

soundness of the bank. These supervisory requirements are virtually identical to those that currently apply to companies that own regulated securities broker dealers, and companies that own regulated futures commission merchants—the so-called “holding company risk assessment provisions.” In the past six years, Congress has twice embraced this model for gathering information on potential risk to regulated entities by affiliated companies, once in the Market Reform Act of 1990 (securities firms), and once in the Futures Trading Practices Act of 1992 (futures traders). While the National Financial Services Committee would establish uniform standards for these requirements as they apply to depository institutions, the appropriate Federal banking agency that regulate the lead depository institution of the financial services holding company would implement and enforce them.

Apart from these general requirements, financial services holding companies would not be subject to the bank-like regulation that currently applies to the capital and activities of bank holding companies. However, as in the D’Amato-Baker bills, financial services holding companies would be subject to the following additional safety and soundness requirements:

Affiliate transaction restrictions, including but not limited to the requirements of Sections 23A and 23B of the Federal Reserve Act.

Prohibition on credit extensions to non-financial affiliates.

Change in Control Act restrictions.

Insider lending restrictions.

A “well-capitalized” requirement for subsidiary banks.

Civil money penalties, cease-and-desist authority, and similar banking law enforcement provisions applicable to violation of the new statute.

New criminal law penalty provisions for knowing violations of the new statute.

Divestiture requirement applicable to banks within any financial services holding company that fails to satisfy certain safety and soundness standards.

Cross-Marketing Provisions.—As with the D’Amato-Baker bills, the bill would preempt cross-marketing restrictions imposed on financial services holding companies by state law or any other federal law.

Securities Activities.—The draft bill includes principal elements of the last-introduced version of the Leach bill in the previous Congress, H.R. 2520, as it related to Glass-Steagall issues. These include statutory firewall, “push-out,” and “functional regulation” provisions, with some modifications. These new restrictions would apply only to financial services holding companies; they would not apply to the securities or investment company activities of banks that remained part of bank holding companies.

Wholesale Financial Institutions.—Financial services holding companies (but not bank holding companies) could also form uninsured bank subsidiaries called wholesale financial institutions or “WFIs.” Such WFIs could be either state or nationally chartered, and there would be no restrictions on the ability of a WFI to affiliate with an insured bank. A WFI would not be subject to the statutory securities firewalls applicable to insured banks and their securities affiliates, but the WFI could not be used to evade such statutory firewalls.

2. ELIMINATION OF THRIFT CHARTER

With the new financial services holding company structure in place, the thrift charter would be eliminated; thrifts would generally be required to convert to banks, with grandfathering/transition provisions; and unitary thrift holding companies would be

required to convert to either bank holding companies or financial services holding companies, also with grandfathering/transition provisions. The statutory language for the charter conversion is similar to the language included in the last version of the Roukema bill, which is the one that was used in the House’s offer in the Budget Reconciliation conference in late 1995.

3. NATIONAL MARKET FUNDED LENDING INSTITUTIONS

Unlike the D’Amato-Baker bills, the draft bill generally precludes a commercial firm from owning an insured depository institution. However, the bill recognizes the important role that nonfinancial companies play in other aspects of the financial services industry by allowing such companies to own “national market funded lending institutions.” This new kind of OCC-regulated institution would have national bank lending powers, but would have no access to the federal safety net: it could not take deposits or receive federal deposit insurance, and it would have no bank-like access to the payments system or the Federal Reserve’s discount window. In addition, the institution could not use the term “bank” in its name. By owning a national market funded lending institution, a nonfinancial company could provide all types of credit throughout the country using uniform lending rates and terms.

SPECIAL TRIBUTE TO U.S. SENATOR ROBERT C. BYRD OF WEST VIRGINIA ON A HALF-CENTURY OF SERVICE TO THE NATION AND TO HIS STATE

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 9, 1997

Mr. RAHALL. Mr. Speaker, 50 years ago yesterday, January 8, 1997, the senior Senator from West Virginia, ROBERT C. BYRD, began his service in the U.S. House of Representatives where he served for 11 years, moving to the Senate in 1958 where he has served for the past 39 years.

As we all know, Senator BYRD celebrated having cast his 14,000th vote in the U.S. Senate last year, at which time he had a 98.7 percent voting average.

Senator ROBERT C. BYRD is the nationally recognized historian in residence in the Senate—the uncontested expert on the Senate as an institution, and the leading, nationally recognized expert on parliamentary procedures.

West Virginia’s citizens recognize Senator BYRD and applaud his achievements as a researcher, lecturer, writer, and parliamentary magician. That is all well and good, they say. It makes them very proud.

But what makes Senator BYRD’s people in West Virginia most proud is that he is also one of them—that he is someone they can go to, take their troubles, trials and tribulations to, and know that he will hear them and he will intervene on their behalf at every opportunity to make things better. West Virginians know that Senator BYRD’s every waking moment of service in the U.S. Senate is in their service—their best interests, their well being—and they know this without one single iota of doubt.

Residents of West Virginia can name with pride the many accomplishments of Senator BYRD—those noted above first of all. But, in

addition, West Virginians can tell you that during his Senate tenure he has served as secretary of the Senate Democratic Conference, Senate majority whip, Senate majority leader, Senate minority leader, and President pro tempore.

Further, Senator BYRD has served his State and his country throughout an integral part of the high drama and history of the second half of the 20th century—including the cold war, Vietnam, Watergate, Iran-Contra, the collapse of the Soviet Union, and the gulf war. He has served under nine Presidents, one of whom was assassinated, the other forced to resign the highest office in the land.

Senator BYRD is widely recognized for having achieved many milestones during his career, among them being only one of three U.S. Senators in history to have been elected to seven 6-year terms; being the first sitting Member of either House of Congress to begin and complete the study of law and obtain a law degree while serving in the Congress; being the first person in the history of West Virginia ever to serve in both chambers of his State Legislature and both Houses of the U.S. Congress; obtaining the greatest number, the greatest percentage, and the greatest margin of votes cast in statewide, contested elections in his State; being the first U.S. Senator in West Virginia to win a Senate seat without opposition in a general election; and having served longer in the U.S. Senate than anyone else in West Virginia history.

Mr. Speaker, these are remarkable achievements for one man, and we honor Senator BYRD for them.

His greatest feat, in my estimation, is that he has brought dignity and civility to the U.S. Senate every day of his life, throughout his tenure there.

Senator ROBERT C. BYRD is a gentle but firm leader, who has the ability to share, in his writing and vocally, his deep and abiding reverence for the Senate as an institution. He constantly lectures, through his weekly history lessons, on the importance of knowing and observing, and above all else, respecting, the traditions of the Senate, its rules of engagement and the parliamentary procedures that govern it as an institution.

And so it is with great personal honor that I rise on the occasion of his 50th anniversary year of U.S. Senate service, to pay tribute to the well cherished and beloved senior Senator from West Virginia ROBERT C. BYRD, and to wish God’s blessings upon himself personally, and upon the important work he will do in the coming years on behalf of his institution, his countrymen nationwide, and his especial work on behalf of his fellow West Virginians.

SUPPORT FOR H.M.O. PATIENT REFORM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 9, 1997

Mr. STARK. Mr. Speaker, on Tuesday, January 7, I introduced legislation to provide a comprehensive set of consumer protections for people in managed care plans.

One of my proposals is that Medicare and Medicaid should not start monthly payments—which can amount to somewhere between

\$300 and \$700 a month—for a new HMO enrollee until that HMO actually meets with the enrollee, shows them how to use the system, and establishes a basic health profile on the individual. Today, an HMO can receive thousands of dollars in payments before it ever sees a patient or tries to maintain their health.

How can an HMO truly be a health maintenance organization, if it doesn't know what the health of the person is, whether the person is overweight, smokes, needs inoculations, has high blood pressure or diabetes, et cetera, et cetera?

Last August, the Public Policy Institute, part of the Division of Legislation and Public Policy of the American Association of Retired Persons, issued an excellent paper entitled, "Managed Care and Medicare." The paper—which does not necessarily represent formal policies of the association—recommended:

Health plans should be required to conduct a comprehensive health assessment of new patients upon enrollment, followed by specific provisions for improved access to primary and specialty care on a routine basis.

This is precisely the idea in my legislation, and I hope other senior and patient advocacy groups will consider this proposal and how it would help eliminate many of the abuses in the current enrollment of Medicare and Medicaid beneficiaries.

TRANSPORTATION COMMITTEE PROCEDURES FOR ISTEA REAUTHORIZATION

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 9, 1997

Mr. PETRI. Mr. Speaker, on behalf of NICK RAHALL, the ranking democratic member of the Subcommittee on Surface Transportation, BUD SHUSTER, the chairman of the Transportation and Infrastructure Committee, and JAMES OBERSTAR, the committee's ranking democratic member, I would like to outline the subcommittee's procedure for identifying items of concern to members as it takes up the reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA]. This legislation authorizes over \$150 billion for our nation's highway, transit, motor carrier, safety, and research programs for 6 years and is due to expire on September 30, 1997.

The importance of the surface transportation system cannot be overstated. There is ample evidence documenting the link between careful infrastructure investment and increases in this nation's productivity and economic prosperity. For instance, between 1980 and 1989, highway capital investments contributed almost 8 percent of annual productivity growth. A recent study demonstrated that the costs of highway investments are recouped through production cost savings to the economy after only 4 years. Another study concluded that transit saves at least \$15 billion per year in congestion costs.

Despite the critical importance of our transportation systems to our Nation's economic health, investment has fallen short of what is needed. The Department of Transportation estimates that simply maintaining the current conditions on our highway, bridge, and transit systems will require investment of \$57 billion

per year from Federal, State, and local governments, an increase of 41 percent over current levels. To improve conditions to optimal levels would require doubling our current investment to \$80 billion per year. Meeting these needs will require a variety of strategies, including better use of existing systems, application of advanced technology, innovative financing, and public-private partnerships. It is our goal to develop a bill that will meet these needs and maintain this world class system.

Reauthorization is the top priority of the Subcommittee on Surface Transportation. In the second session of the 104th Congress, the subcommittee held a series of 12 ISTEA oversight hearings and received testimony from 174 witnesses. The hearings gave many interested Members, the administration and affected groups the opportunity to testify and present their views. There was strong interest in these hearings and they covered the programs which need to be reauthorized in this coming bill. We would be happy to make copies of these hearing transcripts available to any interested Members.

We anticipate that the bipartisan legislation we develop this year will be based largely on the information obtained at last year's extensive programmatic hearings. As we begin this process, we would like to offer Members the opportunity to inform the subcommittee about any policy initiatives or issues that Members want the subcommittee to consider including or addressing in the reauthorization of ISTEA. Members having such specific policy requests should inform the subcommittee in writing no later than February 25, 1997.

Many Members have already contacted the subcommittee to inquire about, or to request, specific funding for critical transportation needs in their districts. With the convening of the new Congress, we anticipate that these requests will continue. Therefore, if you are intending to request funding for these projects, we will require that the request include the information set forth below. Although the subcommittee has not yet decided how such requests will be handled, the information provided will allow the subcommittee to thoroughly evaluate each request as we determine the appropriate action to take in this regard. Any requests should be submitted no later than February 25, 1997. Such submissions should be in writing and must include responses to each of the 14 evaluation criteria listed at the end of this statement.

We will also be holding a series of subcommittee hearings in late February and early March at which time Members and local officials will have an opportunity to testify on behalf of those requests. While these hearings are intended to give Members an opportunity to present information about specific project needs, it is not necessary for Members to testify.

We look forward to working with all Members of the House as we prepare this important legislation which will set the course for our Nation's surface transportation programs.

TRANSPORTATION PROJECT EVALUATION CRITERIA, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON SURFACE TRANSPORTATION

1. Name and Congressional District of the primary Member of Congress sponsoring the project, as well as any other Members supporting the project (each project must have a single primary sponsoring Member).

2. Identify the State or other qualified recipient responsible for carrying out the project.

3. Is the project eligible for the use of Federal-aid funds (if a road or bridge project, please note whether it is on the National Highway System)?

4. Describe the design, scope and objectives of the project and whether it is part of a larger system of projects. In doing so, identify the specific segment for which project funding is being sought including terminus points.

5. What is the total project cost and proposed source of funds (please identify the federal, state or local shares and the extent, if any, of private sector financing or the use of innovative financing) and of this amount, how much is being requested for the specific project segment described in item #4?

6. Of the amount requested, how much is expected to be obligated over each of the next 5 years?

7. What is the proposed schedule and status of work on the project?

8. Is the project included in the metropolitan and/or State transportation improvement plan(s), or the State long-range plan, and if so, is it scheduled for funding?

9. Is the project considered by State and/or regional transportation officials as critical to their needs? Please provide a letter of support from these officials, and if you cannot, explain why not.

10. Does the project have national or regional significance?

11. Has the proposed project encountered, or is it likely to encounter, any significant opposition or other obstacles based on environmental or other types of concerns?

12. Describe the economic, energy efficiency, environmental, congestion mitigation and safety benefits associated with completion of the project.

13. Has the project received funding through the State's federal aid highway apportionment, or in the case of a transit project, through Federal Transit Administration funding? If not, why not?

14. Is the authorization requested for the project an increase to an amount previously authorized or appropriated for it in federal statute (if so, please identify the statute, the amount provided, and the amount obligated to date), or would this be the first authorization for the project in federal statute? If the authorization requested is for a transit project, has it previously received appropriations and/or received a Letter of Intent or has FTA entered into a Full Funding Grant Agreement for the project?

INTRODUCTION OF THE INTELLECTUAL PROPERTY ANTITRUST PROTECTION ACT OF 1997

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 9, 1997

Mr. HYDE. Mr. Speaker, today I am introducing the Intellectual Property Antitrust Protection Act of 1997. I am pleased to be joined by my colleagues on the Judiciary Committee, Mr. SENSENBRENNER, Mr. GEKAS, Mr. SMITH, Mr. GALLEGLY, Mr. CANADY, Mr. BONO, and Mr. FRANK who are original cosponsors of this legislation.

Because of increasing competition and a burgeoning trade deficit, our policies and laws must enhance the position of American businesses in the global marketplace. This concern should be a top priority for this Congress.