

example, the State would no longer have jurisdiction over mutual funds, and the bill would scale back State regulation securities offerings, substituting Securities and Exchange Commission for a dual State-Federal system in place. But, on the other hand, this is a good bill, it is a well balanced bill, and I hope we all vote for it.

Mr. BLILEY. Mr. Speaker, I yield 1 minute, the balance of my time, to the gentleman from New York [Mr. FRISA], a member of the committee.

Mr. FRISA. Mr. Speaker, I thank the chairman for yielding me this time, and I would like to take this opportunity in joining with my colleagues from both sides of the aisle in acknowledging the tremendous leadership that the gentleman from Virginia, Chairman BLILEY, of the Committee on Commerce, has exhibited in this case to bring both sides together in a very complex issue, which, most importantly, will benefit the investors, all of them, the individual families who invest as well as the large pools of money that invest; because, really, Mr. Speaker, those investors are the few that drive the engine of the American economy by investing in the stock market their hard-earned money so that corporations will have the funds to invest in capital and in jobs. I think it represents yet another victory for the people and for the Committee on Commerce in crafting this bipartisan legislation.

I think it is also important, Mr. Speaker, to acknowledge that the chairman of the Securities and Exchange Commission, Arthur Levitt, has worked with us as well in order to craft this agreement. And I think, finally, the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee, who I have been pleased to work with, and the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the subcommittee, have provided leadership as well.

Mr. Speaker, I say to the gentleman from Virginia [Mr. BLILEY] and to all the others, this entire House can be proud of this legislation. I urge its adoption.

Mr. HASTERT. Mr. Speaker, I am glad to see consensus has been reached to move ahead with bipartisan legislation that will equip America's capital markets to compete in the global marketplace. The changes in this bill will ultimately make it easier for business people and investors all over this Nation to reach the American Dream.

We all know that communications technologies have made the world a smaller place. People and businesses looking for capital, or those looking to invest, are now able to shop around the world. They look for those markets that provide the highest degree of integrity, transparency, and liquidity, but do not require unnecessary or burdensome red tape.

H.R. 3005 makes commonsense changes to a system that today, makes the cost of capital generation unnecessarily high and overburdens the Securities and Exchange Commission. The most fundamental change provides efficiency by dividing financial instruments into

those that are national in scope and those that are not. This allows the SEC to focus its resources as the sole regulator of larger, national offerings, while the States will carry out the crucial role of regulating smaller offerings. This change enables regulators to concentrate on those instruments they are best suited to oversee. At the same time, eliminating duplicative registration requirements will reduce the cost of raising capital. Thus, more companies will be able to create jobs, pay out higher dividends, and further expand their business.

These are the tangible effects of the bill we are addressing today. Thus, this bill moves entrepreneurs and investors one step closer to fulfilling the American Dream. Congress can and should continue to enact legislation that provides hope to the citizens of this Nation.

Mrs. COLLINS of Illinois. Mr. Speaker, during three hearings held on securities amendments, the Commerce Committee heard support for sensible, targeted efforts to reform Federal securities laws to promote greater efficiency and capital formation in U.S. financial markets. We also heard from a number of witnesses, including Securities and Exchange Commission Chairman Arthur Levitt, who urged us to proceed carefully and cautiously, keeping in mind the fact that investor confidence and consumer protection must not in any way be compromised in this undertaking. I agree fully. I was extremely pleased that a bipartisan agreement was reached that heeded Chairman Levitt's sage advice.

As we all know, U.S. capital markets are the strongest financial markets in the world. Today, nearly one-third of all families in the Nation have a portion of their savings invested in stocks, bonds, and mutual funds in order to ensure a better future for themselves and their loved ones. These investors have trust in their investments because our regulatory system has proven beneficial in protecting individuals from fraud and abuse perpetuated by unscrupulous brokers and dealers. We will be preserving and strengthening this trust with the legislation we consider before us today.

This legislation will maintain the authority of State securities regulators to police wrongdoing. In addition, the legislation in its current form ensures that the SEC mandate to protect American investors and the public interest as well as the long-term stability of our major markets remains intact. This is a most important point. While there is room to fine tune the regulatory functions of the SEC, reforms must never be structured in such a way that they undermine consumer confidence.

This bill, H.R. 2005, does not seek to greatly limit inspections of brokerage firms who have violated SEC rules or relieve firms of liability for recommending unsuitably risky investments to institutional clients. The bill also modifies previous language that would have eliminated the requirement in current law that investors be sent a prospectus and informed of the risks they face before they buy newly offered securities by requiring the SEC to move forward with its study of this issue.

Mr. Speaker, there is undoubtedly a need to monitor mutual fund regulation to fully account for the constantly evolving size, complexity, and investment opportunities of our Nation's financial markets. While mutual funds have grown by more than 20 percent annually throughout the 1980's and into the 1990's, Congress has not addressed the issue of fund regulation since 1970. This bill updates our securities laws.

I urge my colleagues to support H.R. 3005.

Mr. ACKERMAN. Mr. Speaker, on May 9, 1996, 18 of my colleagues and I wrote to the SEC to express our strong concern about the SEC's order giving permanent approval to a preferencing program on the Cincinnati Stock Exchange, the CSE. Among the important issues raised in the letter was the adequacy of the CSE's surveillance system.

Preferencing enables a broker-dealer to take the other side of its own customer order, to the exclusion of the other competing market interest. Because preferencing presents a broker-dealer with a conflict between its duty to its customer as a broker and its financial self-interest as a dealer, an effective surveillance system is especially important. Among the unanswered questions about the CSE preferencing program is whether the CSE's surveillance system can ensure that dealers taking the other side of their customers' orders fulfill their fiduciary obligations to achieve the best price for their customers. Given the SEC's traditional emphasis on investor protection, it is surprising that the order approving the CSE preferencing program does not address this issue.

Mr. Speaker, today we take up H.R. 3005, the securities amendments of 1996. This legislation does not address the issue of preferencing but I understand that similar legislation in the other body may contain a provision directing the SEC to undertake detailed study of preferencing on exchange markets. Such a study would likely provide answers to some of the unanswered questions about preferencing on the CSE, such as the adequacy of the CSE's surveillance system. Unless such a study concludes that there are tangible benefits to investors and to the capital formation process from this questionable practice, I would support efforts to move swiftly to ban preferencing on exchanges.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and pass the bill, H.R. 3005, as amended.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3005 the bill just considered.

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

There was no objection.

ANTI-CAR THEFT IMPROVEMENTS ACT OF 1996

Mr. MCCOLLUM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2803) to amend the anti-car theft provisions of title 49, United

States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2803

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 "Anti-Car Theft Improvements Act of 1996".

SEC. 2. SYSTEM NAME AND IMPLEMENTATION DATE.

(a) SYSTEM DATE.—Section 30502(a)(1) of title 49, United States Code, is amended by striking "January 31, 1996" and inserting "December 31, 1997".

(b) SECTION 30503.—Section 30503(d) of title 49, United States Code, is amended by striking "January 1, 1997" and inserting "October 1, 1998".

(c) SYSTEM NAME.—Chapter 305 of title 49, United States Code, is amended by striking "National Automobile Title Information System" each place it occurs in the chapter heading, the table of sections for chapter 305, the section heading for section 30502, and in the texts of sections 30502 and 30503 and inserting "National Motor Vehicle Title Information System".

SEC. 3. DELEGATION OF AUTHORITY.

(a) SECRETARY OF TRANSPORTATION.—Sections 30501, 30502, 30503, 30504, and 30505 of title 49, United States Code, are each amended by striking each reference to "Secretary of Transportation" or "Secretary" and inserting "Attorney General".

(b) ATTORNEY GENERAL.—Section 30502 of title 49, United States Code, is amended by striking each reference to "Attorney General" and inserting "Secretary of Transportation".

SEC. 4. TITLE INFORMATION SYSTEM.

Section 30502 of title 49, United States Code, is amended by adding at the end the following:

"(f) IMMUNITY.—Any person performing any activity under this section or section 30503 or 30504 in good faith and with the reasonable belief that such activity was in accordance with this section or section 30503 or 30504, as the case may be, shall be immune from any civil action respecting such activity which is seeking money damages or equitable relief in any court of the United States or a State."

SEC. 5. STOLEN VEHICLE INFORMATION SYSTEM.

Section 33109 of title 49, United States Code, is amended by adding at the end the following:

"(d) IMMUNITY.—Any person performing any activity under this section or section 33110 or 33111 in good faith and with the reasonable belief that such activity was in accordance with such section shall be immune from any civil action respecting such activity which is seeking money damages or equitable relief in any court of the United States or a State."

SEC. 6. GRANTS TO STATES.

(a) AMENDMENT.—SECTION 30503(C)(2) OF TITLE 49, United States Code, is amended to read as follows:

"(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator."

(b) AUTHORIZATION.—The are authorized to be appropriated such sums as may be necessary to carry out sections 30503 and 33109 of title 49, United States Code.

(c) INFORMATION SYSTEM.—The information system established under section 30502 of

title 49, United States Code, shall be effective as provided in the rules promulgated by the Attorney General.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. MCCOLLUM] and the gentleman from North Carolina [Mr. WATT] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. MCCOLLUM].

GENERAL LEAVE

Mr. MCCOLLUM. Mr. speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

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

There was no objection.

□ 1530

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

Mr. Speaker, H.R. 2803, the Anti-Car Theft Improvements Act of 1995, amends the anti-car theft provisions established by Congress in 1992 to increase the utility of motor vehicle title information to State and Federal law enforcement officials.

Mr. Speaker, States issue almost 140,000 new titles every year for stolen vehicles because there is no automated way to verify the validity of records from other States. Moreover, the costs imposed on society by carjackings and auto thefts remain unacceptably high. Car theft has risen 28 percent over the last 10 years at a cost of at least \$8 billion annually. The auto theft industry is booming nationwide for the simple reason that stealing cars is a lucrative, easy, relatively low-risk proposition. In addition, over the last few years, car theft has taken a violent turn for the worst, involving more than just property crime. Brazen predators on our streets steal cars at gun point, carjacking at a rate of approximately one every 20 seconds.

To help States fight back, Congress passed the Anti-Car Theft Act of 1992 which required the Department of Transportation to establish by January 31, 1996, an electronic information system that would allow a State motor vehicle titling authority to check instantly whether a vehicle had been stolen before it issues a new title for that vehicle. The bill also authorized a Federal grant program to help States modify computer software for this purpose. Once established, the title information system would enable State motor vehicle departments, law enforcement officials, prospective auto purchasers, and insurance carriers to check the validity of purported ownership documents, thereby preventing thieves from using ostensibly valid titles for stolen cars.

Well, the January 1996 deadline has come and gone and the Department of Transportation has not established such a system nor has it designated another entity to do so, despite authority granted in the Anti-Car Theft Act of 1992. It is becoming clear that unless

Congress acts, it is unlikely that an automated titling system will be established. It is for this reason that I, along with the gentleman from New York [Mr. SCHUMER], have introduced H.R. 2803, the Anti-Car Theft Improvements Act of 1995. The bill transfers authority for implementing the titling system to the Department of Justice and, importantly, establishes a new, realistic time table.

By way of background, the 1992 bill gave responsibility for implementing the Anti-Car Theft Act to both the Department of Justice and the Department of Transportation. The Justice Department has made significant progress in establishing an electronic information system that indicates when certain auto parts came from a vehicle reported stolen. It has become apparent, however, that this parts information system cannot be fully effective by itself and prompt action should be taken to establish the other major element, the titling information system. H.R. 2803 would give authority to the Department of Justice to establish both the parts and titling system designated in the 1992 Act.

Mr. Speaker, let me take just a minute to briefly describe what the bill does: H.R. 2803 would extend the implementation date established in the Auto Theft Act of 1992 from January 1996 to a more reasonable date in 1997. The bill will also give authority to the Department of Justice to implement the title information system. As I mentioned earlier, both the stolen parts system and the title information system would be operated under the auspices of the Department of Justice.

In addition to redelegating responsibilities for the program, H.R. 2803 would also grant limited immunity from civil action to entities operating the information systems. This particular provision will protect from potential liability those who serve the public by providing the titling information to appropriate parties.

And, finally, Mr. Speaker, H.R. 2803 authorizes appropriations as necessary for the previously established grant program to enable States to make the necessary software changes in order for them to begin participating in the titling information system. The measure eliminates the requirement from the 1992 act that States cover 75 percent of the costs of the implementation and also does away with the \$300,000 cap on grants available to each State. I would like to emphasize that while the Federal Government will be assisting States in setting up their systems in the first year, the program will become completely self-sufficient in future years, since it will be fully supported by user fees. Other automated systems established by Congress, such as the National Driver Register and the Commercial Drivers License Information System have been successfully supported by user fees.

Now, the bill in the form which is being considered today contains a few

modifications from the Committee's reported version. These modifications are a result of cooperation with the Commerce Committee and are largely technical and clarifying changes. In addition, this amended version of H.R. 2803 extends the system implementation deadline by 3 more months, from an October 1997 deadline in the original bill, to a December 1997 deadline, and includes authorizing language for the stolen parts system that had been included in the 1992 bill but was erroneously removed during the recodification of title 49, United States Code. And on behalf of Mr. HYDE, the Judiciary Committee chairman, and myself, we would like to thank Mr. BLILEY, chairman of the Commerce Committee, for his support and cooperation.

Mr. Speaker, this is a very important bill that will strengthen an effective crime fighting tool for State and Federal law enforcement across the country. I urge my colleagues to support this measure.

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

Mr. WATT of North Carolina. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of the bill.

This is a simple bipartisan bill that is intended to make the Federal Anti-car Theft Program work better. It has the support of the National Association of Motor Vehicle Administrators, the Clinton administration, the automobile industry, and the auto insurance industry.

In 1992, Congress passed the Anti-car Theft Act in response to spiraling auto theft in America. Among other things, that law set up two national registers of information—one dealing with stolen parts, and another dealing with car titles.

The stolen parts register was assigned to the Department of Justice, and the national titling register to the Department of Transportation. This bill deals with the national titling register.

The national titling register will be an important tool to stop a practice known as "washing" the titles of stolen cars. Right now, car thieves can steal a car in one State, then take it to another State and by using criminal paper-shuffling, get a new washed title for the stolen car.

As surprising as it may seem, there is presently no central place against which a State can check the bona fides of a title from another State before it issues a new one. Most checking of titles now is done after the fact, by mail, using paper records, and is not very effective.

The central title register is therefore a crucial step toward stopping interstate movement of stolen cars.

Unfortunately, experience has shown since 1992 that the Department of Transportation is not the best place for establishing such a register.

The register is primarily a law enforcement tool, better suited to the De-

partment of Justice, in addition, the Department of Justice already has access to data systems that can be adapted to include titling information.

Recognizing that reality, all parties concerned have agreed that responsibility for this national title register should be shifted from the Department of Transportation to the Department of Justice.

This bill does that. I urge my colleagues to support it.

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

Mr. MCCOLLUM. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise today in support of H.R. 2803, the Anti-Car Theft Improvements Act of 1996. When the Congress enacted the Anti-Car Theft Act of 1992, the Commerce Committee and Judiciary Committee worked as partners to craft legislation which addressed the continuing problem of car theft from a number of angles. One provision set up an information system to track information about vehicle titles and stolen parts. Unfortunately, for a variety of reasons, implementation of this information system has been delayed thus far.

H.R. 2803 addresses a number of issues which have been identified as possible bottlenecks in implementing this information system. A lack of resources at the Department of Transportation, combined with some ambiguities in the original act, led to a situation where a tool which had obvious value to law enforcement officials in the States and Federal Government could not be set up.

H.R. 2803 paves the way for full implementation of the information system. The Department of Transportation has already begun a pilot program, which will serve as the model for nationwide implementation. It provides a specific authorization for appropriations, and transfers authority for overseeing the project from the Department of Transportation to the Department of Justice. With these changes, I believe that we can finally realize the potential provided by this kind of information system.

As I mentioned earlier, the Commerce Committee and Judiciary Committee have a long record of working together on these issues, stretching back to the early 1980's and before. Because the Judiciary Committee addressed a number of our substantive concerns in the legislation before us, the Commerce Committee has waived its right to a sequential referral of H.R. 2803 in order to expedite its consideration.

Mr. Speaker, I would like to especially thank the chairman of the subcommittee, the gentleman from Florida [Mr. MCCOLLUM], for his leadership on this legislation in providing the kind of help for our committee as well as the full House in enacting this legislation.

I would like to confirm with the gentleman from Florida that he would support the Committee on Commerce's request for an appropriate number of conferees should this bill become the subject of a House-Senate conference.

Mr. MCCOLLUM. Mr. Speaker, will the gentleman yield?

Mr. OXLEY. I yield to the gentleman from Florida.

Mr. MCCOLLUM. Mr. Speaker, as the gentleman knows, that decision would be primarily between our two chairmen, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Illinois [Mr. HYDE]. But certainly I have no objection to that.

Mr. OXLEY. Mr. Speaker, I appreciate that. Reclaiming my time, I want to thank the gentleman from Florida for his commitment and hard work on this legislation. The Committee on Commerce has no objection to the legislation. As a matter of fact, we support it strongly. I urge my colleagues on both sides of the aisle to support it.

Mr. WATT of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MCCOLLUM. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WELLER). The question is on the motion offered by the gentleman from Florida [Mr. MCCOLLUM] that the House suspend the rules and pass the bill, H.R. 2803, as amended.

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

A motion to reconsider was laid on the table.

CHURCH ARSON PREVENTION ACT OF 1996

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3525) to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property, as amended.

The Clerk read as follows:

H.R. 3525

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 "Church Arson Prevention Act of 1996".

SEC. 2. DAMAGE TO RELIGIOUS PROPERTY.

(a) IN GENERAL.—Section 247 of title 18, United States Code, is amended—

(1) so that subsection (b) reads as follows:

"(b) The circumstances referred to in subsection (a) are that the offense is in or affects interstate or foreign commerce.";

(2) in subsection (a), by striking "subsection (c)" and inserting "subsection (d)";

(3) in subsection (c), by inserting "or (c)" after "subsection (a)";

(4) by redesignating subsections (c), (d), and (e), as subsections (d), (e), and (f), respectively;

(5) by inserting after subsection (b) the following: