

GREEK INDEPENDENCE DAY, 176
YEARS OF FREEDOM AND DEMOCRACY

SPEECH OF

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1997

Mr. BATEMAN. Mr. Speaker, I am proud to join my colleagues today in recognizing the 176th anniversary of the beginning of the revolution that freed the Greeks from the subjugation of Ottoman rule.

On March 25, 1821, Greek patriots began their long struggle for freedom and for independence from the Ottoman Empire. However, the arduous journey to democracy did not end with achievement of independence of 1829. During World War II, the Greeks fought courageously and suffered severe casualties in their tireless efforts to fend off Nazi armies. There were forced to fight once again in the 1940's in order to turn back the forces of communism, a resistance in which we were proud to extend a hand. Although the years since have been marked by hardships and sacrifice, the people of Greece have shown their resolve, courage, and fortitude. Their dedication to freedom has demonstrated itself in the ultimate success of democracy in modern-day Greece.

We cannot discount our indebtedness to Greece and her people. Western art, architecture, literature, and philosophy all stem from the achievements of the ancient Greeks. Without question, the Greek people have left an indelible impression on world history. But, of all the contributions Greeks have made toward the betterment of mankind, I believe their greatest contribution to be the ideal of democracy. It is fitting that we, the United States of America, should have founded the wellspring of our Nation's laws and ideals in the democratic traditions of Athens and other Greek city-states. And, it was indeed appropriate that during the Greek war for independence, they looked to our Declaration of Independence to guide them in their struggle to rediscover democracy.

In closing, I would like to note that no nation has contributed more to modern Western civilization than Greece, and no nation has had to struggle harder or more often to preserve its liberties. In recognition of all that Greece means to the world, and in tribute to its patriots throughout the centuries, we salute our friends in Greece—and our many Greek-American citizens—on this day of independence.

LA PROGRESIVA PRESBYTERIAN
SCHOOL TWENTY-FIFTH YEAR
ANNIVERSARY

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1997

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to recognize La Progresiva Presbyterian School for its 25th school year anniversary.

The Presbyterian school, La Progresiva, was founded in Cardenas, Cuba by a North American missionary named Dr. Robert L.

Wharton on the 11th of November, 1900. On that day, La Progresiva opened its doors with only 14 students and with the reading of the first book of Corinthians chapter.

The school developed into one of the finest educational establishments of Cuba, expanding its facilities to accommodate the increasing enrollment of students. Its growing reputation as a fine center of learning, however, was put to a stop in 1961 with the arrival of communism in the island.

Communism was able to put an end to the material aspect of La Progresiva in Cardenas, but it could never destroy the spirit and ideals which still remained alive. So in September 1971, with the help of the First Spanish Presbyterian Church of Miami and the alumni of the old La Progresiva, the new Progresiva opened its doors. It started with humble beginnings in much the same way its predecessor had.

Like the old school, this new one grew in popularity and as a result of the increasing demand for enrollment, La Progresiva added another wing to its main building in 1978. The school continued its expansion adding more classrooms to accommodate the demand for admittance into the school. Along with growing in educational capacity, La Progresiva also bettered itself in the athletic department, improving over the years in its sports and, presently, plans are being discussed for a gymnasium.

The Progresiva spirit has prevailed through the years to produce a center of learning which will stand long into the future and one which makes all "Progresivistas" proud.

On this, La Progresiva's 25th school year anniversary, the school's motto is stronger than ever: "Una Vez de La Progresiva, Siempre de La Progresiva."

RURAL ROADS FUNDING

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1997

Mrs. JOHNSON of Connecticut. Mr. Speaker, anticipating this year's reauthorization of the 1991 Intermodal Surface Transportation Efficiency Act [ISTEA], I am introducing legislation today that will provide rural area roads eligibility for a small percentage of funding under the Surface Transportation Program [STP].

The intent of ISTEA's STP initiative was to provide greater flexibility to State and local authorities for transportation needs by providing States with block grant-type authority. However, ISTEA regulations prohibit roads classified as local or rural minor collectors from receiving Federal-aid highway funding. Since most roads in rural areas fall under this classification, they are not eligible for funding and remain in severe disrepair.

Under ISTEA's current STP distribution formula, States are required to set aside 10 percent of their STP funds for safety programs and 10 percent for transportation enhancement programs. The remaining 80 percent of STP funding goes into a general purposes fund, with a remaining distribution account receiving 50 percent, and a statewide distribution account receiving 30 percent.

Under the remaining distribution account, funding is provided to areas over 200,000

population, while only a minimal level of funding is provided to rural areas under 5,000 population based on a fiscal year 1991 funding level. Unfortunately, congressional attempts to provide State flexibility do not ensure adequate and equitable distribution of Federal assistance to rural area roads. Moreover, roads functionally classified as local or rural minor collectors are not currently eligible for the rural areas under 5,000 population funding and, since most rural roads fall under these two classifications, they are ineligible for Federal assistance.

My legislation would allow roads functionally classified as local or rural minor collectors eligibility for STP funds under the existing special account for areas under 5,000 population only. My legislation would not amend the road classification system. Rather, it would only modify 23 U.S.C. 133(c) to allow roads functionally classified as local and rural minor collectors STP funding eligibility under the areas under 5,000 population account 23 U.S.C. 133(d)(3)(B).

In addition, my legislation provides that of the 50 percent to be obligated under the remaining distribution account, at least 20 percent, or the existing minimum requirement, whichever is greater, should go to the rural areas under 5,000 population account. Finally, my legislation would amend the statewide planning process by requiring States to also consider the transportation needs of rural areas, including local and rural minor collectors.

I urge my colleagues to support this necessary legislation as it will provide the flexibility ISTEA was intended to produce and will greatly improve our roadway system by allowing local and rural communities the opportunity to decide which roads should be repaired.

EXTENDING EFFECTIVE DATE OF
INVESTMENT ADVISERS SUPER-
VISION COORDINATION ACT

SPEECH OF

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1997

Mr. OXLEY. Mr. Speaker, this legislation will provide an extension of 90 days to the effective date of title III of the National Securities Markets Improvement Act of 1996.

The extension of the effective date, which was requested by Securities and Exchange Commission Chairman Arthur Levitt, will help ensure the orderly implementation of the important changes that will be effected by the Investment Advisers Supervision Coordination Act, which is title III of the Improvement Act. I strongly support this responsible request. The Institute of Certified Financial Planners, which represents many of the investment advisers who will be affected by the Improvement Act, also supports the extension of the effective date of title III. I include for the RECORD copies of Chairman Levitt's letter to Chairman BILEY, as well as a letter from the Institute of Certified Financial Planners to myself offering their support for this legislation.

In addition, I wish to clarify the intent of a provision in title III of the Improvement Act that provides for the establishment of a telephonic or other communication means to provide information about investment advisers' backgrounds. The act directs the Commission to

"provide for the establishment and maintenance" of this information service. I wish to make it clear that it is entirely within the Commission's authority and consistent with the intention of this provision for the Commission to delegate the responsibility to establish and maintain this service to a third party, as the Commission has done for purposes of the information service provided pursuant to section 15A(i) of the Securities Exchange Act of 1934. It is also consistent with the purposes of title III that such a third party be able to charge reasonable fees of commercial users of the information service.

SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, February 12, 1997.

Hon. THOMAS J. BLILEY,
Chairman, Committee on Commerce, U.S. House
of Representatives, Washington, DC.

DEAR CHAIRMAN BLILEY: I am writing to request that Congress extend the effective date of Title III of the National Securities Markets Improvement Act of 1996 for 90 days, from April 9 to July 8, 1997. Title III reallocates regulatory responsibilities over investment advisers between the states and the Commission.

The Commission has made substantial progress in completing the many rulemaking directives given to the Commission in the Improvement Act. In October, the Commission proposed a rule providing a safe harbor to allow journalists access to off-shore press conferences. In December, we proposed rules implementing new exemptions from the Investment Company Act for pools sold only to qualified investors. The Commission also proposed, on December 18, 1996, rules to implement Title III.

The Commission is making every effort to meet the legislative deadlines of the Improvement Act. Our rule proposals were issued only two months after the legislation was enacted, and the comment period for the proposals ended earlier this week. While we believe the Commission should be able to finish work on the adoption of the proposed rules by April 9, the effective date of Title III, we are very concerned that this timetable is likely not to afford investment advisers sufficient time to examine the new rules, consult with counsel as to their continuing regulatory status, and properly complete and submit the required forms.

We are also concerned about the effect of the April 9th effective date on state regulatory programs. As you know, Title III assigns important responsibilities for the regulation of investment advisers to state regulators. Because Title III will become effective on April 9th (whether or not the proposed rules are adopted), state law will be preempted as to all advisers still registered with the Commission, including those advisers that will be exclusively regulated by the states. If all (or most) advisers remain registered with the Commission on April 9 because they have not submitted the required forms, much of state investment adviser laws will be preempted, compromising state regulatory and enforcement programs.

By dividing jurisdiction over the 22,500 advisers currently registered with the Commission, the Improvement Act promises to provide more efficient and effective regulation of the investment advisory industry. The Commission strongly supported the enactment of the Act and has moved quickly to implement its purposes. We believe that by providing an additional 90 days, Congress will allow investment advisers adequate time to meet their obligations under the new rules and will avoid disrupting state regulatory efforts that are important if the goals of Title III of the Improvement Act are to be achieved.

If I or any of the Commission staff can answer any questions, please do not hesitate to contact us.

Sincerely,

ARTHUR LEVITT,
Chairman.

THE INSTITUTE OF
CERTIFIED FINANCIAL PLANNERS,
Denver, CO, March 12, 1997.

Hon. MICHAEL G. OXLEY,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN OXLEY: The Institute of Certified Financial Planners¹³ is strongly in support of S. 410, a bill which would extend the April 9 effective date of the Investment Advisers Supervision Coordination Act (the "Coordination Act") by 90 days. We offer two basic but highly important reasons for supporting this delay in the effective date to July 8, 1997.

First, as a professional association involved in the original legislative process, we are fully aware of the substantive changes made to the Investment Advisers Act of 1940 that led to the current regulatory challenges facing the Securities and Exchange Commission (the "SEC"). And we strongly commend the SEC on having successfully met the initial challenge of the implementation process by issuing a proposed rulemaking within a tight deadline and addressing all of the critical issues raised thereunder. We are concerned, however, that the remaining amount of time is not enough to address the many formal comment letters (including our own) which were submitted prior to the February 10 deadline—a total of about 80 mostly substantive comment letters—as we understand it. We believe that the SEC needs additional time to properly respond to the issues raised by these comments, resulting actions that will result in a momentous sea-change of regulation for 22,000-plus registered individual investment advisers and firms.

Second, as you are aware, up to 80 percent of all current SEC registrants will withdraw their registration and be subject to state regulation. Once the SEC approves the final rulemaking, additional time is necessary to adjust to the new regulatory environment. The SEC must have adequate time to distribute the final published forms, and current registrants must have time to digest the new mandates, and return the appropriate forms for de-registration or continued federal registration. Further, the Institute and others raised questions about the ability of certain advisers to be able to report accurately, for example, the aggregate assets under management without some minor changes in the reporting requirements suggested in the proposed rulemaking. For many of these registrants, the proposed rulemaking itself raised new questions and issues. No doubt the final rule also will generate some additional questions, but even if the major issues are clarified, the unique nature of each individual adviser's practice will leave some questions unanswered.¹⁴

¹³ The Institute of Certified Financial Planners is a Denver-based professional organization representing 11,000 Certified Financial Planner members nationwide. The Institute serves as a resource to federal and state legislators on issues related to financial planning.

¹⁴ The questions received from members are of course too numerous to recount in this letter. To provide one example not addressed in the proposed rulemaking was a situation involving an SEC-registered adviser in the state of Ohio which has no state investment adviser statute. The adviser provides personal advice to a few clients but primarily offers through her advisory firm investment management seminars in other states, on behalf of corporations which administer their own 401(k) plans, or on behalf of other investment management firms

This situation, while obviously smaller in scale, is not unlike Congress passing major tax legislation at the end of the year, and leaving the Internal Revenue Service little time to clarify certain aspects of the new tax code that affect thousands of Americans. Distributing new 1040s and related forms within a month of April 15th would no doubt be disastrous.

For the above reasons, we strongly support S. 410 and thank you for supporting the original conference report. An additional 90 days should be more than adequate time to allow the SEC to properly fulfill its mission and for registrants to properly comply with the new changes.

I would be happy to respond to any questions that you might have regarding the above comments.

Sincerely,

JUDY LAU, CFP,
President.

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SPEECH OF

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1997

Mr. PORTER. Mr. Speaker, I rise along with many of my other colleagues to commemorate Greek Independence Day. On March 25, 1821, Greece became independent of the Ottoman Empire and began its long, and sometimes difficult, journey back to democracy, freedom, stability, and prosperity.

As the birthplace of democracy, Greece has always been a special place for America and Americans. In this diverse and culturally rich land, we see ourselves, our hopes, our past and our future. I am pleased to rise today as a friend of Greece and the Greek people, and congratulate them on their dynamic society and their triumph of will.

As our NATO ally and partner in the global village, we work closely with Greece to bring about goals of mutual aspiration and concern. I must take this opportunity to thank and congratulate the Greek Government for the positive role that they are playing in mediating with the Serbian government in a quiet, behind the scenes manner—they have been effective where others have failed in persuading Milosevic to loosen his strangle-hold on Serbia and begin moving toward reform. I also call on them to be this same kind of force for good with their neighbor Albania during these difficult days for that country.

I congratulate Greece on its efforts to mend fences with its neighbor Turkey and resolve their differences. While these overtures have not always been well received, the effort is always worth making, and Greece is the better for these efforts.

I thank my colleague, MICHAEL BILIRAKIS from Florida, for organizing this special order, and I appreciate his leadership on this issue. I have enjoyed working with him on a wide

that contracted them to perform this specific service. It was not clear to this person whether the adviser's employees who provided advice on these 401(k) plans would be subject to state or federal registration or notice filings, etc., as investment adviser representatives, supervised persons, etc., under the proposed rulemaking. This unique situation is one of many that undoubtedly will not be addressed under the final rulemaking.