

people by transferring all of the burden of the costs of rendering justice in the courts from the wealthy, well-connected and privileged to the individual small investor. The clear result of imposing a "loser pays" rule would be to destroy regular Americans' rights under the Federal security laws to have access to the Federal courts.

Mr. Speaker, by disproportionately transferring to plaintiffs the burden of the cost of pursuing securities litigation this bill is clearly in opposition to over 200 years of American common law. Furthermore, the reasoning behind this unfair and unjust bill is not supported by the facts. So-called frivolous lawsuits actually make up a minute portion of all lawsuits litigated in this Nation. Noted securities law experts like Professor Arthur R. Miller of the Harvard Law School have pointed out that: "There is absolutely no evidence that the 1 percent of cases on the Federal court docket under the Securities Acts is any different, in terms of the problem of frivolousness, as the other 99 percent of the Federal judicial docket."

Under current law, the Federal rules of civil procedure give judges the opportunity to hold attorneys accountable for bringing frivolous lawsuits. Rule 11 of the Federal rules of civil procedure presently authorize Federal courts to impose sanctions upon attorneys, law firms, or parties for engaging in inappropriate conduct or for bringing frivolous or harassment lawsuits. The facts clearly show that despite the fact that there were thousands of cases filed last year, in less than 1 percent of those cases did Federal judges determine that rule 11 sanctions were justified.

Mr. Speaker, we have also been told that frivolous securities lawsuits are at the crest of a wave of securities litigation that is overwhelming the courts and sapping the strength of corporate America. Neither statement could be further from the truth. This is confirmed by the testimony by the Securities and Exchange Commission's William R. McLucas, who testified that: "According to statistics obtained from the Administrative Office of the U.S. Courts, the approximate aggregate number of securities cases—including SEC cases—filed in Federal District Court does not appear to have increased over the past two decades." In fact, the figures from the Administrative Office of the U.S. Courts also reveal that in 1993 there were 298 class-action lawsuits, slightly less than the 305 filed over 20 years ago in 1974.

Mr. Speaker, while I am sympathetic to the goal of eliminating frivolous securities litigation, H.R. 1058 in its present form fails to provide adequate protection or incentives to preserve the rights of victims of abuses of the securities laws, and in particular, those investors and consumers in my home State of Ohio.

As you all know, several municipalities and counties throughout the United States have been plagued by massive losses as a result of involvement in risky securities investments. My home district has not been immune to the abuses that exist in the securities brokerage industry. Due to the high risk leveraging and derivatives investments peddled by many Wall Street brokerage firms, Cuyahoga County's \$1.8 billion investment pool, the Secured Asset Fund Earnings [SAFE], has been dissolved, and these investments have cost Cuyahoga County taxpayers approximately \$122 million. More than 70 government agencies, including Ohio cities, counties, and school districts participated in the SAFE fund, which

held more than one-fourth of its investments in these highly speculative securities. As a result of SAFE's losses and dissolution, Cuyahoga County has had to cut next year's budget by 11 percent—\$35 million—and will freeze spending for 3 years after that.

This bill would clearly protect wrongdoers from lawsuits brought against them by defrauded investors. The "loser pays" requirements, loopholes and limited liability would make it virtually impossible for my constituents who have been victims of SAFE's collapse to seek judicial redress, should fault turn out to have contributed to its demise.

American securities markets are the envy of the world. They provide magnificent benefits to investors and businesses alike. Despite the claims of supporters of this bill that securities litigation is hampering capital markets. The facts reveal that initial public offerings have proceeded at a record pace in recent years, and a long list of notorious cases have recovered billions of dollars for thousands of defrauded investors.

Our markets attract investments because investors have confidence in securities industry honesty and efficiency. All investors are aware of the fact that there are risks attached to any investment, and these investors are willing to take such risks in exchange for the potential gain. Yet, investors are not prepared to be defrauded and swindled out of their hard-earned money. So when any investor is defrauded, the entire securities industry is placed at risk. Private securities actions actually represent an efficient and effective privatization of National Policy to counteract financial fraud. H.R. 1058 would seriously compromise such a counteraction.

Mr. Speaker, it is my belief that H.R. 1058, and the circumstances under which it is presented in this House, attempt to mislead the American people to believe that cookie cutter, simplistic solutions will cure what ails this Nation. Nothing could be further from the truth. As our Nation faces an epidemic of financial difficulties, bankruptcy and the abuse of consumer and citizens funds, the solution to these problems will not be found in quick fixes like the Securities Litigation Reform Act. The American people elected us to act in their best interest, not compromise their welfare because Government refuses to have the courage to meet its obligations. I urge my colleagues to join with me and vote against this bill.

TRIBUTE TO DOCTORS PHYLLIS AND RAY PHILLIPS

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1995

Mr. GORDON. Mr. Speaker, I rise today to pay tribute to two outstanding individuals from the Sixth District of Tennessee who are being honored upon their retirement.

Drs. Phyllis and Ray Phillips have made tremendous contributions to the field of higher education, and their leadership has been invaluable.

By their very example, Ray and Phyllis Phillips have committed their lives to helping others learn. They have taught in Tennessee and Alabama, and their talents have taken them as far away as Augsburg, Germany to lead and participate in the American schools program.

Phyllis Phillips has shared her expertise in speech pathology, audiology, and speech communication through almost 50 years of teaching in elementary and secondary schools. In 1983 she joined Cumberland University in Lebanon TN, and in her 12-year tenure, developed a working adult degree program and helped develop the Cumberland University Fine Arts Council. She is responsible for helping countless children and adults overcome their battles with speech and hearing problems.

The board of trustees of Cumberland University named Dr. Phyllis Phillips "Professor Emeritus" in recognition of her tremendous contributions to education, speech pathology, and communication.

Dr. Ray Phillips earned his undergraduate degree from Cumberland University in 1941. His love for his alma mater never left him, and, in 1983, he returned to Cumberland with his wife to assume the vice presidency for academic affairs. He assisted my colleague from Tennessee, Bob Clement, then president of the university, in establishing the institution as a 4-year degree program.

In 1991, he was named the 23d president of the university. Enrollments during his administration were recordbreaking, and he aided in the development of the sports medicine and fine arts programs.

Dr. Phillips was honored with his wife by the board at Cumberland in 1994. He was named "President Emeritus" and "Professor Emeritus" for his outstanding service.

I join with those at Cumberland University and Tennesseans all across the State in thanking the Phillips' for their tireless dedication and enumerable contributions. We wish for them a happy and fulfilling retirement.

COURT REPORTER FAIR LABOR AMENDMENTS OF 1995

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1995

Mr. FAWELL. Mr. Speaker, I am joined by my colleague, Mr. BARRETT of Nebraska, Mr. ANDREWS, Mr. HOEKSTRA, and Mr. CHRISTENSEN, in the introduction of the court reporter fair labor amendments of 1995. The Department of Labor [DOL] has adopted a position concerning the status of official court reporters under the Fair Labor Standards Act [FLSA] which, if allowed to stand, threatens State and local courts with explosive liability costs and could force them to take actions which would result in severe job losses and reduced income for thousands of court reporters.

In most States, court reporters are typically employed by the State or local court with primary duties of taking down and reading back court proceedings. They are considered employees of the court and are typically compensated with an annual salary and benefits. While performing these duties, the court reporter—unless he or she falls within one of the FLSA's exemptions—is entitled to overtime compensation for work performed in that capacity in excess of 40 hours in a given work week.

However, in addition to in-court duties, many court reporters prepare and certify transcripts of their stenographic records for private attorneys, litigants, and others. The court reporter collects a per-page fee for the transcripts and generally earns much more than he or she would for an hour of salaried work for the court. Very often, it is possible for a court reporter to earn more from transcription work than from his or her annual salary. When working for this per-page fee, the court reporter is clearly acting as an independent operator, as has been specifically determined by the Internal Revenue Service [IRS]. The fee income is treated as separate and apart from the annual government salary for taxation purposes. Indeed, court reporters file self-employment income forms with the IRS and pay self-employment taxes on this income.

Unfortunately, DOL has not yet recognized the independent capacity of court reporters. In August 1994, the Wage and Hour Division took the position that, even while preparing transcripts for attorneys, litigants, and other parties, official court reporters in Oregon are still acting as employees of the court for purposes of FLSA. Similar letters have been received regarding official court reporters in Indiana and North Carolina. Official court reporters in the vast majority of States operate in circumstances similar to these three States.

If allowed to stand, DOL's interpretation would require State and local courts to pay court reporters 1½ times their regular rate of pay for all transcription work performed during overtime hours in a given week. The DOL position threatens to dramatically impact State and local court budgets. The State and local courts will either have to increase their salary budgets or cut costs elsewhere. In return, they would receive nothing except additional administrative duties and headaches.

Faced with possibly hundreds of millions of dollars of liability nationwide, State and local courts are considering dramatic changes in pay practices and in how transcription work is to be performed. Meanwhile, court reporters who continue to perform transcription work may be required to do it for substantially reduced compensation.

This legislation would allow an exemption under the FLSA for official court reporters while they are performing transcription duties for a private party, provided there is an agreement between the court reporters and the State or local court employer. The legislation would also bar lawsuits by court reporters for overtime back-pay. I urge my colleagues to support this measure so that a law designed to protect workers will not instead lead to job losses and reductions in income.

TRIBUTE TO WILLIAM MEEHAN

HON. ROBERT T. MATSUI

OF CALIFORNIA

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1995

Mr. MATSUI. Mr. Speaker, the gentleman from California [Mr. FAZIO] and I rise today to pay tribute to Mr. William Meehan, a native California who has devoted his professional career to the preservation and growth of labor's health in this great State.

In the many years Mr. Meehan has been a major force in the labor realm, both of our offices have relied on his expertise and counsel. We join with the scores of colleagues to salute the outstanding leadership you have given to the Sacramento-Sierra's Building and Construction Trades Council and to the Sacramento Central Labor Council.

In an era of shrinking resources, Mr. Meehan has been one of Sacramento's great defenders, ensuring jobs for thousands of men and women throughout the region.

Not only has Mr. Meehan been an outstanding defender of the labor force, but we would be remiss in not commending his steadfast support of this entire community. The list of political, charitable, and labor related organizations with which he has aligned himself reflects the great characters all leaders strive to achieve. An abbreviated list of organizations who are indebted to his leadership and hard work include the Greater Sacramento Area Plan, Labor and Business Alliance, Sacramento Water Intelligently Managed, Private Industry Council, Auburn Dam Council, Friends of Light Rail, American Red Cross, Sacramento Employment Training Agency, Harps, National Toxics Coalition, United Way, Hundred Dollar Club, Sacramento Metropolitan Chamber of Commerce and the Sacramento Fire Board.

Truly, Sacramento is a better place to work and live thanks to what we hope is only the first half to Mr. Meehan's career. As he begins to undertake his latest challenge for the Painter's International, we ask our colleagues to join us in wishing him continued happiness and success.

REMEMBERING DAVID ROSS YOUNG

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1995

Ms. WOOLSEY. Mr. Speaker, I rise today to commemorate the life of David Ross Young, who died of AIDS earlier this month. I am proud to say that David lived in my district, in Sonoma County, CA.

David did more to touch the lives of others in his 32 years than most people do in a lifetime. After being diagnosed with the AIDS virus, David dedicated his life to preventing the spread of AIDS among young people, speaking to students at Sonoma and Marin County schools about the disease. In addition, he trained hundreds of speakers who will carry on his message in his wake.

Mr. Speaker, it is a truly great human being who, when faced with a limit on the amount of time he has left in this world, chooses to spend it helping others. My heart and my thoughts are with you, David. Your legacy lives within the hearts and minds of the youngsters whose lives you have touched and whose lives you have saved.

ODE TO FITZSIMONS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1995

Mrs. SCHROEDER. Mr. Speaker, Mrs. Florence Gasser, whose father was a World War I veteran, was so disturbed about the proposal to close Fitzsimons Army Medical Center that she wrote a poem in protest. I would like to share Mrs. Gasser's poem with my colleagues:

FOR WHOM THE KNELL TOLLS

Who needs a veteran's hospital
In these cloudless peaceful times?
Who cares that four generations fought,
In those lands of different clime?

This century ends with record wars,
Many wounded strewn along the way,
Don't we have moral obligation,
To take care of all of them today?

If you remove their anchors now
Should old soldiers just fade away?
Places like Fitzsimons long has been
Security in world of disarray.

Oh, "they'll get help," indifferent say,
As protest cries, echo in nation;
To most veterans change will seem,
Like a physical amputation.

Fitzsimons spreads out protective arms
To those sick in body and spirit too;
To close its doors, will cruelly state,
Find help elsewhere, then start anew.

Those left groping at hospital door,
Need assurance old Fitz gave heartily;
That they could go on with their lives,
Through all of their sickness and injury.

Those who bled on foreign fields,
And served their country very well,
Should not see Fitzsimons lights go out
And hear that sorrowful, hopeless knell.

FEDERAL FUNDING FOR PUBLIC BROADCASTING SHOULD CON- TINUE

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1995

Ms. BROWN of Florida. Mr. Speaker, today I want to spend a few minutes telling my colleagues about four public broadcasting television stations in Florida's Third Congressional District. WJCT in Jacksonville, WFME in Orlando, WUFT in Gainesville, and WCEU in Daytona Beach are truly community assets. They provide programming which enlightens, enriches, entertains, and touches the lives of thousands of north and central Floridians.

These public broadcasting stations have been an integral part of our communities. They have been important partners in public education, providing instructional television and media technology resources to our schools since their beginning.

Public broadcasting reaches 99 percent of all American television households. Its high quality educational and cultural programs have contributed significantly to the quality of life in north Florida. And it's a great investment. Public broadcasting is one of the best public-private partnerships ever developed, matching Federal dollars on a 5 to 1 basis. And it delivers these dollars to the local level. It is also at