Another account that should be told to emphasize the bravery and dedication of these men was the one of Armando Lopez Estrada, a dark-haired, communications officer of the paratrooper battalion. He was one of the last in the group to retreat to the beach. He wanted to ''hold until we die.'' Only when they ran out of ammunition for a second time and it was clear that no more was coming did Lopez Estrada, who was 20, let himself be convinced by his comrades that there was no point in waiting to be captured.

About a mile offshore, Lopez Estrada saw an empty sailboat. On the entire Giron beach, he counted 27 men. Stalin's tanks were machine-gunning them. Castro's artillery pounded in from overhead. In the distance, two American destroyers were moving away.

He swam toward the sailboat that was a 22 foot craft, 20 men reached the boat, followed by Castro's jets and their bullets. Frantically, they tried to move the boat by paddling with their hands. After 15 days at sea, 12 survivors were rescued by an American oiler, the rest of the men died of thirst and starvation.

The above account is but one of many which emphasize the bravery and patriotism of those men in Playa Giron on April 17, 1961. As a Member of Congress of Cuban descent I want to honor the memory of these men. On this April 17th, I join with the freedom-loving Americans in commemorating the death of these men who fought so that Cuba could be free and democratic and independent. May they not have died in vain.

INTRODUCTION OF LEGISLATION TO SIMPLIFY THE FORMULA UNDER WHICH SKI AREAS PAY RENTAL FEES TO THE UNITED STATES FOR THE USE OF NATIONAL FOREST LANDS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 7, 1995

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation to simplify the formula under which ski areas pay rental fees to the United States for the use of national forest lands.

Nationwide, there are 132 ski areas on national forest land occupying 90,000 acres, or a mere one-twentieth of 1 percent of the National Forest System. For this use, the ski industry paid an estimated $20 million in rental fees in 1994.

This new fee system passed the Senate during the 102d Congress but time ran out before the House could consider the legislation. At that time, a Congressional Budget Office review determined that the new fee system was revenue neutral to the United States. The new fee proposal is intended to return at least the same rental dollars to the U.S. Treasury as the current system created by the Forest Service. It will also guarantee increasing revenues in the future by utilizing ski area gross receipts as the measure for determining rental fees. Therefore, as ski area revenues grow, so will the return to the public for the use of those Federal lands.

Furthermore, this legislation will assist in meeting our goals of reducing the size of the Forest Service by eliminating significant management problems with their existing fee system. The existing system is encompassed in approximately 40 pages of the Forest Service manual and handbook. The new system would change that by reducing the fee calculation to a simple formula based on gross revenue from clearly defined sources. This new system will greatly reduce bookkeeping and administrative tasks for both the Forest Service and the ski areas.

This bill enjoys bipartisan support and I hope others will join us in supporting this sensible and efficient proposal which provides fairness to ski areas and the United States regarding rental fees and, at the same time, helps to downsize the Federal Government. This bill is intended to serve as a starting point to begin debate on this issue. I hope to hold hearings on this proposal soon after the recess and anticipate reporting this legislation out of our committee quickly.

Mr. Speaker, I would also like to advise the House that I intend to consider a proposal for ski area permittees to purchase the Forest Service land on which they operate. Such a move toward privatization would further our goal of downsizing government and thus reduce the size of the Forest Service budget. If we are going to achieve these goals, we need to consider every aspect of Federal land management. Therefore, the committee is in the process of reviewing a proposal to sell certain ski areas on the National Forest System to the private entities that operate them. While we are developing this proposal, we will be hearing from those ski areas that want to purchase the Federal land they operate on as well as State governments, local governments, and others affected by this proposal.

Presently ski areas have permits from the Forest Service that allow them to operate for up to 40 years. The Forest Service reviewed these areas and designated them as recreation sites utilizing the NEPA process. There is no question that the intention of the Forest Service is to maintain these sites as ski areas and that no other use is intended. This further supports the need for us to review privatization of these lands now dedicated to this recreational use. Many of these sites have been permitted ski areas for 30 years or more. If we have private individuals prepared to purchase the Federal lands that they operate a ski area on, it is logical that we appraise that land and sell it to the operator and remove the Federal management responsibility.

The new fee system legislation that I have introduced today is a first step toward reducing Federal management responsibility and costs associated with ski areas on Federal land. However, I also intend to consider the next logical step of removing all Federal management and costs.

LEGISLATION ON BIF–SAIF ISSUES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 7, 1995

Mr. LAFALCE. Mr. Speaker, today I am introducing several bills designed to address the serious problems posed for the Savings Association Insurance Fund [SAIF] by the current onerous obligations placed on the thrift industry and the pending disparity between the premiums paid by SAIF- and BIF-insured institutions.

The FDIC, other relevant regulators, the Treasury, and the GAO, in a report commissioned by myself and Senator D'AMATO, have now apprised the Congress quite clearly of the nature, extent, and urgency of the problem. It is my hope that these bills will now move the discussion along and allow us to focus more concretely on the specific requirements of a meaningful solution. There is a multiplicity of options. In my view, the right one is the one which can garner substantial bipartisan support in the near term. Taking no action is not a responsible course if we are to protect the integrity of the deposit insurance system.

There are three key problems: First, the SAIF is seriously undercapitalized just at the point it will newly have to assume responsibility for future thrift failures; second, the premium flow from existing thrifts will be insufficient to continue to pay the interest on the FICO bonds issued to cover the losses of the 1980's over the long term; and third, within the next few months, there will be a substantial premium disparity between BIF- and SAIF-insured institutions which could have a significant adverse impact on the now-healthy thrift industry.

The thrift industry is generally profitable, well-capitalized, and well-managed. But it is impossible for the thrifts alone to adequately capitalize their insurance fund and continue to pay interest on the FICO bonds issued to cover the losses of the 1980's without adverse effects on the industry and possibly depositors and taxpayers.

These problems are not the fault of current industry members who did not cause, and have worked hard to survive and help pay for, the industry problems of the 1980's. There are structural flaws in the mechanisms devised to deal with past problems. As a result, of the more that $9 billion in assessment revenues from the thrifts paid between 1989 and 1994, only $7 billion went into the SAIF. The balance was diverted to other uses, primarily to payment of the interest on the bonds.

Congress intended that the thrifts, through the bonding program and otherwise, pay as much of the cost of past industry losses as possible, in an effort to reduce taxpayer costs. That was appropriate. But the amount of the burden placed on the industry was based on certain assumptions which I argued at the time were overly optimistic and which have proved false. Most notably, deposit growth in the thrift industry was estimated at 6–7 percent. Instead, it has declined by 5 percent per year in recent years, reducing far below expectations the premium income which is relied on to pay SAIF and FICO.

There are three possible sources of funds which have been broached by the regulators to solve this problem: the thrifts; the BIF-insured institutions, either through a merger of the insurance funds or otherwise; and some portions of the moneys already authorized and appropriated to the RTC to cover past thrift losses, but which have not been expended. Some of my bills may be criticized as hitting the thrift industry too hard; some may be criticized as hitting the banks too hard. My concern is finding the proper balance to protect the depositor. The best solution may ultimately be one that distributes the pain to the maximum degree possible.

I have always tried to minimize the adverse impact on the taxpayer. In fact, I opposed the FIRREA legislation because I thought it unduly increased the burden on the taxpayer and on future generations. But I believe we should not be too timid to discuss using the unexpended RTC funds for the purpose for which they were intended and related purposes, rather than have those funds revert to the Treasury.

Congress, in fact, anticipated that the mechanism devised in FIRREA might be inadequate to capitalize the SAIF and cover the FICO bonds, and included provisions in FIRREA allowing the additional appropriation of Treasury funds to the SAIF as a supplement. Unfortunately those anticipated appropriations were never made, and the excess RTC funds are not now available to solve the SAIF or FICO problems without further congressional action. Had the original intent of the law been fulfilled, the SAIF would have been capitalized. We should at least consider recognizing that original intent and making a modest amount of these excess RTC funds available as part of a solution.

BIF-SAIF RESOLUTION OPTIONS

OPTION 1: FINANCING CORPORATION AND SAVINGS ASSOCIATION INSURANCE FUND REFORM ACT OF 1995

Summary: Uses investment income from unexpected RTC funds for FICO debt obligation; SAIF-insured institutions recapitalize SAIF with possible special assessment and premium disparity.

Authorizes use of investment income from unexpended RTC funds to pay FICO debt obligation.

Authorizes use of remaining unexpended RTC funds to be held in reserve by FDIC to cover potential insurance fund losses at SAIF-insured institutions until the SAIF fund achieves designated reserve ratio of 1.25 percent of insured deposits. Any unused RTC funds revert to U.S. Treasury upon recapitalization of fund.

Provides FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the SAIF fund. The assessment could be collected over a number of years, with a larger portion of the assessment due in the first year to address the immediate problem of inadequate fund capitalization. The FDIC is authorized to provide exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law to permit FDIC to set annual SAIF premiums at levels that balance the rate of recapitalization of SAIF with concern for competitive position of SAIF-insured institutions.

Directs FDIC to limit annual BIF-SAIF premium disparity to not more than 9 basis points during period of recapitalization of SAIF.

Clarifies that FICO debt repayments are insurance outlays for purposes of budgetary scoring.

OPTION 2: FINANCING CORPORATION AND SAVINGS ASSOCIATION INSURANCE FUND AMENDMENTS OF 1995

Summary: Uses unexpended RTC funds to recapitalize SAIF; FICO debt obligation funded with interest from invested RTC funds, SAIF premiums and Oakar/Sasser premiums.

Authorizes use of unexpended RTC funds to recapitalize the SAIF.

Authorizes the use of investment income from remaining RTC funds to pay portion of the annual FICO bond interest.

Includes portion of premiums paid by Oakar and Sasser institutions toward payment of the annual FICO debt obligation.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law to permit FDIC to set annual SAIF premiums at level necessary to supplement RTC investment income to meet annual FICO debt obligation and to meet estimated SAIF fund expenses.

Directs FDIC to limit annual BIF–SAIF premium disparity to not more than 9 basis points during period of recapitalization of SAIF.

OPTION 3: FINANCING CORPORATION AND SAVINGS ASSOCIATION FUND RESTORATION ACT OF 1995

Summary: Uses unexpended RTC funds to supplement premium income to recapitalize SAIF consistent with FIRREA; FICO debt obligation funded with interest from invested RTC funds, SAIF premiums and Oakar/Sasser premiums.

Authorizes the use of unexpected RTC funds to help recapitalize the SAIF fund and to cover losses consistent with the original intent of the 1989 FIRREA legislation.

Authorizes investment of remaining RTC funds with annual interest income used to pay portion of annual FICO bond interest.

Includes portion of premiums paid Oakar and Sasser institutions toward payment of FICO debt obligation.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law to permit FDIC to set SAIF premium at level that would balance use of RTC funds and concern for competitive position of SAIF-insured institutions.

OPTION 4: FUNDING FOR SUPERVISORY GOODWILL ADJUDICATIONS ACT OF 1995

Summary: Uses unexpended RTC funds to establish a special reserve fund to satisfy claims arising from supervisory goodwill cases.

Authorizes unexpended RTC funds to continue to be made available and set aside in a special reserve fund.

Authorizes the use of principal and interest income available to the special fund to be used to satisfy judgments against the federal government in cases brought by thrift institutions in response to changes made in FIRREA in the treatment of supervisory goodwill for the realization of losses from acquisitions of failed thrift institutions.

OPTION 5: DEPOSIT INSURANCE FUNDS MANAGEMENT IMPROVEMENT ACT OF 1995

Summary: Provides the FDIC with greater flexibility in managing the BIF and SAIF insurance funds and in setting annual BIF and SAIF premiums.

Clarifies that the designated reserve ratio of 1.25 percent of insured deposits for the BIF and SAIF insurance funds is a minimum reserve ratio rather than a target to be maintained.

Authorizes the FDIC to maintain the BIF and SAIF funds at reserve levels that provide an appropriate cushion against anticipated losses without allowing excessive reserves to build up in either fund.

Authorizes the FDIC to make appropriate reductions in annual BIF and SAIF premium assessments when reserve funds or exceed the minimum designated reserve ration of 1.25 percent of insured deposits.

Eliminates the mandatory 18 basis point minimum annual premium assessment in current law for SAIF-insured institutions.

Authorizes the FDIC to consider the impact of any potential disparity in annual premiums paid by BIF- and SAIF-insured institutions, where appropriate, to protect the safety and soundness of either insurance fund and its members and the deposit insurance system as a whole.

OPTION 6: DEPOSIT INSURANCE FUND MERGER ACT OF 1995

Summary: Merges the BIF and SAIF funds; Scheduled reduction in BIF premiums; SAIF-insured institutions continue to fund FICO debt with inclusion of Oakar/Sasser institutions.

Authorizes the merger of the BIF and SAIF funds into a single insurance fund.

Directs the FDIC to make the scheduled 1995 reduction in annual premiums paid by former BIF-insured institutions to a level that reflects estimates of expenses for the current BIF fund plus any additional assessment required to capitalize the merged BIF-SAIF fund, except that the average assessment shall under no circumstances exceed 6 basis points.

Provides FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the merged BIF-SAIF fund. The assessment could be collected over a number of years, with a lager portion of the assessment due in the first year to address the immediate problem of inadequate fund capitalization. The FDIC is authorized to provide exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Requires current SAIF-insured institutions to continue to pay the FICO bond debt obligation.

Includes premiums paid by Oakar and Sasser institutions toward payment of FICO debt obligation.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions to permit FDIC to set separate annual premiums for SAIF-insured institutions that reflect estimates of expenses to the current SAIF fund, plus amounts necessary to pay a *pro rata* share of the additional fund capitalization and the annual FICO bond debt obligation.

OPTION 7: BANK INSURANCE FUND AND THE SAVINGS ASSOCIATION INSURANCE FUND MERGER ACT OF 1995

Summary: Merges the BIF and SAIF funds; Scheduled reduction in BIF premium; Excess RTC funds loaned to FDIC to fully capitalize merged BIF-SAIF fund; SAIF-insured institutions repay loan of RTC funds with special annual assessment; All institutions funded FICO debt obligation on *pro rata* basis.

Authorizes the merger of the BIF and SAIF insurance funds into single insurance fund with the combined fund fully capitalized no later than 2000.

Requires both BIF-insured and SAIF-insured institutions to pay the annual FICO bond debt obligation on *pro rata* basis.

Directs the FDIC to make the scheduled 1995 reduction in annual premiums paid by former BIF-insured institutions to level reflecting original estimates of expenses to the BIF fund, plus amount necessary to pay a *pro rata* share of the annual FICO debt obligation, except that the average assessment shall under no circumstances exceed 6 basis points.

Authorizes unexpended RTC funds to be made available to FDIC as a loan to capitalize the merged BIF-SAIF fund at the designated reserve ratio of 1.25 percent of insured deposits.

Authorizes the FDIC to set a separate annual assessment for institutions insured by the SAIF as of December 31, 1994 (and any successor institution) for the purpose of repaying the loan of RTC funds used to capitalize the merged BIF-SAIF fund.+ The annual amount of the special assessment and the repayment term would be determined by the FDIC in consultation with the Treasury.

The disparity between the annual premium assessments paid by former SAIF-insured institutions, including the annual assessment to repay the loan of RTC funds, and the annual premium assessments paid by other insured institutions would be capped at 9 basis points.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions.

OPTION 8: DEPOSIT INSURANCE FUND MERGER ACT OF 1995

Summary: Merges the BIF and SAIF funds with recapitalization of combined fund within five years; Scheduled reduction in BIF premium; SAIF-insured institutions contribute to combined fund shortfall with special assessment and capped premium differential; All institutions fund FICO debt obligation on *pro rata* basis.

Authorizes the merger of the BIF and SAIF deposit insurance funds into a single insurance fund with recapitalization of combined fund at designated reserve ratio of 1.25 percent of insured deposits within 5 years.

Requires both BIF-insured and SAIF-insured institutions to pay annual FICO bond debt obligation on *pro rata* basis.

Directs the FDIC to make the scheduled reduction in annual premiums paid by BIF-insured institutions to a level that reflects estimates of expenses to the current BIF fund, plus amounts necessary to pay the *pro rata* share of annual FICO debt obligation.

Provides FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the merged BIF-SAIF fund. The assessment could be collected over a number of years, with a larger portion of the assessment due in the first year to address the immediate problem of inadequate fund capitalization. The FDIC is authorized to provide exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Provides the FDIC with discretion to set annual premiums paid by SAIF-insured institutions separately from premiums paid by BIF-insured institutions until combined BIF-SAIF fund is recapitalized at the designated reserve ratio.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions.

OPTION 9: SAVINGS ASSOCIATION INSURANCE FUND RECAPITALIZATION ACT OF 1995

Summary: Uses unexpended RTC funds to help recapitalize SAIF; No. BIF-SAIF Merger; BIF and SAIF institutions fund FICO debt obligation on a *pro rata* basis.

Authorizes the use of unexpended RTC funds to help recapitalize the SAIF fund and to cover losses consistent with the original intent of the 1989 FIRREA legislation.

Requires both BIF-insured and SAIF-insured institutions to pay the annual FICO bond debt obligation on *pro rata* basis.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law to permit FDIC to set SAIF premium at level that would balance use of RTC funds and concern for competitive position of SAIF-insured institutions.

OPTION 10: SAVINGS ASSOCIATION INSURANCE FUND AND FINANCING CORPORATION REFORM ACT OF 1995

Summary: BIF and SAIF-insured institutions fund FICO debt obligation on *pro rata* basis; No merger of BIF–SAIF funds; SAIF-insured institutions capitalize SAIF with special assessment and premium disparity.

Requires both BIF-insured and SAIF-insured institutions to pay the annual FICO bond debt obligation on a *pro rata* basis.

Provides the FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the SAIF fund. The assessment could be collected over a number of years, with a larger portion of the assessment due in the first year to address the immediate problem of inadequate fund capitalization. The FDIC is authorized to provide exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law.

OPTION 11: SAVINGS ASSOCIATION INSURANCE FUND STABILIZATION ACT OF 1995

Summary: BIF and SAIF-insured institutions fund FICO debt obligation on *pro rata* basis; SAIF-insured institutions capitalize SAIF with special assessment and premium disparity through 1999; RTC funds used as backup loss reserve for SAIF.

Requires both BIF-insured and SAIF-insured institutions to pay annual FICO bond debt obligation on a *pro rata* basis.

Provides the FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the SAIF fund. The assessment could be collected over a number of years, with a larger percentage payment due the first year to address the immediate problem of inadequate fund capitalization. The FDIC is authorized to grant exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Authorizes the use of unexpended RTC funds to be held in reserve by the FDIC to cover potential insurance fund losses for SAIF-insured institutions until SAIF achieves the designated reserve ratio. Unused funds revert to U.S. Treasury upon recapitalization of the fund.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law.

OPTION 12: FEDERAL DEPOSIT INSURANCE CORPORATION REGULATORY FLEXIBILITY ACT OF 1995

Summary: Regulatory changes to provide the FDIC with flexible authority to address problems of SAIF recapitalization and FICO debt repayment with a variety of potential revenue sources, including unexpended RTC funds, SAIF premiums and special assessment, BIF-SAIF transfers and Oakar/Sasser FICO contributions.

Authorizes the FDIC to administer repayment of the FICO bond debt obligation.

Authorizes the FDIC to administer the unexpended RTC funds and investment income and to allocate such funds for purposes of: payment of FICO debt obligation; capitalization of the SAIF; creation of a reserve to cover potential insurance fund losses in SAIF-insured institutions until SAIF achieves designated reserve ratio; creation of a reserve against federal liability in goodwill cases.

Authorizes the FDIC to borrow temporarily from either fund limited amounts to permit the other fund to achieve or maintain the designated reserve ratio. The authority to borrow assets or revenue from a fund would be limited at any time to an amount representing .03 percent of the assessment base of the fund.

Provides FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the SAIF. The assessment could be collected over a number of years, with a larger percentage payment due to first year to help reduce immediate concern for inadequate fund capitalization. The FDIC would have authority to grant exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Provides clarification that the reserve ratio of 1.25 percent of estimated insured deposits in the minimum designated reserve ratio required of the BIF and SAIF funds rather than an absolute level that must be maintained or cannot be exceeded.

Authorizes the FDIC to make appropriate reductions in annual BIF and SAIF premium assessments when the reserves of a fund meet or exceed the minimum designated reserve ratio.

Provides clarification that insurance fund revenues be used primarily for insurance fund purposes and that premium revenues not be unduly diverted for other purposes.

Authorizes the FDIC to include a portion of premiums paid by Oakar and Sasser institutions toward payment of FICO debt obligation.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law.

INDUSTRY-FUNDED CHECKOFF PROGRAM FOR PROPANE GAS

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 7, 1995

Mr. TAUZIN. Mr. Speaker, today I am introducing legislation that would allow the propane industry to establish an industry-funded checkoff program for propane gas, an environmentally sound and economical energy source relied on each year by some 60 million Americans.

Last Congress, I introduced similar legislation; H.R. 3546, that was cosponsored by 124 members and formally acted upon the Energy and Power Subcommittee of the Commerce. Final action on the measure could not be completed before the 103d Congress adjourned.

The legislation I am introducing today has been modified to address issues raised during consideration of the bill last Congress. These changes have made the bill better and as I introduced the measure today, I am not aware of any likely opposition.

Propane is one of this Nation's most versatile energy sources, supplying 3 to 4 percent of our total need for energy. Since it is distributed in liquefied form by trucks, not carried in pipelines, propane is the fuel of choice in residential areas outside of the natural gas distribution system. Propane is also used by farmers to dry crops, power tractors, or warm greenhouses, by millions of recreational vehicle owners and camping enthusiasts, and by the construction and other industries as a source of heat and power.