shall adjust the boundaries of the refuge accordingly.

''(2) APPLICABLE LAWS.—Any acquisition described in paragraph (1) shall be carried out in accordance with all applicable laws.''.

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

Section 206(a) of Public Law 100–610 (16 U.S.C. 668dd note) is amended by striking ''designated in section 4(a)(1)'' and inserting ''designated or identified under section 204''.

SEC. 203. TECHNICAL AMENDMENTS.

Public Law 100–610 (16 U.S.C. 668dd note) is amended—

(1) in section 201(1)—

(A) by striking ''and the associated'' and inserting ''including the associated''; and

(B) by striking ''and dividing'' and inserting ''dividing'';

(2) in section 203, by striking ''of this Act'' and inserting ''of this title'';

(3) in section 204—

(A) in subsection (a)(1), by striking ''of this Act'' and inserting ''of this title''; and

(B) in subsection (b), by striking ''purpose of this Act'' and inserting ''purposes of this title'';

(4) in the second sentence of section 205, by striking ''of this Act'' and inserting ''of this title''; and

(5) in section 207, by striking ''Act'' and inserting ''title''.

Amend the title so as to read: ''An Act to revise the boundary of the North Platte National Wildlife Refuge, to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes.''.

Mr. CHAFEE. Madam President, I would like to take a few moments to express my delight on consideration of legislation to expand the Pettaquamscutt Cove National Wildlife Refuge in Rhode Island.

The Pettaquamscutt Cove National Wildlife Refuge was established in 1988 to protect valuable coastal wetlands that have been identified as important habitat for a diversity of species—including the declining black duck population. The refuge is located between the towns of Narragansett and South Kingstown, RI. Currently, its boundary encompasses 460 acres of salt marsh and surrounding forest habitat which is home to various species of waterfowl, wading birds, and shore birds and numerous small mammals, reptiles, and amphibians.

This legislation expands the Pettaquamscutt Cove National Wildlife Refuge boundary to include a 100-acre parcel known as Foddering Farms Acres. It also allows the U.S. Fish and Wildlife Service to expand the refuge boundary to include other important habitat if and when suitable properties become available in the future.

Inclusion of the Foddering Farm Acres property within the refuge provides a wonderful example of cooperation between the U.S. Fish and Wildlife Service and private citizens. The 100-acre Foddering Farm property, owned by the Rotelli family, contains valuable wetland habitat for waterfowl and other species. The Rotellis have indicated their willingness to donate a portion of the value of the property to the Service. In fact, they have been working with, and waiting patiently for, the U.S. Fish and Wildlife Service for several years. Through their partial donation, the National Wildlife Refuge System gains valuable habitat at a bargain price.

In order to assist the Rotellis and ward off threats of development to Foddering Farm Acres, it is imperative that we move this bill as expeditiously as possible. To that end, I am offering S. 1871, the Pettaquamscutt Cove National Wildlife Refuge legislation, as an amendment to H.R. 2679, the North Wildlife Refuge bill that was passed by the House of Representatives on April 23, 1996, and reported out of the Senate Environment and Public Works Committee on June 20, 1996. I would like to make clear that the attached Pettaquamscutt Cove provision is exactly the same as S. 1871, as amended, a bill that was reported out of the Senate Environment and Public Works Committee on June 20, 1996.

Once again, I am pleased that the Senate is considering the Pettaquamscutt Cove National Wildlife Refuge legislation. This bill will enable the U.S. Fish and Wildlife Service to continue their efforts to work with Rhode Island Islanders like the Rotellis to protect the beautiful and important natural resources along Rhode Island's coast.

Mr. MCCAIN. Madam President, I ask unanimous consent that the amendment be agreed to.

The amendment (No. 4385) was agreed to.

Mr. MCCAIN. Madam President, I ask unanimous consent that the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2679), as amended, was deemed read the third time and passed.

SECURITIES INVESTMENT PROMOTION ACT OF 1996

Mr. MCCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3005, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3005) to amend the Federal securities laws in order to promote efficiency and capital formation in financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. D'AMATO. Madam President, in the spirit of how quickly we have been able to proceed to the floor consideration of S. 1815, the Securities Investment Promotion Act of 1996, I will keep my remarks brief and to the point.

S. 1815 is a balanced, bipartisan bill that will benefit the market and the investors in the market—American consumers. S. 1815 will make it easier to raise capital in the securities market. It will simplify and streamline many areas of the securities laws that haven't been updated in years. S. 1815 will tighten up regulation by giving the States and the Securities and Exchange Commission distinctly separate regulatory roles.

I thank my colleagues for their hard work and diligence on working to move this bill expeditiously through the Senate. I especially thank the chairman and ranking member of the Securities Subcommittee, Senators GRAMM and DODD as well as Senators BRYAN and MOSELEY-BRAUN. This bill is truly a bipartisan effort. They have shown outstanding leadership and dedication to this process. Senators GRAMM and DODD, along with Senator SARBANES, also have been indispensable to improving the bill during consideration by the Banking Committee.

The year 1815 is memorable for the battle at Waterloo—but the bill S. 1815 will be memorable as the watershed in improving our capital markets. The U.S. securities market is the pre-eminent market in the world. It has the most capital and the most investors.

Over 160 million Americans own stocks. Last year, the U.S. stock market had $7.98 trillion in capital—close to half the amount of capital in the entire world market.

The legislation will make it easier to raise capital in the securities market. The bill will create a new category of unregistered private investment companies that will help venture capitalists fulfill their critical role of providing capital markets to fund new, start-up companies. S. 1815 will make it easier for companies that invest in small business to raise money—encouraging more capital flow to small business.

S. 1815 recognizes that mutual funds have become a household commodity in the last several years, turning the mutual fund market into a national market. In fact, almost one-third of U.S. households, about 30 million households, own more than $3 trillion in mutual funds. Everyone seems to agree that it no longer makes sense for all 50 States to have a say in what goes into a mutual fund prospectus.

S. 1815 will eliminate the States' role in reviewing mutual fund prospectuses, but the States will continue to play a critical role in policing fraud and illegal conduct. S. 1815 will also make sure investors and consumers are not confused about what's in a mutual fund by giving the SEC authority to set standards on mutual fund names.

The legislation dusts the cobwebs off laws that now have only antique value. S. 1815 will make the securities laws reflect the reality of today's marketplace. It will simplify procedures for paying fees and making disclosures. It

will give the SEC flexibility to adapt to the changing financial market by letting the SEC say the securities laws don't apply where they don't make sense.

S. 1815 will tighten up regulation by giving the States and the SEC distinctly separate regulatory roles. It will divide between the SEC and the States regulation of the 22,500 registered investment advisers who are entrusted with over $10 trillion in customer funds, much of which represents savings and retirement money. As a result, investment advisers will be better regulated and consumers and investors better protected.

The Securities Investment Promotion Act of 1996 is a significant piece of legislation that will ensure that the U.S. securities market remains the preeminent securities market in the world. It is not a controversial bill, it enjoys support on both sides of the aisle.

I commend my colleagues and their staff for their excellent work in drafting this legislation, particularly the Banking Committee staff and Securities and Exchange Commission Chairman Levitt and his staff.

The Securities Investment Promotion Act of 1996 is a significant piece of legislation that should be enacted this Congress.

Madam President, once again, I thank my colleagues for their continued bipartisan support and cooperation.

Mr. SARBANES. Madam President, I am glad that the Senate today will complete action on S. 1815, the Securities Investment Promotion Act of 1996. This is a reasonable bill, and appropriately so, for the Federal and State laws governing our securities markets and the participants in those markets are not in need of wholesale changes. All the evidence suggest that the U.S. securities markets are functioning well. Companies continue to raise capital in the U.S. markets in record amounts. In addition to established businesses, new companies have been raising capital in record amounts. Individual investor confidence in the securities markets, measured by direct investment in securities and investment through mutual funds and pension plans, remains high. The U.S. securities markets retain their preeminent position in the world.

Still, where improvements to the securities laws are in order they should be made. This bill has two major themes: First, improvement of mutual fund regulation, and second, reallocation of responsibility between Federal and State securities regulators. It is appropriate to review the regulation of mutual funds, given the tremendous growth in this segment of the financial services industry. Mutual fund assets now equal insured bank deposits in size. The legislation contains a number of provisions supported by the SEC that are intended to allow mutual funds to operate more flexibly.

With respect to the role of the States in securities regulation, let me say that the current system of dual regulation does not appear to place an undue burden on our securities markets. Not only are our markets a vibrant source of capital for established businesses and new businesses alike, foreign businesses also consider our markets attractive places to raise capital. State securities regulators play a crucial role in policing our markets. Still, dual regulation need not mean duplicative regulation. The State regulators themselves have convened a task force to recommend how securities regulation can be made more efficient and effective by dividing authority between the Federal and State level. I hope we will have the benefit of their thoughtful work before we complete action on this legislation.

I am pleased that the managers amendment offered by Senator D'AMATO at committee markup made some important improvements to the bill. In the mutual fund area, the managers amendment added two provisions that were recommended by the Securities and Exchange Commission. These allow the SEC to require mutual funds to provide shareholders with more current information, and to maintain additional records that will be available to the SEC. Given the importance that mutual funds now have as an investment vehicle for millions of American households, it is crucial that information be available for mutual fund shareholders, and these provisions address that need. The managers amendment also clarified the SEC's authority with respect to preemption of State laws regarding registration of securities. The SEC may preempt State laws only with respect to securities traded on the New York Stock Exchange, the American Stock Exchange, the NASDAQ, or other exchanges with substantially similar listing standards. The provision in the bill as introduced could have preempted State law for all exchange-traded securities, regardless of size or reputability.

As modified by the managers amendment, the provisions in this bill strike a reasonable balance. They received unanimous support from the Senate Banking Committee. I would note that in some respects, particularly in the area of preemption of State law, the House bill goes further. We will have to craft a final product very carefully, so that any bill Congress might send to the President does not go too far in limiting the authority of the State regulators, thereby exposing investors to sharp practices.

Mr. DODD. Madam President, I rise to join my colleagues in supporting the passage of S. 1815, the Securities Investment Promotion Act of 1996. Let me first offer my congratulations to Senators GRAMM, BRYAN, and MOSELEY-BRAUN, all of whom worked very hard with me in drafting this balanced, thoughtful, and bipartisan bill. I particularly would like to acknowledge the efforts of Senator D'AMATO, the chairman of the Banking Committee, who not only was deeply involved in drafting this bill, but who also did his utmost to move the bill quickly and smoothly through the legislative process so that we were able to come to the floor today.

The U.S. capital markets are vitally important for the good economic health not only of virtually every American company but for millions and millions of individual investors who have placed some of their assets either directly in securities or, as has become more and more common, into mutual funds.

We must recognize that sustained economic growth is heavily dependent upon the continuing ability of our capital markets and financial services industry to function efficiently and with integrity. If companies find impediments to obtaining capital, they will not grow. If individuals find impediments to their access to securities and other investments, they will not save.

Taking steps to enhance the access of both corporations and individuals to the securities markets is prudent means by which Congress can help sustain or even increase the Nation's rate of economic growth.

Furthermore, the American capital markets are the envy of the world. No other nation enjoys the international reputation of our capital markets and it is necessary for Congress periodically to review and modernize, where necessary, the laws that make our markets and our financial services industry the world's leader.

The legislation under consideration today is the culmination of a lengthy bipartisan effort to reform those aspects of the securities laws that are an outdated impediment to the efficient functioning of the securities industry.

The bill will also provide clearer statutory directives to both State and Federal regulators so that the integrity of, and confidence in, our capital markets and financial services industry is enhanced.

Without going into excruciating detail, let me just highlight the main areas that this legislation covers: It improves the regulation of investment advisors by clarifying the proper roles of the SEC and the State regulators; it modernizes and streamlines the regulation of mutual funds on the one hand, and provides badly needed modernization of the statutes covering hedge funds and venture capital funds on the other hand; it provides for clarification on a host of technical matters ranging from treatment of church pension plans to the access by U.S. journalists to foreign issuer press conferences. And, significantly, the bill creates the mechanisms for increased regulatory flexibility so that the SEC will have the ability to keep pace with needed regulatory changes as the needs and demands both of investors and the financial industry develop over time.

Madam President, the hearing held on this legislation on June 5 amply

demonstrated that the bill will have a salutary effect upon our financial markets. Not only will the legislation remove anomalous and antiquated regulations that impeded the efficient functioning of the markets, but the legislation will clearly improve the ability of investors, both institutions and individuals, to invest and save their hard-earned dollars.

I believe that the legislation, through our qualified purchaser provisions as well as the business-development company sections, will not only provide an immediate benefit to the ability of small businesses to access needed capital, but that these provisions will also provide a future benefit in the event of another credit crunch similar to the one we saw in 1992 and early 1993.

At the committee markup, we adopted a manager's amendment that will make good improvements to the bill and I would like to take note of a few particularly important provisions.

I am pleased that the Banking Committee included new authority for the SEC to require that mutual funds make updated disclosures and that they maintain certain kinds of books and records beyond the minimal amount currently required by law.

I commend my colleague, the ranking member of the Banking Committee, Senator SARBANES, for advocating the inclusion of these provisions and I am very glad that the committee wholeheartedly supported these commonsense and nonburdensome investor protections.

I am also pleased that the Banking Committee will require the commission to study the impact of recent judicial and regulatory rulings that have limited the ability of shareholders to offer proposals at shareholder meetings regarding a company's employment practices. The ability of shareholders to offer such kinds of resolutions such as the ''Sullivan principles'' for South Africa and the ''MacBride principles'' for Northern Ireland have had a direct impact on ensuring that United States corporations do not participate in the loathsome discriminatory practices that occurred, or still occur, in those nations. I look forward to the results of the commission's study in a year's time.

In all, this is a carefully balanced bill that improves our Nation's securities laws to allow the markets to function more efficiently, but balances those reforms by maintaining, and in some cases enhancing, the full strength of investor protections that have made our markets the best in the world.

I urge my colleagues to support passage of this important legislation.

Mr. BRYAN. Madam President, I am pleased to support S. 1815, the Securities Investment Promotion Act of 1996. Let me begin by recognizing those who worked diligently to reach bipartisan agreement so that this bill could be considered on an expedited basis. Deserving of particular credit here are Senators GRAMM and D'AMATO and their staffs. I greatly appreciated the opportunity to work with them and with Senators DODD and SARBANES on this important piece of legislation.

When I signed on as an original cosponsor of S. 1815, I said that I believe our capital formation process is fundamentally sound. America's capital markets are the fairest, the most successful, and the most liquid the world has ever known. By virtually every statistical measure, the investment market is vibrant and healthy.

Today, tens of millions of Americans rely on this Nation's financial markets to save for retirement, fund their children's college education, and to receive a rate of return on savings that exceeds the rate of inflation. Now more than ever, the people of America are investing in America. Just one example tells the story: For the first time in history, mutual fund assets exceed the deposits of the commercial banking system. This massive movement into our securities markets promises new and exciting opportunities for investors—and for American businesses.

This Nation's securities laws and regulations are designed first and foremost to protect investors and to maintain the integrity of the marketplace, thereby promoting trust and confidence in our system of capital formation. We should strive for a securities regulatory system that is tough, but one that also is fair, efficient and up-to-date. On balance, I believe that S. 1815 does a good job of eliminating or modernizing laws and regulations that either are duplicative or outdated—without sacrificing investor protection. In general, the legislation strikes the proper balance between promoting efficiency and growth while ensuring integrity and fairness.

One of the key objectives of this bill is to carefully reallocate key aspects of Federal and State securities laws so that we eliminate any duplication, thereby ensuring that our relatively modest regulatory resources are properly focused. Today, both the Securities and Exchange Commission [SEC] and the 50 State securities regulators share the responsibility for overseeing our capital markets. By and large, this system of shared regulatory responsibility has worked well, with the SEC taking responsibility for marketwide issues, while the States focus their attention on the issues most affecting individual investors and small businesses.

I believe that there is room for improved coordination and a more clearly defined allocation of responsibility between the States and the SEC. I support the goal of eliminating duplicative and overlapping regulations that do not provide any additional protections to investors or to the markets but that do serve to increase the costs of raising capital. For these reasons, I support those provisions of the bill that will serve to draw brighter lines of responsibility between the States and the SEC, and that will streamline the securities offering process for American businesses.

When this legislation was introduced, I said that it was critically important that this legislation preserve a strong State role in policing sales practices and in bringing enforcement actions. At the same time, I said that the bill must not undermine the ability of defrauded investors to recover their losses in court under state laws. I am gratified that the bill and the committee report that accompanies it explicitly provide that State securities regulators continue to have available to them the full arsenal of powers needed to investigate and to enforce laws against fraud and to retain their ability to protect the small investors of this country. Similarly, the bill and committee report also make it absolutely clear that nothing in this legislation alters or affects in any way any State statutory or common laws against fraud or deceit, including private actions brought pursuant to such laws.

S. 1815 recognizes the fundamentally national character of the mutual fund industry by assigning exclusive responsibility for the routine review of mutual fund offering documents and related materials to the SEC and NASD. The legislation also encourages further innovation in the mutual fund industry by means of advertising prospectuses and funds of funds. I am pleased that my earlier concerns with the respect to reporting and recordkeeping requirements were addressed in the manager's amendment approved by the Banking Committee.

Finally, I want to say a word about title I, in which we seek to rationalize the regulatory scheme for investment advisers. There is abundant evidence that the current system of investment adviser regulation is woefully inadequate, both in terms of the resources we devote to the effort and the laws that govern the industry. While I applaud the objectives of title I of S. 1815, it is my hope that Congress does not end its consideration of this issue here.

I would agree that establishing the proper lines of regulatory jurisdiction is a necessary first step. Today, both the SEC and the State securities regulators oversee registered investment advisers. But, there are no clearly established lines of jurisdiction. As a result, both the States and the Federal Government essentially have responsibility for the entire population of investment advisers. However, neither the States nor the Commission have the resources to shoulder the entire job. What we are left with is a system that is both burdensome and ineffective. Although the regulators have tried to coordinate their activities, this legislation clearly establishes the concept of bright lines of responsibility so that the policing of the industry is both more rational and more effective.

The oversight of investment advisers is an extremely important issue, as

more and more Americans turn to these financial professionals to help guide them through the increasing complexity of our financial markets. Establishing a more rational system for determining jurisdiction is a helpful step. But, it is only a first step. And, while I agree with the objective of establishing clearer lines of responsibility, I am troubled by the very legitimate concerns raised by State and Federal regulators and consumer organizations with respect to the practical application of title I.

The State of Nevada Securities Division has brought to my attention a real life situation that illustrates potential problems with this bill that I hope we can correct in conference. An investment advisor representative who worked for a firm with over $25 million in assets applied for a license in Nevada. The Securities Division discovered he had 14 complaints and numerous disciplinary actions filed against him. He did not get a license to operate in Nevada but, under the provisions of this bill, he would not be required to get one. Nevada regulators would be able to go after a bad actor after he has committed fraud but they would prefer to retain the ability to keep them out in the first place.

One potential fix for this problem would be to require investment advisor representatives who have disciplinary histories to obtain State licenses regardless of the size of the firm. This would protect States' abilities to keep out unscrupulous operators before they have had a chance to prey on unsuspecting consumers.

I understand that time may not permit us to address the many questions that have arisen in the context of title I. Nor do we have the time to comprehensively address all that needs to be done to improve the regulatory system for investment advisers. As a result, I would ask that we commit ourselves when we convene in the 105th Congress to assuring not only that State and Federal regulators have the necessary resources and are effectively implementing them.

PRESERVING STATE REVENUE AUTHORITY

Mr. GRAMM. Madam President, I would like to address a question to the distinguished chairman of the Banking Committee, Mr. D'AMATO. As the chairman is aware, this legislation takes the very important step of providing national rules for national securities markets. In doing so, however, it has been our intent to preserve State authority to collect revenues, either to fund their antifraud efforts or for other State government purposes. In fact, the bill as reported contains explicit language to allow States to continue to collect all fees and revenues related to registration and regulation of securities that they have been collecting, notwithstanding the provisions of the bill that reduce the States' role in registration of nationally traded securities and mutual funds. Does the chairman concur that this has been the intent of the Members both in drafting and approving this legislation?

Mr. D'AMATO. I certainly do. The Senator is correct. That has been the intent of this Senator, and I know it to have been the intent of my colleague, the chairman of the securities Subcommittee, Mr. GRAMM, as well as that of all of the sponsors of the bill and of the members of the Banking Committee. We expressly provided language in the bill to preserve State authority to collect revenues so that there would be no revenue loss at all faced by the States from the enactment of this bill. I do understand that some States have expressed a concern that in spite of the clear language of the bill, some of the provisions of their own State laws may make it difficult in some cases to collect fees. If that is indeed the case, and we have begun discussions to identify the problems precisely, then I see no obstacle to making adjustments in the legislation during our conference with the House of Representatives to ensure that no State loses any revenue authority as a result of enactment of this bill.

Mr. GRAMM. Madam President, I thank the Senator for his response, and I join with him in expressing my willingness and desire to ensure that the language of the final legislation, as it emerges from conference with the House of Representatives, will preserve State revenue authority. I am aware that securities-related fees are an important source of revenue for the Texas State government, and I do not see it as our place here to impair that authority. I further know of no one who disagrees with this intent, so I also see no problem in fully resolving this matter in the final version of the legislation.

Mr. HOLLINGS. Madam President, the securities bill before us, H.R. 3005, makes a number of very important changes in securities regulation, such as regulation of investment advisors and mutual funds. The Senate bill was approved by the Banking Committee on a bipartisan 16 to 0 vote.

I have no problem with the Senate version of this measure. I would support it. However, I have a big problem with the House companion to this bill. It contains provisions that would shift much of the cost of running the Securities and Exchange Commission from firms registering securities to the general taxpayer. I am concerned because of the potential impact on the SEC and, frankly, that this will require the Appropriations Committee to absorb $200 million at the very time that discretionary funding is being cut.

In the present fiscal year, the SEC's budget totals $297.4 million. Of this amount, $194 million is derived from section 6(b) securities registration fees and $103.4 million is appropriated from the general fund. So we have a situation in which about two-thirds of the SEC's operation is financed through fees.

The House bill seeks to change this situation and shift the entire cost of running the SEC to discretionary appropriations. This shift and reduction in fees would occur over a 5-year period. In short, it cuts collections and tells the Appropriations Committee and the general taxpayers to absorb the costs.

Mr. DODD. Would my friend from South Carolina yield?

Mr. HOLLINGS. Of course. The Senator from Connecticut is our authority on securities and financial market matters.

Mr. DODD. I thank my friend. The Senator from South Carolina is essentially correct regarding this funding issue. I would note, however, the current situation is that the SEC collects in total more through fees than the agency's total budget. Of course, a majority of these funds go to the Treasury as general revenues.

Mr. HOLLINGS. Exactly. These fees go to Treasury. They do not do anything to support the SEC. The agency cannot use those receipts. The only fees that the SEC is able to use—to pay personnel to provide for stable markets and to prevent fraud—are those that are collected and deposited in the SEC's appropriation account. It is those that are above the statutory fee level of one-fiftieth of 1-percent. It is exactly these fees that the House bill proposes to terminate.

You know for the past 2 years the SEC has had something of a near-death experience because of problems with its authorization. It wasn't until the last day of the 103d Congress that the other side removed their holds on a bill that enabled the agency to continue functioning. And, just last summer, over my objections, our fiscal year 1996 Commerce, Justice and State appropriations bill proposed cutting the SEC by 20 percent below a freeze at fiscal year 1995 levels. Here we have a law enforcement agency, and an agency in charge of stopping insider trading and fraud, and the appropriations bill reduced its funding far below the level it needed to continue operations.

Mr. D'AMATO. But, eventually through a floor amendment and conference negotiations, the SEC's budget was brought back up at least to a freeze at fiscal year 1995 levels.

Mr. HOLLINGS. That's right. The Senator from New York was instrumental in helping us restore the SEC budget. It wasn't easy.

I think the distinguished chairman of the Banking Committee knows the situation better than most. We served together on the Appropriations Committee for 14 years.

I think he would be surprised how tight the funding situation has gotten. For fiscal year 1997, the President's budget proposals for the Justice Department alone are up $1.947 billion above the current year. The Federal Judiciary is up $414 million. And, so on. Now, we on the Commerce, Justice and State Subcommittee aren't going to get anywhere near those increases in the section 602(b) allocation process.

We can't fund those programs, let alone State, Commerce, and Small Business, and other independent agencies. Let alone increases for the Securities and Exchange Commission.

So these are the reasons I have held up this bill. I applaud the changes you have made in securities laws, but I must ask, do you intend to maintain the Senate position on this fee issue? I mean will you and the chairman not reduce section 6(b) fees that are collected and retained by the SEC, as part of this legislation?

Mr. DODD. My friend makes many good points. I know the pressures that the Appropriations Committee faces and we are all too familiar with the Government shutdowns that occurred this year.

I would note that our goal on the Banking Committee is to pass a securities reform bill that the President will sign. And, the administration has expressed many of the same concerns that the Senator from South Carolina has raised. In its June 18 Statement of Administration Policy, the White House said it would support the securities reforms but oppose the House proposed changes in financing the SEC. The administration's letter states:

Although the Administration supports provisions in H.R. 3005 that would protect investors and reduce the cost of State and Federal regulation of the markets, the Administration would have serious concerns with the bill if it were amended to include reauthorization provisions which would reduce or eliminate certain securities registration and transaction fees. These fees are currently used to offset almost two thirds of the SEC's appropriation. Eliminating or reducing the fees, in a time of declining discretionary resources, would require the SEC to compete for funding with other worthy programs, including criminal justice programs, immigration initiatives, and research and technology programs. The Administration's continued support for H.R. 3005 is contingent on the retention of these improvements and keeping the bill free of any reauthorization provisions which would reduce or eliminate certain SEC fees.

Senator D'AMATO and I intend for this bill to become law, and I assure the Senator from South Carolina that, absent an agreement among all the appropriators, the administration, and the SEC, we will not agree to the House language that lowers registration fees which are used to run the SEC and offset appropriations. While I believe that there is merit on both sides of this funding issue, I believe that the important and difficult questions of how best to fund the SEC—at which levels and through what means—should be reserved for another forum.

Mr. D'AMATO. I would say to the Senator from South Carolina that there probably isn't another Member of the Senate who understands more the importance of the financial markets to the economy, or the economy of his State. This Senator understands the need to maintain fair and open securities markets. The SEC needs to be funded adequately so it can do its job and ensure its regulation of the market. That is simply in everyone's interest.

The Senator from South Carolina's arguments make good sense. I know he has been a good friend to the SEC and the securities industry. I would have to agree that we should try to work towards a funding position that we can agree on to fund the SEC in a fairer way so that section 6(b) fees pay for the cost of regulation and not general deficit reduction. I am concerned about the general taxpayer, of course, but these fees should not be a tax on capital formation. Last year, the SEC brought in more than $750 million to fund a budget of less than $300 million. That isn't right either.

The bill the Senate is being asked to approve today is deficit neutral. The important reforms proposed in this legislation should be accomplished without adding one penny to the deficit. Similarly, any final agreement reached with the other body regarding this legislation must not contribute to the Federal budget deficit. At a time when there is wide bipartisan agreement on the need to balance the budget, it is critical that this legislation not make this goal more difficult to achieve.

I will do everything I can to keep this conference focused on securities regulation reforms and will continue to work with my colleagues on a long-term solution to the SEC funding problem. Let me note that unless there is bipartisan agreement among the appropriators, the administration, and the SEC, we will separate that issue from the bill and put it aside for another day. We do not intend to jettison all the good things in this bill, and the bipartisan spirit in which it was engendered, over this difficult issue. As a friend from Connecticut notes, we are serious about this bill—we intended to get it enacted into law.

Mr. MCCAIN. Madam President, I ask unanimous consent that all after the enacting clause be stricken and the text of calendar No. 468, S. 1815, be inserted in lieu thereof, the committee amendment be agreed to, the bill be deemed read a third time and passed, as amended; the motion to reconsider be laid upon the table, the Senate insist on its amendment and request a conference with the House, the Chair be authorized to appoint conferees on the part of the Senate and that several statements and colloquies be printed at the appropriate place in the RECORD.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (H.R. 3005), as amended, was deemed read the third time and passed, as follows:

(The text of the bill will be printed in a future edition of the RECORD.)

APPOINTMENT OF CONFEREES

Under the previous order, the Presiding Officer (Mrs. HUTCHISON) appointed Mr. D'AMATO, Mr. GRAMM, Mr. BENNETT, Mr. SARBANES, and Mr. DODD conferees on the part of the Senate.

WILLIAM J. NEALON POST OFFICE

Mr. MCCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 452, H.R. 3364.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3364) to designate the Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, as the ''William J. Nealon Federal Building and United States Courthouse.''

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCAIN. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3364) was deemed read the third time and passed.

MARK O. HATFIELD UNITED STATES COURTHOUSE

Mr. MCCAIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 451, S. 1636.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1636) to designate the United States Courthouse under construction at 1030 Southwest 3rd Avenue, Portland, OR, as the ''Mark O. Hatfield United States Courthouse,'' and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 4386

(Purpose: To amend the resolution establishing the Franklin Delano Roosevelt Memorial Commission to extend the service of certain members)

Mr. MCCAIN. Madam President, I send an amendment to the desk on behalf of Senator LEVIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] for Mr. LEVIN, proposes an amendment numbered 4386.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . EXTENSION OF FDR MEMORIAL MEMBER TERMS.

The first section of the Act entitled ''An Act to establish a commission to formulate plans for a memorial to Franklin Delano Roosevelt'', approved August 11, 1955 (69