

DEPOSIT INSURANCE INCREASE
FEASIBILITY ACT OF 2000

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 2000

Mr. GONZALEZ. Mr. Speaker, recently, I introduced H.R. 4603, the "Deposit Insurance Increase Feasibility Act of 2000." I decided to introduce this bill after being contacted by various representatives of the financial services community who are interested in researching the feasibility of increasing the current deposit insurance coverage limit, which has been set at \$100,000 since the early 1980s. Several different proposals crossed my desk, but I decided to take the more moderate and prudent approach for the time being. My bill, H.R. 4603, the "Deposit Insurance Increase Feasibility Act of 2000," would, I believe, take the proper approach to this question at this time.

As introduced, H.R. 4603 will require two different studies and reports on the feasibility and potential impact of increasing the maximum amount of deposit insurance under the Federal Deposit Insurance Act and the Federal Credit Union Act from \$100,000 to \$200,000 per depositor and require the noted U.S. financial services regulatory agencies to recommend an appropriate deposit insurance level for both banks and credit unions but through two separate but equal studies. The bill would also require two separate but equal reports to be submitted to Congress six months after the date of enactment of the legislation.

Congress has often been accused of jumping the gun and failing to thoroughly research an issue prior to acting. Congress has also been accused in the past of failing to move in a timely manner on numerous issues. Case in point is the decades Congress spent reviewing the potential reform of the Glass-Steagall Act before finally enacting financial services reform legislation last year in the form of S. 900, which I supported. For these reasons, I decided to introduce this bill in the form of a study instead of an immediate increase in deposit insurance coverage. The study will hopefully acknowledge that deposit insurance has become an indispensable part of the financial services landscape while promoting consumer trust and confidence in all U.S. financial institutions. More importantly, the two studies will provide Congress with the recommendations it will need by both the banks and credit union regulatory agencies to thoroughly assess all possible ramifications of any change in the level of insurance coverage. In this way, few will attempt and virtually none will be able to say that Congress acted imprudently. The fact that the studies and reports are to be completed and submitted within six months of the date of enactment of my bill provides enough time for a thorough review of the issue while also permitting Congress to access the studies and reports in a timely manner, and hopefully move on the recommendations sooner rather than later. Such studies and reports should serve to permit those regulatory agencies which have recently expressed concern about increasing the deposit insurance limit to \$200,000 to participate in the review of the coverage limit and to provide a specific coverage limit recommendation to Congress. I should stress that this bill does not mandate

an increase. It calls for two studies and two reports on the subject. It provides for parity by including all the financial institutions regulatory agencies in the deliberations.

I have received a letter of strong support for H.R. 4603 from America's Community Bankers, which represents the nation's community banks of all charter types and sizes, and a letter strongly supporting the bill on behalf of the Credit Union National Association and the 78 million credit union members nationwide. I would ask that both letters be inserted in the CONGRESSIONAL RECORD immediately following this statement. I look forward to the bill's enactment and to receiving the dual reports in Congress sometime in the near future.

CREDIT UNION
NATIONAL ASSOCIATION, INC.,
Madison, WI, June 9, 2000.

Hon. CHARLES GONZALEZ,
*Cannon House Office Building,
Washington, DC.*

DEAR CONGRESSMAN GONZALEZ: On behalf of the Credit Union National Association (CUNA) and the 78 million credit union members nationwide, I am writing to express our support for the legislation you introduced yesterday, H.R. 4603.

CUNA and its member credit unions believe deposit insurance has become an indispensable part of the financial services landscape and has contributed significantly to consumer trust and confidence in all depository institutions. Because of this important role, CUNA strongly urges Congress to thoroughly assess all possible ramifications of any change in the level of insurance coverage, and we are encouraged by your proposed studies.

CUNA also favors the feature of the legislation that calls for a separate study of the National Credit Union Share Insurance Fund (NCUSIF). Operationally and structurally, the NCUSIF is unique among federal insurance funds and merits an appraisal that considers and evaluates its distinctions.

We commend you for the prudent and sound approach you have taken to this important and complex issue. CUNA looks forward to playing a helpful role in the enactment of H.R. 4603, and I encourage you to contact me if I can be of further assistance.

Sincerely,

DANIEL A. MICA,
President and CEO.

AMERICA'S COMMUNITY BANKERS,
Washington, DC, May 26, 2000.

Hon. CHARLES A. GONZALEZ,
*House of Representatives,
Washington, DC.*

DEAR REPRESENTATIVE GONZALEZ: America's Community Bankers strongly supports your draft bill, the "Deposit Insurance Feasibility Act of 2000." America's Community Bankers represents the nation's community banks of all charter types and sizes. ACB members pursue progressive, entrepreneurial and service-orientated strategies in providing financial services to benefit their customers and communities.

Bankers would welcome an increase in deposit insurance. ACB cautions, however, that bankers need to know first whether they would incur an increase in premiums or other costs. That is why we are particularly pleased that your bill would help answer this important question.

Taking inflation into account, the coverage limit today could be increased and indexed to prevent further erosion. But if an increase in insurance coverage merely resulted in a reshuffling of deposits among banks, a redistribution might be particularly damaging for smaller community banks and their customers.

Again, ACB strongly supports your draft bill, and stands ready to offer any assistance at our disposal.

Sincerely,

ROBERT R. DAVIS,
*Managing Director,
Government Relations.*

PERSONAL EXPLANATION

HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 2000

Ms. HOOLEY of Oregon. Mr. Speaker, on Wednesday, June 28, 2000 during the Democratic motion to recommit H.R. 4680, my pager malfunctioned.

As a result, I was not aware of the ongoing vote, and as a result I was prevented from participating.

However, if present I would have voted "yes" on this measure (Vote 356).

COMMENDING THE FIRST BAPTIST
CHURCH OF CEDARTOWN YOUTH
CHOIR FOR PARTICIPATING IN
THE NATIONAL FESTIVAL OF
YOUTH CHOIR

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 2000

Mr. BARR of Georgia. Mr. Speaker, yesterday I had the opportunity to meet with a very special group of young people from my home district in Georgia. The First Baptist Church Youth Choir, from Cedartown, Georgia, are in Washington to participate in the Fourth Annual Nation's Capital Festival of Youth Choirs.

The festival this year is being hosted by the First Baptist Church of Alexandria, Virginia. The festival, first started as a result of efforts of Randy Edwards, a pastor from Shreveport, Louisiana, who formed "Youth Choirs, Inc.," a non-profit organization. This organization was dedicated to building church youth choirs across denominational lines. The festival choir consists of 300 youth from across the nation.

The festival is limited to 300 singers, and this year is made up of 17 youth choirs from throughout the country. I was honored to spend time with the First Baptist Church of Cedartown Youth Choir. The group consists of high school students who are members of this church and the Second Avenue Baptist Church in Rome, Georgia. They were accompanied on this trip by their church music directors, Mitch Huskison of Cedartown, and Joe Preston of Rome, and several proud parents.

This choir from Georgia, along with those from other parts of the country, will deliver the prelude on Sunday, July 2nd at National Cathedral. The choirs, accompanied by an orchestra, will also present a "grand concert" at the First Baptist Church of Alexandria, Virginia.

In a world in which media attention frequently focuses on reporting youth violence, crime, lack of family values, and problems with our educational systems, it would behoove us all to take a moment to recognize the Christian young people who have worked to pay for this trip; and who have prayed for their leaders, their bus driver, the chaperones, all the

kids who are attending, and for themselves, that they might make beautiful music to glorify our Lord.

I salute the membership, staffs, parishioners, and parents of these students of the Cedartown First Baptist Church and the Second Avenue Baptist Church of Rome for supporting this great ministry.

PERSONAL EXPLANATION

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 2000

Mrs. EMERSON. Mr. Speaker, I was attending my daughter's high school graduation and missed the following recorded votes. Had I been present, I would have voted, "no" on rollcall vote 292, "no" on rollcall vote 293, "no" on rollcall vote 294, "yes" on rollcall vote 295, "yes" on rollcall vote 296, "yes" on rollcall vote 297.

IN SPECIAL RECOGNITION OF BILL AND HELEN LOTT ON THE OCCASION OF THEIR 60TH WEDDING ANNIVERSARY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 2000

Mr. GILLMOR. Mr. Speaker, today I recognize a very special couple from the state of Ohio. Mr. Speaker, on Friday, June 30, 2000, in the presence of many of their family members, neighbors, and friends, Bill and Helen will celebrate a milestone day in their lives—the celebration of their sixtieth wedding anniversary.

Mr. Speaker, the celebration of the sanctity of marriage is one of our most cherished and time-honored traditions. Throughout the ages, husbands and wives have reaffirmed their trust, faith, and most importantly, love for each other on their wedding anniversaries. On this most treasured day, we, as their friends, neighbors, coworkers, and family members, have the opportunity to recognize them for their commitment, their sharing, and their love for each other.

The day on which two people are united in marriage is much more than simply a ceremony, with wedding vows and the exchanging of rings. It is the true union of two individuals who then become one, inseparable entity. It is the common bond and an unwavering dedication to each other that enabled their marriage to grow and flourish.

Mr. Speaker, for the past 60 years, Bill and Helen have shown how love, compassion, and conviction are the cornerstones of their long and lasting marriage. Their strong commitment to each other is an example for each of us to follow.

Mr. Speaker, at this time, I would ask my colleagues in the 106th Congress to stand and join me in paying very special tribute to Bill and Helen Lott on the occasion of their 60th wedding anniversary. May the love and happiness they have found stay with them far into the future. Again, best wishes and congratulations on sixty wonderful years together.

THE U.S. CAPITOL POLICE DEPARTMENT

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 2000

Ms. SANCHEZ. Mr. Speaker, today I address on the subject of funding for the U.S. Capitol Police.

The House has now passed legislation ensuring appropriate funding levels for this law enforcement division.

This Congress should take every opportunity possible to salute the police officers of this nation, as I do for those who serve my Congressional District in Orange County.

Our nation loses an officer almost every other day; we've lost three Capitol officers in the line of duty. And that doesn't include the ones who may be assaulted or injured.

The calling to serve in law enforcement comes with bravery and sacrifice.

The thin blue line protecting our homes, our families and our communities—and the foremost symbol of American freedom and democracy—pays a price, and so do the loved ones they leave behind when tragedy strikes.

They shouldn't have to do this dangerous job with inadequate resources.

We have a responsibility to see that law enforcement—particularly those who guard the Capitol—have the resources they need.

I want to recognize my colleagues for their support of necessary funding for the U.S. Capitol Police force.

PRESCRIPTION DRUG COVERAGE FOR SENIORS

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 2000

Mr. FORBES. Mr. Speaker, I'd like to submit a letter I received from Adam Zaveski of Southold, Long Island. Mr. Zaveski describes about his personal situation and the financial strains he and so many other seniors are experiencing.

DEAR MR. FORBES: I am writing this letter to let you know how some of our Senior Citizens have to live. I am 98 (and 5 months) years old and not able to do any work, blind in one eye, can't hear [any] word[s] hardly at all and can't hardly walk. I have to live on \$530.00 a month [from] Social Security and have a small income which, I have with my daughter who I live with. [It is] \$140.00 a month [and] she does not take any of it. She gives it all to me to pay for my medicine.

I have 5 prescriptions which cost me \$23.00 for one pill and I use 5 every day which runs into \$115.00 for 100 pills. I pay \$60.00 for EPIC and \$130.00 a month for [supplemental insurance through] AARP. Other medicines I pay [for] in cash.

You politicians do not realize that us Old Timers never got into the high wages that they get today. I used to farm for a living [and] only made a living. What money I had I spent on my wife. She had diabetes and had both feet amputated and spent 6 months in [the] hospital. I had no insurance and Medicare paid for 3 months and [I] had to pay the rest.

I think I [have] done some good in the country while I was young. I belonged to

[the] Fire Department [for] 60 years and I was a Trusted Lieutenant, Department Chief, and a Fire Commissioner for 9 years. 20 [years as a] School Trustee, 7 years [on the] 4H Executive Board, 40 [years as a] Farm Bureau Trustee and a political Trustee for 25 years.

Thank you,

ADAM ZAVESKI.

There are thousands of Mr. Zaveski's across this Nation who have given so much to make this country great. In their time of need, let's not turn our backs.

Now is the time that this Congress heard the pleas of our seniors and help Mr. Zaveski and others. Now is the time to pass a reliable, affordable and comprehensive Medicare prescription drug plan.

MEDICARE Rx 2000 ACT

SPEECH OF

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 2000

Mr. KOLBE. Mr. Speaker, I believe every senior citizen should have insurance coverage for prescription drugs. Pharmaceuticals are increasingly an important part of modern medicine, and the cost of prescription drugs is rising faster than most seniors can afford. The truth is, however, that most seniors already have drug coverage, and some have excellent coverage. According to the Health Care Financing Administration (HCFA), 65% of Medicare beneficiaries already have prescription drug coverage, either through their former employer, through Medicaid or through the Medicare+Choice program.

Unfortunately, over 13 million remaining seniors have no prescription drug coverage at all. Often, these individuals are low-income seniors or people with large prescription drug costs (due to multiple medications). Sadly, these people often must choose between buying groceries or taking their medication. This travesty must not continue unabated.

I believe we can help low-income seniors while preserving and strengthening Medicare for current beneficiaries and future generations. Moreover, I think we can do this without increasing premiums of jeopardizing the fiscal stability of Medicare.

H.R. 4680, the bipartisan Medicare prescription drug bill accomplishes these goals.

For those seniors who have drug coverage, the bipartisan plan won't change a thing. These seniors would continue to enjoy the benefits of their existing plan, if they choose. For those seniors who do not have coverage, this plan will help them obtain coverage through Medicare. By doing this, the federal government can reduce drug prices for all seniors.

Specifically, H.R. 4680 would:

Lower drug prices and expand access to prescription drugs for all beneficiaries.

Protect seniors against higher drug prices and runaway out-of-pocket costs.

Subsidize insurance premiums and prescription drug purchases for low-income seniors.

Expand an individual's right to choose the coverage that best suits their needs through a voluntary and universally-offered benefit.

Preserve and protect Medicare to keep the program solvent for our children and grandchildren.