

When I saw his fine wife this morning as I came into the Capitol, I started the day off right.

I thank the Senator for his kind words.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

AMENDMENT NO. 314

(Purpose: To make an amendment with respect to ATM fee reform)

Mr. SCHUMER. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER] proposes an amendment numbered 314.

Mr. SCHUMER. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

TITLE VII—ATM FEE REFORM

SEC. 701. SHORT TITLE.

This title may be cited as the "ATM Fee Reform Act of 1999".

SEC. 702. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following:

"(3) FEE DISCLOSURES AT AUTOMATED TELLER MACHINES.—

"(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

"(i) the fact that a fee is imposed by such operator for providing the service; and

"(ii) the amount of any such fee.

"(B) NOTICE REQUIREMENTS.—

"(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

"(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

"(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

"(i) the consumer receives such notice in accordance with subparagraph (B); and

"(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

"(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

"(i) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer' includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

"(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term 'automated teller machine operator' means any person who—

"(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

"(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

"(iii) HOST TRANSFER SERVICES.—The term 'host transfer services' means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator."

SEC. 703. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting "and"; and

(3) by inserting after paragraph (9) the following:

"(10) a notice to the consumer that a fee may be imposed by—

"(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

"(B) any national, regional, or local network utilized to effect the transaction."

SEC. 704. FEASIBILITY STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic and transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(2)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

SEC. 705. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

"(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i)."

Mr. SCHUMER. Mr. President, I very much appreciate the chairman from Texas accepting the amendment, which he has told me he will do, and I believe he mentioned it on the floor.

This important amendment involves, very simply, disclosure on ATM machines of fees. As many may know, on April 1, 1996, Visa and MasterCard, which run the largest ATM networks in the United States, ended their prohibition against surcharging ATM users. Before that, there could not be a second surcharge. This fee was in addition to any fee already imposed on a transaction from other bank customer withdrawals.

Three years later, 93 percent of all banks are imposing ATM surcharges on customers. That is 31 percent more than last year. The bigger the bank, the more likely they are to surcharge and at a higher rate. What this means is, if you have a BankAmerica card and you go to a Bank One machine, you will pay two fees, one to the Bank One machine—which everyone expects to pay—and the other to the BankAmerica card. People are paying two fees. It is very difficult to figure out what they are.

When the banks first started charging these fees, many of them didn't bother to tell their customers they would be charged. They had to figure it out by looking at the monthly statement. For anyone who has looked at their monthly bank statements and all the fine print, it is clear that the fees were not transparent. So, unsurprisingly, there was an outcry. I took to the House floor, when I was in that body, to show that banks were not disclosing these fees. I remember surveying the banks in New York City and finding out they were not disclosing them.

So what we are proposing to do here is to rectify that wrong. This amendment is in the great traditions of ADAM SMITH, pure capitalism. Some have said we ought to eliminate the fees. Some have said we ought to cap the fees. My view is to let the free market prevail. Let people see what the fee is before they enter into the transaction and then they can make a decision. That is the way it ought to work in capitalism, in free market enterprise. So that is what this amendment does.

Last year, a record \$124 billion was generated in all-fee income. That is up 18 percent in 1 year from banks. The fees are going up. This amendment will not take away a penny of that, except from knowing consumers who decide not to enter into this transaction. We must do this. Awhile ago we forewent this amendment because most banks promised they were not going to impose surcharges, and to their credit for a few years they did not. But now they all do. It is time we have disclosure so when they say that they will always disclose, because some do it voluntarily, I simply say, "trust but verify."

This is a simple, straightforward, reasonable, balanced amendment. I hope it will pass without hesitation.

Mr. President, I yield my time. Is someone available to just accept it?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the Senator from Texas is unable to be here. He has been gone for a couple of minutes. I am aware of his willingness to accept the amendment, and there is no objection on our side. I indicate that on behalf of Senator GRAMM.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 314) was agreed to.

Mr. SCHUMER. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask consent I be permitted to speak for 7 minutes in morning business.

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

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI and Mr. DODD pertaining to the introduction of S. Res. 98 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. Thank you, Mr. President. I thank the Chair and I thank the Senator from Texas for letting me talk about the tragic death of two great Americans.

TRIBUTE TO TWO BRAVE AMERICAN SOLDIERS

Mr. VOINOVICH. Mr. President, yesterday, our Nation suffered our first

casualties in the war of Yugoslavia. An Apache helicopter crashed in the Albanian mountains on what has been called a "routine training mission."

Two brave American soldiers—Chief Warrant Officer Kevin L. Reichert and Chief Warrant Officer David A. Gibbs—lost their lives for our Nation. They are heroes.

Kevin Reichert, 28 years old, was born in Chippewa Falls, WI, and David Gibbs hailed from Massillon, OH, which is west of Canton and about an hour or so south of Cleveland. He was 38 years old, married and had three children.

David joined the Marine Corps right out of Washington High School back in 1980. After 4 years of service, he left the Marines, only to enlist in the Army 18 months later.

His mother, Dorothy Gibbs, said he enlisted in the Army so he could fly helicopters. She said it was "his dream" and "he was so happy when he flew." She also said he hoped to retire in 2 years to pursue a career in airport management.

From all accounts, David had accepted the dangers of flying military aircraft. He knew there was a chance there could be a problem.

David told his mother that he was so concerned about his mission in Kosovo, and she is quoted as saying:

He didn't feel prepared enough because he didn't know enough about the terrain.

She also said:

He hadn't gotten the terrain map and he was concerned about that.

A couple of weeks ago, I spoke to the Senate Armed Services Committee chairman, Senator WARNER, and I expressed my concern to him about the number of Ohioans who have been killed in helicopter accidents.

To illustrate, since 1991, 32 men and women from Ohio have died serving their Nation, not counting the Persian Gulf war. Of this number, 11 died in helicopter crashes. That is 34 percent of them. Why so many deaths from helicopters? All these deaths, but for one, were in noncombat situations.

Our military operates sophisticated machinery. Our mechanics are the best trained in the world. Our pilots are trained to meet and respond to all contingencies. Again, the question is: Why so many deaths due to helicopter accidents?

Remember, this is the second such accident in 9 days involving Apache helicopters in Albania. Are we giving our pilots specific and correct intelligence so they can avoid accidents or, worse, possible enemy fire?

Mr. President, I will not go into what is right or wrong about being in Yugoslavia, but we are at war and we have to ensure that our men and women have all the necessary tools to do their job and that the equipment they use is the best and we have the finest maintenance.

In the investigation that will follow the accident, I think it is imperative—in fact it is essential—that we find out whether there was a problem with the

equipment in the helicopter or, in the alternative, whether it had proper maintenance.

War is serious business. People's lives are on the line, and there can be no room for error. If faulty equipment, lack of equipment, lack of communications, or improper information led to the death of these two men, it is critical that our military take necessary steps to correct such errors.

I am heartened in the knowledge that a peaceful settlement of this war appears to be in the works. However, I am saddened that it could not have come sooner to prevent the deaths of these two brave men and the destruction of Yugoslavia.

The United States owes David and Kevin a debt of gratitude that we will never be able to repay for they have paid the ultimate sacrifice. As John says in chapter 15:13, "Greater love has no man than this, that a man lay down his life for his friends."

Our thoughts and our prayers go out to David's family and especially to his wife Jean and three children, Allison, Megan, and David, and also his mother Dorothy, who lost David's father just this past Christmas.

As one who has lost a child, I know the days and months ahead will be difficult as the family deals with their grief and the absence of the physical presence of their father. I pray that the words of Matthew 5:4, "Blessed are they that mourn, for they shall be comforted," apply to their family.

Thank you, Mr. President.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from South Dakota, Mr. JOHNSON, has 3 minutes.

AMENDMENT NO. 309, AS MODIFIED

Mr. JOHNSON. Mr. President, I have a modification of my amendment at the desk and I ask unanimous consent that it be so modified.

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

The amendment, as modified, is as follows:

On page 149, strike line 12 and all that follows through page 150, line 21 and insert the following:

SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

"(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

"(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—