

physician assistants, social workers, and medical support staff; by increasing VA incentives to collect reimbursements from non-service-disabled veterans' health insurance carriers—funds that are not remitted to the Treasury but are funneled back into VA hospitals; and by encouraging increased VA and Department of Defense cooperation in the procurement of pharmaceuticals and medical supplies. And last, but surely not least in the area of health care, VA's health care system received the two greatest increases ever in funding for fiscal years 2000 and 2001, increases of \$1.7 billion and \$1.4 billion respectively. The ranking member and I very much appreciate that the chairman and ranking member of the VA, HUD and Independent Agencies Appropriations Subcommittee, Senators BOND and MIKULSKI, heard our call for such funding increases.

In the area of veterans' readjustment benefits and other non-healthcare-related benefits provided by VA, I have already outlined the significant increases in monthly Montgomery GI bill benefits that have been gained since 1997, and the improvements in women veterans' benefits. Beyond these accomplishments, there is a lengthy and strong record of accomplishment. In addition to increasing veterans' educational assistance allowances, the Veterans Benefits and Health Care Improvement Act also increased education assistance benefits provided to the widows and surviving children of persons who were killed in service or who died after service from service-connected causes. And these survivors' educational assistance benefits were, for the first time, "indexed" by the Veterans Benefits and Health Care Improvement Act so that they will keep pace with inflation. The Veterans Benefits and Health Care Improvement Act and the Millennium Act also improved VA educational assistance programs by allowing benefits to be paid to students taking test preparation courses and certification or licensing examinations, and by paying benefits to students during term breaks and, retroactively, to students who are veterans' survivors and who are deemed eligible for such benefits only after their educations have begun. In addition, those statutes also expanded eligibility standards applicable to post-Vietnam era veterans by allowing those who had participated in the less generous Veterans Educational Assistance Program or VEAP program of the late 1970's and early 1980's to convert to Montgomery GI bill eligibility. Finally, the Veterans Benefits and Health Care Improvement Act liberalized MGIB participation rules so that officer candidates and veterans serving second enlistments would not, due to technicalities in the law, be denied Montgomery GI bill eligibility.

Benefits other than educational assistance benefits were also improved by the Veterans Benefits and Health Care Improvement Act, the Millennium Act,

and other committee-approved legislation. Compensation benefits provided to radiation-exposed veterans were modified by the addition, under the Millennium Act, of bronchiolo-alveolar cancer to the listing of diseases that are presumed to be service-connected if they are contracted by radiation-exposed veterans. The Veterans Benefits and Health Care Improvement Act specifies that compensation will be provided, for the first time, to reservists who suffer heart attacks or strokes while on active duty and to veterans who are injured while participating in VA-sponsored compensated work therapy programs. In addition, that statute provides for a long-overdue increase in the net worth threshold at which compensation payments are suspended in certain cases involving veterans who are hospitalized on a long term basis, though I hasten to add that a repeal of this limitation—which, under current law, applies to mentally incompetent hospitalized veterans but not to other hospitalized veterans—will remain a top priority of mine. And benefits provided to veterans' widows were improved by liberalizing eligibility for survivors of former prisoners of war and widows who have remarried. In addition, the Veterans Claims Assistance Act of 2000, Public Law 106-475, reinstated and improved court-struck provisions of law requiring that VA assist veterans and other claimants—principally, widows and surviving children—in the preparation of their claims to VA for benefits. And Public Laws 106-118 and 106-413 increased VA compensation, survivors' benefits, and other cash-transfer benefits by 2.4 percent and 3.5 percent, respectively, thereby assuring that VA benefits keep pace with inflation.

In the area of insurance benefits, the Veterans Benefits and Health Care Improvement Act increased the amount of life insurance available to service members from \$200,000 to \$250,000, and authorized insurance program participation by members of the Reserves. That statute also freezes premiums paid by certain insured veterans who have reached the age of 70. And, in the area of housing benefits, the Veterans Benefits and Health Care Improvement Act improved remodeling grant programs to assist disabled veterans in making their homes accessible, and the Millennium Act extended mortgage loan guarantee benefits to members of the Reserves.

In order to assist veterans in gaining meaningful post-service employment, the Veterans Benefits and Health Care Improvement Act extends eligibility for Federal contractor outreach programs to recently-separated veterans. In addition, the Veterans Entrepreneurship and Small Business Development Act of 1999, Public Law 106-50, provides technical, financial, and procurement assistance to veteran-owned small businesses.

Finally, in the area of memorial affairs, the Millennium Act mandates

that VA establish six new national cemeteries in areas which VA had identified as being underserved. In addition, the Millennium Act facilitated last month's dedication of the World War II Memorial on the National Mall by authorizing the American Battle Monuments Commission to borrow funds needed to proceed now while World War II veterans remain alive to see the memorial they earned. Finally, the Veterans Benefits and Health Care Improvement Act extended eligibility for burial, and funeral expense and plot allowances, to certain U.S.-citizen Filipino veterans, improved VA assistance to States in establishing State cemeteries, and extended job-protection benefits to Reserve and Guard members who take leave from their civilian jobs to honor veterans by serving in burial details.

Mr. President, I commend and thank the ranking minority member of the Veterans' Affairs Committee, and all of the committee's members, for their extraordinary diligence and cooperation in assisting me in pressing forward the numerous improvements to veterans programs that I have outlined in this statement. The Veterans' Affairs Committee operates in an unusually bipartisan way—a way that might be a model for constructive activity in the 107th Congress. We will continue to so act, and we anticipate that the 107th Congress will show a record of accomplishment similar to that which characterizes the 106th.●

THE COMMODITY FUTURES MODERNIZATION ACT OF 2000

● Mr. SARBANES. Mr. President, I ask to print in the RECORD a letter from the President's Working Group on Financial Markets strongly supporting the Commodity Futures Modernization Act of 2000.

The act provides certainty for over-the-counter swaps and authorizes a new financial product, the "security future," to be traded under a regulatory scheme that protects investors against fraud, market manipulation and insider trading.

The act contains three principal components. It would provide legal certainty that specified types of swaps which are traded over-the-counter are not regulated as futures. The Report of the President's Working Group on Over-the-Counter Derivatives Markets and the Commodity Exchange Act, issued in November 1999, strongly recommended that Congress enact legislation to provide OTC swaps with legal certainty in order to "reduce systemic risk in the U.S. financial markets and enhance the competitiveness of the U.S. financial sector."

In addition the act would authorize trading in futures on single stocks and narrow-based stock indices. These are new investment products which, until now, have been prohibited from trading by the Shad-Johnson Accord, which this act would repeal. By authorizing

securities futures, the act would allow financial markets to increase the number of products they trade and give investors additional investment options. The Securities and Exchange Commission and the Commodity Futures Trading Commission negotiated the proposed regulatory regimen over securities futures, which is designed to protect investors against fraud, insider trading and market manipulation. The regulatory regimen will call for joint regulation by both the SEC and CFTC of these markets and the intermediaries that trade in them. Imposing strong investor protections is absolutely necessary if we are to allow trading in these new investment products.

The act also contains regulatory relief provisions for the futures markets that would codify recent CFTC regulations.

I would like to highlight certain important aspects of titles III and IV of the act.

Title III addresses the SEC's authority over security-based swap agreements. It carefully carves out products traditionally viewed as securities in exclusions from the definition of swap agreements. It is important to note that title III does not eliminate the SEC's existing authority to regulate products that are securities.

Title III applies anti-fraud and anti-manipulation provisions of the Federal securities laws to securities-based swap agreements, including those entered into by banks. Title III amends section 10(b) of the Securities Exchange Act of 1934 and its anti-fraud protections to apply to "any securities-based swap agreement." In extending these protections, the act makes explicit that rules promulgated under section 10(b) to address fraud, manipulation, or insider trading apply to securities-based swap agreements. Thus, current and future anti-fraud rules will apply to swap agreements to the same extent as they do to securities. This will enhance protection for investors and for the financial markets, and will permit the SEC to respond as necessary to developments in these markets.

Title III states that existing judicial precedent relating to various securities statutes and rules is applicable to securities-based swaps to the same extent as it is to securities. Thus, for example, cases interpreting these statutory provisions which establish theories of liability and private rights of actions would apply directly to securities-based swaps.

Title IV, Legal Certainty for Bank Products Act of 2000, clarifies the current law, under which the CFTC does not regulate traditional banking products. Such products include deposit accounts, CDs, banker's acceptances, letters of credit, loans, credit card accounts, and loan participations. When a question arises, title IV provides a mechanism for determining whether a product is an "identified," or traditional, banking product. To qualify as

an identified banking product, section 403 requires two conditions to be met: (1) that the product cannot have been either prohibited by the Commodity Exchange Act or regulated by the CFTC on or before December 5, 2000, and (2) that the bank has obtained a certification from its regulator that the bank product was commonly offered by any bank prior to December 5, 2000. The latter test requires that the product was actively bought, sold, purchased, or offered by or to multiple customers and is not just a transaction customized for a single client or handful of clients.

Section 405 excludes a hybrid product from the Commodity Exchange Act if under a "predominance test" it is primarily an identified banking product and not a contract, agreement or transaction appropriately regulated by the CFTC. The act dictates how to resolve disputes about the application of this test.

The bill's definition of "security future" does not include products excluded under title IV and other sections of the Commodity Exchange Act, e.g., certain swaps, identified banking products, etc. Thus, the new grants of authority of this act to the SEC would not extend to these products. However, these exclusions do not limit the definition of "security" or the SEC's jurisdiction under existing statutes. For example, the SEC has, and will continue to have, jurisdiction over all over-the-counter options.

The act will have a significant impact on the futures markets as well as on the securities markets and investors. The United States investment markets are the envy of the world. This act is intended to strengthen those markets as it provides legal certainty for over-the-counter swaps, authorizes the trading of futures on single stocks and narrow-based stock indices, and gives regulatory relief for the futures markets.

The letter from the President's Working Group on Financial Markets follows:

DECEMBER 15, 2000.

Hon. PAUL S. SARBANES,
Ranking Member, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR SARBANES: The Members of the President's Working Group on Financial Markets strongly support the Commodities Futures Modernization Act. This important legislation will allow the United States to maintain its competitive position in the over-the-counter derivative markets by providing legal certainty and promoting innovation, transparency and efficiency in our financial markets while maintaining appropriate protections for transactions in non-financial commodities and for small investors.

Sincerely,

LAWRENCE H. SUMMERS,
Secretary, Department of the Treasury.
ALAN GREENSPAN,
Chairman, Board of Governors of the Federal Reserve.

ARTHUR LEVITT,
Chairman, Securities and Exchange Commission.
WILLIAM J. RAINER,
Chairman, Commodity Futures Trading Commission.•

HAWAIIAN NATIONAL PARK LANGUAGE CORRECTION ACT OF 2000

On December 15, 2000, the Senate amended and passed S. 939, as follows:
S. 939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hawaiian National Park Language Correction Act of 2000".

TITLE I—CORRECTION IN DESIGNATIONS OF HAWAIIAN NATIONAL PARKS.

SEC. 101. CORRECTIONS IN DESIGNATIONS OF HAWAIIAN NATIONAL PARKS.

(a) HAWAII VOLCANOES NATIONAL PARK.—

(1) IN GENERAL.—Public Law 87-278 (75 Stat. 577) is amended by striking "Hawaii Volcanoes National Park" each place it appears and inserting "Hawai'i Volcanoes National Park".

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to "Hawaii Volcanoes National Park" shall be considered a reference to "Hawai'i Volcanoes National Park".

(b) HALEAKALA NATIONAL PARK.—

(1) IN GENERAL.—Public Law 86-744 (74 Stat. 881) is amended by striking "Haleakala National Park" and inserting "Haleakala National Park".

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to "Haleakala National Park" shall be considered a reference to "Haleakala National Park".

(c) KALOKO-HONOKOHAU.—

(1) IN GENERAL.—Section 505 of the National Parks and Recreation Act of 1978 (16 U.S.C. 396d) is amended—

(A) in the section heading, by striking "KALOKO-HONOKOHAU" and inserting "KALOKO-HONOKOHAU"; and

(B) by striking "Kaloko-Honokohau" each place it appears and inserting "Kaloko-Honokohau".

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to "Kaloko-Honokohau National Historical Park" shall be considered a reference to "Kaloko-Honokohau National Historical Park".

(d) PU'UHONUA O HONAUNAU NATIONAL HISTORICAL PARK.—

(1) IN GENERAL.—The Act of July 21, 1955 (chapter 385; 69 Stat. 376), as amended by section 305 of the National Parks and Recreation Act of 1978 (92 Stat. 3477), is amended by striking "Puuhonua o Honaunau National Historical Park" each place it appears and inserting "Pu'uhonua o Honaunau National Historical Park".

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to "Puuhonua o Honaunau National Historical Park" shall be considered a reference to "Pu'uhonua o Honaunau National Historical Park".

(e) PU'UKOHOLA HEIAU NATIONAL HISTORIC SITE.—

(1) IN GENERAL.—Public Law 92-388 (86 Stat. 562) is amended by striking "Puukohola