will lose. But when you vote for this bill, know you are not voting for what the bill says it is going to do because it is going to do something completely different than what it says, if we were to have one of these catastrophies.

The political pressure to not have these massive increases in property and casualty insurance—this place will fall, and so will the House, and we will change this, and we will have the score then. We will have the score then, and ultimately your children will pay for the cost of this terrorism risk insurance, not the people who are owning the property today, not the insurance company. We will just kick the can down the road, just as we have on everything else.

It would seem to me that we would want to do something that works along

the parameters of this bill, and we ought to build in flexibility to this bill so that—it may be 10 years that we get on one of these because the bill is divided up to meet the score so it does not score in any one period. So over an 18-month period we could have to recoup it all and people could not tolerate those kinds of rate increases in their businesses or their homes. They would not be able to tolerate it and we would change it. Just as I am asking for us to change it now and be honest with the American people, we are going to change it if that happens.

We will change this, and we will delay the onset of the collection of this recoupment. Everybody knows that will happen. So why not be honest about it and put it in the bill now and waive the budget point of order because it does not change the deficit one penny. It changes when we collect it, but we still collect it against the risk of not collecting it at all.

That is what I ask my colleagues. I do not expect to win the amendment, but it is another confirmation to the American people that we are not about truth, we are not about doing commonsense things; we are about playing games and we are about satisfying the demands of the industry over which this applies.

Nobody knows what could happen in this country in terms of terrorism, but everybody knows I am right about this issue.

All I am saying is: Fess up. Be honest, colleagues. Let's build the flexibility in this so we do not have to address it, and the Treasury Secretary, no matter whether it is a Democrat or Republican administration, can use common sense to guide about how fast this recoupment will come; otherwise, you have not done anything to improve this bill if, in fact, this is not accepted.

I will be leaving here at the end of the year. Hopefully, we never see another terrorism event in this country. But if we do, it will be a sweet irony when you all say: Oops, time out. We are not going to do what we said we were going to do in that bill because the country cannot take it. What you will do is put one tragic event on top of another. You will not do that. So what will happen? You will change this bill. You will get that score. You will call it an emergency. You will do it anyway.

All I am asking is, be honest about what is going to ultimately happen on this should we have an event and it fall within one of these close parameters, based on what we said in the bill, because we are running the bill according to what CBO says, not as to what common sense is.

I look forward to having a vote on this amendment. I understand my likelihood of being successful. But I also understand the lack of honesty in dealing with the American people if we do not accept this amendment.

I yield the floor.

TERRORIST ATTACKS

Mr. REED. Mr. President, I join with my colleagues to speak about S. 2244, the Terrorism Risk Insurance Program Reauthorization Act of 2014, TRIA, which I have cosponsored.

First, I commend Banking Committee Chairman JOHNSON and Ranking Member CRAPO for their leadership on this important issue. Their efforts, along with those of the sponsors and cosponsors of the bill, led to a unanimous committee vote of 22 to 0 to report the legislation favorably to the full Senate. It is heartening to see legislation like this come together on such a strong bipartisan basis.

Reauthorizing TRIA is vital and not just from a Banking Committee perspective. I also have the privilege of serving on the Armed Services Committee. It is through this dual lens, and from what we know of the significant terrorist threats our Nation still faces, that compels me to believe that we need to reauthorize TRIA as soon as possible.

We must keep markets effectively and efficiently operating in light of these threats. We must continue to have policies in place to make sure our economy stays on track in the event of another attack on our Nation.

In short, reauthorizing TRIA is not only a matter of economic security; it is also a matter of national security. And so, I again thank the chairman for his leadership on this vital issue.

Mr. JOHNSON of South Dakota. I thank Senator REED for his valuable contributions to the work of the Banking Committee. I also thank him for working with me on this matter and for his continued efforts to bolster our national security.

Mr. REED. I thank the chairman. I would like to clarify one point. While TRIA is silent on whether a nuclear, chemical, biological, or radiological related terrorist attack or any kind of cyber-related attack are covered, I believe our intent with S. 2244 is that these attacks would continue to fall within the scope of TRIA's covered lines, as they do today, provided that statutory prerequisites are met. Does the chairman agree with this assessment?

Mr. JOHNSON of South Dakota. Yes. The Committee makes this point clear in the Committee Report for S. 2244, and I thank the Senator again for his work on this issue.

Mr. REED. I thank the chairman again, and I look forward to swift passage of this legislation here in the Senate, and hopefully in the House as well.

Mr. NELSON. Mr. President, today I commend my colleagues for a strong bipartisan vote in favor of S. 2244, the Terrorism Risk Insurance Program Reauthorization Act.

After the attacks of September 11, 2001, the Terrorism Risk Insurance Act, or TRIA, helped stabilize the commercial property market. This has allowed for continued commercial property development and real estate lending for office buildings, hotels, malls, and tourist attractions across the United States. In Florida, TRIA has been particularly important for continued development in the tourism sector—which is a critical part of the economy.

The passage of S. 2244 today illustrates the widespread, continued support for TRIA and the need for a backstop to guarantee sufficient capacity for businesses to insure against catastrophic terrorist events, including coverage for events involving a nuclear, biological, chemical or radiological element. At the same time, S. 2244 also ensures that taxpayers are a top priority and includes a recoupment mechanism to guarantee that taxpayers are made whole if the backstop is triggered.

I now hope that the House of Representatives will take quick action on S. 2244 so that the President can sign this legislation and assure continued stability in the commercial property and insurance market.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON of South Dakota. Mr. President, I rise today to support S. 2244, the Terrorism Risk Insurance Program Reauthorization Act. Congress first enacted TRIA into law in 2002 after the commercial property sector saw major disruptions in the ability to obtain financing and terrorism risk insurance following the September 11 terrorist attacks.

TRIA stabilized the markets and provided a government backstop to these unique markets, allowing commercial property development and real estate lending to continue for everything from hotels, stadiums, malls, to tourist attractions across the country. Experts and stakeholders testified at several banking committee hearings that there remains a clear and longstanding need for the kind of government backstop TRIA provides.

We also learned the private insurance market for terrorism risk exists because of TRIA, not in spite of it.

The long-term 7-year extension this bipartisan bill provides will promote national security, economic growth, and market certainty. While many Members in this Chamber would be fine with extending TRIA in its current form, this tough compromise has two additional changes that will further protect taxpayers: gradually raising both the insurer copayment from 15 percent to 20 percent, and the mandatory recoupment threshold from $27.5 billion to $37.5 billion.

We were careful, however, in reaching this compromise not to raise the trigger, which would drive small insurers out of the market and reduce the availability and affordability of coverage for businesses nationwide. This bipartisan bill also does not pick what modes of terrorist attacks should get preferential treatment over other forms of attacks.

The entire Senate banking committee voted to report the bill to the floor by a unanimous and bipartisan 22-to-0 vote. Stakeholders across the board strongly support the Senate's bipartisan approach to extending TRIA,

including the U.S. Chamber of Commerce, the American Hotel and Lodging Association, the National Association of Mutual Insurance Companies, and the Real Estate Roundtable, to name just a few.

Let me commend Senators SCHUMER, CRAPO, KIRK, REED, HELLER, and others from both sides of the aisle for their leadership on this issue. I thank them as well as their staffs for working with Ranking Member CRAPO and me and our staffs to craft this bipartisan compromise to extend TRIA for another 7 years. We would not be here today without all of their efforts.

TRIA must be renewed soon, given the program expires at the end of the year, and policyholders have increasingly reported challenges in renewing contracts for 2015. To that end, I urge my colleagues to support S. 2244.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HELLER. Mr. President, I rise to speak on S. 2244, the Terrorism Risk Insurance Program Reauthorization Act. This is a bill I have worked on closely with my colleagues Senators SCHUMER, KIRK, and REED from Rhode Island. I also want to thank Chairman JOHNSON and Ranking Member CRAPO, who have been instrumental in getting this bill to this point. Without their leadership, we would not be here today.

The terrorist attacks on September 11 caused a sudden and dramatic shock in the domestic market for terrorism insurance. After the attack there was a tremendous amount of uncertainty about the frequency and potential size of future attacks. Insurers quickly withdrew from the terrorist coverage market, and a new threat to our economy emerged.

In response, Congress passed TRIA, to provide a Federal insurance backstop for terrorism coverage. Since the passage in 2002, TRIA has helped ensure the widespread availability of affordable insurance against terrorism. This helped spur new development and protected existing real estate throughout our country.

TRIA was reauthorized in 2005 and reauthorized again in 2007. It is currently set to expire at the end of this year unless Congress acts. Unfortunately, the tragic bombing in Boston last year has shown that even years after September 11, the threat of terrorism still exists and we must continue our efforts to prevent, respond, and recover from any possible attacks in the future.

I wish to remind my colleagues that terrorism is not only an issue for big cities in New Jersey, on the east coast, in the Midwest, Chicago, terrorism is a real threat in both rural and urban areas, north, south, east, and west. That is why I have been so involved in trying to get TRIA extended.

In my home State, Las Vegas is considered one of the leading international business and tourism destination cities in the world. Southern Nevada welcomes almost 40 million tourists annually and has a population of nearly 2 million people. We have 35 major hotels along the Las Vegas strip. Many of them could have up to 15,000 occupants at any given time. According to the Las Vegas Metro Chamber of Commerce, in 2013, the total economic impact of tourism was $45.2 billion, supporting 47 percent of the region's gross product, and 383,000 jobs, nearly half of the total workforce in southern Nevada.

My point in citing these statistics is if a terrorist attack were to occur in Las Vegas, our entire State economy would be devastated without TRIA.

It is not just about Las Vegas. In northern Nevada, our tourism and gaming industry is the largest private employer in Washoe County, which also includes Reno. They know that unless they have access to affordable terrorism coverage, they will have difficulty starting new capital projects and creating new jobs.

You will find similar stories across our Nation in every State. Currently, there is no evidence that the terrorism risk insurance market is prepared to provide coverage without TRIA. Without TRIA, most developments would halt because businesses would not be able to access and afford the necessary insurance that is often required to secure a loan.

TRIA has helped many hotels, hospitals, office complexes, shopping centers, colleges, and universities have access to terrorism insurance coverage.

The bill before us today is truly a bipartisan bill. It received a unanimous 22-to-0 vote in the banking committee. Such a strong vote only reinforces the bipartisan work that went into crafting this legislation.

I, along with my colleagues on the Banking, Housing, and Urban Affairs Committee, agreed to several key reforms that would increase the insurance industry's aggregate retention level and coinsurance levels, which will significantly reduce the potential cost to taxpayers.

It is my hope that we can easily pass this important legislation with a strong bipartisan vote and send this bill to the House as soon as possible. I urge my colleagues to support this bill, and let's not wait until the end of the year to extend this critical program.

With that, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRAPO. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CRAPO. Mr. President, as we near the votes on this bill, I wish to take one more opportunity to speak in favor of the TRIA reauthorization legislation.

Again, I thank Senators SCHUMER, HELLER, and KIRK and their staffs and Senator REED for all their hard work in bringing forward this legislation.

I also thank Chairman JOHNSON and his staff for moving forward so quickly and aggressively on this legislation. Together, we were able to put together a bill that allows the program to continue to function while increasing the movement toward ultimate taxpayer protection.

As I mentioned before, we were able to approve this bill out of committee with a 22-to-0 unanimous vote. The agreement of all the members of the banking committee that we should move this bill forward speaks to the importance of this critical legislation and to the level of the added taxpayer protections we were able to build into it.

Our bill increases the level of losses that the private sector will absorb before reaching the Federal backstop. We do that by increasing the coinsurance level of any company participating in TRIA so that each company will shoulder a greater percentage of the losses. We also increase by $10 billion the level of mandatory post-event recoupments to $37.5 billion, which means that the taxpayer will ultimately recover all TRIA losses except in the most extreme events.

This bill will continue a program that reduces our economic vulnerability to terrorism, and I encourage my colleagues to support it.

One last time, I thank Senator JOHNSON and Senator SCHUMER for their strong support and for our ability to work together and break the mold, if you will, by having a bipartisan movement forward on this important and critical legislation.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Once again I thank the chair and the ranking member of the banking committee, TIM JOHNSON and MIKE CRAPO, for their great work.

I say to my colleagues, this is a very good example of much cooperation—bipartisan cooperation, Democrat and Republican—a 22-to-0 unanimous vote out of the committee. It is also cooperation between private industry and the government. Industry, insurance, and others knew they had to shoulder a greater share of the load as we move on after 9/11 but that only government could be the backstop at the end of the day.

Again, this is an economic development issue above anything else. It is not out of whose pocket what money comes. If the greatest problem America faces is good-paying jobs—well, if we were not to renew terrorism insurance, we would lose many good-paying jobs.

This amendment will allow those jobs to continue and grow. People will

not build major edifices, major complexes—whether they be skyscrapers in Chicago or New York, whether they be football stadiums in Idaho or South Carolina or major shopping centers in South Dakota—unless they know there is a backstop, because insurers will not insure if they think terrorism could just totally wipe them out. And that means we wouldn't get financing for these projects.

It is an outstanding piece of legislation. My hope, in conclusion, is that the House would pass our bill. We know there are some concerns in the House, but there is a bipartisan coalition of Democrats and Republicans who really favor the approach we have taken. I know there are some in the House who don't believe government should be involved here, but that is, with all due respect, a purist view.

We have cut back on some of the government's obligations. MIKE CRAPO and many of our colleagues from the other side of the aisle made that happen. But at the same time, without the government backstop, we would do real harm to our economy.

I hope we can get a very large vote in the Senate—bipartisan—because if we do, it should importune the House to perhaps pass our legislation.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. SCHUMER. Mr. President, I wish to make a couple points on the Coburn amendment, and then I will raise a point of order.

The current bill, S. 2244, is budget neutral, as the past TRIA bills have been. On the other hand, CBO has said Senator COBURN's amendment is not fully paid for, violating the Senate's PAYGO rule.

Basically, the amendment—even though I know the sponsor does not intend it that way—is a killer amendment. CBO has said the amendment would cause S. 2244 to increase the Federal deficit in both the 5-year and 10-year budget windows.

Senator COBURN offered this amendment in committee. It was roundly defeated by a bipartisan vote of 16 to 6 against it.

I appreciate Senator COBURN's effort to provide more flexibility to the timeframe for recoupment by the government in case of a terrorist attack, but in fact the banking committee, led by Senator JOHNSON, and my office have worked with CBO for a number of months to determine whether there could be more flexibility in the recoupment process. Unfortunately, CBO has yet to identify a way to provide more flexibility in the recoupment period while still ensuring the program remains budget neutral as it is now.

It is also important to note that if recoupment by the government poses any unforeseen challenge after a future attack, nothing would stop the Treasury Secretary from asking the Congress then to provide that flexibility.

The bottom line is that TRIA is too important to allow this amendment and nonreauthorization of the program because it is not budget neutral. We don't want to give anybody an excuse.

I am hopeful Senator COBURN will support TRIA's final passage, even if his amendment isn't agreed to, as he did in committee. But for those of us whose priority is to reauthorize this program, I urge my colleagues to vote to sustain the budget point of order and oppose the amendment.

Mr. President, I raise a point of order that the pending amendment violates section 201 of S. Con. Res. 21, the concurrent resolution on the budget for the fiscal year 2008.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CRAPO. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974 and the waiver provisions of applicable budget resolutions, I move to waive all applicable sections of that act and applicable budget resolutions for purposes of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. KING). Is there a sufficient second?

There appears to be a sufficient second.

All debate time is expired.

The question is on agreeing to the motion.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. COONS) and the Senator from Hawaii (Mr. SCHATZ) are necessarily absent.

Mr. CORNYN. The following Senator is necessarily absent: the Senator from Tennessee (Mr. ALEXANDER).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted ''yea.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays 49, as follows:

[Rollcall Vote No. 229 Leg.]

YEAS—48

| | | |
|---|---|---|
| Ayotte | Flake | Murkowski |
| Barrasso | Graham | Paul |
| Blunt | Grassley | Portman |
| Boozman | Hatch | Risch |
| Burr | Heller | Roberts |
| Chambliss | Hoeven | Rubio |
| Coats | Inhofe | Scott |
| Coburn | Isakson | Sessions |
| Cochran | Johanns | Shaheen |
| Collins | Johnson (WI) | Shelby |
| Corker | Kirk | Thune |
| Cornyn | Lee | Toomey |
| Crapo | Manchin | Udall (CO) |
| Cruz | McCain | Vitter |
| Enzi | McConnell | Warner |
| Fischer | Moran | Wicker |

NAYS—49

| | | |
|---|---|---|
| Baldwin | Bennet | Booker |
| Begich | Blumenthal | Boxer |
| Brown | Johnson (SD) | Pryor |
| Cantwell | Kaine | Reed |
| Cardin | King | Reid |
| Carper | Klobuchar | Rockefeller |
| Casey | Landrieu | Sanders |
| Donnelly | Leahy | Schumer |
| Durbin | Levin | Stabenow |
| Feinstein | Markey | Tester |
| Franken | McCaskill | Udall (NM) |
| Gillibrand | Menendez | Walsh |
| Hagan | Merkley | Warren |
| Harkin | Mikulski | Whitehouse |
| Heinrich | Murphy | Wyden |
| Heitkamp | Murray | |
| Hirono | Nelson | |

NOT VOTING—3

| | | |
|---|---|---|
| Alexander | Coons | Schatz |

The PRESIDING OFFICER. On this vote, the yeas are 48 and the nays are 49. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected and the amendment falls.

CHANGE OF VOTE

Mr. WARNER. Mr. President, on rollcall vote No. 229, I was present and voted aye. The official record has me listed as absent. Therefore, I ask unanimous consent that the official record be corrected to accurately reflect my vote. This will in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

VOTE ON AMENDMENT NO. 3550

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate prior to a vote in relation to Vitter amendment No. 3550.

Mr. SCHUMER. Mr. President, I yield back all time.

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

Mr. SCHUMER. I ask for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3550) was agreed to.

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate prior to a vote in relation to Flake amendment No. 3551.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. This is a good amendment and will be supported by Chairman JOHNSON and myself.

I yield back all time.

Mr. MCCAIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the amendment.

The clerk will call the roll.

The assistant bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. COONS) and the Senator from Hawaii (Mr. SCHATZ) are necessarily absent.

Mr. CORNYN. The following Senator is necessarily absent: the Senator from Tennessee (Mr. ALEXANDER).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted ''yea.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 230 Leg.]

YEAS—97

| | | |
|---|---|---|
| Ayotte | Graham | Murphy |
| Baldwin | Grassley | Murray |
| Barrasso | Hagan | Nelson |
| Begich | Harkin | Paul |
| Bennet | Hatch | Portman |
| Blumenthal | Heinrich | Pryor |
| Blunt | Heitkamp | Reed |
| Booker | Heller | Reid |
| Boozman | Hirono | Risch |
| Boxer | Hoeven | Roberts |
| Brown | Inhofe | Rockefeller |
| Burr | Isakson | Rubio |
| Cantwell | Johanns | Sanders |
| Cardin | Johnson (SD) | Schumer |
| Carper | Johnson (WI) | Scott |
| Casey | Kaine | Sessions |
| Chambliss | King | Shaheen |
| Coats | Kirk | Shelby |
| Coburn | Klobuchar | Stabenow |
| Cochran | Landrieu | Tester |
| Collins | Leahy | Thune |
| Corker | Lee | Toomey |
| Cornyn | Levin | Udall (CO) |
| Crapo | Manchin | Udall (NM) |
| Cruz | Markey | Vitter |
| Donnelly | McCain | Walsh |
| Durbin | McCaskill | Warner |
| Enzi | McConnell | Warren |
| Feinstein | Menendez | Whitehouse |
| Fischer | Merkley | Wicker |
| Flake | Mikulski | Wyden |
| Franken | Moran | |
| Gillibrand | Murkowski | |

NOT VOTING—3

| | | |
|---|---|---|
| Alexander | Coons | Schatz |

The amendment (No. 3551) was agreed to.

VOTE ON AMENDMENT NO. 3552

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate prior to a vote in relation to the Tester amendment No. 3552.

The Senator from New York.

Mr. SCHUMER. I yield back all time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to Tester amendment No. 3552.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate equally divided prior to a vote on the passage of the bill.

Mr. SCHUMER. Mr. President, I yield back all time and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Thre is a sufficient second.

The bill having been read the third time, the question is, Shall it pass?

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Ms. HIRONO). Are there any other Senators in the Chamber desiring to vote?

Mr. DURBIN. I announce that the Senator from Delaware (Mr. COONS) and the Senator from Hawaii (Mr. SCHATZ) are necessarily absent.

Mr. CORNYN. The following Senator is necessarily absent: the Senator from Tennessee (Mr. ALEXANDER).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted ''yea.''

The result was announced—yeas 93, nays 4, as follows:

[Rollcall Vote No. 231 Leg.]

YEAS—93

| | | |
|---|---|---|
| Ayotte | Gillibrand | Mikulski |
| Baldwin | Graham | Moran |
| Barrasso | Grassley | Murkowski |
| Begich | Hagan | Murphy |
| Bennet | Harkin | Murray |
| Blumenthal | Hatch | Nelson |
| Blunt | Heinrich | Paul |
| Booker | Heitkamp | Portman |
| Boozman | Heller | Pryor |
| Boxer | Hirono | Reed |
| Brown | Hoeven | Reid |
| Burr | Inhofe | Risch |
| Cantwell | Isakson | Rockefeller |
| Cardin | Johanns | Sanders |
| Carper | Johnson (SD) | Schumer |
| Casey | Johnson (WI) | Scott |
| Chambliss | Kaine | Shaheen |
| Coats | King | Shelby |
| Cochran | Kirk | Stabenow |
| Collins | Klobuchar | Tester |
| Corker | Landrieu | Thune |
| Cornyn | Leahy | Toomey |
| Crapo | Lee | Udall (CO) |
| Cruz | Levin | Udall (NM) |
| Donnelly | Manchin | Vitter |
| Durbin | Markey | Walsh |
| Enzi | McCain | Warner |
| Feinstein | McCaskill | Warren |
| Fischer | McConnell | Whitehouse |
| Flake | Menendez | Wicker |
| Franken | Merkley | Wyden |

NAYS—4

| | |
|---|---|
| Coburn | Rubio |
| Roberts | Sessions |

NOT VOTING—3

| | | |
|---|---|---|
| Alexander | Coons | Schatz |

The bill (S. 2244), as amended, was passed, as follows:

S. 2244

*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 ''Terrorism Risk Insurance Program Reauthorization Act of 2014''.

**SEC. 2. EXTENSION OF TERRORISM INSURANCE PROGRAM.**

Section 108(a) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking ''December 31, 2014'' and inserting ''December 31, 2021''.

**SEC. 3. FEDERAL SHARE.**

Section 103(e)(1)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by inserting ''and beginning on January 1, 2016, shall decrease by 1 percentage point per calendar year until equal to 80 percent'' after ''85 percent''.

**SEC. 4. RECOUPMENT OF FEDERAL SHARE OF COMPENSATION UNDER THE PROGRAM.**

Section 103(e) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in paragraph (6), in the matter preceding subparagraph (A), by striking ''shall be'' and all that follows through subparagraph (E) and inserting ''shall be the lesser of—

''(A) $27,500,000,000, as such amount is adjusted pursuant to this paragraph; and

''(B) the aggregate amount, for all insurers, of insured losses during such calendar year,

provided that beginning in the calendar year that follows the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2014, the amount set forth under subparagraph (A) shall increase by $2,000,000,000 per calendar year until equal to $37,500,000,000.'';

(2) in paragraph (7)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking ''for each of the periods referred to in subparagraphs (A) through (E) of paragraph (6)''; and

(ii) in clause (i), by striking ''for such period'';

(B) by striking subparagraph (B) and inserting the following:

''(B) [Reserved.]'';

(C) in subparagraph (C)—

(i) by striking ''occurring during any of the periods referred to in any of subparagraphs (A) through (E) of paragraph (6), terrorism loss risk-spreading premiums in an amount equal to 133 percent'' and inserting '', terrorism loss risk-spreading premiums in an amount equal to 135.5 percent''; and

(ii) by inserting ''as calculated under subparagraph (A)'' after ''mandatory recoupment amount''; and

(D) in subparagraph (E)(i)—

(i) in subclause (I)—

(I) by striking ''2010'' and inserting ''2017''; and

(II) by striking ''2012'' and inserting ''2019'';

(ii) in subclause (II)—

(I) by striking ''2011'' and inserting ''2018'';

(II) by striking ''2012'' and inserting ''2019''; and

(III) by striking ''2017'' and inserting ''2024''; and

(iii) in subclause (III)—

(I) by striking ''2012'' and inserting ''2019''; and

(II) by striking ''2017'' and inserting ''2024''.

**SEC. 5. TECHNICAL AMENDMENTS.**

The Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in section 102—

(A) in paragraph (3)—

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

(ii) in the matter preceding clause (i) (as so redesignated), by striking ''An entity has'' and inserting the following:

''(A) IN GENERAL.—An entity has''; and

(iii) by adding at the end the following new subparagraph:

''(B) RULE OF CONSTRUCTION.—An entity, including any affiliate thereof, does not have 'control' over another entity, if, as of the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2014, the entity is acting as an attorney-in-fact, as defined by the Secretary, for the other entity and such other entity is a reciprocal insurer, provided that the entity is not, for reasons other than the attorney-in-fact relationship, defined as having 'control' under subparagraph (A).'';

(B) in paragraph (7)—

(i) by striking subparagraphs (A) through (F) and inserting the following:

''(A) the value of an insurer's direct earned premiums during the immediately preceding calendar year, multiplied by 20 percent; and'';

(ii) by redesignating subparagraph (G) as subparagraph (B); and

(iii) in subparagraph (B), as so redesignated by clause (ii)—

(I) by striking ''notwithstanding subparagraphs (A) through (F), for the Transition Period or any Program Year'' and inserting ''notwithstanding subparagraph (A), for any calendar year''; and

(II) by striking ''Period or Program Year'' and inserting ''calendar year'';

(C) by striking paragraph (11); and

(D) by redesignating paragraphs (12) through (16) as paragraphs (11) through (15), respectively; and

(2) in section 103—

(A) in subsection (c), by striking ''Program Year'' and inserting ''calendar year'';

(B) in subsection (e)—

(i) in paragraph (1)—

(I) in subparagraph (A), as previously amended by section 3—

(aa) by striking ''the Transition Period and each Program Year through Program Year 4 shall be equal to 90 percent, and during Program Year 5 and each Program Year thereafter'' and inserting ''each calendar year'';

(bb) by striking the comma after ''80 percent''; and

(cc) by striking ''such Transition Period or such Program Year'' and inserting ''such calendar year''; and

(II) in subparagraph (B), by striking ''exceed'' and all that follows through clause (ii) and inserting ''exceed $100,000,000 with respect to such insured losses occurring in the calendar year.'';

(ii) in paragraph (2)(A), by striking ''the period beginning on the first day of the Transition Period and ending on the last day of Program Year 1, or during any Program Year thereafter'' and inserting ''a calendar year''; and

(iii) in paragraph (3), by striking ''the period beginning on the first day of the Transition Period and ending on the last day of Program Year 1, or during any other Program Year'' and inserting ''any calendar year''; and

(C) in subsection (g)(2)—

(i) by striking ''the Transition Period or a Program Year'' each place that term appears and inserting ''the calendar year'';

(ii) by striking ''such period'' and inserting ''the calendar year''; and

(iii) by striking ''that period'' and inserting ''the calendar year''.

**SEC. 6. IMPROVING THE CERTIFICATION PROCESS.**

(a) DEFINITIONS.—As used in this section—

(1) the term ''act of terrorism'' has the same meaning as in section 102(1) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note);

(2) the term ''certification process'' means the process by which the Secretary determines whether to certify an act as an act of terrorism under section 102(1) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note); and

(3) the term ''Secretary'' means the Secretary of the Treasury.

(b) STUDY.—Not later than 9 months after the date of enactment of this Act, the Secretary shall conduct and complete a study on the certification process.

(c) REQUIRED CONTENT.—The study required under subsection (a) shall include an examination and analysis of—

(1) the establishment of a reasonable timeline by which the Secretary must make an accurate determination on whether to certify an act as an act of terrorism;

(2) the impact that the length of any timeline proposed to be established under paragraph (1) may have on the insurance industry, policyholders, consumers, and taxpayers as a whole;

(3) the factors the Secretary would evaluate and monitor during the certification process, including the ability of the Secretary to obtain the required information regarding the amount of projected and incurred losses resulting from an act which the Secretary would need in determining whether to certify the act as an act of terrorism;

(4) the appropriateness, efficiency, and effectiveness of the consultation process required under section 102(1)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) and any recommendations on changes to the consultation process; and

(5) the ability of the Secretary to provide guidance and updates to the public regarding any act that may reasonably be certified as an act of terrorism.

(d) REPORT.—Upon completion of the study required under subsection (a), the Secretary shall submit a report on the results of such study to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

(e) RULEMAKING.—Section 102(1) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) by redesignating subparagraph (D) as subparagraph (E); and

(2) by inserting after subparagraph (C) the following:

''(D) TIMING OF CERTIFICATION.—Not later than 9 months after the report required under section 6 of the Terrorism Risk Insurance Program Reauthorization Act of 2014 is submitted to the appropriate committees of Congress, the Secretary shall issue final rules governing the certification process, including any timeline applicable to any certification by the Secretary on whether an act is an act of terrorism under this paragraph.''.

**SEC. 7. GAO STUDY ON UPFRONT PREMIUMS.**

(a) STUDY.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall complete a study on the viability and effects of the Federal Government assessing and collecting upfront premiums on insurers that participate in the Terrorism Insurance Program established under the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) (hereafter in this section referred to as the ''Program'').

(b) REQUIRED CONTENT.—The study required under subsection (a) shall examine, but shall not be limited to, the following issues:

(1) How the Federal Government could determine the price of such upfront premiums on insurers that participate in the Program.

(2) How the Federal Government could collect and manage such upfront premiums.

(3) How the Federal Government could ensure that such upfront premiums are not spent for purposes other than claims through the Program.

(4) How the assessment and collection of such upfront premiums could affect take-up rates for terrorism risk coverage in different regions and industries and how it could impact small businesses and consumers in both metropolitan and non-metropolitan areas.

(5) The effect of collecting such upfront premiums on insurers both large and small.

(6) The effect of collecting such upfront premiums on the private market for terrorism risk reinsurance.

(7) The size of any Federal Government subsidy insurers may receive through their participation in the Program, taking into account the Program's current post-event recoupment structure.

(c) REPORT.—Upon completion of the study required under subsection (a), the Comptroller General shall submit a report on the results of such study to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

(d) PUBLIC AVAILABILITY.—The study and report required under this section shall be made available to the public in electronic form and shall be published on the website of the Government Accountability Office.

**SEC. 8. MEMBERSHIP OF BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.**

(a) IN GENERAL.—The first undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 241) is amended by inserting after the second sentence the following: ''In selecting members of the Board, the President shall appoint at least 1 member with demonstrated primary experience working in or supervising community banks having less than $10,000,000,000 in total assets.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act and apply to appointments made on and after that effective date, excluding any nomination pending in the Senate on that date.

**SEC. 9. ADVISORY COMMITTEE ON RISK-SHARING MECHANISMS.**

(a) FINDING; RULE OF CONSTRUCTION.—

(1) FINDING.—Congress finds that it is desirable to encourage the growth of nongovernmental, private market reinsurance capacity for protection against losses arising from acts of terrorism.

(2) RULE OF CONSTRUCTION.—Nothing in this Act, any amendment made by this Act, or the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) shall prohibit insurers from developing risk-sharing mechanisms to voluntarily reinsure terrorism losses between and among themselves.

(b) ADVISORY COMMITTEE ON RISK-SHARING MECHANISMS.—

(1) ESTABLISHMENT.—The Secretary of the Treasury shall establish and appoint an advisory committee to be known as the ''Advisory Committee on Risk-Sharing Mechanisms'' (referred to in this subsection as the ''Advisory Committee'').

(2) DUTIES.—The Advisory Committee shall provide advice, recommendations, and encouragement with respect to the creation and development of the nongovernmental risk-sharing mechanisms described under subsection (a).

(3) MEMBERSHIP.—The Advisory Committee shall be composed of 9 members who are directors, officers, or other employees of insurers, reinsurers, or capital market participants that are participating or that desire to participate in the nongovernmental risk-sharing mechanisms described under subsection (a), and who are representative of the affected sectors of the insurance industry, including commercial property insurance, commercial casualty insurance, reinsurance, and alternative risk transfer industries.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2015.

## TITLE II—NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS

**SEC. 201. SHORT TITLE.**

This title may be cited as the ''National Association of Registered Agents and Brokers Reform Act of 2014''.

**SEC. 202. REESTABLISHMENT OF THE NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.**

(a) IN GENERAL.—Subtitle C of title III of the Gramm-Leach-Bliley Act (15 U.S.C. 6751 et seq.) is amended to read as follows:

### "Subtitle C—National Association of Registered Agents and Brokers

**"SEC. 321. NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.**

''(a) ESTABLISHMENT.—There is established the National Association of Registered Agents and Brokers (referred to in this subtitle as the 'Association').

''(b) STATUS.—The Association shall—

''(1) be a nonprofit corporation;

''(2) not be an agent or instrumentality of the Federal Government;

''(3) be an independent organization that may not be merged with or into any other private or public entity; and

''(4) except as otherwise provided in this subtitle, be subject to, and have all the powers conferred upon, a nonprofit corporation

by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29–301.01 et seq.) or any successor thereto.

**"SEC. 322. PURPOSE.**

''The purpose of the Association shall be to provide a mechanism through which licensing, continuing education, and other nonresident insurance producer qualification requirements and conditions may be adopted and applied on a multi-state basis without affecting the laws, rules, and regulations, and preserving the rights of a State, pertaining to—

''(1) licensing, continuing education, and other qualification requirements of insurance producers that are not members of the Association;

''(2) resident or nonresident insurance producer appointment requirements;

''(3) supervising and disciplining resident and nonresident insurance producers;

''(4) establishing licensing fees for resident and nonresident insurance producers so that there is no loss of insurance producer licensing revenue to the State; and

''(5) prescribing and enforcing laws and regulations regulating the conduct of resident and nonresident insurance producers.

**"SEC. 323. MEMBERSHIP.**

''(a) ELIGIBILITY.—

''(1) IN GENERAL.—Any insurance producer licensed in its home State shall, subject to paragraphs (2) and (4), be eligible to become a member of the Association.

''(2) INELIGIBILITY FOR SUSPENSION OR REVOCATION OF LICENSE.—Subject to paragraph (3), an insurance producer is not eligible to become a member of the Association if a State insurance regulator has suspended or revoked the insurance license of the insurance producer in that State.

''(3) RESUMPTION OF ELIGIBILITY.—Paragraph (2) shall cease to apply to any insurance producer if—

''(A) the State insurance regulator reissues or renews the license of the insurance producer in the State in which the license was suspended or revoked, or otherwise terminates or vacates the suspension or revocation; or

''(B) the suspension or revocation expires or is subsequently overturned by a court of competent jurisdiction.

''(4) CRIMINAL HISTORY RECORD CHECK REQUIRED.—

''(A) IN GENERAL.—An insurance producer who is an individual shall not be eligible to become a member of the Association unless the insurance producer has undergone a criminal history record check that complies with regulations prescribed by the Attorney General of the United States under subparagraph (K).

''(B) CRIMINAL HISTORY RECORD CHECK REQUESTED BY HOME STATE.—An insurance producer who is licensed in a State and who has undergone a criminal history record check during the 2-year period preceding the date of submission of an application to become a member of the Association, in compliance with a requirement to undergo such criminal history record check as a condition for such licensure in the State, shall be deemed to have undergone a criminal history record check for purposes of subparagraph (A).

''(C) CRIMINAL HISTORY RECORD CHECK REQUESTED BY ASSOCIATION.—

''(i) IN GENERAL.—The Association shall, upon request by an insurance producer licensed in a State, submit fingerprints or other identification information obtained from the insurance producer, and a request for a criminal history record check of the insurance producer, to the Federal Bureau of Investigation.

''(ii) PROCEDURES.—The board of directors of the Association (referred to in this subtitle as the 'Board') shall prescribe procedures for obtaining and utilizing fingerprints or other identification information and criminal history record information, including the establishment of reasonable fees to defray the expenses of the Association in connection with the performance of a criminal history record check and appropriate safeguards for maintaining confidentiality and security of the information. Any fees charged pursuant to this clause shall be separate and distinct from those charged by the Attorney General pursuant to subparagraph (I).

''(D) FORM OF REQUEST.—A submission under subparagraph (C)(i) shall include such fingerprints or other identification information as is required by the Attorney General concerning the person about whom the criminal history record check is requested, and a statement signed by the person authorizing the Attorney General to provide the information to the Association and for the Association to receive the information.

''(E) PROVISION OF INFORMATION BY ATTORNEY GENERAL.—Upon receiving a submission under subparagraph (C)(i) from the Association, the Attorney General shall search all criminal history records of the Federal Bureau of Investigation, including records of the Criminal Justice Information Services Division of the Federal Bureau of Investigation, that the Attorney General determines appropriate for criminal history records corresponding to the fingerprints or other identification information provided under subparagraph (D) and provide all criminal history record information included in the request to the Association.

''(F) LIMITATION ON PERMISSIBLE USES OF INFORMATION.—Any information provided to the Association under subparagraph (E) may only—

''(i) be used for purposes of determining compliance with membership criteria established by the Association;

''(ii) be disclosed to State insurance regulators, or Federal or State law enforcement agencies, in conformance with applicable law; or

''(iii) be disclosed, upon request, to the insurance producer to whom the criminal history record information relates.

''(G) PENALTY FOR IMPROPER USE OR DISCLOSURE.—Whoever knowingly uses any information provided under subparagraph (E) for a purpose not authorized in subparagraph (F), or discloses any such information to anyone not authorized to receive it, shall be fined not more than $50,000 per violation as determined by a court of competent jurisdiction.

''(H) RELIANCE ON INFORMATION.—Neither the Association nor any of its Board members, officers, or employees shall be liable in any action for using information provided under subparagraph (E) as permitted under subparagraph (F) in good faith and in reasonable reliance on its accuracy.

''(I) FEES.—The Attorney General may charge a reasonable fee for conducting the search and providing the information under subparagraph (E), and any such fee shall be collected and remitted by the Association to the Attorney General.

''(J) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as—

''(i) requiring a State insurance regulator to perform criminal history record checks under this section; or

''(ii) limiting any other authority that allows access to criminal history records.

''(K) REGULATIONS.—The Attorney General shall prescribe regulations to carry out this paragraph, which shall include—

''(i) appropriate protections for ensuring the confidentiality of information provided under subparagraph (E); and

''(ii) procedures providing a reasonable opportunity for an insurance producer to contest the accuracy of information regarding the insurance producer provided under subparagraph (E).

''(L) INELIGIBILITY FOR MEMBERSHIP.—

''(i) IN GENERAL.—The Association may, under reasonably consistently applied standards, deny membership to an insurance producer on the basis of criminal history record information provided under subparagraph (E), or where the insurance producer has been subject to disciplinary action, as described in paragraph (2).

''(ii) RIGHTS OF APPLICANTS DENIED MEMBERSHIP.—The Association shall notify any insurance producer who is denied membership on the basis of criminal history record information provided under subparagraph (E) of the right of the insurance producer to—

''(I) obtain a copy of all criminal history record information provided to the Association under subparagraph (E) with respect to the insurance producer; and

''(II) challenge the denial of membership based on the accuracy and completeness of the information.

''(M) DEFINITION.—For purposes of this paragraph, the term 'criminal history record check' means a national background check of criminal history records of the Federal Bureau of Investigation.

''(b) AUTHORITY TO ESTABLISH MEMBERSHIP CRITERIA.—The Association may establish membership criteria that bear a reasonable relationship to the purposes for which the Association was established.

''(c) ESTABLISHMENT OF CLASSES AND CATEGORIES OF MEMBERSHIP.—

''(1) CLASSES OF MEMBERSHIP.—The Association may establish separate classes of membership, with separate criteria, if the Association reasonably determines that performance of different duties requires different levels of education, training, experience, or other qualifications.

''(2) BUSINESS ENTITIES.—The Association shall establish a class of membership and membership criteria for business entities. A business entity that applies for membership shall be required to designate an individual Association member responsible for the compliance of the business entity with Association standards and the insurance laws, rules, and regulations of any State in which the business entity seeks to do business on the basis of Association membership.

''(3) CATEGORIES.—

''(A) SEPARATE CATEGORIES FOR INSURANCE PRODUCERS PERMITTED.—The Association may establish separate categories of membership for insurance producers and for other persons or entities within each class, based on the types of licensing categories that exist under State laws.

''(B) SEPARATE TREATMENT FOR DEPOSITORY INSTITUTIONS PROHIBITED.—No special categories of membership, and no distinct membership criteria, shall be established for members that are depository institutions or for employees, agents, or affiliates of depository institutions.

''(d) MEMBERSHIP CRITERIA.—

''(1) IN GENERAL.—The Association may establish criteria for membership which shall include standards for personal qualifications, education, training, and experience. The Association shall not establish criteria that unfairly limit the ability of a small insurance producer to become a member of the Association, including imposing discriminatory membership fees.

''(2) QUALIFICATIONS.—In establishing criteria under paragraph (1), the Association shall not adopt any qualification less protective to the public than that contained in the National Association of Insurance Commissioners (referred to in this subtitle as the

'NAIC') Producer Licensing Model Act in effect as of the date of enactment of the National Association of Registered Agents and Brokers Reform Act of 2014, and shall consider the highest levels of insurance producer qualifications established under the licensing laws of the States.

''(3) ASSISTANCE FROM STATES.—

''(A) IN GENERAL.—The Association may request a State to provide assistance in investigating and evaluating the eligibility of a prospective member for membership in the Association.

''(B) AUTHORIZATION OF INFORMATION SHARING.—A submission under subsection (a)(4)(C)(i) made by an insurance producer licensed in a State shall include a statement signed by the person about whom the assistance is requested authorizing—

''(i) the State to share information with the Association; and

''(ii) the Association to receive the information.

''(C) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as requiring or authorizing any State to adopt new or additional requirements concerning the licensing or evaluation of insurance producers.

''(4) DENIAL OF MEMBERSHIP.—The Association may, based on reasonably consistently applied standards, deny membership to any State-licensed insurance producer for failure to meet the membership criteria established by the Association.

''(e) EFFECT OF MEMBERSHIP.—

''(1) AUTHORITY OF ASSOCIATION MEMBERS.—Membership in the Association shall—

''(A) authorize an insurance producer to sell, solicit, or negotiate insurance in any State for which the member pays the licensing fee set by the State for any line or lines of insurance specified in the home State license of the insurance producer, and exercise all such incidental powers as shall be necessary to carry out such activities, including claims adjustments and settlement to the extent permissible under the laws of the State, risk management, employee benefits advice, retirement planning, and any other insurance-related consulting activities;

''(B) be the equivalent of a nonresident insurance producer license for purposes of authorizing the insurance producer to engage in the activities described in subparagraph (A) in any State where the member pays the licensing fee; and

''(C) be the equivalent of a nonresident insurance producer license for the purpose of subjecting an insurance producer to all laws, regulations, provisions or other action of any State concerning revocation, suspension, or other enforcement action related to the ability of a member to engage in any activity within the scope of authority granted under this subsection and to all State laws, regulations, provisions, and actions preserved under paragraph (5).

''(2) VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Nothing in this subtitle shall be construed to alter, modify, or supercede any requirement established by section 1033 of title 18, United States Code.

''(3) AGENT FOR REMITTING FEES.—The Association shall act as an agent for any member for purposes of remitting licensing fees to any State pursuant to paragraph (1).

''(4) NOTIFICATION OF ACTION.—

''(A) IN GENERAL.—The Association shall notify the States (including State insurance regulators) and the NAIC when an insurance producer has satisfied the membership criteria of this section. The States (including State insurance regulators) shall have 10 business days after the date of the notification in order to provide the Association with evidence that the insurance producer does not satisfy the criteria for membership in the Association.

''(B) ONGOING DISCLOSURES REQUIRED.—On an ongoing basis, the Association shall disclose to the States (including State insurance regulators) and the NAIC a list of the States in which each member is authorized to operate. The Association shall immediately notify the States (including State insurance regulators) and the NAIC when a member is newly authorized to operate in one or more States, or is no longer authorized to operate in one or more States on the basis of Association membership.

''(5) PRESERVATION OF CONSUMER PROTECTION AND MARKET CONDUCT REGULATION.—

''(A) IN GENERAL.—No provision of this section shall be construed as altering or affecting the applicability or continuing effectiveness of any law, regulation, provision, or other action of any State, including those described in subparagraph (B), to the extent that the State law, regulation, provision, or other action is not inconsistent with the provisions of this subtitle related to market entry for nonresident insurance producers, and then only to the extent of the inconsistency.

''(B) PRESERVED REGULATIONS.—The laws, regulations, provisions, or other actions of any State referred to in subparagraph (A) include laws, regulations, provisions, or other actions that—

''(i) regulate market conduct, insurance producer conduct, or unfair trade practices;

''(ii) establish consumer protections; or

''(iii) require insurance producers to be appointed by a licensed or authorized insurer.

''(f) BIENNIAL RENEWAL.—Membership in the Association shall be renewed on a biennial basis.

''(g) CONTINUING EDUCATION.—

''(1) IN GENERAL.—The Association shall establish, as a condition of membership, continuing education requirements which shall be comparable to the continuing education requirements under the licensing laws of a majority of the States.

''(2) STATE CONTINUING EDUCATION REQUIREMENTS.—A member may not be required to satisfy continuing education requirements imposed under the laws, regulations, provisions, or actions of any State other than the home State of the member.

''(3) RECIPROCITY.—The Association shall not require a member to satisfy continuing education requirements that are equivalent to any continuing education requirements of the home State of the member that have been satisfied by the member during the applicable licensing period.

''(4) LIMITATION ON THE ASSOCIATION.—The Association shall not directly or indirectly offer any continuing education courses for insurance producers.

''(h) PROBATION, SUSPENSION AND REVOCATION.—

''(1) DISCIPLINARY ACTION.—The Association may place an insurance producer that is a member of the Association on probation or suspend or revoke the membership of the insurance producer in the Association, or assess monetary fines or penalties, as the Association determines to be appropriate, if—

''(A) the insurance producer fails to meet the applicable membership criteria or other standards established by the Association;

''(B) the insurance producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator;

''(C) an insurance license held by the insurance producer has been suspended or revoked by a State insurance regulator; or

''(D) the insurance producer has been convicted of a crime that would have resulted in the denial of membership pursuant to subsection (a)(4)(L)(i) at the time of application, and the Association has received a copy of the final disposition from a court of competent jurisdiction.

''(2) VIOLATIONS OF ASSOCIATION STANDARDS.—The Association shall have the power to investigate alleged violations of Association standards.

''(3) REPORTING.—The Association shall immediately notify the States (including State insurance regulators) and the NAIC when the membership of an insurance producer has been placed on probation or has been suspended, revoked, or otherwise terminated, or when the Association has assessed monetary fines or penalties.

''(i) CONSUMER COMPLAINTS.—

''(1) IN GENERAL.—The Association shall—

''(A) refer any complaint against a member of the Association from a consumer relating to alleged misconduct or violations of State insurance laws to the State insurance regulator where the consumer resides and, when appropriate, to any additional State insurance regulator, as determined by standards adopted by the Association; and

''(B) make any related records and information available to each State insurance regulator to whom the complaint is forwarded.

''(2) TELEPHONE AND OTHER ACCESS.—The Association shall maintain a toll-free number for purposes of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet webpage.

''(3) FINAL DISPOSITION OF INVESTIGATION.—State insurance regulators shall provide the Association with information regarding the final disposition of a complaint referred pursuant to paragraph (1)(A), but nothing shall be construed to compel a State to release confidential investigation reports or other information protected by State law to the Association.

''(j) INFORMATION SHARING.—The Association may—

''(1) share documents, materials, or other information, including confidential and privileged documents, with a State, Federal, or international governmental entity or with the NAIC or other appropriate entity referenced in paragraphs (3) and (4), provided that the recipient has the authority and agrees to maintain the confidentiality or privileged status of the document, material, or other information;

''(2) limit the sharing of information as required under this subtitle with the NAIC or any other non-governmental entity, in circumstances under which the Association determines that the sharing of such information is unnecessary to further the purposes of this subtitle;

''(3) establish a central clearinghouse, or utilize the NAIC or another appropriate entity, as determined by the Association, as a central clearinghouse, for use by the Association and the States (including State insurance regulators), through which members of the Association may disclose their intent to operate in 1 or more States and pay the licensing fees to the appropriate States; and

''(4) establish a database, or utilize the NAIC or another appropriate entity, as determined by the Association, as a database, for use by the Association and the States (including State insurance regulators) for the collection of regulatory information concerning the activities of insurance producers.

''(k) EFFECTIVE DATE.—The provisions of this section shall take effect on the later of—

''(1) the expiration of the 2-year period beginning on the date of enactment of the National Association of Registered Agents and Brokers Reform Act of 2014; and

''(2) the date of incorporation of the Association.

**"SEC. 324. BOARD OF DIRECTORS.**

''(a) ESTABLISHMENT.—There is established a board of directors of the Association, which shall have authority to govern and supervise all activities of the Association.

''(b) POWERS.—The Board shall have such of the powers and authority of the Association as may be specified in the bylaws of the Association.

''(c) COMPOSITION.—

''(1) IN GENERAL.—The Board shall consist of 13 members who shall be appointed by the President, by and with the advice and consent of the Senate, in accordance with the procedures established under Senate Resolution 116 of the 112th Congress, of whom—

''(A) 8 shall be State insurance commissioners appointed in the manner provided in paragraph (2), 1 of whom shall be designated by the President to serve as the chairperson of the Board until the Board elects one such State insurance commissioner Board member to serve as the chairperson of the Board;

''(B) 3 shall have demonstrated expertise and experience with property and casualty insurance producer licensing; and

''(C) 2 shall have demonstrated expertise and experience with life or health insurance producer licensing.

''(2) STATE INSURANCE REGULATOR REPRESENTATIVES.—

''(A) RECOMMENDATIONS.—Before making any appointments pursuant to paragraph (1)(A), the President shall request a list of recommended candidates from the States through the NAIC, which shall not be binding on the President. If the NAIC fails to submit a list of recommendations not later than 15 business days after the date of the request, the President may make the requisite appointments without considering the views of the NAIC.

''(B) POLITICAL AFFILIATION.—Not more than 4 Board members appointed under paragraph (1)(A) shall belong to the same political party.

''(C) FORMER STATE INSURANCE COMMISSIONERS.—

''(i) IN GENERAL.—If, after offering each currently serving State insurance commissioner an appointment to the Board, fewer than 8 State insurance commissioners have accepted appointment to the Board, the President may appoint the remaining State insurance commissioner Board members, as required under paragraph (1)(A), of the appropriate political party as required under subparagraph (B), from among individuals who are former State insurance commissioners.

''(ii) LIMITATION.—A former State insurance commissioner appointed as described in clause (i) may not be employed by or have any present direct or indirect financial interest in any insurer, insurance producer, or other entity in the insurance industry, other than direct or indirect ownership of, or beneficial interest in, an insurance policy or annuity contract written or sold by an insurer.

''(D) SERVICE THROUGH TERM.—If a Board member appointed under paragraph (1)(A) ceases to be a State insurance commissioner during the term of the Board member, the Board member shall cease to be a Board member.

''(3) PRIVATE SECTOR REPRESENTATIVES.—In making any appointment pursuant to subparagraph (B) or (C) of paragraph (1), the President may seek recommendations for candidates from groups representing the category of individuals described, which shall not be binding on the President.

''(4) STATE INSURANCE COMMISSIONER DEFINED.—For purposes of this subsection, the term 'State insurance commissioner' means a person who serves in the position in State government, or on the board, commission, or other body that is the primary insurance regulatory authority for the State.

''(d) TERMS.—

''(1) IN GENERAL.—Except as provided under paragraph (2), the term of service for each Board member shall be 2 years.

''(2) EXCEPTIONS.—

''(A) 1-YEAR TERMS.—The term of service shall be 1 year, as designated by the President at the time of the nomination of the subject Board members for—

''(i) 4 of the State insurance commissioner Board members initially appointed under paragraph (1)(A), of whom not more than 2 shall belong to the same political party;

''(ii) 1 of the Board members initially appointed under paragraph (1)(B); and

''(iii) 1 of the Board members initially appointed under paragraph (1)(C).

''(B) EXPIRATION OF TERM.—A Board member may continue to serve after the expiration of the term to which the Board member was appointed for the earlier of 2 years or until a successor is appointed.

''(C) MID-TERM APPOINTMENTS.—A Board member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the Board member was appointed shall be appointed only for the remainder of that term.

''(3) SUCCESSIVE TERMS.—Board members may be reappointed to successive terms.

''(e) INITIAL APPOINTMENTS.—The appointment of initial Board members shall be made no later than 90 days after the date of enactment of the National Association of Registered Agents and Brokers Reform Act of 2014.

''(f) MEETINGS.—

''(1) IN GENERAL.—The Board shall meet—

''(A) at the call of the chairperson;

''(B) as requested in writing to the chairperson by not fewer than 5 Board members; or

''(C) as otherwise provided by the bylaws of the Association.

''(2) QUORUM REQUIRED.—A majority of all Board members shall constitute a quorum.

''(3) VOTING.—Decisions of the Board shall require the approval of a majority of all Board members present at a meeting, a quorum being present.

''(4) INITIAL MEETING.—The Board shall hold its first meeting not later than 45 days after the date on which all initial Board members have been appointed.

''(g) RESTRICTION ON CONFIDENTIAL INFORMATION.—Board members appointed pursuant to subparagraphs (B) and (C) of subsection (c)(1) shall not have access to confidential information received by the Association in connection with complaints, investigations, or disciplinary proceedings involving insurance producers.

''(h) ETHICS AND CONFLICTS OF INTEREST.—The Board shall issue and enforce an ethical conduct code to address permissible and prohibited activities of Board members and Association officers, employees, agents, or consultants. The code shall, at a minimum, include provisions that prohibit any Board member or Association officer, employee, agent or consultant from—

''(1) engaging in unethical conduct in the course of performing Association duties;

''(2) participating in the making or influencing the making of any Association decision, the outcome of which the Board member, officer, employee, agent, or consultant knows or had reason to know would have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the person or a member of the immediate family of the person;

''(3) accepting any gift from any person or entity other than the Association that is given because of the position held by the person in the Association;

''(4) making political contributions to any person or entity on behalf of the Association; and

''(5) lobbying or paying a person to lobby on behalf of the Association.

''(i) COMPENSATION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no Board member may receive any compensation from the Association or any other person or entity on account of Board membership.

''(2) TRAVEL EXPENSES AND PER DIEM.—Board members may be reimbursed only by the Association for travel expenses, including per diem in lieu of subsistence, at rates consistent with rates authorized for employees of Federal agencies under subchapter I of chapter 57 of title 5, United States Code, while away from home or regular places of business in performance of services for the Association.

**"SEC. 325. BYLAWS, STANDARDS, AND DISCIPLINARY ACTIONS.**

''(a) ADOPTION AND AMENDMENT OF BYLAWS AND STANDARDS.—

''(1) PROCEDURES.—The Association shall adopt procedures for the adoption of bylaws and standards that are similar to procedures under subchapter II of chapter 5 of title 5, United States Code (commonly known as the 'Administrative Procedure Act').

''(2) COPY REQUIRED TO BE FILED.—The Board shall submit to the President, through the Department of the Treasury, and the States (including State insurance regulators), and shall publish on the website of the Association, all proposed bylaws and standards of the Association, or any proposed amendment to the bylaws or standards of the Association, accompanied by a concise general statement of the basis and purpose of such proposal.

''(3) EFFECTIVE DATE.—Any proposed bylaw or standard of the Association, and any proposed amendment to the bylaws or standards of the Association, shall take effect, after notice under paragraph (2) and opportunity for public comment, on such date as the Association may designate, unless suspended under section 329(c).

''(4) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to subject the Board or the Association to the requirements of subchapter II of chapter 5 of title 5, United States Code (commonly known as the 'Administrative Procedure Act').

''(b) DISCIPLINARY ACTION BY THE ASSOCIATION.—

''(1) SPECIFICATION OF CHARGES.—In any proceeding to determine whether membership shall be denied, suspended, revoked, or not renewed, or to determine whether a member of the Association should be placed on probation (referred to in this section as a 'disciplinary action') or whether to assess fines or monetary penalties, the Association shall bring specific charges, notify the member of the charges, give the member an opportunity to defend against the charges, and keep a record.

''(2) SUPPORTING STATEMENT.—A determination to take disciplinary action shall be supported by a statement setting forth—

''(A) any act or practice in which the member has been found to have been engaged;

''(B) the specific provision of this subtitle or standard of the Association that any such act or practice is deemed to violate; and

''(C) the sanction imposed and the reason for the sanction.

''(3) INELIGIBILITY OF PRIVATE SECTOR REPRESENTATIVES.—Board members appointed pursuant to section 324(c)(3) may not—

''(A) participate in any disciplinary action or be counted toward establishing a quorum during a disciplinary action; and

''(B) have access to confidential information concerning any disciplinary action.

**"SEC. 326. POWERS.**

''In addition to all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act, the Association shall have the power to—

''(1) establish and collect such membership fees as the Association finds necessary to impose to cover the costs of its operations;

''(2) adopt, amend, and repeal bylaws, procedures, or standards governing the conduct of Association business and performance of its duties;

''(3) establish procedures for providing notice and opportunity for comment pursuant to section 325(a);

''(4) enter into and perform such agreements as necessary to carry out the duties of the Association;

''(5) hire employees, professionals, or specialists, and elect or appoint officers, and to fix their compensation, define their duties and give them appropriate authority to carry out the purposes of this subtitle, and determine their qualification;

''(6) establish personnel policies of the Association and programs relating to, among other things, conflicts of interest, rates of compensation, where applicable, and qualifications of personnel;

''(7) borrow money; and

''(8) secure funding for such amounts as the Association determines to be necessary and appropriate to organize and begin operations of the Association, which shall be treated as loans to be repaid by the Association with interest at market rate.

**"SEC. 327. REPORT BY THE ASSOCIATION.**

''(a) IN GENERAL.—As soon as practicable after the close of each fiscal year, the Association shall submit to the President, through the Department of the Treasury, and the States (including State insurance regulators), and shall publish on the website of the Association, a written report regarding the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year.

''(b) FINANCIAL STATEMENTS.—Each report submitted under subsection (a) with respect to any fiscal year shall include audited financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year.

**"SEC. 328. LIABILITY OF THE ASSOCIATION AND THE BOARD MEMBERS, OFFICERS, AND EMPLOYEES OF THE ASSOCIATION.**

''(a) IN GENERAL.—The Association shall not be deemed to be an insurer or insurance producer within the meaning of any State law, rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance, including provisions imposing premium taxes, regulating insurer solvency or financial condition, establishing guaranty funds and levying assessments, or requiring claims settlement practices.

''(b) LIABILITY OF BOARD MEMBERS, OFFICERS, AND EMPLOYEES.—No Board member, officer, or employee of the Association shall be personally liable to any person for any action taken or omitted in good faith in any matter within the scope of their responsibilities in connection with the Association.

**"SEC. 329. PRESIDENTIAL OVERSIGHT.**

''(a) REMOVAL OF BOARD.—If the President determines that the Association is acting in a manner contrary to the interests of the public or the purposes of this subtitle or has failed to perform its duties under this subtitle, the President may remove the entire existing Board for the remainder of the term to which the Board members were appointed and appoint, in accordance with section 324 and with the advice and consent of the Senate, in accordance with the procedures established under Senate Resolution 116 of the 112th Congress, new Board members to fill the vacancies on the Board for the remainder of the terms.

''(b) REMOVAL OF BOARD MEMBER.—The President may remove a Board member only for neglect of duty or malfeasance in office.

''(c) SUSPENSION OF BYLAWS AND STANDARDS AND PROHIBITION OF ACTIONS.—Following notice to the Board, the President, or a person designated by the President for such purpose, may suspend the effectiveness of any bylaw or standard, or prohibit any action, of the Association that the President or the designee determines is contrary to the purposes of this subtitle.

**"SEC. 330. RELATIONSHIP TO STATE LAW.**

''(a) PREEMPTION OF STATE LAWS.—State laws, regulations, provisions, or other actions purporting to regulate insurance producers shall be preempted to the extent provided in subsection (b).

''(b) PROHIBITED ACTIONS.—

''(1) IN GENERAL.—No State shall—

''(A) impede the activities of, take any action against, or apply any provision of law or regulation arbitrarily or discriminatorily to, any insurance producer because that insurance producer or any affiliate plans to become, has applied to become, or is a member of the Association;

''(B) impose any requirement upon a member of the Association that it pay fees different from those required to be paid to that State were it not a member of the Association; or

''(C) impose any continuing education requirements on any nonresident insurance producer that is a member of the Association.

''(2) STATES OTHER THAN A HOME STATE.—No State, other than the home State of a member of the Association, shall—

''(A) impose any licensing, personal or corporate qualifications, education, training, experience, residency, continuing education, or bonding requirement upon a member of the Association that is different from the criteria for membership in the Association or renewal of such membership;

''(B) impose any requirement upon a member of the Association that it be licensed, registered, or otherwise qualified to do business or remain in good standing in the State, including any requirement that the insurance producer register as a foreign company with the secretary of state or equivalent State official;

''(C) require that a member of the Association submit to a criminal history record check as a condition of doing business in the State; or

''(D) impose any licensing, registration, or appointment requirements upon a member of the Association, or require a member of the Association to be authorized to operate as an insurance producer, in order to sell, solicit, or negotiate insurance for commercial property and casualty risks to an insured with risks located in more than one State, if the member is licensed or otherwise authorized to operate in the State where the insured maintains its principal place of business and the contract of insurance insures risks located in that State.

''(3) PRESERVATION OF STATE DISCIPLINARY AUTHORITY.—Nothing in this section may be construed to prohibit a State from investigating and taking appropriate disciplinary action, including suspension or revocation of authority of an insurance producer to do business in a State, in accordance with State law and that is not inconsistent with the provisions of this section, against a member of the Association as a result of a complaint or for any alleged activity, regardless of whether the activity occurred before or after the insurance producer commenced doing business in the State pursuant to Association membership.

**"SEC. 331. COORDINATION WITH FINANCIAL INDUSTRY REGULATORY AUTHORITY.**

''The Association shall coordinate with the Financial Industry Regulatory Authority in order to ease any administrative burdens that fall on members of the Association that are subject to regulation by the Financial Industry Regulatory Authority, consistent with the requirements of this subtitle and the Federal securities laws.

**"SEC. 332. RIGHT OF ACTION.**

''(a) RIGHT OF ACTION.—Any person aggrieved by a decision or action of the Association may, after reasonably exhausting available avenues for resolution within the Association, commence a civil action in an appropriate United States district court, and obtain all appropriate relief.

''(b) ASSOCIATION INTERPRETATIONS.—In any action under subsection (a), the court shall give appropriate weight to the interpretation of the Association of its bylaws and standards and this subtitle.

**"SEC. 333. FEDERAL FUNDING PROHIBITED.**

''The Association may not receive, accept, or borrow any amounts from the Federal Government to pay for, or reimburse, the Association for, the costs of establishing or operating the Association.

**"SEC. 334. DEFINITIONS.**

''For purposes of this subtitle, the following definitions shall apply:

''(1) BUSINESS ENTITY.—The term 'business entity' means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

''(2) DEPOSITORY INSTITUTION.—The term 'depository institution' has the meaning as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

''(3) HOME STATE.—The term 'home State' means the State in which the insurance producer maintains its principal place of residence or business and is licensed to act as an insurance producer.

''(4) INSURANCE.—The term 'insurance' means any product, other than title insurance or bail bonds, defined or regulated as insurance by the appropriate State insurance regulatory authority.

''(5) INSURANCE PRODUCER.—The term 'insurance producer' means any insurance agent or broker, excess or surplus lines broker or agent, insurance consultant, limited insurance representative, and any other individual or entity that sells, solicits, or negotiates policies of insurance or offers advice, counsel, opinions or services related to insurance.

''(6) INSURER.—The term 'insurer' has the meaning as in section 313(e)(2)(B) of title 31, United States Code.

''(7) PRINCIPAL PLACE OF BUSINESS.—The term 'principal place of business' means the State in which an insurance producer maintains the headquarters of the insurance producer and, in the case of a business entity, where high-level officers of the entity direct, control, and coordinate the business activities of the business entity.

''(8) PRINCIPAL PLACE OF RESIDENCE.—The term 'principal place of residence' means the State in which an insurance producer resides for the greatest number of days during a calendar year.

''(9) STATE.—The term 'State' includes any State, the District of Columbia, any territory of the United States, and Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

''(10) STATE LAW.—

''(A) IN GENERAL.—The term 'State law' includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State.

''(B) LAWS APPLICABLE IN THE DISTRICT OF COLUMBIA.—A law of the United States applicable only to or within the District of Columbia shall be treated as a State law rather than a law of the United States.

**''SEC. 335. SUNSET.**

''The provisions of this subtitle, and any program or authorities established or granted therein or derived therefrom, shall terminate on the date that is 2 years after the date on which the Association approves its first member pursuant to section 323.''.

(b) TECHNICAL AMENDMENT.—The table of contents for the Gramm-Leach-Bliley Act is amended by striking the items relating to subtitle C of title III and inserting the following new items:

''Subtitle C—National Association of Registered Agents and Brokers

''Sec. 321. National Association of Registered Agents and Brokers.
''Sec. 322. Purpose.
''Sec. 323. Membership.
''Sec. 324. Board of directors.
''Sec. 325. Bylaws, standards, and disciplinary actions.
''Sec. 326. Powers.
''Sec. 327. Report by the Association.
''Sec. 328. Liability of the Association and the Board members, officers, and employees of the Association.
''Sec. 329. Presidential oversight.
''Sec. 330. Relationship to State law.
''Sec. 331. Coordination with Financial Industry Regulatory Authority.
''Sec. 332. Right of action.
''Sec. 333. Federal funding prohibited.
''Sec. 334. Definitions.
''Sec. 335. Sunset.''.

## BRING JOBS HOME ACT—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. REID. Madam President, I ask unanimous consent that the cloture vote with respect to the Carnes nomination now occur at 1:45 p.m. today, with all other provisions of the previous order remaining in effect.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, it is so ordered.

The Senator from Maryland.

Mr. CARDIN. Madam President, I ask unanimous consent to speak as in morning business.

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

THE MIDDLE EAST

Mr. CARDIN. Madam President, it is my understanding later today we are going to have an opportunity to approve a resolution that was voted out of the Senate Foreign Relations Committee yesterday that deals with the tragic events in the Middle East between Israel and Hamas. I just want to read part of that resolution, the action part of the resolution, because I hope it expresses the views of each Member of the Senate.

It reaffirms the Senate's support for Israel's right to defend its citizens and ensure the survival of the State of Israel. It condemns the unprovoked rocket fire at Israel. It calls on Hamas to immediately cease all rocket and other attacks against Israel. It calls upon the Palestinian Authority of President Abbas to dissolve the unity governing arrangement with Hamas and condemn the attacks on Israel.

We all are very concerned about the tragic consequences of the conflict between Israel and Hamas. Our strongest desire is that we can end the attacks and the missiles and that we can get Israel and the Palestinians to negotiate a peace agreement, a lasting agreement for two states living side-by-side, the Jewish State of Israel and a Palestinian State.

But the recent military action taken by the Israel Defense Forces in Gaza is a direct response to Hamas's barrage of rockets and mortar attacks against civilian targets in Israel. Labeled as a terrorist organization, Hamas is directly responsible for the innocent loss of life of both Israelis and Palestinians. It is very tragic what Israel is doing it is doing so to defend its civilian population from the incoming rockets.

What Hamas is doing is indiscriminately sending missiles into Israel, targeting innocent populations. Hamas's actions to extend its reach deeper into Israel and its failure to end continuing attacks undermine efforts to attain peace and security in the region.

The Israel Defense Forces began Operation Protective Edge Tuesday, July 8, with one goal, one goal in mind; that is, to stop Hamas's continued rocket attacks against Israel's civilians. Since the start of the operation, there have been over 1,000 rockets that have been launched into Israel. Most of those rockets hit targets. Fortunately, they were not major population centers because of Iron Dome. I thank the policy of this country, the United States, in providing Israel the Iron Dome missile defense system, which has been responsible for bringing down approximately 200 of the rockets that otherwise would have hit population centers in Israel.

Earlier this week, Egypt proposed an immediate cease-fire, followed by a series of meetings in Cairo with high-level delegations from both sides. Israel accepted that cease-fire immediately. They said: Fine. Let's do it. We want to stop the attacks of rockets into our country. We want to have a discussion for peace. They did it immediately. For 6 hours the IDF suspended operations against Hamas, but during this time Hamas fired 50 rockets into Israel. So the Israel Defense Forces were ordered to resume attacks against terrorist targets following continued inbound rockets and Hamas's official statement that it rejected the cease-fire.

I think what Israel's Prime Minister Benjamin Netanyahu said on CBS's ''Face the Nation'' on Sunday sums it up best. I am quoting from the Prime Minister: The difference between us is that we are using missiles to protect our civilians and they are using their civilians to protect their missiles.

In other words, what Hamas is doing is putting its missile locations in population centers, in schools, in hospitals, in mosques, in a direct way to use human shields. What a difference. Israel is trying to protect its civilian population. Hamas is putting their civilian population at great risk.

Hamas must end its rocket and mortar attacks, recognize Israel's right to exist, renounce violence, and honor all past agreements to peacefully move toward a two-state solution. That is what we want to see. I strongly support Israel's right to defend its citizens against threats to its security and existence. Hamas must end. It must be marginalized. It cannot be allowed to continue its terrorist activities. We must find a way to advance a stable and lasting peace between Israel and the Palestinian people.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I would like to concur with the comments of my friend, the Senator from Maryland, on the tragedy in Israel and the Middle East. I also want to say a special thanks to my friend, the Senator from Tennessee, for allowing me to jump in line for a moment.

UNANIMOUS CONSENT REQUEST—S. 2265

Mr. PAUL. Madam President, I rise to say that I think it is abhorrent and I think most American people would be greatly distressed to know that some of their money could be sent to terrorist organizations, that some of their money could be sent to Hamas.

Hamas has now joined a unity government with the Palestinian Authority. We give several hundred million dollars a year to the Palestinian Authority. I am appalled to think we could be somehow indirectly paying for missiles that Hamas is launching on Israel. I support the resolution that will shortly come forward condemning Hamas's activities.

I want more teeth in this. I would like to see legislation that says: You know what. If Hamas wants to come out of the cold, they want to recognize Israel and renounce terror, maybe. But if they are going to continue to say, as one of their leaders said recently, that our path is resistance and a rifle, our choice is jihad, if Hamas is going to continue to laugh and to cheer with glee with the killing of three teenage Israeli citizens, one of whom was an American citizen, Hamas should not—and we should guarantee that Hamas should not—get any of our money. So I will ask for unanimous consent to pass a bill to guarantee that Hamas will not receive any of our foreign aid.

I ask unanimous consent that the Committee on Foreign Relations be discharged from further consideration of S. 2265 and that the Senate proceed to its immediate consideration. I further ask unanimous consent that the bill be read a third time and passed,