

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

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

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

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

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

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

The question was taken.

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

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

The yeas and nays were refused.

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

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

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

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

There was no objection.

□ 1430

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

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

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

The Clerk read as follows:

H.R. 5024

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Promoting Transparency in Financial Reporting Act of 2006".

#### SEC. 2. FINDINGS.

Congress finds the following:

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

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

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

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

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

(1) reassessing complex and outdated accounting standards;

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

(3) developing principles-based accounting standards;

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

(5) promoting disclosures in "plain English".

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

The Chair recognizes the gentleman from Kentucky.

#### GENERAL LEAVE

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

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

There was no objection.

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

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

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

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

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

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

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

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

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

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

of the existing accounting and auditing literature. We need to develop principle-based accounting standards. We need to encourage the use and acceptance of interactive data, or extensible business reporting language, XBRL, and, finally, in the end to promote disclosure in plain English.

Simplifying the process of accountability will do two things: First, it reduces the risk of error and misuse by making the process simpler and more transparent. And, second, it will help working families have visibility to information they can understand without needing to ask a CPA or a tax attorney.

I appreciate the efforts of these organizations thus far to reduce complexity, and I recognize the public statements of support for such efforts by SEC Chairman Chris Cox and FASB Chairman Robert Herz. As SEC Chairman Cox said at the SEC Historical Society meeting in June, this process is going to be a long one, but it is worth it to make sure that the capital markets remain strong and remain vibrant. I urge my colleagues to support this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. ISRAEL. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today in support of the Promoting Transparency in Financial Reporting Act, and I want to thank my very good friend from Kentucky (Mr. DAVIS) for introducing this important measure. I was pleased to cosponsor it and I am very pleased to work with him on the bill.

I also want to thank the chairman and ranking member of the Financial Services Committee, Mr. OXLEY and Mr. FRANK, for bringing this bipartisan legislation to the floor today.

H.R. 5024 requires that the chairpersons of the Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board provide oral testimony to the Committee on Financial Services on their efforts to reduce the complexity in financial reporting to provide more accurate and clear financial information to investors. These appearances before the committee would begin in 2007 and continue annually for 5 years.

Madam Speaker, the ability of America's investors to make informed decisions is severely compromised when financial reporting is inaccurate, when it is incomplete, when it is unclear. We saw the consequences of bad financial reporting years ago during the corporate accountability scandals at Enron and WorldCom, among others. Those bankruptcies not only revealed weaknesses in many aspects of our financial reporting system, but showed the devastating financial impact when their financial statements are not held to the highest standards.

In many cases, the complexity of financial reporting requirements has made it very difficult to detect pur-

poseful violations of those standards. Congress, regulators, and the industry assessed these financial reporting failures and reacted with efforts aimed at strengthening the financial reporting system. Sarbanes-Oxley made very important initial strides to this end; however, more needs to be done.

This measure is an important next step. By calling on the SEC, PCAOB, and FASB to testify each year on the steps they are taking to improve financial disclosures, Congress is ensuring that it can and will effectively carry out its oversight function. We can gather the necessary information to ensure that, should we need to act legislatively, we are doing it in a sober, thoughtful manner based on data rather than in haste as we respond to the latest news cycle.

Madam Speaker, this legislation will help us as we work with the FEC, FASB and the PCAOB to improve our financial reporting system. It is important that we maintain a consistent focus on this issue. And, to that end, I urge all of my colleagues to support the measure. Again, I was pleased to work closely with the gentleman from Kentucky.

Madam Speaker, I reserve the balance of my time.

Mr. DAVIS of Kentucky. Madam Speaker, again, I want to reiterate my thanks to the gentleman from New York. It has been a great process to see this come to pass. Let's pass this bill as a first step toward creating a process for continuous improvement that will simplify and improve our financial reporting regulatory framework.

Madam Speaker, I have no other requests for time, and I yield back the balance of my time.

Mr. ISRAEL. Madam Speaker, everything that can be said has been said. We have no speakers, and I yield back my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Kentucky (Mr. DAVIS) that the House suspend the rules and pass the bill, H.R. 5024, as amended.

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

A motion to reconsider was laid on the table.

#### DISASTER RECOVERY PERSONAL PROTECTION ACT OF 2006

Mr. KUHL of New York. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5013) to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to prohibit the confiscation of firearms during certain national emergencies, as amended.

The Clerk read as follows:

H.R. 5013

*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 "Disaster Recovery Personal Protection Act of 2006".

#### SEC. 2. FINDINGS.

Congress finds the following:

(1) The Second Amendment to the Constitution states that a "well regulated militia, being necessary to the security of a free State, the right of the people to keep and bear arms, shall not be infringed", and Congress has repeatedly recognized this language as protecting an individual right.

(2) In the wake of Hurricane Katrina, State and local law enforcement and public safety service organizations were overwhelmed and could not fulfill the safety needs of the citizens of the State of Louisiana.

(3) In the wake of Hurricane Katrina, the safety of these citizens, and of their homes and property, was threatened by instances of criminal activity.

(4) Many of these citizens lawfully kept firearms for the safety of themselves, their loved ones, their businesses, and their property, as guaranteed by the Second Amendment, and used their firearms, individually or in concert with their neighbors, for protection against crime.

(5) In the wake of Hurricane Katrina, certain agencies confiscated the firearms of these citizens in contravention of the Second Amendment, depriving these citizens of the right to keep and bear arms and rendering them helpless against criminal activity.

(6) These confiscations were carried out at gunpoint by nonconsensual entries into private homes, by traffic checkpoints, by stoppage of boats, and otherwise by force.

(7) The citizens from whom firearms were confiscated were either in their own homes or attempting to flee the flooding and devastation by means of motor vehicle or boat, and were accosted, stopped, and arbitrarily deprived of their private property and means of protection.

(8) The means by which the confiscations were carried out, which included intrusion into the home, temporary detention of persons, and seizures of property, constituted unreasonable searches and seizures and deprived these citizens of liberty and property without due process of law in violation of fundamental rights under the Constitution.

(9) Many citizens who took temporary refuge in emergency housing were prohibited from storing firearms on the premises, and were thus treated as second-class citizens who had forfeited their constitutional right to keep and bear arms.

(10) At least one highly-qualified search and rescue team was prevented from joining in relief efforts because the team included individuals with firearms, although these individuals had been deputized as Federal law enforcement officers.

(11) These confiscations and prohibitions, and the means by which they were carried out, deprived the citizens of Louisiana not only of their right to keep and bear arms, but also of their rights to personal security, personal liberty, and private property, all in violation of the Constitution and laws of the United States.

#### SEC. 3. PROHIBITION ON CONFISCATION OF FIREARMS DURING CERTAIN NATIONAL EMERGENCIES.

Title VII of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5201) is amended by adding at the end the following:

#### "SEC. 706. FIREARMS POLICIES.

"(a) PROHIBITION ON CONFISCATION OF FIREARMS.—No officer or employee of the United States (including any member of the uniformed services), or person operating pursuant to or under color of Federal law, or receiving Federal funds, or under control of