other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. D'AMATO (for himself and Mr. SARBANES):

S. 883. A bill to amend the Federal Credit Union Act to enhance the safety and soundness of federally insured credit unions, to protect the National Credit Union Share Insurance Fund, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE CREDIT UNION REFORM AND ENHANCEMENT ACT

Mr. D'AMATO. Mr. President, I have always strongly supported credit unions. But I am disturbed by the increasingly risky activities of some of our Nation's largest credit unions. Speculative investments by these large credit unions have already caused millions of dollars of losses—losses that have been passed on to smaller credit unions.

Congress, the National Credit Union Administration [NCUA] and credit unions must work together to preserve the safety and soundness of the credit union industry—an industry primarily consisting of small, healthy credit unions that avoid such speculative investments.

Therefore, with my distinguished ranking minority member—Senator SARBANES—I am introducing today the Credit Union Reform and Enhancement Act. This bill would strengthen the credit union movement by protecting smaller credit unions and the taxpayer-backed National Credit Union Share Insurance Fund (''Share Insurance Fund'') from losses caused by high risk activities.

Mr. President, let me explain why I have been—and remain—one of the strongest supporters and defenders of the credit union movement.

Credit unions have a special character. Unlike banks and thrifts, credit unions are cooperative not-for-profit associations in which members, who are the owners, a common bond, deposit funds, and obtain credit.

Credit unions also have a unique mission. Credit unions were created in the early 20th century specifically to provide credit to people of smaller means and to promote thrift among their members and the early credit union philosophy was closely connected with moral and humanitarian goals.

Today, many credit unions remain committed to these lofty goals. For example, the Residents Community Development Credit Union in Binghamton, NY provides vital financial services to the residents of three low-income housing communities. In Manhattan, the Lower East Side People's Federal Credit Union offers savings accounts and safety deposit boxes to the homeless, in addition to providing more traditional financial services to more than 2,000 lower income residents.

Finally, credit unions generally have avoided high risk activities. As a result, the financial health of most credit unions is very good. Capital at the Nation's 12,000 federally insured credit unions is at a record high of 10.4 percent, and the Share Insurance Fund has reached a 1.30 equity level—the maximum possible under the Federal Credit Union Act.

Mr. President, because of my commitment to the credit union movement, I am very disturbed by the increasingly risky activities of a few large credit unions. High risk investments recently caused the largest failure by a credit union in American history—the $1.5 billion failure of Capital Corporate Federal Credit Union [Cap Corp].

Cap Corp invested almost 70 percent of its total assets—over $1 billion—in highly interest rate sensitive derivatives, called collateralized mortgage obligations [OMOs]. As interest rates rose during 1994, the market value of these CMO's dropped steeply. When Cap Corp was finally taken over by the NCUA, the market value of its investments had dropped by over $100 million.

The failure of Cap Corp is particularly disturbing because it was a corporate credit union—a special type of credit union that serves other credit unions, not individuals. Federally insured credit unions invest a significant portion of their assets in large corporate credit unions—over $24 billion as of December 31, 1994. The failure of a corporate credit union can result in the loss of these funds and the domino-like failure of many smaller credit unions. Due to Cap Corp's failure, for example, over 250 credit unions will lose almost $25 million.

Mr. President, corporate credit unions were created to provide liquidity and sound investment advice to smaller credit unions. However, some corporate credit unions are increasingly investing taxpayer-backed credit union funds in high risk securities, and the potential losses are mounting. At the Senate Banking Committee's hearings on the Cap Corp failure, for example, we learned that:

Corporate credit unions reported unrealized investment losses in 1994 totaling about $600 million.

While some of those unrealized losses were quite small, others amounted to between 30 and 40 percent of total capital. One corporate credit union had unrealized losses that were 77 percent of its total capital.

Like Cap Corp, some other corporate credit unions have invested heavily in CMO's that have declined in market value. As of December 31, 1994, 23 corporate credit unions reported aggregate CMO investments with a book value of over $8 billion. That is equal to about 24 percent of total corporate assets and 333 percent of total corporate capital.

Some of these corporate credit unions have much higher than average concentrations of CMO's. For example, three corporate credit unions held more than 40 percent of their assets in CMO's and four others held between 20 and 32 percent of their assets in CMO's.

It is also clear from testimony at the Banking Committee's hearings that the NCUA's supervision and regulation of corporate credit unions is seriously deficient. The NCUA should have recognized sooner that a problem existed at Cap Corp and should have taken prompt corrective action. However, the NCUA reviewed Cap Corp's records in September 1994—just 4 months prior to its failure—and did not discover any serious problems. Shockingly, after that review, Cap Corp's rating remained a ''1''—the highest rating possible for credit unions.

Mr. President, these developments are very disturbing to Members of Congress, particularly given our recent experience with the savings and loan industry and Orange County. These developments endanger the health of the credit union industry and the taxpayer-backed Share Insurance Fund. These developments jeopardize the privileged status given to credit unions.

To address the concerns raised by these developments, Senator SARBANES and I are introducing the Credit Union Reform and Enhancement Act [CURE]. This bill would grant the NCUA limited powers to protect smaller credit unions, the Share Insurance Fund and, ultimately, our Nation's taxpayers from the increasingly risky investment practices of a few large credit unions.

First, CURE would limit the ability of federally insured, State-chartered credit unions to engage in certain high-risk activities that are not permitted under Federal law. One important lesson of the savings and loan debacle was that federally insured, State-chartered institutions can, with broad and risky powers granted by State legislatures and regulators, present enormous risks to a Federal insurance fund.

Forty-three States currently grant credit unions broader and potentially riskier powers than those granted to federally chartered credit unions. For example, California allows credit unions to invest in Mexican bonds, and Alabama has liberal requirements on credit union investments in real estate, with no set limits on such investments or purchases of real estate for rental income.

CURE would grant the NCUA the authority to limit such powers unless it believes they pose no significant risk to the Share Insurance Fund or unless the power was authorized pursuant to the laws of the chartering State and being utilized by at least one credit union on May 1, 1995. CURE would put in place a tripwire against future high-risk activities. It would allow the NCUA to prevent losses from such activities—instead of reacting to those losses.

Second, CURE would prohibit federally insured credit unions from investing in nonfederally insured credit unions. Under current law, federally insured credit unions can, and do, invest in nonfederally insured credit unions that are not under the full authority of the NCUA.

Five of the forty-five corporate credit unions—some of the largest credit unions in the Nation—are outside the full supervisory and regulatory authority of the NCUA because they are not federally chartered or insured. A federally insured credit union can escape full Federal regulation by investing in one of these nonfederally insured credit unions.

CURE would bring all investments in corporate credit unions under the jurisdiction of the NCUA and, thus, would reduce the potential for inappropriately risky investing that may put the Share Insurance Fund at risk.

Third, CURE would grant the NCUA the authority to close a federally insured, State-chartered credit union that is insolvent or bankrupt, after prior consultation with the State regulator. This bill would help protect the Share Insurance Fund, which would ultimately be responsible for any losses resulting from such a liquidation.

Under current law, the NCUA must wait until the State regulator closes the credit union and appoints the NCUA as liquidating agent—an often time consuming process. But the need for regulators to act quickly to seize control of failed financial institutions is well documented. During the savings and loan crisis, for example, institutions attempted to avoid insolvency and bankruptcy by making increasingly risky investments as losses from previous high-risk investments mounted.

Fourth, CURE would increase the NCUA's ability to institute a timely conservatorship. Currently, the NCUA can be forced to wait 30 days before placing a federally insured, State-chartered credit union into conservatorship, if the State regulator does not approve of the conservatorship. This bill would eliminate the 30-day waiting period and simply require the NCUA to carry out prior consultation with the state regulator.

Because the health of a credit union can deteriorate rapidly, the NCUA must have the power to act quickly to limit losses to the Share Insurance Fund. Even brief delays in the implementation of Cap Corp's conservatorship, for example, could have resulted in millions of dollars of additional losses. This bill would help to limit such losses.

Finally, CURE would update the terminology concerning corporate credit unions in the Federal Credit Union Act. It would remove outdated references to central credit unions, which once performed functions similar to corporate credit unions. CURE would also require the NCUA to establish limits on loans to a single borrower and to set minimum capital requirements. Since the NCUA has already set such standards by regulations, CURE would simply prevent the NCUA from eliminating those standards. Moreover, this legislation does not specify what these standards should be, so the NCUA would be free to adjust its current standards.

In sum, CURE would grant the NCUA limited powers to protect smaller credit unions and the Share Insurance Fund from losses caused by high risk activities. The powers granted to the NCUA are not extraordinary. Indeed, they are much more limited than the powers already granted to the Federal Deposit Insurance Corporation [FDIC] over federally insured, State-chartered banks and thrifts. The FDIC, for example, can close federally insured, State-chartered thrifts and banks even prior to insolvency or bankruptcy—when their capital is less than 2 percent.

Nevertheless, some will argue that this legislation gives too much authority to the NCUA at the expense of the States. It is important to remember, however, that State-chartered credit unions are only subject to this legislation if they voluntarily choose—or are required by their State legislatures—to have Federal insurance. If the States want broader powers for credit unions, they can establish their own insurance funds and allow State taxpayers to pay for State credit union excesses.

Most recognize that this legislation is a step in the right direction. The NCUA and the Government Accounting Office [GAO] strongly support this legislation, as does the Credit Union National Association [CUNA] and the National Association of Federal Credit Unions [NAFCU].

Like Senator SARBANES and I, they recognize that this legislation would strengthen the credit union movement. It would protect credit unions, the Share Insurance Fund and, ultimately, our Nation's taxpayers from the high risk activities of a few large credit unions.

Mr. President, I request unanimous consent that the full text of the bill and the letters of support from the NCUA, the GAO, CUNA, and NAFCU be included in the RECORD.

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

S. 883

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 ''Credit Union Reform and Enhancement Act''.

SEC. 2. INSURED CREDIT UNION INVESTMENTS IN OTHER CREDIT UNIONS.

(a) AMENDMENTS TO SECTION 107.—Section 107(7) of the Federal Credit Union Act (12 U.S.C. 1757(7)) is amended—

(1) by striking subparagraph (G); and

(2) by redesignating subparagraphs (H) through (K) as subparagraphs (G) through (J), respectively.

(b) AMENDMENTS TO SECTION 205.—Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end the following new subsection:

''(j) INSURED CREDIT UNION INVESTMENTS IN OTHER CREDIT UNIONS.—An insured credit union may invest in shares, deposits, notes, or other instruments of another credit union only if such other credit union is also insured pursuant to this title.''.

SEC. 3. ACTIVITIES OF INSURED STATE-CHARTERED CREDIT UNIONS.

Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end the following new subsection:

''(k) ACTIVITIES OF INSURED STATE-CHARTERED CREDIT UNIONS.—

''(1) IN GENERAL.—A State-chartered insured credit union may not exercise asset powers of a type, or in an amount not authorized for Federal credit unions, unless either—

''(A) the asset power was—

''(i) authorized pursuant to the laws of the State in which the credit union is chartered; and

''(ii) being utilized by one or more credit unions in that State on May 1, 1995; or

''(B) the Board determines that the exercise of the asset power would pose no significant risk to the Fund.

''(2) CONTINUED RULEMAKING AUTHORITY.—Nothing in this subsection shall restrict or limit in any way the general rulemaking authority of the Board.

''(3) DEFINITION.—For purposes of this subsection, the term 'asset powers' refers to any item or activity properly reflected on the asset side of the financial statements of a credit union, as may be more specifically defined by regulation of the Board.''.

SEC. 4. CORPORATE CREDIT UNIONS.

(a) IN GENERAL.—Section 120(a) of the Federal Credit Union Act (12 U.S.C. 1766(a)) is amended—

(1) in the second sentence, by striking ''central credit union'' and inserting ''corporate credit union''; and

(2) by adding at the end the following: ''The Board shall, by regulation, establish limits on loans and investment by a corporate credit union to a single obligor and minimum capital requirements for corporate credit unions.''.

(b) DEFINITION.—Section 101 of the Federal Credit Union Act (12 U.S.C. 1752) is amended by adding at the end the following new paragraph:

''(10) The term 'corporate credit union' has the meaning given to that term under the rules or regulations of the Board.''.

SEC. 5. AUTHORITY OF THE NCUA BOARD TO PLACE FEDERALLY INSURED STATE-CHARTERED CREDIT UNIONS INTO LIQUIDATION.

Section 207(a)(1) of the Federal Credit Union Act (12 U.S.C. 1787(a)(1)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C);

(2) in subparagraph (C), as redesignated, by striking ''paragraph (1)'' and inserting ''subparagraph (A) or (B)''; and

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) Notwithstanding any other provision of this Act or other law, the Board may, after prior consultation with the appropriate State credit union supervisory authority, appoint itself as a liquidating agent for any State-chartered credit union that is insured under this title, and may close such credit union, if the Board determines that the credit union is insolvent or bankrupt. In any such case, the Board shall have all of the rights, privileges, powers, and duties specified in this section as applicable to the liquidation of Federal credit unions.''.

SEC. 6. CONSULTATION FOR CONSERVATORSHIPS OF FEDERALLY INSURED STATE-CHARTERED CREDIT UNIONS.

Section 206(h)(2) of the Federal Credit Union Act (12 U.S.C. 1786(h)(2)) is amended to read as follows:

''(2) In the case of a State-chartered insured credit union, the authority conferred by paragraph (1) shall not be exercised without prior consultation with the appropriate State credit union supervisory authority.''.

NATIONAL CREDIT UNION ADMINISTRATION,
ALEXANDRIA, VA, MAY 24, 1995.

Senator ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing, and Urban Affairs,
U.S. Senate, Washington, DC.

DEAR CHAIRMAN D'AMATO: Thank you for giving me the opportunity to comment on your proposed legislation, the Credit Union Reform and Enhancement Act.

This bill will greatly strengthen NCUA's ability to preserve the safety and soundness of federally-insured credit unions. You have my full support for its speedy enactment.

I also want to express my sincere thanks for your leadership in support of NCUA's efforts to improve and strengthen both our supervision efforts and our regulation of corporate credit unions. Your backing has been crucial to the progress we are making toward insuring a healthy and safe future for both corporate and natural person credit unions.

I look forward to continuing to work with you on this important legislation.

Sincerely,

NORMAN E. D'AMOURS,
Chairman.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, May 24, 1995.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing, and Urban Affairs,
U.S. Senate.

DEAR MR. CHAIRMAN: This letter responds to your request for our views on proposed legislation entitled the ''Credit Union Reform and Enhancement Act.'' Overall, we believe that the bill would enhance the safety and soundness of federally insured credit unions and further the protection of the National Credit Union Share Insurance Fund (Share Insurance Fund). Our specific comments follow.

Section 2 of the bill would confine federally insured credit unions' investments in corporate credit unions to those that are federally insured. This provision would bring all investments in corporate credit unions under the jurisdiction of the National Credit Union Administration (NCUA) and, thus, could reduce the potential for inappropriately risky investing that may put the Share Insurance Fund at risk. In our 1991 report, Credit Unions: Reforms for Ensuring Future Soundness (GAO/GGD–91–85. July 10, 1991), we made a similar recommendation, and we continue to support it.

Section 3 limits the powers of state-chartered credit unions, particularly in the area of so-called ''nonconforming'' investments, to those allowable to federally chartered credit unions. The concern is that certain investments, e.g. foreign bonds, could carry undue risk. This provision would grant NCUA the authority to limit investment activities unless it believes they pose no significant risk to the Share Insurance Fund or unless the power was authorized pursuant to the laws of the chartering state and being utilized by at least one credit union. In our 1991 report, we recommended that NCUA should be authorized and required to compel a state credit union to follow federal regulations in any area in which powers go beyond those permitted federal credit unions and are considered to constitute a safety and soundness risk.

Section 4 updates terminology concerning corporate credit unions in the Federal Credit Union Act by removing outdated references to ''central credit unions'', which once performed functions similar to those of corporate credit unions. The section also requires NCUA to establish limits on loans to a single obligor and to set minimum capital requirements. Our 1991 report made similar recommendations and we believe they remain valid.

Section 5 grants NCUA authority to place a federally insured, state-chartered credit union into liquidation after consulting with the state regulator. Currently, NCUA must wait until the state regulator closes the credit union and appoints NCUA as the liquidating agent. This measure would help protect the Share Insurance Fund, because the Fund would ultimately be responsible for any losses resulting from such a liquidation. We believe such powers are appropriate given NCUA's responsibilities.

Section 6 increases NCUA's ability to institute a timely conservatorship. It does this by eliminating the requirement for NCUA to wait 30 days before placing a state-chartered credit union into conservatorship in the event that the state regulator does not approve of the conservatorship. This requirement would be modified so that NCUA would need only to carry out ''prior consultation'' with the state authority. Because financial institutions' financial health can deteriorate rapidly in some circumstances, NCUA needs to have the power to act expeditiously to limit losses to the Share Insurance Fund. This enhanced authority contributes to that objective and we support the provision.

Mr. Chairman, we appreciate the opportunity to comment on your proposed legislation. In the event you or your staff have further questions, please contact me at 202–512–8678.

Sincerely yours,

JAMES L. BOTHWELL,
Director, Financial Institutions and Markets Issues.

CREDIT UNION NATIONAL ASSOCIATION, INC.,
Washington, DC, May 19, 1995.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing, and Urban Affairs, Washington, DC.

DEAR CHAIRMAN D'AMATO: On behalf of the Credit Union National Association (CUNA), I am writing to inform you that CUNA supports your proposed legislation, the Credit Union Reform and Enhancement Act. We would like to thank you and your staff for addressing many of the concerns that we had with the earlier draft.

We appreciate your efforts to improve the bill and hope there will be an additional opportunity to further refine its provisions after it is introduced. In the end, we are confident that any credit union legislation reported by the Committee on Banking, Housing, and Urban Affairs will allow credit unions to retain legitimate business activities that do not threaten their safety and soundness.

I also thought you may be interested to know that we met recently with representatives of the National Credit Union Administration and the National Association of Federal Credit Unions and jointly agreed upon several possible regulatory relief amendments to the Federal Credit Union Act. Per our discussion with you last week, we look forward to working together on these amendments or others to relieve credit unions of some of the unnecessary regulatory burden which inhibits their ability to fully serve their members.

Thank you again for your support of the credit union movement. We look forward to working together in the coming weeks on these issues and in the years to come on many more.

Sincerely,

CHARLES O. ZUVER,
Executive Vice President and Director, Governmental Affairs.

NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS,
Washington, DC, May 25, 1995.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing and Urban Affairs,
U.S. Senate, Washington, DC.

DEAR SENATOR D'AMATO: Thank you very much for taking the time to sit down and discuss with us your thoughts on a variety of issues of interest to credit unions. As you know, the National Association of Federal Credit Unions recognizes your long-standing commitment to credit unions and the principles upon which credit unions were founded.

We have had an opportunity to review in detail a draft of your proposed ''Credit Union Reform and Enhancement Act''. Based upon our analysis, it is quite clear that your bill is intended to enhance the safety and soundness of federally-insured credit unions and to protect the National Credit Union Share Insurance Fund. After consultation with the board of directors of the National Association of Federal Credit Unions, I am pleased to lend NAFCU's unqualified support to your measure. Our Association would be pleased to stand shoulder-to-shoulder with you in support of this sound and rational proposal.

As you know, there are other areas which NAFCU believes merit congressional review and reform—particularly in regard to the regulatory burden to which our nation's member-owned credit unions are subject. We look forward to working with you and your staff to address these serious issues in the weeks and months ahead as well. If I or my staff may be of assistance to you or the Committee in any way please do not hesitate to contact Bill Donovan, Vice President for Government Affairs, at 703–522–4770, ext. 203.

Sincerely,

KENNETH L. ROBINSON,
President.

Mr. SARBANES. Mr. President, I am pleased today to join with Senator D'AMATO in cosponsoring the Credit Union Reform and Enhancement Act.

Earlier this year Capital Corporate Federal Credit Union of Lanham, MD failed, the largest credit union failure in U.S. history. Cap Corp, as it was known, had invested nearly 70 percent of its $1.5 billion in assets in a form of derivative instrument called fixed-rate collateralized mortgage obligations, CMO's. These highly interest rate sensitive instruments experienced significant losses in value as interest rates rose in 1994. The losses became so severe that the National Credit Union Administration [NCUA] took over Cap Corp's operation by placing it into conservatorship on January 31, and ultimately placed it into liquidation.

On April 13, NCUA announced that the remaining assets, liabilities, and field of membership of Cap Corp had

been acquired by Mid-Atlantic Corporate Federal Credit Union of Harrisburg, PA. Before its acquisition, Cap Corp had experienced investment losses of $61 million, all of which were absorbed by Cap Corp's capital. As a result, the National Credit Union Share Insurance Fund itself did not incur losses as a result of Cap Corp's failure.

The failure of Cap Corp raised serious questions about the adequacy of the regulation of corporate credit unions. A corporate credit union is a specialized form of credit union which accepts deposits only from other credit unions rather than individuals. There are currently 44 corporate credit unions. Corporate credit unions were created in the 1970's principally to serve as a source of liquidity for their member credit unions during periods when deposits were low. Over the years, however, they also evolved into sources of investment and payment services for their member credit unions.

Concern about the corporate credit union system had led the Chairman of the National Credit Union Administration, Norman D'Amours, to appoint early last year a corporate credit union study committee made up of five independent financial experts to conduct a thorough review of the regulation of corporate credit unions. That report, which was released on July 26, 1994, provided a careful and critical evaluation of the investment behavior and risk-taking of the corporate credit union system. Among the findings of the report were: Corporate credit unions are assuming more risk in their investment practices and in their portfolios than in the past.

Corporate credit unions are becoming more complex and will continue to become increasingly complex in the future.

Primary capital levels in the corporate credit unions are, on average, inadequate given the investment activities of corporate credit unions.

Credit analysis procedures in the corporate credit unions have not kept pace with the increased volume of funds flowing into the system.

Corporate credit unions use derivative instruments to hedge interest rate risk and create synthetic securities for other corporates and natural person credit unions.

The General Accounting Office [GAO] in an extensive 1991 report on the credit union industry, had raised particular concerns about the status of corporate credit unions. The 1991 report stated: Changes are needed to augment NCUA's currently incomplete regulatory and supervisory authority over all corporates and provide for more carefully defined asset and liability powers and higher capital requirements.

Prompted by the failure of Cap Corp, the Senate Banking Committee held hearings on February 28 and March 8 on the regulation of corporate credit unions. In testimony presented to the committee, both NCUA Chairman D'Amours and Comptroller General Charles Bowsher confirmed the findings of the reports on corporate credit unions previously sponsored by their agencies.

Chairman D'Amours announced at the hearings that NCUA was in the process of developing a new set of regulations that would raise capital requirements, tighten investment authority, and raise management standards for corporate credit unions. The stated objective was to return corporate credit unions to their original mission of serving as liquidity centers and safe havens for their members' funds. NCUA had previously established a new Office of Corporate Credit Unions, hired additional corporate examiner staff, and expanded training for corporate examiners.

NCUA issued the new regulations on April 13 and they were published in the Federal Register on April 26. The 60-day comment period ends on June 26 and NCUA hopes to issue the final regulations by the end of July.

Although the new regulations address many of the problems relating to corporate credit unions identified by NCUA and GAO, there are a small number of matters that require legislative action. The bill introduced by Senator D'AMATO and myself would make those changes, some of which would apply to natural person credit unions as well as corporate credit unions. Both NCUA and GAO have endorsed the bill.

First, the bill would permit federally insured credit unions to make deposits only in other federally insured credit unions. The effect of this provision would be to require the five corporate credit unions which currently are not federally insured to obtain Federal insurance. The purpose of the provision is to ensure that deposits of federally insured credit unions are not put at risk by placing them in non-federally insured credit unions. This change was recommended by the GAO's 1991 report on credit unions.

Second, the bill would prohibit a State-chartered, federally insured credit union from exercising asset powers of a type or in an amount not permissible for a federally chartered credit union unless the NCUA determines that the exercise of the asset power would pose no significant risk to the credit union insurance fund. The bill provides that if a State chartered, federally insured credit union was utilizing an asset power pursuant to State law prior to May 1, 1995, it may continue utilizing that power.

This authority is comparable to the authority the FDIC has to constrain the asset powers of State chartered, federally insured thrifts and banks. In fact, it is less restrictive than the constraint placed on State chartered banks and thrifts, which imposes a flat prohibition on State chartered banks and thrifts. This provision would be prospective in purpose, to prevent future problems from developing in credit unions. The GAO recommended this change in its 1991 report on the credit union industry.

Third, the bill would authorize NCUA to serve as liquidating agent or conservator of State chartered, federally insured credit unions after prior consultation with the appropriate State credit union supervisory authority.

Under current law, the NCUA has the authority to place a State chartered, federally insured credit union into conservatorship, but must obtain written approval from the State supervisor. If State approval is not obtained in 30 days, NCUA may proceed to place the credit union into conservatorship only by unanimous vote of the NCUA board. Conservatorship means NCUA takes over the management of the credit union. NCUA currently has no authority to liquidate a State chartered, federally insured credit union.

This provision of the bill would give the NCUA conservatorship and liquidation authority comparable to the authority the FDIC has over State and federally chartered banks and thrifts. The FDIC has only an obligation to consult with the State supervisor before placing a State chartered bank or thrift into conservatorship or liquidation. The purpose of this provision is to ensure that NCUA can act in an expeditious manner if a federally insured, State chartered credit union gets into difficulty. Delay in acting decisively in such cases can result in larger losses to the deposit insurance fund.

The bill would also make two other changes of a technical nature to the Federal Credit Union Act. It makes explicit NCUA's authority to provide limits on loans and investments by a corporate credit union to a single obligor, and to provide minimum capital standards for corporate credit unions. The bill would provide NCUA such statutory authority.

In addition, the bill would amend the Federal Credit Union Act to replace the term ''central credit union'' with the term ''corporate credit union.'' The purpose of this change is to avoid any confusion between the 44 corporate credit unions and the single U.S. Central Credit Union.

Mr. President, I believe this is a carefully crafted piece of legislation that will bring greater safety and soundness to our credit union system, and I am therefore pleased to be an original cosponsor.

By Mr. HATCH (for himself and Mr. BENNETT):

S. 884. A bill to designate certain public lands in the State of Utah as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

THE PUBLIC LANDS MANAGEMENT ACT OF 1995

Mr. HATCH. Mr. President, along with my colleague, Senator BENNETT, I rise today to introduce the Utah Public Lands Management Act of 1995. This bill would designate approximately 1.8 million acres of land managed by the Bureau of Land Management [BLM] in

Utah as wilderness and release another approximately 1.4 million acres of land as wilderness study areas [WSA] for nonwilderness multiple uses. With this bill, the requirements of the BLM under the Federal Land Policy and Management Act of 1976 to study and recommend to Congress those lands worthy of wilderness designation, as defined by the Wilderness Act of 1964, are met so far as it concerns the agency in our State of Utah. Identical legislation is being introduced in the House today by Representatives JIM HANSEN and ENID WALDHOLTZ. Utah Gov. Mike Leavitt is supportive of this measure.

Some may find it surprising that I am recommending more wilderness lands in Utah. The fact of the matter is that I am not antienvironment. Like any grandparent, I want to preserve nature's legacy in Utah for my 15 grandchildren to experience, learn from, and glory in. I believe, along with the English poet John Milton, that ''Beauty is Nature's coin; must not be hoarded, but must be current. And the good thereof consists in mutual and partaken bliss.''

I plan to fight for this new wilderness in Utah. I will also fight for balance. Nature itself is balanced; ecosystems work in wonderous ways to perpetuate life. Man is also a part of nature's grand scheme.

We have also had balance in our development of this legislation. This bill is the culmination of five intensive months of time and effort contributed by each member of the Utah congressional delegation, by Governor Leavitt, and by the local officials in those counties where these proposed wilderness areas are located. At the same time, different groups representing concerns on all sides of this issue—environmentalists, ranchers, conservationists, oil and gas developers, and others—have provided comments and input that have been helpful in fashioning this legislation.

Of course, this bill does not address all of the needs, the desires, or the concerns of all of these interests, or even of the entire Utah congressional delegation. But, in an attempt to resolve this contentious issue once and for all and to bring finality to a matter that has plagued Utahns and the management of our public lands for nearly two decades, we have attempted to write a bill that balances these divergent interests.

In 1978, the Utah State BLM Office began an exhaustive process to develop a Utah BLM wilderness proposal. This was no small task since more than 22 million acres of Utah land managed by the BLM were available for the study. In total, BLM employees scrutinized over 40 percent of Utah's total land mass to assess each acre's eligibility for wilderness classification. After this lengthy and tedious process, BLM identified an inventory of 3.25 million acres that met every classification requirement with no conflicts or de minimus conflicts. Since that determination, these acres have been managed as wilderness to preserve their natural character until Congress could formally designate them. In other words, nonwilderness multiple use activities have been prohibited to occur on these acres.

In 1991, BLM, after clearing all environmental and regulatory hurdles, submitted a report to Congress recommending a final designation total of 1,975,210 acres in 66 specific WSA's. Neither the House nor Senate acted on this report. This is frustrating to many of us who believe that, in this case, the work accomplished by BLM's professional land managers on this matter, is being unjustifiably ignored.

The Clinton administration has exacerbated the situation by adopting a policy that directs those lands designated as wilderness in a bill pending before Congress to be managed in the same manner as an officially designated WSA. For several years now, a bill has been introduced in the other body designating approximately 5.7 million acres of BLM land in Utah as wilderness. Therefore, the BLM now manages 5.7 million acres of land in Utah as if it is already wilderness. This is 2.45 million more acres than were originally studied by the BLM and assessed for wilderness values, and 3.73 million more acres that BLM actually recommended for wilderness designation in its report to Congress.

With this history in mind, my colleagues, especially those from public lands States, can understand why after 17 years and more than $10 million in taxpayer funds, 2,700 work months of employee time, and a countless number of scoping meetings, public hearings, on-site visits, and other related meetings, we are eager to bring closure to this matter. The bill we are introducing today is the next step toward that goal.

Last January, the Utah congressional delegation and Utah Governor Leavitt outlined a process to develop this bill. Each of the 14 counties where the BLM WSA's are located were asked to conduct a public review within their respective county and to submit a county recommendation to the delegation by April 1. Each county utilized its own process to arrive at a county-wide recommendation. Counties examined the BLM's proposed inventory along with various other proposals put forward over the years by Representative HANSEN, Representative BILL ORTON, the Utah Wilderness Association, and the Utah Wilderness Coalition. The amounts in these proposals ranged between 1.4 million acres to 5.7 million acres.

I might add that one ground rule for this process was that a proposal for zero additional acreage was not acceptable to the delegation and that the delegation intended to propose a bill in June.

During the April recess, the delegation and the Governor held five regional meetings throughout Utah to receive public comment on the county recommendations, which totaled nearly 1 million acres, and the other proposals. In addition, written comments have been received and reviewed since April 1.

In total, more than 40 public meetings, including the regional meetings, have been conducted at various levels since January. More than 500 individuals have provided public testimony since the first of the year, and over 22,000 written comments in one form or another have been received by the Governor and the delegation on this issue. I sincerely appreciate all those who have taken the time to share their opinions regarding BLM wilderness in Utah.

Let me briefly explain the contents of the proposal we are introducing today.

As I mentioned, the bill designates 1.8 million acres of Utah's BLM land as wilderness contained in 50 specific areas. These areas include what I consider to be the Crown Jewels of Utah's public lands—those areas so rich in beauty and grandeur that there can be no question that they meet the wilderness criteria.

Let's face it—not every acre of BLM land is deserving of protection as wilderness. But, our bill captures those areas in wilderness that are well known to Utahns and most Americans, and that are fast becoming recognized by millions of international visitors every year. Photographs of these areas are found in most nature books; and they form the background for many commercial activities, such as TV commercials, still photographs, and movies.

They are the Grand Gulch area of San Juan County; Desolation Canyon, through which the Green River runs; and, the Little Grand Canyon, the Black Box, and Sid's and Mexican Mountains of the San Rafael Swell. They include the Escalante Canyons of Garfield County, once proposed to be a national park; Westwater Canyon, through which the mighty Colorado River flows; and the canyon area of the Dirty Devil River.

Numerous ecosystems are represented in this bill to be designated as wilderness. These areas include the high mountain ranges of the Deep Creek and Henry Mountains; river canyons through which the San Rafael River, the Dirty Devil River, the Escalante River, and the East Fork of the Virgin River flow; the desert regions of western Utah that encompasses Notch Peak, Fish Springs, and the Ceder Mountains; Utah's red rock region of Red Mountain, Canaan Mountain, and Crack Canyon; and contiguous areas that constitute several large and dramatic blocks of wilderness, such as Kane County's Fifty-Mile Mountain, the Escalante Canyon region, and the Desolation Canyon/Book Cliffs complex, which in itself would total more than 300,000 acres.

These names may not be recognizable to my colleagues, but they are truly the golden nuggets of Utah's public lands that are deserving of being called wilderness. I certainly encourage my colleagues to visit Utah and feast on these magnificent panoramas.

But, we have also tried to accomplish a balance in our legislation. As Milton said, ''Nature's coin must not be hoarded.''

We do not recommend, for example, wilderness designation for those Utah lands that are high in resource development potential, and these are many. We are not interested in locking out these lands that someday may provide the resources our State and this Nation will need to maintain our economic stability. These resources include deposits of oil and gas, coal, uranium, all kinds of precious metals, and other natural elements found in abundance within Utah's boundaries. While the specific boundaries of our proposed wilderness areas may be modified through the legislative process, we have attempted to craft boundaries that avoid any conflicts associated with existing rights and intrusions.

While our bill will designate certain lands as wilderness, it also contains language necessary to protect Utah's interests from the ramifications of this designation. This is not an attempt to lessen the validity of wilderness in anyway, or to erase with one hand what we are writing with the other. The proposed language is simply a recognition that wilderness designation can, and most likely will, affect valid existing rights or the historic uses of an area, and which, if allowed to occur unrestrained, would have a devastating impact on the economies of many rural Utah communities.

Obviously, this is not our intent, which is why we have included language that protects existing water rights with no express or implied Federal reserved water right; allows grazing to continue in wilderness areas without any diminution; prohibits the reclassification of an airshed due to wilderness designation; and protects the practice of native Americans to gather wood for personal use and to collect plants or herbs for religious or medicinal purposes within a designated wilderness areas. We have included other language that is appropriate and necessary to address the unique situations existing throughout our State associated with this effort to create more wilderness.

In addition, we have included language that releases all of BLM's lands, with a few minor exceptions listed in the bill, from any further study or management for wilderness character or values, and returns them to the full range of nonwilderness multiple uses in accordance with already approved management plans. Adoption of this language is critical to passage of this bill. To me, it is the key to resolving this issue. Without this provision, this bill would be very difficult for me to support. Let us be clear about one point: if those acres now being managed as wilderness are not returned to multiple use, it is not the wilderness concept that would shunned, it is the concept of representative and participatory democracy.

Finally, the bill contains language to effectuate an exchange between the State of Utah and the Secretary of the Interior of approximately 140,000 State school and institutional trust lands that would be captured, in whole or in part, by the areas designated as wilderness. These lands and their inherent economic value can only be utilized to provide revenues to Utah's public education system, and the only method of ensuring that our school children benefit from each acre of these trust lands is to trade them to the Secretary for available Federal lands located in Utah.

In 1993, Congress adopted, and President Clinton signed into law, my legislation providing for an exchange of similar lands located within Utah's forests, national parks, and Defense and native American reservations. The process outlined in that bill has proven to be rather cumbersome and frustrating, especially to Utah officials. We are therefore attempting to learn from this prior experience by authorizing a more sensible, reasonable, and quicker process for the exchange of school inholdings in this legislation. Again, the inclusion of a process for the direct, fair, and prompt exchange of captured school trust lands is pivotal to many of us in Utah.

Mr. President, I realize this bill would not be satisfactory to everyone in Utah or to those watching what we are doing from outside our State. Our bill contains an acreage figure that is 80 percent greater than the recommendation submitted by the affected counties, and 70 percent less than the proposal supported by one wilderness advocacy group. Maybe with such a wide expanse between these proposals, the acreage in our bill can be looked upon as a compromise proposal that merits consideration.

I am aware that some advocate a total of 5.7 million BLM acres as wilderness because they believe this generation should preserve and protect at least 10 percent of Utah's approximately 55 million acres for those generations to come. This message has been stated many times in recent months, especially during our five regional meetings last April.

An ad published in the Salt Lake Tribune on May 29 stated that ''protecting 10 percent [of Utah's land] won't cost a single job in southern Utah,'' and that ''90 percent of the land will be left for houses, roads, farming, mining, logging, tourist facilities, and the host of activities already there and yet to come.''

If the proponents of this position are serious about preserving 10 percent of Utah's land mass from the laundry list of activities mentioned in the ad, then they should support our bill and rally behind it. Utah already has approximately 800,000 acres of wilderness managed by the U.S. Forest Service, which is ironically almost 10 percent of the total forest lands in Utah, and approximately 2 million acres of land in the form of national parks, monuments, and recreation areas that are restrictively managed by the National Park Service. The large majority of the activities listed in the ad are already prohibited for these lands. These two figures, added to the amount of acreage to be designated in our bill—1.8 million, or roughly 8.2 percent of the BLM land in Utah—would mean that approximately 4.6 million acres of land in Utah, or 8.36 percent of Utah's total land mass, will be preserved, protected, and managed by one Federal land agency or another from any future intrusions or conflicts.

We have heard the voices of those advocating this position who truly want to pay back, or tithe, to God for the beauty He has created in Utah's rural country by setting one-tenth of Utah's land. That is why our bill would add BLM's Crown Jewels in Utah to the Crown Jewels already designated by the Forest Service and the National Park Service. I do not accept the argument that this gesture must be made entirely with only BLM land when there is so much splendor and natural peace contained in Utah's other 33 million acres.

Mr. President, during the Memorial Day recess I visited several of the sites to be designated as wilderness in our bill. It was a magnificent journey through Utah's backcountry, and the trip helped me appreciate even more the beauty of our great State. I also came to a better understanding of the areas listed in our bill and why I can affirmatively state today that they are worthy and deserving of wilderness designation.

At the same time, I came to a clearer understanding of the conflicts that will arise once this designation becomes final, and why we need to take reasonable steps to remediate, if not completely avoid, these potential conflicts. Our bill is an attempt to take these justifiable, yet reasonable, steps.

I recognize that some modifications in our bill may occur during the upcoming legislative review of this bill. I also recognize that changes are inevitable if this bill is to pass the Senate, pass the House, and eventually be singed by the President. But, I need to clearly and emphatically state that despite my strong desire to create this new wilderness and to close this issue in Utah, I am not willing to accept any concession that is not in the best interests, both short- and long-term, for my State. This bill represents a consensus package of ideas and proposals arrived at through a painstaking process. These ideas should be built upon during the legislative process.

I urge my colleagues to consider this bill carefully, and I look forward to

working with them toward passage of this bill by the Senate this year.

I also want to pay tribute to my colleague from Utah, Senator BENNETT.

Since he has come to the Senate he has worked long and hard on these types of pieces of legislation. He served on the Energy and Natural Resources Committee. He did a terrific job and is doing a good job working with his former colleagues on that committee, at this point, on this bill. He understands these issues. He has worked hard on them. He has done a terrific job. I have a lot of admiration and respect for the hard efforts he has put forth.

I also want to compliment my dear colleagues in the House, Congresspeople JIM HANSEN and ENID WALDHOLTZ.

JIM is chairman of one of the crucial committees over there in this area. Much of the weight of this falls on his shoulders in the House. ENID WALDHOLTZ, our freshman Member of Congress, is standing right there beside him trying to do the best she can to help Utah to designate the appropriate wilderness areas. We appreciate the work they have done, and give them a lot of the credit for what has been done.

I would also like to say in closing that Congressman ORTON has expressed a desire to work with the Senate. I hope that he will. We are disappointed he has not come on the bill at this time.

I think it does make it easier if every Member of our congressional delegation agrees, but a majority of our State legislature, our Governor, and all Republican Members of the delegation do agree.

Congressman ORTON, to his credit, has said that he believes that it is pretty likely that he will support this in the end. He wants to present at least an alternative point of view as well through a bill that he will file for the purpose of debate. I respect that. I do hope that sometime in the future he can get on this bill and help to pass it through both Houses of Congress.

Mr. President, I ask unanimous consent that a copy of the bill of Senator BENNETT and myself be printed in the RECORD.

Mr. BENNETT. Mr. President, I appreciate the leadership shown on the wilderness issue by my senior colleague, Senator HATCH. He carries tremendous responsibility in this body by virtue of his elevation to the chairmanship of the Judiciary Committee, and there are some political opponents who would have suggested that by virtue of that responsibility he might be less attentive to Utah issues than he might otherwise be.

I assure the people of the State and the people of the Nation that that is not true. He is very attentive to Utah issues and he has demonstrated that in his leadership in this matter. All Members are grateful to him and to our Governor, Michael O. Leavitt, for the work they have done on this issue.

Senator HATCH has outlined the details of this proposal. I would like to make a few additional points for those that may not understand some of the factors relating to the Utah wilderness question.

Some groups have said that the Utah wilderness issue is the premier environmental issue of this Congress, and they are prepared to fight to the last possible breath in order to set aside 10 percent of the State in BLM wilderness. They say we must do at least 10 percent for our children. Those who are unfamiliar with the State of Utah might be impressed by this argument, because after all, 10 percent seems like a relatively small amount to set aside for future generations for some kind of preservation.

I have a map here, Mr. President, that I think will put this argument in its proper perspective. If we look at the portion in the map that is in green, it amounts to approximately 8 million acres. This is land in the National Forest Service. That which is in dark green has already been designated as wilderness in Forest Service land, but 8 million acres have been set aside for future generations. There will be no McDonald's hamburger stands. There will be no strip malls. There will be no Marriott hotels built in these 8 million acres.

During the hearings, we were threatened with all of those things. If we do not set this aside as wilderness we will have McDonald's hamburger stands and strip malls all over the State. Here are 8 million acres that will not get that.

In addition, we see this dark purple area in various places on the map. Those are national parks and recreation areas with set-asides for fish and wildlife preservation, comprising over 2 million acres. So when we add those to that in green we get a 10 million acre set-aside.

Now, if we add the additional 1.8 million that Senator HATCH's and my bill calls for in BLM wilderness, that is shown here in the green area, the total comes to approximately 12 million acres.

That, Mr. President, is not 10 percent of the State, it is 20 percent of the State set aside for the future generations, making sure that there will be on these 12 million acres no economic development other than that which is already permitted in the Wilderness Act, which is to say, grazing, minerals, and other multiple uses of the public licenses.

The additional land that is shown in yellow, Mr. President, is BLM land. Once again, the BLM will not allow the building of a strip mall or a McDonald's hamburger stand or a hotel on these 22 million acres.

The amount of acreage left to private hands, when we take the military reservations—that is what this is—and the Indian reservations—that is what this is—the amount left to private hands in the State of Utah is shown in white.

In the demagoguery around this issue, some people have said can we not set aside 10 percent of the land? Is not 90 percent enough for the developers? I show this chart, and just say that which is in white is what is available to developers. Frankly, it is located upon the corridors of highways that are already in place.

What we have proposed, Senator HATCH and I, is perfectly proper, legitimate, wilderness use. However, it will not freeze out the multiple use that could take place in this BLM land.

People say that wilderness calls for multiple use. Wilderness calls for grazing if it is already established. Wilderness calls for mineral exploration if the leases have already been signed.

I close with this example of what has happened to that truth. That is, it is true the wilderness bill calls for this multiple use on wilderness land if it has already been established. We have a prime example of what the 1964 Wilderness Act had in mind down in southern Utah on the Kaiparowits Plateau. On the Kaiparowits there are close to 300,000 acres that would be considered part of a wilderness activity, and we have set aside a good portion of that in our bill.

In that acreage, there is an existing mineral lease, a coal lease. It is owned by a company called Andalex, named after the two children of the owner of the company, Andrew and Alexander. The company is named Andalex. The Andalex coal leases have existed for years.

Under the Wilderness Act, a careful reading of it, they can continue to exist, and Andalex can extract coal from that area. Those people who are insisting on heavier acreage have said over their dead bodies will they allow Andalex to rape the wilderness for the sake of the coal. That is the kind of rhetoric that has surrounded this debate.

Mr. President, over the last week, during the recess, I went to the Andalex coal facility. What did I find? Out of the roughly 300,000 acres of the Kaiparowits, the Andalex coal mine would require 40 acres. Not 40,000—40. Four-zero, with no zeros after.

The 40 acres, by happy coincidence, happen to be at the bottom of a circular canyon, so if you are not standing on the edge of the canyon looking down, you cannot see it from anywhere in this entire area.

If the Wilderness Act of 1964 says anything, it says that the Andalex proposal should go forward. Yet the people who are saying that Senator HATCH and I are not taking care of future generations are turning around and putting the Wilderness Act on its head by saying we will not permit a coal operation on 40 acres because somehow it would destroy the wilderness experience the surrounding 300,000 acres.

Mr. President, I focus on that because it demonstrates the degree to which we have gotten away from reality in this debate. I hope the Congress in its wisdom will come back to reality and intelligence on this issue.

By Mr. MOYNIHAN (for himself, Mr. SIMPSON, Mr. THOMAS, Mr. INOUYE, Mr. GRAHAM, Mr. COCHRAN, Mr. AKAKA, Mr. CHAFEE, and Mr. ROBB):

S. 885. A bill to establish United States commemorative coin programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

U.S. COMMEMORATIVE COIN ACT OF 1995

Mr. MOYNIHAN. Mr. President, I rise to introduce the Commemorative Coin Act of 1995. This bill authorizes the striking of six coins in the next 2 years. The subjects to be commemorated are: the 200th year of gold coinage, the 50th anniversary of the United Nations and the Presidency of Harry Truman, the 150th anniversary of the Smithsonian, the Franklin Roosevelt Memorial in Washington, DC, the 125th anniversary of Yellowstone National Park, and the National Law Enforcement Officers Memorial, also in Washington.

This past November, the congressionally established Citizens Commemorative Coin Advisory Committee published in its first annual report to Congress, which recommended a 5-year plan of coin programs. The committee concluded that the serious decline in commemorative coin sales necessitated a reduction in the number and amount of coins to be minted. Otherwise, the success of each individual coin program is threatened and the Mint runs the risk of losing money on them.

This bill includes the coins recommended by the advisory committee and no others. It has the committee's full endorsement. It is a sensible package of commemoratives for deserving occasions and topics, limited in scope so that the numismatic market can absorb them all.

As a Smithsonian regent I am delighted to offer a coin for the Institution. As a New Yorker I am equally pleased to offer one for the United Nations and one for President Roosevelt. Yellowstone, the Law Enforcement Memorial, and gold coinage will also make popular and worthy coins. I urge my colleagues to join the bipartisan support we have for the bill, and I ask that its text be printed in the RECORD.

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

S. 885

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 ''United States Commemorative Coin Act of 1995''.

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term ''Fund'' means the National Law Enforcement Officers Memorial Maintenance Fund established under section 201;

(2) the term ''recipient organization'' means an organization described in section 101 to which surcharges received by the Secretary from the sale of coins issued under this Act are paid; and

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

TITLE I—COMMEMORATIVE COIN PROGRAMS

SEC. 101. COMMEMORATIVE COIN PROGRAMS.

In accordance with the recommendations of the Citizens Commemorative Coin Advisory Committee, the Secretary shall mint and issue the following coins:

(1) BICENTENNIAL OF UNITED STATES.—On or before December 31, 1995, the Secretary shall mint not more than 25,000 $10 gold coins with specifications to be determined by the Secretary.

(2) UNITED NATIONS AND PRESIDENT TRUMAN.—

(A) IN GENERAL.—To commemorate the 50th anniversary of the founding of the United Nations and the role of President Harry S. Truman in the founding of the United Nations, during a 1-year period beginning in 1996, the Secretary shall issue—

(i) not more than 75,000 $5 coins, each of which shall—

(I) weigh 8.359 grams;

(II) have a diameter of 0.850 inches; and

(III) contain 90 percent gold and 10 percent alloy; and

(ii) not more than 350,000 $1 coins, each of which shall—

(I) weigh 26.73 grams;

(II) have a diameter of 1.500 inches; and

(III) contain 90 percent silver and 10 percent alloy.

(B) SURCHARGES.—All sales of the coins issued under this subsection shall include a surcharge of $35 per coin for each $5 coin, and a surcharge of $10 per coin for each $1 coin.

(C) DISTRIBUTION OF SURCHARGES.—All surcharges received by the Secretary from the sale of coins issued under this subsection shall be promptly paid by the Secretary in accordance with the following:

(i) Fifty percent of the surcharges received shall be paid to the Harry S. Truman Library Foundation.

(ii) Fifty percent of the surcharges received shall be paid to the United Nations Association.

(3) SMITHSONIAN INSTITUTION.—

(A) IN GENERAL.—To commemorate the 150th anniversary of the founding of the Smithsonian Institution, during a 1-year period beginning in August 1996, the Secretary shall issue—

(i) not more than 100,000 $5 coins, each of which shall—

(I) weigh 8.359 grams;

(II) have a diameter of 0.850 inches; and

(III) contain 90 percent gold and 10 percent alloy; and

(ii) not more than 800,000 $1 coins, each of which shall—

(I) weigh 26.73 grams;

(II) have a diameter of 1.500 inches; and

(III) contain 90 percent silver and 10 percent alloy.

(B) SURCHARGES.—All sales of the coins issued under this subsection shall include a surcharge of $35 per coin for each $5 coin, and a surcharge of $10 per coin for each $1 coin.

(C) DISTRIBUTION OF SURCHARGES.—All surcharges received by the Secretary from the sale of coins issued under this subsection shall be promptly paid by the Secretary to the Smithsonian Institution to be used to support the National Numismatic Collection at the National Museum of American History.

(D) DESIGN.—The design of the coins issued under this subsection shall be emblematic of the scientific, educational, and cultural significance and importance of the Smithsonian Institution. Each coin issued under this subsection shall include an inscription of the following words from the original bequest of James Smithson: ''for the increase and diffusion of knowledge''.

(4) FRANKLIN DELANO ROOSEVELT.—

(A) IN GENERAL.—To commemorate the public opening of the Franklin Delano Roosevelt Memorial in Washington, D.C., which will honor President Roosevelt's leadership and legacy, during a 1-year period beginning in 1997, the Secretary shall issue not more than 100,000 $5 coins, each of which shall—

(i) weigh 8.359 grams;

(ii) have a diameter of 0.850 inches; and

(iii) contain 90 percent gold and 10 percent alloy.

(B) SURCHARGES.—All sales of the coins issued under this subsection shall include a surcharge of $35 per coin.

(C) DISTRIBUTION OF SURCHARGES.—All surcharges received by the Secretary from the sale of coins issued under this subsection shall be promptly paid by the Secretary to the Franklin Delano Roosevelt Memorial Commission.

(5) YELLOWSTONE NATIONAL PARK.—

(A) IN GENERAL.—To commemorate the 125th anniversary of the establishment of Yellowstone National Park as the first national park in the United States, and the birth of the national park idea, during a 1-year period beginning in 1997, the Secretary shall issue not more than 500,000 $1 coins, each of which shall—

(i) weigh 26.73 grams;

(ii) have a diameter of 1.500 inches; and

(iii) contain 90 percent silver and 10 percent alloy.

(B) SURCHARGES.—All sales of the coins issued under this subsection shall include a surcharge of $10 per coin.

(C) DISTRIBUTION OF SURCHARGES.—All surcharges received by the Secretary from the sale of coins issued under this subsection shall be promptly paid by the Secretary in accordance with the following:

(i) Fifty percent of the surcharges received shall be paid to the National Park Foundation to be used for the support of national parks.

(ii) Fifty percent of the surcharges received shall be paid to Yellowstone National Park.

(6) NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL.—

(A) IN GENERAL.—To recognize the sacrifice of law enforcement officers and their families in preserving public safety, during a 1-year period beginning in 1997, the Secretary shall issue not more than 500,000 $1 coins, each of which shall—

(i) weigh 26.73 grams;

(ii) have a diameter of 1.500 inches; and

(iii) contain 90 percent silver and 10 percent alloy.

(B) SURCHARGES.—All sales of the coins issued under this subsection shall include a surcharge of $10 per coin.

(C) DISTRIBUTION OF SURCHARGES.—After receiving surcharges from the sale of the coins issued under this subsection, the Secretary shall transfer to the Secretary of the Interior an amount equal to the surcharges received from the sale of the coins issued under this subsection, which amount shall be deposited in the Fund established under section 201.

(D) AVAILABILITY.—The coins issued under this subsection shall be available for issuance not later than May 1997.

SEC. 102. DESIGN.

(a) SELECTION.—The design for each coin issued under this Act shall be—

(1) selected by the Secretary after consultation with the appropriate recipient organization or organizations and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Coin Advisory Committee.

(b) DESIGNATION AND INSCRIPTIONS.—On each coin issued under this Act there shall be—

(1) a designation of the value of the coin;
(2) an inscription of the year; and
(3) inscriptions of the words ''Liberty'', ''In God We Trust'', ''United States of America'', and ''E Pluribus Unum''.

SEC. 103. LEGAL TENDER.

The coins issued under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

SEC. 104. SOURCES OF BULLION.

(a) GOLD.—The Secretary shall obtain gold for minting coins under this Act pursuant to the authority of the Secretary under other provisions of law.

(b) SILVER.—The Secretary shall obtain silver for minting coins under this Act from sources the Secretary determines to be appropriate, including stockpiles established under the Strategic and Critical Materials Stock Piling Act.

SEC. 105. SALE PRICE.

Each coin issued under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coin;
(2) the surcharge provided in section 101 with respect to the coin;
(3) the cost of designing and issuing the coin (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping); and
(4) the estimated profit determined under section 106(b) with respect to the coin.

SEC. 106. DETERMINATION OF COSTS AND PROFIT.

(a) DETERMINATION OF COSTS.—With respect to the coins issued under this Act, the Secretary shall, on an ongoing basis, determine—

(1) the costs incurred in carrying out each coin program authorized under this Act; and
(2) the allocation of overhead costs among all coin programs authorized under this Act.

(b) DETERMINATION OF PROFIT.—Prior to the sale of each coin issued under this Act, the Secretary shall calculate the estimated profit to be included in the sale price of the coin under section 105(4).

SEC. 107. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

Section 5112(j) of title 31, United States Code, shall apply to the procurement of goods or services necessary to carrying out the programs and operations of the United States Mint under this Act.

SEC. 108. PROHIBITION ON JUDICIAL REVIEW.

Each determination made by the Secretary in implementing a commemorative coin program under this Act shall be made in the sole discretion of the Secretary and shall not be subject to judicial review.

SEC. 109. AUDITS.

The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of each recipient organization as may be related to the expenditures of amounts paid under section 101.

SEC. 110. FINANCIAL ASSURANCES.

It is the sense of the Congress that each coin program authorized under this Act should be self-sustaining and should be administered so as not to result in any net cost to the Numismatic Public Enterprise Fund.

TITLE II—NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL MAINTENANCE FUND

SEC. 201. NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL MAINTENANCE FUND.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the National Law Enforcement Officers Memorial Maintenance Fund, which shall be a revolving fund administered by the Secretary of the Interior (or the designee of the Secretary of the Interior).

(2) FUNDING.—Amounts in the Fund shall include—

(A) amounts deposited in the Fund under section 101(6); and

(B) any donations received under paragraph (3).

(3) DONATIONS.—The Secretary of the Interior may accept donations to the Fund.

(4) INTEREST-BEARING ACCOUNT.—The Fund shall be maintained in an interest-bearing account within the Treasury of the United States.

(b) PURPOSES.—The Fund shall be used—

(1) for the maintenance and repair of the National Law Enforcement Officers Memorial in Washington, D.C.;

(2) to periodically add the names of law enforcement officers who have died in the line of duty to the National Law Enforcement Officers Memorial;

(3) for the security of the National Law Enforcement Officers Memorial site, including the posting of National Park Service rangers and United States Park Police, as appropriate;

(4) at the discretion of the Secretary of the Interior and in consultation with the Secretary and the Attorney General of the United States, who shall establish an equitable procedure between the Fund and such other organizations as may be appropriate, to provide educational scholarships to the immediate family members of law enforcement officers killed in the line of duty whose names appear on the National Law Enforcement Officers Memorial, the total annual amount of such scholarships not to exceed 10 percent of the annual income of the Fund;

(5) for the dissemination of information regarding the National Law Enforcement Officers Memorial to the general public;

(6) to administer the Fund, including contracting for necessary services, in an amount not to exceed the lesser of—

(A) 10 percent of the annual income of the Fund; or

(B) $200,000 during any 1-year period; and

(7) at the discretion of the Secretary of the Interior, in consultation with the Fund, for appropriate purposes in the event of an emergency affecting the operation of the National Law Enforcement Officers Memorial, except that, during any 1-year period, not more than $200,000 of the principal of the Fund may be used to carry out this paragraph.

(c) BUDGET AND AUDIT TREATMENT.—The Fund shall be subject to the budget and audit provisions of chapter 91 of title 31, United States Code.

By Mr. BAUCUS:

S. 886. A bill to provide for the conveyance of the radar bomb scoring site, Forsyth, MT; to the Committee on Armed Services.

RADAR BOMB SCORING SITE LAND CONVEYANCE

Mr. BAUCUS. Mr. President, today, I am introducing a bill which directs the Secretary of the Air Force to convey to the city of Forsyth, MT, the radar bomb scoring site operated by USAF Detachment 18 at Forsyth. The purpose of the legislation is to allow the land, housing units, and facilities supporting detachment 18 to be turned into housing units for the elderly.

The Air Force has decided to close its facility at Forsyth. Because of the base's small size, the closure is not part of the Base Realignment and Closure Commission process. The city of Forsyth is eager to acquire the facility as soon as possible to help alleviate an elderly housing shortage.

This bill contains special procedures for turning the facility over to the city of Forsyth because we believe it offers the best solution. If the normal process is followed, continued maintenance and upkeep of the facility could be a serious burden. Inattentive maintenance could result in serious deterioration of the facility by the time the normal property disposal process finally ends. Obviously, this would not benefit the U.S. Government or the elderly who will live there. The city of Forsyth is prepared to accept the responsibility for the detachment 18 facility and rapidly transform it into much needed housing for the elderly.

I urge my colleagues to incorporate this language into the fiscal year 1996 Defense authorization bill without delay. And I ask unanimous consent that the full text of my bill be printed in the RECORD.

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

S. 886

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

SECTION 1. LAND CONVEYANCE, RADAR BOMB SCORING SITE, FORSYTH, MONTANA.

(a) CONVEYANCE REQUIRED.—Subject to subsection (b), the Secretary of the Air Force shall convey, without consideration, to the City of Forsyth, Montana (in this section referred to as the ''City''), all right, title, and interest of the United States in and to the parcel of property (including any improvements thereon) consisting of approximately — acres located in Forsyth, Montana, which has served as a support complex and recreational facilities for the Radar Bomb Scoring Site, Forsyth, Montana.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the City—

(1) utilize the property and recreational facilities conveyed under that subsection for housing and recreation purposes; or
(2) enter into an agreement with an appropriate public or private entity to lease such property and facilities to that entity for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being utilized in accordance with paragraph (1) or paragraph (2) of subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary determines appropriate to protect the interests of the United States.

ADDITIONAL COSPONSORS

S. 256

At the request of Mr. DOLE, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S.