

are our duties as leaders, not just in the world of politics and government, but in every field represented here this morning and throughout our land? Like basketball stars Charles Barkley and Dennis Rodman, we are role models whether we like it or not.

I believe that the example we set, particularly for our young people, may be the most important responsibility of public service. We must demonstrate with our daily lives that it is possible to be involved in politics and still retain intellectual honesty and moral and ethical behavior.

We are all sinners, so we will slip and we will fall. But I have felt God's sustaining hand through every phase of my life—growing up in Perry, Georgia, raising a family, my relationship with my wife Colleen, in Senate floor debates, in committee meetings, visiting our troops in war, or being part of a mission for peace.

In the years ahead, when I think back on my public service, I am certain that my most cherished memories will be those moments spent with my colleagues in the Senate prayer breakfasts and in my meetings with leaders from around the world, usually arranged by Doug Coe, in the spirit of Jesus.

I have also been blessed by many friends in the Senate and also a small fellowship with a group of Senate brothers like the late Dewey Bartlett, Republican of Oklahoma; Lawton Chiles, Democrat of Florida; Pete Domenici, Republican of New Mexico; Harold Hughes, Democrat of Iowa; and Mark Hatfield, Republican of Oregon. No one can accuse that group of being of like minds politically.

Yet, these brothers have listened to my problems, shared in my joys, held me accountable and upheld me in their prayers. Fellowship in the spirit of Jesus does amazing things. It puts political and philosophical differences, even profound differences, in a totally different perspective.

I believe that 2,000 years ago Jesus was speaking to each of us when he delivered his Sermon on the Mount. And, my prayer this morning for our leaders and our nation is in the spirit of his words then.

May we who would be leaders always be aware that we must first be servants. May we who compete in the arena of government and politics remember that we are commanded to love our enemies and pray for those who persecute us. I can't find any exception for the news media or our opponents. May we who seek to be admired by others remember that when we practice our piety before men in order to be seen by them, we will have no reward in heaven. May we who have large egos and great ambitions recall that the Kingdom of Heaven is promised to those who are humble and poor in spirit. May we who depend on publicity as our daily bread recall that when we do a secret kindness to others, our Father, who knows all secrets, will reward us. May the citizens whom we serve as stewards of government be sensitive to the fact that we are human beings subject to error and that while we need their critiques, we also desperately need their prayers. May we never forget that the final judgment of our tenure here on earth will not be decided by a majority vote, and that an election is not required to bring us home.

May God bless each of you.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2036. An act to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 2353. An act to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans' Affairs relating to delivery of health and medical care, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore [Mr. THURMOND].

At 4:49 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes.

At 8:32 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 141. Concurrent resolution providing for the adjournment of the two Houses.

At 8:46 p.m., a message from the House of Representatives, delivered by

Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2924. An act to guarantee the timely payment of Social Security benefits in March 1996.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 2036. An act to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996" (Rept. No. 104-228).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 2005. A bill to direct the Secretary of the Interior to make technical corrections in maps relating to the Coastal Barrier Resources System (Rept. No. 104-229).

The committee of conference submitted a report on the disagreeing votes of the two Houses to the bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes (Rept. No. 104-230).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BROWN:

S. 1549. A bill to improve regulation of the purchase and sale of municipal securities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HELMS:

S. 1550. A bill to eliminate the duties on 2-Amino-3-chlorobenzoic acid, methyl ester; to the Committee on Finance.

By Mr. DORGAN (for himself, Mr. HOLLINGS, Mr. DASCHLE, Mr. CONRAD, and Mr. KERREY):

S. 1551. A bill to restore the broadcast ownership rules under the Communications Act of 1934 to the status quo ante the enactment of the Telecommunications Act of 1996; to the Committee on Commerce, Science, and Transportation.

By Mr. DASCHLE:

S. 1552. A bill to amend the Railroad Retirement Act of 1974 to prevent the canceling of annuities to certain divorced spouses of workers whose widows elect to receive lump sum payments; to the Committee on Labor and Human Resources.

By Mr. McCAIN:

S. 1553. A bill to provide that members of the Armed Forces performing services for

the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone; to the Committee on Finance.

By Mr. COCHRAN:

S. 1554. A bill to amend the Fair Labor Standards Act of 1938 to clarify the exemption for houseparents from the minimum wage and maximum hours requirements of that Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DOLE (for himself, Mr. ROTH, Mr. McCAIN, and Mr. DOMENICI):

S. 1555. A bill to guarantee the timely payment of social security benefits in March 1996; read twice.

By Mr. KOHL (for himself and Mr. SPECTER):

S. 1556. A bill to prohibit economic espionage, to provide for the protection of United States proprietary economic information in interstate and foreign commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER (for himself and Mr. KOHL):

S. 1557. A bill to prohibit economic espionage, to provide for the protection of United States vital proprietary economic information, and for other purposes; to the Select Committee on Intelligence.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. SIMON, Mr. DOLE, Mr. LAUTENBERG, Mrs. BOXER, Mr. COCHRAN, Mr. HEFLIN, Ms. MIKULSKI, Ms. SNOWE, Mr. GRASSLEY, Mr. THURMOND, Mr. GLENN, Mr. BRADLEY, Mr. KENNEDY, Mr. KERRY, Mr. REID, Mr. MACK, Ms. MOSELEY-BRAUN, Mr. SARBANES, Mrs. FEINSTEIN, Mr. COHEN, Mrs. MURRAY, Mr. BIDEN, Mr. PRESSLER, Mr. LEVIN, Mr. THOMAS, Mr. DODD, and Mr. WARNER):

S. Res. 219. A resolution designating March 25, 1996 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. DASCHLE, and Mr. WARNER):

S. Res. 220. A resolution in recognition of Ronald Reagan's 85th birthday; considered and agreed to.

By Mr. DOLE (for himself and Mr. DASCHLE):

S. Res. 221. A resolution to authorize testimony by a former Senate employee; considered and agreed to.

S. Res. 222. A resolution to authorize the production of documents by the Permanent Subcommittee on Investigations; considered and agreed to.

By Mrs. HUTCHISON (for herself and Mr. GRAMM):

S. Res. 223. A resolution to commemorate the sesquicentennial of Texas statehood; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BROWN:

S. 1549. A bill to improve regulation of the purchase and sale of municipal securities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE MUNICIPAL SECURITIES INVESTOR PROTECTION ACT OF 1996

Mr. BROWN. Mr. President, I rise to offer a bill to protect municipal securities investors.

The Securities Act of 1933, and the Exchange Act of 1934 were drafted in response to the stock market crash of 1929. Congress passed the 1933 and 1934 acts to prevent fraud in the securities markets and ensure uniform and reliable information for investors. At that time however, Congress decided to exempt the relatively insignificant municipal securities market from new laws, because unlike corporations, the States, cities, and counties issuing bonds could back their obligations with their power to raise taxes.

Now, with over 52,000 municipal issuers, and \$1.2 trillion in outstanding debt obligations, the municipal securities market in one of the largest unregulated markets in the world. Complex financing arrangements are created behind the shelter of the municipal securities exemption. Over 70 percent of all municipal bonds are revenue bonds, backed not by tax revenues, but the isolated revenues of special projects like toll roads, powerplants and airports. Revenue bonds for major projects can exceed \$1 billion, and are often bought and sold internationally by individuals, corporations, banks, and governments. These revenue bonds present many of the same investment risks as corporate enterprises, but because they are municipal securities, they are subject only to voluntary market guidelines and the SEC's authority to prevent fraud.

Since its inception, people have questioned whether the Security and Exchange Commission's lack of authority over the municipal securities market was adequate to protect investors. A 1993 staff report of the Securities and Exchange Commission examined that question and commented on the shortcomings of the SEC's authority: "Because of the voluntary nature of municipal issuers disclosure, there is a marked variance in the quality of disclosure, during both the primary offering stage and in the secondary market." Other groups have echoed the SEC's sentiment. The Public Securities Association testified that, "secondary market information is difficult to come by even for professional municipal credit analysts, to say nothing of retail investors." The SEC staff concluded that while the SEC could take steps to improve disclosure, any comprehensive changes to the existing system would require congressional action.

The SEC took an indirect step toward improving municipal securities disclosure when it began enforcing 15c2-12 last summer. That rule requires municipal securities dealers to contract with issuers for the provision of disclosure documents and annual reports. These regulations however, fall short of the protections offered investors in the 1933 and 1934 acts because

they do not give the SEC the authority to review municipal disclosures, regulate content, or require continuing disclosure of financial information.

This bill would take additional steps toward full disclosure. Under my proposal, a municipal security issuer who offers more than \$1 billion in related securities, but does not pledge its taxing authority toward repayment of the obligations, must conform to the registration and continuous reporting requirements of the Securities Act of 1933 and the Exchange Act of 1934. In other words, when a municipal issuer acts like a corporation by pledging the revenues of a particular project toward repayment of debt, it should be treated like a corporation.

Recent collapses in the municipal securities market underline the need for congressional action:

New York: After issuing record levels of debt from 1974 through 1975, New York City was unable to issue additional debt to cover maturing obligations. As a result, \$4 billion of the city's short-term bonds lost over 45 percent of their value by December 1975, and interest rates for municipalities across the Northeast and Mid-Atlantic regions rose 0.05 percent. The subsequent SEC investigation uncovered distorted financial information including a systematic overstatement of revenues.

Washington Public Power Supply System: With an initial cost estimate of \$2.25 billion to build nuclear reactors, the Washington Public Power Supply System issued bonds between 1977 and 1981. By the time the final bond sale was issued, the project's estimated cost exceeded \$12 billion. Construction was halted, the WPPSS went into default, and the SEC began investigating the WPPSS's disclosure practices.

The SEC found that the WPPSS had mislead investors by not releasing reports about cost overruns, that underwriters failed to critically analyze the information provided by the WPPSS, that bond rating agencies failed to conduct due diligence to confirm WPPSS information, and that attorneys provided unqualified legal opinions as to the validity of the financing agreements. Ultimately no enforcement action was taken because several class action civil suits concluded with the Federal district court approving a \$580 million global settlement.

Orange County: In 1994, a lack of disclosure led many investors of Orange County bonds to be surprised when the Orange County investment fund declared bankruptcy. The fund's risky investments in derivatives led to a loss of over \$1.7 billion and put every debt obligation of the county at risk.

Denver International Airport: Original plans called for Denver to finance its new \$1.3 billion international airport with bonds backed by operation revenues following its October 1993 opening. The actual cost of the Denver International Airport [DIA] exceeded