

from U.C. Berkeley where she also earned her B.A. a few years earlier. In pursuit of a career in teaching and counseling, Betty returned home to Sacramento, where she began an almost 4 decade long career at Kit Carson Jr. High and McClatchy High School.

In 1984, shortly after her husband Calvin Perry passed away, Betty joined the Sacramento Capitol Chapter of OWL. What started out as a limited volunteer activity soon manifested into a full time volunteer position. Whether the task called for making phone calls or serving as chapter Secretary, Betty demonstrated her trademark commitment to excellence in all her duties. Betty would go on to serve every chapter office with distinction, including President, in 1993 and 1994. After a one-year stint as Co-President OWL California, Betty was ultimately elected to serve as statewide President in 1995.

As President, Betty remained a strong voice for older women by representing OWL on the Sacramento County Board of Supervisor's Task Force on Long Term Care. In 1997, she became OWL-CA's Education and Research Coordinator and following, Public Policy Director. Along with her work in public policy, Betty played an instrumental role in the coordination of the OWL-CA Mother's Day program. She aggressively advocates for legislation that benefits women and seniors in California. In 2001, she worked passionately on behalf of OWL to secure the passage of a resolution in the California State Senate that recognized the goals of OWL including, the staunch opposition of privatizing social security.

Despite a hectic schedule, her involvement in community service is not exclusive to OWL. She has been the co-chair of the local Breast Cancer Early Detection Program and works closely with the Congress of California Seniors, Gray Panthers, California Seniors Coalition, AARP, and the Consumer Federation of California, to protect and advance the interests of California citizens on a myriad of issues. She has worked on a variety of social causes promoting issues such as the California Patient Bill of Rights and reducing prescription drug prices for people on Medicare.

Her continuous leadership is a true testament to her devotion to help others. Her career as a social and political activist is commendable and I am pleased to acknowledge one of Sacramento's outstanding citizens. Mr. Speaker, as Betty Perry is honored with the OWL Chapter Leader award, I ask my colleagues to join with me in paying tribute to her numerous accomplishments.

TRIBUTE TO MR. RAYMOND F.
DASMANN

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 19, 2002

Mr. FARR of California. Mr. Speaker, I rise today to honor the life of Mr. Raymond F. Dasmann, a founder of international environmentalism and a tireless proponent of increased efforts for sustainability on a planet with limited resources. Mr. Dasmann, a UC Santa Cruz professor emeritus of ecology, passed away on November 5, 2002, and is survived by daughters Marlene, Sandra, and Lauren, five grandchildren; and one great-

grandchild. His wife of 45 years, Elizabeth Sheldon, passed away in 1996.

Raymond was fascinated with our living Earth from an early age. His undergraduate education in biology was interrupted by World War II; he served in Australia and New Guinea. Upon his return he enrolled at UC Berkeley, where he studied zoology under the famed wildlife biologist Starker Leopold.

Mr. Dasmann began working as a conservation biologist in the 1950s, when the field was in its infancy. His early research documented threats to the environment from population growth and pollution. Raymond wrote over a dozen influential books in his lifetime, on subjects ranging from endangered species to the loss of irreplaceable wildlands to environmental decline. Mr. Dasmann's works were must-reads for national researchers concerned about the environment.

Raymond did pioneering work in the 1960s with the United Nations Educational, Scientific, and Cultural Organization, where he helped launch the Man and the Biosphere program. During the 1970s he worked in Switzerland as a senior ecologist for the International Union for the Conservation of Nature.

Mr. Dasmann was recognized many times for his work. He was honored by the World Wildlife Society and the Smithsonian Institute. The prestigious Order of the Golden Ark, which recognizes internationally distinguished conservationists, honored Raymond in 1978. He became an elected fellow of the American Association for the Advancement of Science in 1984 and received the Distinguished Service Award from the Society for Conservation Biology in 1988. Mr. Speaker, it is my honor to recognize the life and achievements of Raymond Dasmann.

TRIBUTE TO JOHN LAFALCE

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 19, 2002

Ms. PELOSI. Mr. Speaker, I am proud to put in the CONGRESSIONAL RECORD the tremendous accomplishments of JOHN LAFALCE, who has served this body with such great distinction since 1974.

In 1999, JOHN steered the financial Services Act through Congress, which began the process of modernizing the financial services industry.

And this year, his magnificent leadership brought about tough, comprehensive investor protections that will help preserve pensions for years to come.

As this record attests, JOHN LAFALCE made a great deal of law during his outstanding career, without making a great deal of noise.

I wish JOHN and his family the very best, which is what he had given his fellow Americans day in and day out for nearly 30 years.

CONGRESSMAN JOHN J. LAFALCE

John J. LaFalce was first elected to the 94th Congress in 1974 and was re-elected to each succeeding Congress through the 107th, serving his Western New York congressional district for 28 years, from 1975-2002. He served as Chairman of the House Small Business Committee from 1987-1994, and as Ranking Democrat on the House Financial Services Committee from 1998-2002. He declined to seek re-election to the 108th Congress.

PERSONAL

John LaFalce was born in Buffalo, New York, on October 6, 1939. He graduated from Public School 49 (1953), Canisius High School (1957), Canisius College (1961), and Villanova University School of Law in 1964. From 1965 to 1967, Rep. LaFalce served in the United States Army during the Vietnam era, leaving active duty with the rank of Captain.

He returned from military service to practice law in Western New York with the law firm of Jaekle, Fleischman and Mugel, and soon became active in public service. In 1970, he ran successfully for the New York State Senate, and in 1972 was elected to the State Assembly.

He is married to the former Patricia Fisher and they have one son, Martin, now a senior at Georgetown University.

CONGRESSIONAL SERVICE

In 1974, at the age of 35, Rep. LaFalce became only the second Democrat, and the first since 1912, to win election to what was then the 36th Congressional District of New York. During his career in the House of Representatives, he served on both the Committee on Small Business and the Committee on Banking, Finance and Urban Affairs (now the Committee on Financial Services). In January 1987, he was elected by the Democratic Caucus as Chairman of the Committee on Small Business, thus becoming the first member of his class (those elected in 1974) to chair a full, standing committee of the House. Following the change in control of Congress in 1994, he continued to play the key role as the Committee's Ranking Democrat. In February 1998, he was elected the Ranking Democrat on the Financial Services Committee and served in that capacity through 2002.

In Congressional Quarterly's Politics in America profile of Rep. LaFalce, he was characterized as "one of the smartest members of Congress." A Buffalo News article referred to him as "a workhorse, not a showhorse."

LEGISLATIVE ACHIEVEMENTS AND ACTIVITIES

As Ranking Democrat of the Banking Committee since 1998, Rep. LaFalce became the point man for the Clinton Administration on all financial economic issues, and consistently demonstrated his leadership by initiating, advocating and securing the enactment of numerous laws designed to increase consumer protection; expand housing and community development; increase competition to provide consumers the widest range of financial services at the lowest cost; ensure the safety, soundness and competitive strength of the banking system; and improve the efficacy and fairness of international development programs.

His leadership role was enlarged further in 2001, at the beginning of the 107th Congress, when the House Banking Committee became the House Financial Services Committee, with expanded jurisdiction that encompassed all three pillars of the U.S. financial system: banking, securities, and insurance. Since that change, Rep. LaFalce has played the key leadership role in developing and enacting new regulatory oversight and increased investor protections in the securities area, to restore market confidence after the corporate abuses revealed by Enron, Global Crossing, WorldCom and others.

Financial services

Financial Services Modernization (Gramm-Leach-Bliley)—For decades, Rep. LaFalce served as a leader in congressional efforts to modernize the Nation's complex financial services system, consistently advocating legislation that would eliminate the arbitrary barriers between commercial and investment banking. His dedication to modernizing the

financial services system increased with his chairmanship of a special Task Force formed in 1989—The International Competitiveness of U.S. Financial Institutions. Concluding that the current system increased costs to consumers, denied them easy access to a full range of integrated services, impeded necessary diversification, and put U.S. institutions at a clear disadvantage vis-à-vis foreign competitors in a newly-global marketplace, he made enactment of financial modernization a top priority.

Early in 1999, working closely with the Clinton Treasury Department, Rep. LaFalce crafted bipartisan legislation that jump-started consideration of financial modernization by garnering Administration support, led by Treasury Secretary Robert Rubin, for the first time in the recent history of that debate. Working co-operatively with the Committee Chairman, and acting as the “point man” both for the Administration and House Democrats, he was able to fashion a revised bipartisan bill that ultimately served as the basis for committee passage of the legislation with a strong bipartisan vote of 51-8. That bill provided the basis for the bipartisan agreement that led to enactment of the Financial Services Act of 1999, referred to by The New York Times as “landmark legislation. . . . The pre-eminent legislative accomplishment of the year.” The Associated Press referred to Rep. LaFalce’s “leading role” in crafting the final compromise measure and National Journal’s Congress Daily called him the Administration’s “point man on financial issues.”

For his leadership role, Rep. LaFalce, along with Senate Banking Committee Chairman Phil Gramm, House Banking Committee Chairman James Leach, and former Treasury Secretary Robert Rubin, was given the “American Financial Leadership Award” by the Financial Services Roundtable.

Federal Reserve Board and Banks—Over the years, Rep. LaFalce has worked closely with the various Chairmen of the Federal Reserve Board, the individual Board Members, and the heads of the various Federal Reserve Banks, particularly the New York Federal Reserve, on a variety of macro- and micro-economic, financial services, consumer and international issues. Most recently, he has worked closely with Chairman Alan Greenspan in an effort to pass important corporate netting legislation that would reduce systemic risk related to financial contracts; with New York Federal Reserve Bank President Bill McDonough, Vice-Chairman Roger Ferguson and Governors Susan Bies, Mark Olsen, and Ned Gramlich on the development of the Basel II Accord, on improving the Federal Reserve’s regulatory oversight of predatory lending, and on unfair and deceptive trade practices.

In prior years, Rep. LaFalce worked closely with Federal Reserve Chairman Paul Volcker and New York Federal Reserve Bank President Gerald Corrigan on efforts to resolve the Third World debt crisis that was undermining Latin American economies. He also worked closely with the Federal Reserve leadership over many years to ensure the progressive implement of the existing Glass-Steagall statute, and subsequently, to effectively implement the Glass-Steagall Act repeal contained in the Gramm-Leach-Bliley legislation.

New York City Bail-Out and Chrysler Loan Guarantee Program—In 1978, the Banking Committee played a central role in devising a loan guarantee program to address the economic difficulties and pending bankruptcy of New York City. Again in 1980, the Committee devised another loan guarantee program to secure the economic viability and continued existence of one of the country’s major auto manufacturers and major employers, the

Chrysler Corporation. Rep. LaFalce played a central role in the development of both loan guarantee programs. His key contributions, which became central elements in both legislative initiatives, were his insistence on “conditionality” to ensure that the government assistance was conditioned on changes that would ensure each recipient’s independent viability in the longer term, and shared sacrifice by all parties in a position to benefit.

Corporate account ability and investor protection

Rep. LaFalce has been Congress’s leading advocate for strong investor protections. In 2001, he played a prescient role in altering the world to the warning signs that these problems were just around the corner. Long before Enron was front page news, in early 2001, he repeatedly warned that the earnings manipulation and deceptive accounting practices of large corporations in America threatened the very integrity of our capital markets. At the same time, he repeatedly expressed strong concerns that the significant number of financial restatements and investigations into earnings manipulation—by corporate officers, directors, and accountants, undetected by stock analysts—represented only the tip of the iceberg.

As the Buffalo News reported, “If the warning signals of two men in government had been heeded many months ago, the Enron disaster possibly could have been averted. One voice heard but not listened to was that of Arthur Levitt, the former chairman of the Securities and Exchange Commission. . . . A second figure who sounded a warning early on is our own Western New York Congressman, John J. LaFalce. The ranking member of the House Financial Services Committee, in a letter to his constituents in June 2001, wrote: ‘Investing has become more risky for Americans. Practices such as earnings manipulation by corporate management, unchecked by boards of directors or auditors, often create a misleading or false story of the financial position of the companies that you may invest in. In addition, stock analysts who recommend stocks often have conflicts of interest that compromise them.’”

LaFalce, elaborating on his concerns, added: “Since compensation for management and boards of directors is closely tied to companies’ stock prices, the pressure on corporations to manipulate earnings can only increase. While auditors should be acting as watchdogs for shareholders, many have become dependent on consulting revenues from the companies they audit, creating a conflict that makes it difficult for them to stand up to their clients.”

LaFalce’s remarks, made many months before the Enron failure, are prophetic of the practices that have since come to light. LaFalce also stated in his newsletter that: “I believe we may have seen only the tip of the iceberg of accounting irregularities, and I have called for the Financial Services Committee to focus on accounting issues, which have such a profound effect on the integrity of our markets.”

The colossal failures of Enron, WorldCom, Global Crossing and other firms, and the devastating impact on investors and on the working men and women of those companies, have justified LaFalce’s concerns. At the same time, Rep. LaFalce has also worked with financial regulators and his colleagues to eliminate conflicts of interest by stock analysts, who in many cases hyped stocks in order to win and maintain investment banking business.

Corporate Accountability Act (Sarbanes-Oxley)—Rep. LaFalce was the prime mover of the sweeping corporate accounting reform

legislation signed into law on July 25, 2002, marking the first step toward bringing about needed change to U.S. capital markets and restoring credibility to corporate America. The new Corporate Accountability Act largely parallels the original bill introduced by Rep. LaFalce in February 2002. That bill, the Comprehensive Investor Protection Act (HR 3818), was the first comprehensive legislative solution to bring substantial and systemic reform to capital markets that have been rocked by corporate bankruptcy scandals. The Senate bill subsequently introduced by Banking Committee Chairman Paul Sarbanes was modeled on the LaFalce bill, and its strong provisions remain the centerpiece of the new Corporate Accountability law. As former SEC Chief Accountant Lynn Turner said “while [the Sarbanes-Oxley bill] may not have the LaFalce name on it, it will have the LaFalce intent and heart behind it.”

Rep. LaFalce was also widely praised by consumer, investor, and labor groups, and the House Democratic Leadership, for his leadership in bringing about these essential auditing reforms. AFL-CIO President John Sweeney praised his “courageous leadership” and said “I particularly want to thank Congressman LaFalce, who has really stood out these last few months as a leader ready to take on powerful Wall Street and big money interests on behalf of working families.”

House Minority Leader Rep. Richard Gephardt said “The LaFalce approach does more than make cosmetic reform. It restores accountability to corporate America. . . . [LaFalce has been] a Patton-like General [winning] an unconditional surrender from opponents. . . . He has been a gold standard on this issue.” House Minority Whip Rep. Nancy Pelosi said “kudos to Financial Services Ranking Member John LaFalce for a magnificent display of leadership . . . in passing the LaFalce-Sarbanes corporate reform legislation.”

New York Attorney General Eliot Spitzer said, “You should enact the LaFalce legislation.” Both the Consumer Federation of America and U.S. Public Interest Group also commended Representative LaFalce “for proposing tough, far-reaching auditing reform.”

SEC Oversight and Resources—In order to address widespread problems with our system of financial disclosure, Rep. LaFalce in early 2001 began calling for a significant increase, 200-300 per cent, in the budget of the Securities and Exchange Commission (SEC) to strengthen its personnel, oversight, and enforcement. In early 2002, President Bush signed legislation to reduce the fees that American corporations pay to the SEC for transactions and registration of stock. The new law also included provisions that would authorize the SEC to pay its staff on a basis that is comparable to the other Federal financial regulatory agencies, potentially improving the ability of the SEC to attract and retain the highest quality staff.

Rep. LaFalce opposed the bill because of provisions that actually could have reduced the resources available to the SEC. He said of the legislation: “One of our greatest priorities is the critical need to ensure adequate government oversight of our securities markets. This legislation does nothing to ensure that the SEC has the additional resources it greatly needs to address the many significant issues investors face in these markets.” In the June 2001 debate on the floor, prior to Enron, Rep. LaFalce said: “the SEC budget . . . should be beefed up at least 200 percent to 300 percent in order to protect the American investor . . . today’s bill precludes the type of effective investment I believe we need.”

Financial Institutions Reform, Recovery and Enforcement Act (The S&L Crisis)—Rep.

LaFalce warned of the impending S&L crisis in the early 1980's and sought to address the inadequate regulation, supervision and funding that threatened the solvency of thrift institutions. As the Buffalo News reported, "Congressman John J. LaFalce, a member of the House Banking Committee, warned that deregulation of the thrifts had gone too far. . . . LaFalce worried that the thrifts' assets were simply thin air, buoyed by a ponzi scheme of overpriced acquisitions." He was a staunch critic of the legislation developed to address the crisis, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and ultimately opposed its enactment.

Throughout the 1980s, Rep. LaFalce consistently supported legislation that would have improved the examination and supervision regime governing thrift institutions and recapitalized the Federal Savings and Loan Insurance Corporation, which consistently had inadequate funding to resolve the problems of insolvent thrift institutions.

By 1989, a combination of years of inadequate regulation and supervision, and inadequate funding, had resulted in a crisis situation. In February 1989, the Bush Administration unveiled the broad outlines of a plan to borrow \$50 billion to close down or sell more than 350 weak Savings and Loan institutions. The proposed FIRREA legislation, which evolved from congressional consideration of this broad plan, dramatically restructured federal regulation of thrifts and provided \$50 billion over three years to close down or sell off hundreds of insolvent savings institutions.

While Rep. LaFalce voted for the bill in the House to move it forward with the hope of improving it in conference, he opposed the final legislation, believing it would be ineffective, overly restrictive, costly to taxpayers, and would have serious unintended consequences. He emphasized several problems with the legislation during debate on the bill. First, he noted that the Administration's estimates were based on a series of unreasonably rosy assumptions that resulted in a gross underestimation of the ultimate cost to the taxpayer. Had the enormity of the costs been better appreciated, he was convinced closer scrutiny might have been applied in determining how the bail-out would be structured and how the costs would be funded. He emphasized that, under the plan, it was only the taxpayers' obligation that was indeterminate, and that the structure of the program made the taxpayer the ultimate recourse for any increased financial burden beyond preliminary estimates. The cost of the bail-out was eventually hugely in excess of original estimates, and substantial additional funding was subsequently required.

Rep. LaFalce also believed that borrowing to pay for the bail-out unnecessarily increased the costs and unfairly passed those costs onto future generations. He argued that it was fiscally irresponsible to borrow to cover even present consumption, let alone the past consumption represented by thrift losses. He emphasized that borrowing the money would turn what was more likely to be a \$130 billion problem into a \$500 billion drain over the next several decades, imposing the problem on future generations and diverting funds from more pressing social needs.

Rep. LaFalce also objected to the fact that the states were held harmless from assuming any responsibility for the cost of the bail-out, even though the vast majority of the problem was attributable to state-chartered institutions operating, in many cases, under lax state regulation and supervision. It was his view that having federal taxpayers assume the entire burden for these problems was an abuse of the dual banking system and

he called for greater regional equity in bearing the financial burden for the bail-out.

Rep. LaFalce also argued that the precipitous application of new capital standards made weak, but potentially, viable institutions into problem institutions, and made strong thrift institutions vulnerable. He believed that the structure of the legislation made it virtually impossible for potentially healthy thrifts that could form the core of a revitalized industry to survive. Many weak but viable institutions were in fact lost, and institutions became increasingly risk averse, contributing to a subsequent credit crunch that he had predicted.

Finally, Rep. LaFalce argued strongly during Committee consideration and subsequently that the suggested treatment of supervisory goodwill under the proposed legislation was a breach of contract that the government could not expect to engage in without the ultimate payment of damages. Thrifts had entered into contracts with their regulator which allowed them to count supervisory goodwill as capital under defined terms and conditions. The legislation would no longer permit such capital treatment.

As a practical matter, Rep. LaFalce argued that this would result in more thrift failures and a higher cost associated with resolution of the crisis. As a legal matter, Rep. LaFalce foresaw that litigation would ensue and that the government would ultimately be required to pay damages for breaking the contracts that governed the treatment of supervisory goodwill, again increasing the cost of the bail-out. His judgment and foresight was vindicated when the U.S. Supreme Court, in July 1996, in the case of *United States v. Winstar Corporation*, held that contracts were broken and the government was liable for damages.

In an effort to construct a more workable proposal, Rep. LaFalce advanced a number of amendments in the course of the legislative process. Those amendments, first of all, would have eliminated reliance on the borrowing which was unnecessarily increasing the overall cost of the bail-out; second, would have given weak, but viable, institutions better prospects of improving their situation, so they would not eventually have to be bailed out by the taxpayer; and third, would have required the states to make some reasonable contribution to the cost of the bail-out. Unfortunately, those amendments were not adopted.

Credit Union Membership—Rep. LaFalce recognized early in his congressional career the important role played by credit unions within a diversified financial services marketplace. Upon taking a leadership role in the Banking Committee, he provided an influential voice for permitting credit unions to serve a broader segment of American consumers, while also attempting to moderate the banking industry's competitive objections to an expended credit union industry. In 1997, when it appeared that banker-initiated litigation would completely stall future credit union growth, he introduced legislative proposals designed to reopen opportunities for credit union membership and to address key competitive concerns expressed by the banks. This balanced proposal provided the framework for the Credit Union Membership Access Act of 1998, which was passed by Congress with huge majorities and signed by President Clinton within months of its formal introduction. The legislation provided a new framework for multiple-group credit unions and for community charter conversions that has significantly expanded credit union membership. Rep. LaFalce has continued to advocate legislative changes that offer new opportunities to expand credit union membership and services within the balanced framework of the 1998 Act.

His work on behalf of credit unions was recognized with special awards from the Credit Union National Association in 1999 and the New York Credit Union League in 1998, and a special career recognition award from the National Association of Federal Credit Unions in October, 2002.

Interstate Banking/Branching—Rep. LaFalce was one of the first advocates in Congress for repealing outdated federal prohibitions on interstate banking. In 1985, he introduced one of the first bills to authorize interstate branching by national banks, bank holding companies, and thrifts. The bill would have permitted a bank of one state to establish a branch in another state to the same extent as those of other states allowed interstate branching by state banks. His initial bill became the model for the landmark 1994 law, the Riegle-Neal Interstate Banking and Branching Efficiency Act, which repealed prohibitions on interstate banking, increased availability of credit to our communities nationwide, and led to the emergence of a more competitive, safer and sounder banking system.

Insurance—Rep. LaFalce recognized very early in his career that state-by-state regulation of the insurance industry severely limits the ability of the national government to respond to crises in the insurance industry that affect the national economy. The 1945 McCarran-Ferguson Act assured that insurance companies would remain under state regulation and that they would enjoy a limited exemption from antitrust laws.

The Act led to a situation in the 1970s and 1980s that caused businesses, particularly small firms, to have difficulty in obtaining product liability insurance. When the insurance was available, the premiums were very expensive. As Chairman of the Small Business Subcommittee on Capital, Investment and Business Opportunities, Rep. LaFalce led an extensive investigation into the product liability crisis. His Subcommittee determined that much of the blame for the crisis could be pinned on panic pricing by insurance companies that was left unchecked by most state regulators. The Subcommittee also found evidence that the antitrust exemption led to a lack of competition in the pricing of product liability insurance, and that a fairer Uniform Product Liability law would be far preferable to 50 separate state laws.

Rep. LaFalce introduced legislation to address the crisis through the establishment of a national insurance commission, which would have ensured that premiums for product liability and other types of insurance were reasonable and that policyholders were protected from unfair and deceptive practices of insurance companies. Rep. LaFalce's legislation would have limited McCarran-Ferguson by eliminating the industry's antitrust exemption, thereby curbing anti-competitive practices. He also worked with Professor Victor Schwartz to introduce in Congress the first Uniform Product Liability Act, a bill that was, unfortunately, then opposed by Republicans and the U.S. Chamber of Commerce.

Although the Commerce Committee never took up the legislation, persistent crisis in the insurance industry confirmed Rep. LaFalce's belief that the Federal Government must play a role in regulating an industry that is so vital to the national economy. Following the terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001, the market for reinsurance for risks related to terrorism began to evaporate. Rep. LaFalce was among the first in Congress to call for the creation of a federal backstop for terrorism insurance. He believed that the lack of adequate and affordable terrorism insurance could slow reconstruction of New York City and weaken the

nation's entire economy. The Federal Government was slow to respond to that crisis, in part, because there was no insurance expertise within the Executive Branch.

Rep. LaFalce also was one of the first in Congress to recognize that state regulation of the insurance industry increases costs for both insurance companies and consumers. This regulatory structure also creates inconsistent protections for consumers and regulatory requirements for companies because not all states can do a good job of protecting consumers from unfair and deceptive practices in the insurance industry. In February 2002, Rep. LaFalce introduced the Insurance Industry Modernization and Consumer Protection Act (IIMCPA), which provides insurance companies the option of a single federal insurance regulator rather than 50 state regulators. The IIMCPA would protect consumers by establishing for the first time national minimum standards to combat unfair and deceptive practices in the insurance industry.

Consumer protections

Rep. LaFalce has been a longstanding consumer and community advocate as reflected in his work on the landmark Financial Services Act of 1999 as well as on numerous other legislative initiatives during his career on the House Banking Committee.

He authored key provisions of the financial modernization that are designed to protect consumers against deceptive practices in the sales of insurance and investment products in a bank's lobby. At his insistence, the Financial Services Act of 1999 incorporates strong safeguard to (1) ensure that consumers are not confused about new financial products, the risk they carry, and whether or not they are insured; (2) prevent a bank from forcing its customers to purchase another product, such as an insurance policy, as a condition for receiving a loan; (3) ensure a consumer grievance process is put in place; and (4) require full disclosure of ATM surcharges.

Upon his retirement, the Consumer Federation of America, in a letter dated June 27, 2002, praised Rep. LaFalce for his effort on behalf of consumers: "No one in Congress has fought harder for everyday consumers and investors than John LaFalce. He combines a bedrock commitment to consumer protection with a savvy awareness of how to move important legislation through Congress in the face of special interest opposition."

Financial Privacy—In the area of financial privacy, it was legislation that Rep. LaFalce had introduced in 1998 and 1999 that laid the basis for the historic financial privacy protections that Congress included within the Financial Services Act. He led a bipartisan effort to craft provisions that provided the strongest consumer privacy protections ever enacted into law. Considering these efforts as only a first step in safeguarding consumer privacy, Rep. LaFalce joined with the Clinton Administration early in 2000 to introduce new legislation to further enhance these financial privacy protections, and he helped usher through the Banking Committee new legislation providing strong policy protections for consumer health and medical information.

Enhancing Access to Credit—Rep. LaFalce was a staunch defender of the Community Reinvestment Act (CRA) during numerous attempts to repeal or limit its mandate that financial institutions serve all segments of their community. He was instrumental in expanding the CRA within the context of the financial modernization legislation to require all banking institutions seeking new, non-banking activities to demonstrate a continuing commitment to meeting the financial services needs of low-income and minor-

ity communities. As a result of his efforts, the Financial Services Act ensure that the CRA, which requires that financial institutions meet local community needs, will remain of central importance in the new, evolving financial marketplace.

Rep. LaFalce also led the effort to incorporate many of the nation's "un-banked" low- and moderate-income individuals into the financial mainstream. His legislation, the First Accounts Act of 2000, became the basis for a pilot program initiated by the U.S. Treasury Department. The program is designed to help more than eight million low- and moderate-income people for whom the cost of checking or savings accounts are too high. Working in partnership with financial institutions, the U.S. Treasury helps these individuals gain access to basic, low-cost financial services, including ATM access and checking accounts. The First Accounts program will widen access for many Americans to the mainstream banking and credit system so that no family may be left behind.

Mortgage Servicing Rights and Protections—Rep. LaFalce authored the initial legislation that resulted in the 1990 amendments to improve consumer protections in the Real Estate Settlement Procedures Act (RESPA). Those improvements provide for advance notice to homeowners—now known as "LaFalce" notices—alerting them that their mortgage servicing is to be transferred to another financial institution. The notices also provide certain protections to consumers during the transfer, including assurance of the proper handling of monthly mortgage payments and prompt payment of insurance and tax obligations from escrow accounts.

Rep. LaFalce also was instrumental in securing enactment of "Mortgage Loan Consumer Protection Act" (H.R. 4818) in 1996 that granted consumers new rights, based on New York law, to cancel unnecessary and costly private mortgage insurance (PMI). In the 107th Congress, he also introduced legislation providing for comprehensive reform of RESPA's mortgage settlement procedures to help simplify the mortgage settlement process and further enhance protections for consumers.

Abusive Credit Card Practices—Rep. LaFalce led the effort in Congress to identify and address a growing number of abusive practices in connection with credit card solicitations and the management of credit card accounts. He first introduced the "Consumer Credit Card Protection Amendments" in 1999 to protect consumers against the most egregious practices common to most credit cards, including misleading "teaser" interest rate claims in card solicitations, inadequately disclosed late payment penalties and default interest rates, and penalties for paying card balances in full. A key provision of the bill also sought to prohibit issuing credit cards to minors without parental approval or evidence of means of repayment. The LaFalce bill served as the basis for Democratic efforts to add credit card reform proposals to a bankruptcy bill strongly favored by the credit card industry.

Press reports during 1999 and 2000 began to focus public attention on fraudulent schemes to withhold the posting of credit card payments to generate late fees and to trap vulnerable consumers in high-cost credit accounts with misleading "bait and switch" tactics. Rep. LaFalce responded by introducing the "Credit Card Predatory Practices Prevention Act" (H.R. 1060) in 2001 to require federal banking regulators to issue detailed regulations defining unfair and deceptive practices in credit card accounts. The bill proposed to expand the scope of the federal Truth in Lending Act to address abuses in the administration of credit card accounts as

well as impose new restrictions on deceptive practices in credit card solicitations.

Unfair and Deceptive Credit Practices—from his work drafting legislative responses to predatory mortgage lending and abusive credit card practices, Rep. LaFalce discerned that federal law provided little, if any, protection for consumers against unfair or deceptive practices generally in credit transactions. A 1975 change in law exempted financial institutions from the general prohibition against unfair and deceptive business practices in the Federal Trade Commission Act. The Federal Reserve Board was given responsibility for issuing separate rules defining unfair and deceptive practices for regulated financial institutions, which it has failed to use. Beginning in 2000, Rep. LaFalce used the opportunity of Committee oversight hearings to challenge the Federal Reserve Board for its continuing failure over a twenty-five year period to write comprehensive rules prohibiting unfair and deceptive credit practices. In a series of direct meetings and letter exchanges with Board Chairman Alan Greenspan, he continued to press the need for more specific prohibitions on unfair credit practices. The exchanges led to a change in Federal Reserve Board policy in June 2002 in which the Board acknowledged its authority to prohibit unfair practices by regulation and, in the absence of such regulations, that the banking regulatory agencies could act to prohibit unfair practices on a case-by-case basis. The change in policy provided support for enforcement actions by the Office of the Comptroller of the Currency against several credit card companies and new guidance on unfair and deceptive banking practices from the Federal Deposit Insurance Corporation.

Automobile Leasing Protections—Rep. LaFalce was the first Member of Congress to recognize automobile leasing as an important consumer transaction and an area of growing consumer abuse. Consumer unfamiliarity with the complex terms and cost factors of leases make them particularly vulnerable to manipulation and abuse. He joined with the Consumer Federation of America in drawing attention to the lack of clear and accurate cost information in auto lease advertising and in information provided by auto dealerships. In 1995, and again in succeeding Congresses, he introduced the "Consumer Automobile Lease Advertising Improvement Act" (H.R. 1056 in the 107th Congress) to provide uniform cost disclosures in lease advertisements, prevent abusive practices in connection with advertised lease offers, and require that all relevant information on available lease terms and manufacturer incentives be made available to consumers upon request. The bill sought to apply, for the first time, the traditional principle of the consumer's "right to know" to more complex auto lease transactions.

Economic and community revitalization

Rep. LaFalce has been a leader in economic revitalization and community development issues throughout his career in Congress, using his position on the Banking Committee to direct federal dollars to institutions that invest in economic development and job growth in distressed communities and to provide targeted assistance to those communities. He worked especially hard to assure that federal funds were available to assist needed housing and economic development efforts throughout Western New York.

Renewal Communities—Rep. LaFalce played a key role in creating and enacting into law Renewal Community legislation, which provides a broad range of investment tax incentives designed to spur economic development and create jobs in 40 Renewal Communities nationwide. He also played a critical role in having three of those 40 Renewal Communities designated locally—in

Niagara Falls, Buffalo, and Rochester. In October 2002, the House adopted Rep. LaFalce's bill (HR 3100) to expand these renewal community areas to include those census tracts that declined economically over the past decade.

Urban Development Action Grants—In 1977, Rep. LaFalce co-authored legislation creating the federal Urban Development Action Grants (UDAG) program, which has targeted billions of dollars over the years for distressed cities to help spur private development and create jobs.

Community Development Block Grants—Rep. LaFalce worked hard to assure the continuation of Community Development Block Grant (CDBG) funding for Buffalo, Rochester, Niagara Falls, Erie County and other jurisdictions, which they have used to revitalize downtown shopping areas, redevelop waterfront areas, create historic districts, develop industrial parks, and rehabilitate thousands of units of needed moderate-priced housing. He also was the driving force in changing the formulas to advantage other communities, largely in the Northeast.

Small business

During his time as Chairman of the House Small Business Committee (1987–1994), and as Ranking Member (1995–1998), Rep. LaFalce was an active, committed advocate for the needs and concerns of America's vital small business community. He worked to create and expand federal programs that provide loan guarantees for new and growing small businesses; direct federal loans to micro-enterprises; expand the authority of the Federal Home Loan Bank System to invest in economic development and small business projects; make loans more readily available to women entrepreneurs; provide technical and managerial assistance to new small businesses; and increase small business participation in federal procurement. Rep. LaFalce's long history of support for our nation's small businesses continued into his final term in Congress, when he worked to help small businesses recover from the September 11 terrorist attacks (see Terrorism Response, below).

Small Business Innovation & Research—As author of the Small Business Innovation Research (SBIR) program in 1982, Rep. LaFalce helped create thousands of jobs through development of new and innovative technology. This program calls on federal agencies to direct a portion of their research and development budgets to small businesses that use creative technology to solve problems. To date, the SBIR program has shifted more than two billion dollars in federal research and development funds to the nation's small high-tech firms. The leading small business magazine, *INC.*, termed Rep. LaFalce's bill "the most important piece of small business legislation yet enacted in our lifetime."

In 1992, Rep. LaFalce incorporated a new initiative into this policy called the Small Business Technology Transfer program, which connects small firms with government and university research laboratories. The result is a wealth of new research and technology with practical applications for business and industry.

Small Business Investment Companies—As a member and Chairman of the Committee on Small Business, Rep. LaFalce led the way in increasing the availability of capital and loans to small businesses. He authored the Small Business Equity Enhancement Act, enacted in 1992, which brought important reforms to the Small Business Investment Company program to help small businesses obtain financing for starting, maintaining and expanding operations. SBICs provide funding to small businesses equity investments (purchasing their stock) and debt (issuing loans).

As Ranking Member of the Financial Services Committee, Rep. LaFalce successfully led congressional efforts to persuade the Board of Governors of the Federal Reserve System to reconsider a regulatory proposal that would have imposed extremely burdensome capital requirements on bank-owned SBICs and that could have significantly decreased SBIC equity investments in small businesses.

Women Business Owners—As Chairman of the Small Business Committee, Rep. LaFalce took a special interest in the needs and concerns of the growing number of women small business entrepreneurs. He authored the Women's Business Ownership Act, which continues to successfully fulfill its purpose: to improve access to credit and provide other opportunities for women in today's marketplace. Rep. LaFalce subsequently authored the Women's Business Development Act which re-authorized and built upon the original landmark legislation. He also created the Interagency Committee on Women's Business Issues, to ensure that actions and policies of all federal agencies take women's business concerns into account. For his efforts, he was honored by the National Association of Women Business Owners as Congressional Advocate of the Year.

Tax Code Section 89 Repeal—Rep. LaFalce scored a major victory on behalf of small businesses in 1988 when he succeeded in his legislative effort to repeal the onerous provisions of Section 89 of the Tax Code relating to employee benefits. The newly enacted Section 89 required annual, complex data collection and record-keeping to ensure that employer-provided benefits meet certain criteria in order to retain their tax-exempt status. Its provisions were especially burdensome for small businesses and were causing many to drop all employee benefits to avoid Section 89's costly record-keeping requirements. For his successful efforts, Rep. LaFalce won nationwide acclaim from such diverse groups as the National Federation of Independent Business, the United States Chamber of Commerce, the National Association of Manufacturers, and a host of labor organizations.

Franchising—Rep. LaFalce is the leading authority in Congress on business franchising and the franchising industry. As Chairman of the House Committee on Small Business, he initiated what became a five-year Committee study of franchising practices, involving numerous hearings, staff studies and legislation. The Committee's activities constituted Congress's first comprehensive review of the economy's important franchising sector in more than 20 years.

Based on his initial hearings, Rep. LaFalce introduced the "Federal Franchise Disclosure and Consumer Protection Act" in 1992 to require public disclosure of all material facts about franchise business opportunities and provide investor protections against fraud and misrepresentation. Many provisions of the bill were later used by the Federal Trade Commission and the North American Securities Administrators Association to improve federal and state franchise disclosure forms. A second bill introduced in 1993, the "Federal Fair Franchise Practices Act," continues to be the primary legislation in Congress to prohibit unfair franchising practices and establish minimum standards of conduct in franchise relationships. Both bills have also served as models for many other legislative initiatives.

Rep. LaFalce's continuing efforts to identify and examine unfair franchising practices brought both immediate and long-term changes to franchising. It led to increased enforcement against fraudulent franchise schemes by the Federal Trade Commission.

It prompted the International Franchise Association to announce a series of industry reforms, including an expanded industry Code of Ethics and the introduction of franchisees into the Association's membership. In addition, Rep. LaFalce was instrumental in encouraging the formation of new organizations to represent the interests of individual franchise business owners, including the American Association of Franchisees and Dealers and the American Franchise Association.

Small Business Loan Programs—Rep. LaFalce has been a leader in the Congress in protecting government loan programs for small businesses. He consistently fought off attempts to scale back and scuttle the SBA's loan guarantee program which supports many billions of dollars annually in loans to small firms. He also sought innovative ways to increase lending to small businesses. In 1989, he proposed the establishment of a federally chartered private corporation to encourage long-term financing to small businesses ("Velda Sue"—HR 3179). This would create a secondary market for these loans—similar to the one created through Fannie Mae with housing loans—and would match investors with small businesses in need of long-term capital.

Small Business Development Centers—Rep. LaFalce has been a champion of the Small Business Development Center program, which is a cooperative effort of the private sector, the educational community and state, federal and local governments. The program enhances economic development by providing small businesses with management and technical assistance at no charge.

Rep. LaFalce authored legislation, enacted in 1990, that established the Central European Small Business Enterprise Development Commission, with the mandate to assist Poland, Hungary and the Czech and Slovak Federal Republic (now the Czech Republic and Slovakia) in developing self-sustaining systems of SBDCs to provide management and technical assistance to small business owners in those countries. The Commission established several SBDCs under the joint sponsorship of the United States Government and the governments of the host countries, with the host countries eventually assuming responsibility for funding the centers.

SBA Disaster Office in Niagara Falls—As Chairman of the Small Business Committee, Rep. LaFalce worked with the George H.W. Bush Administration to bring one of four Small Business Administration Disaster Area offices to the City of Niagara Falls in 1989. That office administers the SBA's Disaster Loan program for 13 states in the northeast. It employs about 125 people full-time, rising to 300 or more during peak periods. After 9-11, for example, the Niagara Falls office processed and administered more than \$400 million in disaster assistance to business and individuals in New York City and metropolitan Washington, D.C. When the office sought to relocate out of Niagara County in 2002, Rep. LaFalce spearheaded a successful effort to keep the Disaster Office in downtown Niagara Falls.

White House Conference on Small Business—In order to establish a national, broad-based agenda and policy on behalf of small businesses that are so important to the nation's economy, Rep. LaFalce led the effort to convene a White House Conference on Small Business. Legislation he authored to mandate such a conference was enacted in October 1990, and the White House Conference was held in the spring of 1995. This gathering of more than 1,500 small businessmen and women gave them a unique opportunity to influence the course of government

policymaking. The delegates were addressed by President Clinton, Vice President Gore, and prominent Members of Congress, including Rep. LaFalce. His message was simple: it is important that the voice of small business, as the engine of job creation in the United States, be heard loudly and clearly, and he promised to take the conferees' recommendations to the Congress in order to address their concerns.

Minority Business Set-Aside—In the 100th Congress, Rep. LaFalce successfully reformed the scandal-plagued SBA Minority Business Development program (Section 8a) which was riddled with fraud and abuse. His bill, the Business Opportunity Development Program, enacted in October 1988 (P.L. 100-656), ensured that the Capital Ownership Development Program and the Section 8(a) authority would be used exclusively to help develop small businesses, owned and controlled by socially and economically disadvantaged individuals, in order to enable them to compete on an equal basis in the mainstream of the American economy.

Housing

Rep. LaFalce used his position on the Financial Services Committee to fight for increased funding for key housing and community development programs, and to enact numerous housing initiatives designed to expand home-ownership, meet the challenges of providing affordable housing and services to a growing seniors population, and to address the problems of homelessness.

Elderly Housing—At the beginning of the 106th Congress, Rep. LaFalce introduced his comprehensive "Elderly Housing Quality Improvement Act" (HR 4817). The vast majority of these provisions were enacted into law by that Congress, including a \$50 million initiative to convert affordable seniors' housing projects to assisted living facilities; a doubling of federal funding for service coordinators, which help seniors access community services and maintain their independence; and expanded funding for capital repair of affordable seniors' rental housing. The 106th Congress also approved legislation authored by Rep. LaFalce to make it easier for elderly homeowners to use reverse mortgages to purchase long-term care insurance.

Federal Home Loan Banks—Rep. LaFalce contributed significantly to the modernization of the Federal Home Loan Bank System, a nationwide cooperative of twelve regional banks formed in 1932 to improve the flow of long-term funds and liquidity into housing. In 1989, as part of FIRREA, he supported broadening its mission to include rural housing, affordable housing, and economic and community development. He was actively involved in improving federal oversight of the system through the establishment of a stronger, more independent federal regulator—the Federal Housing Finance Board—and by toughening capital and safety and soundness regulation. Throughout his career, Rep. LaFalce worked closely with the various home loan banks, particularly the Federal Home Loan Bank of New York, and their executives, financial institution members, and state, local and community organizations, to maximize the contribution to both housing and economic development.

Fannie Mae/Freddie Mac—A major factor contributing to record national homeownership rates is the ready availability of affordable mortgage loans offered by Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac are private companies, but are federally chartered and federally regulated.

Rep. LaFalce has constructively supported the important role of these two lenders in our mortgage markets in the face of congressional attacks, while at the same time supporting strong federal safety and soundness

regulation and increased goals with respect to the percentage of mortgage loans made by Fannie and Freddie to low- and moderate-income families and under-served areas.

He successfully persuaded Fannie Mae to establish a partnership office in Buffalo and to commit \$5 billion for new housing investments in the region, a figure which the office has greatly exceeded.

HOUSE Act—In the 106th Congress, Rep. LaFalce introduced the HOUSE Act, innovative legislation that authorizes one percent down payment FHA loans for teachers, police, and firefighters buying a home in their local school district or employing jurisdiction. He shepherded this bill through the House in 2000 and, though the bill died in conference as a result of opposition from Senate Republicans, it continues to gain widespread support and stands a good chance of enactment in the near future.

Homelessness—In 2000, Rep. LaFalce spearheaded an emergency funding initiative that restored rental assistance for tens of thousands of families nationwide (including 178 in Erie County, NY) who faced eviction and homelessness as a result of HUD cutting off funding. He subsequently took the lead in Congress on an initiative that resulted in action by the Appropriations Committee to provide a separate funding source for renewal of homeless rental assistance in order to prevent a recurrence of the funding cutoff experienced in 2000.

Environment

Superfund—The infamous Love Canal toxic waste scandal in Niagara County was the impetus for federal legislation to hold corporations liable to pay for the clean-up of hazardous waste sites across the country. Rep. LaFalce first discovered the problems at the Love Canal neighborhood of Niagara Falls in the summer of 1977, and immediately wrote to Douglas Costle, U.S. Environmental Protection Agency (EPA) Administrator, about the problem. He made the first of many personal inspections of Love Canal a few weeks later, and brought President Jimmy Carter, Governor Hugh Carey, Rep. Al Gore, and others to Western New York for on-site visits. Rep. LaFalce urged swift action on relocation of the residents and cleanup of the site. As a result, the following year President Carter declared a health emergency at Love Canal, paving the way for the relocation and cleanup.

In response to the events at Love Canal, Rep. LaFalce crafted and introduced the first Superfund legislation aimed at compensating victims and taxing polluters to pay for the cleanup of toxic wastes they generated. President Carter later submitted a scaled-down version of the LaFalce bill, and Congress subsequently approved it in December 1980.

In 1986, when the Superfund law was reauthorized, Rep. LaFalce drafted and successfully fought for an amendment that specifically targeted Love Canal, committing the Federal Government to purchase rental homes and commercial property in the Love Canal Emergency Declaration Area and to maintain property there, as well as to take the steps necessary to ensure that Love Canal was fully remediated and monitored for years to come.

In 1998, Rep. LaFalce was recognized for his efforts by the Center for Health, Environment and Justice, headed by former Love Canal activist Lois Gibbs, at an awards ceremony in Washington to mark the 20th anniversary of the emergency declaration at Love Canal.

Radioactive Waste Cleanups—Rep. LaFalce has been a national leader on the issue of cleaning up sites contaminated by Manhattan Project radioactive waste materials.

During his years of service in Congress, he has helped secure hundreds of millions of dollars for the remediation of many such sites in Erie and Niagara Counties: Linde, Ashland I and II, and Seaway (all in Tonawanda), and the Niagara Falls Storage Site in Lewiston. Most recently, Rep. LaFalce urged the U.S. Army Corps of Engineers to investigate the possibility of including the former Simonds Saw and Steel plant in Lockport for remediation under the FUSRAP program.

Health Care

Rep. LaFalce has long been an outspoken leader in the ongoing debate on a variety of national health care issues, always insisting that adequate health care should be a basic right of citizenship, not a privilege of employment.

Expanding Health Care Coverage—Rep. LaFalce has long been an advocate for a universal coverage/single payer approach to solving America's health care crisis which leaves 40 million people uninsured. He has promoted legislation that would ensure access to affordable, high quality health care for everyone, regardless of employment, income, or health status. All Americans would be guaranteed health care coverage and would have complete freedom in their choice of providers. Rep. LaFalce proposed this plan not only to improve America's health care system, but to relieve businesses of the financial burden of paying for most of our health care coverage.

Diabetes—Rep. LaFalce has been a leading advocate for diabetes research and increased healthcare coverage for diabetes prevention and treatment programs. In 1997, he and his colleagues on the Congressional Diabetes Caucus convinced Congress to show their commitment to conquering diabetes with the creation of the Diabetes Research Working Group (DRWG), a panel of leading diabetes researchers appointed by the National Institutes of Health, to develop a comprehensive plan for the 21st Century for all NIH-funded diabetes research efforts, and to recommend future diabetes research initiatives. In 1999, Rep. LaFalce authored H. Res. 325, expressing the support of Congress for increased federal funding for diabetes research, awareness and early detection programs. The LaFalce resolution passed the House unanimously, 414-0.

Rep. LaFalce also worked closely with the National Office of the American Diabetes Association to protect coverage of Medical Nutrition Therapy (MNT) under Medicare for people with diabetes and to distinguish it from diabetes self-management training (DSMT), a separate, though complimentary, service integral to diabetes care. He was honored in 2000 and 2002 by the American Diabetes Association with its Valor Award in recognition of his continuing efforts to secure increased funding for diabetes research and "for his outstanding service to people with diabetes."

Multiple Sclerosis—Rep. LaFalce introduced the Multiple Sclerosis Treatment Act in 1997, and again in 2001, to provide for Medicare Part B (Supplementary Medical Insurance) coverage of certain self-administered beta interferons and other biologicals and drugs approved by the Federal Drug Administration for treatment of multiple sclerosis. In 1995, he was honored by the National Multiple Sclerosis Society as "Congressman of the Year" for his "deep personal appreciation and commitment to the needs of people with MS."

Sleep Disorders—Rep. LaFalce has been a leader in advocating increased public awareness of and research into sleep disorders, which affect nearly two-thirds of American adults. In 2001, he secured \$125,000 in federal

funds for a joint educational program coordinated between the University of Buffalo Medical School, Mount St. Mary's Hospital Sleep Disorder Center in Lewiston, and Millard Fillmore-Gates Hospital's Sleep Disorder Center in Buffalo. In 2001, Rep. LaFalce received the National Sleep Foundation's very first Public Policy Leadership Award as "Congressman of the Year" in recognition of his efforts to increase national attention to the problem of sleep disorders.

Respiratory Studies—Rep. LaFalce has long been concerned about the respiratory health of Western New Yorkers, and the effects of air pollution on respiratory disease and other illnesses. In 2001, he obtained \$213,000 from the Centers for Disease Control's National Center for Environmental Health for Buffalo General's Center for Asthma and Environmental Exposure to conduct a study of the respiratory health of residents in neighborhoods adjacent to four international bridges: the Peace Bridge, the Rainbow Bridge, the Whirlpool Bridge and the Lewiston-Queenston Bridge.

The study was conducted to help determine to what extent, and in what ways, the health of local residents is adversely affected by bridge traffic. It will also help bring health concerns to the forefront of discussions about reducing congestion and improving traffic flow at each of the four bridges and border-crossings.

Gambling

National Gambling Study Commission—Rep. LaFalce has been one of the House's leading activists on gambling issues. As Chairman of the Small Business Committee, he conducted a hearing in 1994 that documented the rise in business failures and other economic problems following the introduction of casino and river boat gambling in a number of U.S. communities. The hearing convinced him that local officials required more comprehensive information before considering high stakes gambling as an economic development strategy. He introduced the first legislation in Congress in 1994 calling for a special national commission to conduct a comprehensive study of all aspects of the gambling issue. His chief co-sponsor on the bill was Rep. Frank Wolf (R-VA). With the shift in control of the House in 1995, he joined with Rep. Wolf in introducing a bipartisan commission proposal that was enacted by Congress in 1996. The National Gambling Impact Study Commission began work in 1997 and submitted its detailed report to Congress in June, 1999. The Commission succeeded in taking one of the most difficult and divisive issues in America and producing an extremely detailed and thoughtful study with more than 70 recommendations for federal, state and tribal policy.

Gambling and Credit Cards—The National Gambling Impact Study Commission reported that problems associated with compulsive or pathological gambling had increased dramatically with the spread of high stakes gambling to more U.S. cities. It attributed part of the problem to the growing availability of cash and credit in and around gambling establishments and called for legislation to remove ATM, credit card and other electronic funds transfer devices from gambling areas. Within months of receiving the Commission's report, Rep. LaFalce introduced legislation to implement these important recommendations. The "Gambling ATM and Credit/Debit Card Reform Act of 1999" prohibited gambling establishment from placing credit card terminals, debit card point of sale devices or ATM machines within the immediate area of gambling activity. Its purpose was to minimize the possibility of financial institutions becoming unwitting accomplices in encouraging compulsive behavior.

Internet Gambling—The National Commission strongly reaffirmed the principle of state regulation of gambling, but made an important exception for Internet gambling. One of the Commission's few unanimous recommendations was a call for congressional action to restrict illegal Internet gambling, and specifically legislation to block credit card and other electronic payments that make on-line betting possible. Rep. LaFalce introduced the "Internet Gambling Payments Prohibition Act" in 2000 to implement the Commission's recommendation to prohibit all forms of payment for gambling bets over the Internet. This bill was merged with a similar proposal by Rep. Jim Leach (R-Iowa) in 2001 and provided the basis for the bipartisan "Leach-LaFalce Internet Gambling Enforcement Act" (HR 556) that was approved by the House by voice vote in October, 2002.

Trade and competitiveness

Can-Am Free Trade—Rep. LaFalce became the principal leader in Congress on the subject of free trade with Canada, our largest trading partner. He conducted several hearings on the issue and spoke continuously on its behalf, both in the U.S. and Canada. His efforts reached fruition with implementation of the historic U.S.-Canada Free Trade Agreement. It was a step Rep. LaFalce had been advocating since 1986, when he began his series of seven hearings on trade with Canada. In recognition of his work, President Reagan gave Rep. LaFalce a pen at the signing ceremony and chose Niagara Falls as the site of the National Conference on the Can-Am Free Trade Agreement. The U.S. sent Trade Representative Carla Hills, and Canada sent its Ambassador to the U.S., Derek Burney to join LaFalce as keynoters.

NAFTA—As leader in Congress for free—but fair—trade pacts with other nations, Rep. LaFalce was a leading opponent in 1993 of the proposed North American Free Trade Agreement with Mexico and Canada. He chaired a series of hearings in the Congress which exposed the potential difficulties of NAFTA for all three nations and continued to raise concerns about the effects the agreement would have on environmental, labor, and political standards in North America.

Rep. LaFalce argued at the time that the economies and political institutions in the United States and Mexico were far too different to allow for open markets between the two countries. He pointed to important political and judicial reforms, as well as basic labor and environmental protections, that were needed in Mexico before both countries could reasonably benefit from a trade agreement. He also highlighted the environmental blight and desperate economic and health conditions evident in the trade zones along Mexico's border, commonly known as maquiladoras.

Rep. LaFalce also pointed to the dangers of macroeconomic instability in Mexico in the context of the trade agreement, accurately predicting a major devaluation of the Mexican peso. The peso devaluation necessitated a massive financial bailout provided by the United States and the International Monetary Fund.

Industrial Policy Hearings—As Chairman of the Banking Committee's Subcommittee on Economic Stabilization, Rep. LaFalce led an unprecedented effort to examine the need for an industrial policy to enhance U.S. industrial competitiveness vis-a-vis our major trading partners. He held over 30 days of hearings on the subject with over 150 witnesses testifying before the Subcommittee. The witnesses represented all walks of life, including: representatives from all levels of government; the business community, including small firms and large corporations;

labor leaders; the financial services industry; representatives from industries such as steel, autos, semiconductors, computers, and machine tools; academics; educator; scientists; economists; community and citizens groups; agricultural specialists; representatives of the military and the defense industry. The Buffalo News said these hearings, held over a four-year period "assembled this century's most complete record on the inter-workings of American manufacturing, monetary and trade policy."

In the course of these hearings in 1983, Rep. LaFalce first focused national attention on the economic growth strategies of many academics and other experts who would one day be household names: Laura D'Andrea Tyson, Ira Magaziner, Robert Reich, and a young governor from Arkansas arguing for innovative approaches to economic policy, Bill Clinton.

Rep. LaFalce introduced legislation to address these industrial competitiveness problems. His bill, H.R. 4360, created (1) a Council on Industrial Competitiveness to provide a forum for labor, business, government, academia, and public interest groups so that they could work cooperatively to develop a competitiveness strategy; (2) a Bank for Industrial Competitiveness to provide financial assistance for the restructuring of basic industries and for the capitalization of new and innovative products and/or technologies; and (3) a Federal Industrial Mortgage Association designed to improve the functioning of capital markets for small- and medium-sized businesses by increasing the availability of long-term capital. The bill was co-sponsored by 103 House Members.

White House Conference on Productivity—As Chairman of the House Banking Committee's Subcommittee on Economic Stabilization, Rep. LaFalce aggressively tackled realistic ways to rectify the nation's dismal performance in those years in the areas of productivity and competitiveness. He worked on the productivity issue for years to focus the attention of the President, leaders of American labor and industry, and all Americans on the importance of increasing U.S. productivity for the nation's economic well-being. In 1982, as Chairman of a Small Business Subcommittee, he won enactment of legislation mandating a White House Conference on Productivity, which was held in the fall of 1983 with over 1,000 participants. Keynote speakers included President Reagan, Vice President Bush, the Secretaries of State, Commerce, Treasury, and Labor, and Rep. LaFalce.

Trade with China—Rep. LaFalce's support was instrumental in passage of legislation extending Permanent Normal Trade Relations (PNTR) with China in 2000. He was one of handful of senior Democrats whose support ultimately swayed other Members and led to passage of the historic legislation; his May 2000 speech in support of PNTR was widely cited and reprinted at the time of the debate. Rep. LaFalce argued that engaging with China economically would provide a powerful boost to pro-democracy forces within the country, contrasting the failure of U.S. policy toward Cuba with the benefits of a more open policy toward China. Rep. LaFalce also worked with congressional leaders to ensure that passage of PNTR came with adequate attention and protections in the areas of human rights and import surges.

Exchange Rates—Rep. LaFalce's concern over the destructive economic impact of currency crises and misaligned exchange rates led to legislative provisions in The Omnibus Trade and Competitiveness Act of 1988, which requires the U.S. Treasury to focus more closely on exchange rates and report to Congress semiannually on the performance of exchange rates. Since then, the Treasury

Department has been writing and sending the "LaFalce Report" to Congress every six months on currency exchange rates and highlighting potential problems.

Currency Devaluation—Rep. LaFalce has been a leader in Congress on issues related to the performance of international currencies. He held hearings in 1993 on the probable devaluation of the Mexican peso, which occurred in 1994, and has been actively engaged in U.S. responses to currency crises globally over the past 20 years.

Regarding the Mexican peso devaluation, the late Washington Post columnist, Hobart Rowen, wrote in a February, 1995 column: "Rep. John J. LaFalce has a right to say, 'I told you so.' (LaFalce) predicted that peso devaluation was inevitable . . . and begged the Clinton administration to recognize that the North American Free Trade Agreement provided no method to coordinate the two countries' monetary policies. . . . If Clinton and his advisers had paid attention to LaFalce and his supporters, he might not now be engaged in an indefensible bailout of Wall Street investors, including major mutual fund managers who made greedy, high-yield gambles in Mexico after the passage of NAFTA."

Debt Relief—Rep. LaFalce authored the provision in the 1988 Trade Act that would have created an international mechanism to avoid sovereign debt defaults in the aftermath of the Latin American debt crises. Subsequent reluctance by the Reagan Administration ultimately blocked the implementation of the debt mechanism. Yet, nearly 15 years later, the International Monetary Fund introduced a similar proposal to address sovereign debt crises, this time in reaction to a string of debt crises during the 1990s and into 2001.

Ex-Im Bank—Rep. LaFalce was instrumental in the creation and passage of the Export-Import Bank Reauthorization Act of 2002. The Ex-Im Bank promotes U.S. exports to other countries and has been an engine of job creation in the nation's economy. His work on the 2002 legislation greatly expanded Ex-Im Bank's support for small business exporters, as well as women and minority-owned businesses. In July 2002, Rep. LaFalce was honored by the Coalition for Employment through Exports for his work on the Ex-Im Bank Reauthorization Act and was recognized as a leader in the Congress in promoting U.S. exports.

Northern Border

Throughout his career in Congress, Rep. LaFalce has worked tirelessly to strengthen the U.S.-Canada relationship. From meetings with Canadian Ambassadors to the United States and our nation's ambassadors to Canada, annual meetings of the Can-Am Inter-parliamentary conference, to frequent conversations with Canadian counterparts across the Niagara River and colleagues in the House and Senate, he has been a leader on every bilateral issue between our two countries that affect his congressional district.

Northern Border Caucus—Rep. LaFalce is the founding member and Chairman of the Congressional Northern Border Caucus, an officially recognized Congressional Member Organization consisting of Members representing the northern border states. The Caucus, which he founded in 1994 when the North American Free Trade Agreement (NAFTA) was implemented, deals with policy concerns and issues that affect U.S.-Canadian relations and the two nations' economic partnership.

The Caucus has worked to obtain increased funding for the U.S. Customs Service, Immigration and Naturalization Service, and the Border Patrol for activities along the Northern Border.

The Caucus was also a major force behind successfully postponing implementation of Section 110 of the 1996 Immigration Reform Act, which would have hampered trade and tourist traffic by imposing a cumbersome entry-exit documentation system. In addition, the Caucus has provided Members with numerous forums to discuss their concerns about the border with U.S. and Canadian officials.

In recognition of his leadership on U.S.-Canadian Border Issues, Rep. LaFalce was honored in 2002 by the Canadian/American Border Trade Alliance for his "many meaningful contributions to the improvement of U.S.-Canadian Trade, Transportation and Border Management."

Repeal of New Entry-Exit Implementation System, Section 110—The 1996 Immigration Reform Act directed the INS to implement a new entry-exit documentation system at points of entry along the nation's borders. Because of concerns about the harmful impact on trade and tourism that this would have on Western New York, repeal of Section 110 was the top legislative priority of local chambers of commerce in the Buffalo-Niagara region. Rep. LaFalce authored the legislation in 1997 to repeal the implementation of Section 110 and later negotiated a 30-month implementation delay just days before the original start date of September 30, 1998. But it remained clear that a delay could not sufficiently satisfy his concerns that the INS might develop an entry-exit system at the border that would prove disastrous to the people of New York and other northern border states. Throughout the spring of 2000, Rep. LaFalce negotiated with a bipartisan group of Members the "Section 110 Reform Act," a de facto repeal of this injurious provision. In June, 2000, the President signed the act into law and ended the threat to our border.

Commuter Students—In August 2002, Rep. LaFalce successfully persuaded the Bush Administration to reverse the INS decision to prevent part-time students from Canada and Mexico from commuting to classes at U.S. colleges and universities along the border. When the INS announced its sudden change of policy in May 2002, he immediately introduced legislation in Congress to ensure that Mexican and Canadian part-time students could continue to enroll in educational institutions across the border. As Chairman of the Congressional Northern Border Caucus, he also mobilized 30 of his colleagues and New York's two Senators to join in demanding an immediate reversal of the INS decision. On August 24, the Bush Administration relented and announced that the INS would reverse its previous decision so that part-time students would again be able to enroll in U.S. academic institutions.

NEXUS—NEXUS is an inspection program that allows pre-screened, low-risk travelers to be processed with little or no delay by U.S. and Canadian border officials. On April 29, 2002, Rep. LaFalce urged the INS and the Customs Service to select Buffalo for the next implementation of NEXUS. The agencies agreed. NEXUS enrollment centers opened in Buffalo in October, 2002, and will be operational at the Peace Bridge beginning in January, 2003. It will be expanded to the Lewiston-Queenstown Bridge and the Rainbow Bridge (and potentially the Whirlpool Bridge) by spring of 2003.

Niagara Bridges—Rep. LaFalce authored special legislation permitting the Niagara Falls Bridge Commission (NFBC) to move forward with \$121 million in bridge improvements in 1991. Specifically, he worked to amend federal law to lift the interest rate cap on NFBC bonds and to make the interest on NFBC bonds tax-exempt. The changes allowed the NFBC to move forward with its

plans to modernize and renovate the Rainbow, Whirlpool and Lewiston-Queenston bridges at a cost of \$121 million.

In June, 2002, Rep. LaFalce helped bring \$5.1 million in federal transportation grants to Western New York for upgrading and strengthening U.S.-Canadian border crossings to help keep pace with the growing number of trucks and passenger vehicles using those bridges each day.

Border Staffing Levels—With respect to staffing and infrastructure concerns along the Northern Border and in Western New York specifically, Rep. LaFalce has been the most active and vociferous Member in Congress. During the 106th Congress alone, in order to highlight the needs of the Niagara River bridges, he met with Raymond Kelly, Commissioner, U.S. Customs Service; Bob Trotter, Northern Border Coordinator, U.S. Customs Service; Elisabeth Breesee, Assistant Secretary (Enforcement), Treasury Department; Doris Meissner, Commissioner, U.S. Immigration and Naturalization Service; and Jack Lew, Director, Office of Management and Budget.

As a result of his efforts as co-chair of the Northern Border Caucus, the USA-PATRIOT Act, signed into law on October 26, 2001, included provisions to triple the authorization for staffing for the INS and the Customs Service for the Northern Border. As a result, the FY02 appropriations bill included funding for 348 new INS border ports-of-entry inspectors, an additional \$55.8 million for additional INS inspectors and support staff on the Northern Border, and least 142 Border Patrol agents at the Northern Border. In addition, the Customs Service received funding for more than 300 Customs officials at the Northern Border. Finally, \$2.3 million to support 100 National Guard troops for three months to enhance security and expedite U.S. Customs Service checks at U.S.-Canadian ports of entry was also appropriated for FY02.

International financial issues

Rep. LaFalce distinguished himself throughout his career for his leadership on international financial, trade, and development issues. His work in these areas reflects both his moral sense and mastery of complex financial and economic issues. His ability to hold the cause of social justice with an understanding of global markets has made him a uniquely effective advocate and policymaker in areas such as debt relief for poor countries and the resolution of international financial crises.

The Multilateral Development Banks and the International Monetary Fund—Rep. LaFalce has been a leader in crafting U.S. policy in the Multilateral Development Banks and the International Monetary Fund (IMF). As the Senior Democrat on the House Banking Committee, he helped craft landmark reforms in the IMF and the World Bank during the 1990s, bringing more transparency and accountability to the institutions and focusing their missions to bring greater effectiveness in achieving global economic development and poverty reduction.

Rep. LaFalce also co-authored the bill creating the European Bank for Reconstruction and Development (EBRD). This regional multilateral development bank was established in 1991 when communism was crumbling in central and eastern Europe and ex-soviet countries needed support to nurture a new private sector in a democratic environment. Through his travels in the region after the fall of communism, Rep. LaFalce recognized the need for a private sector development institutions and worked aggressively in the Congress to authorize creation of the EBRD. Today the EBRD is helping to build market economies and democracies in 27

countries from central Europe to central Asia.

Third World Debt Relief—During 2000, Rep. LaFalce fought hard and successfully to pass historic legislation on international debt relief. Although few believed that legislation could be enacted to cancel the oppressive debts of highly indebted poor countries, he joined with the Chairman of the House Banking Committee to introduce H.R. 1095, the Debt Relief for Poverty Reduction Act of 1999. In 2000, Rep. LaFalce's efforts were instrumental in securing \$435 million for debt relief in the FY 2001 Foreign Operations Appropriations Act.

In helping to make the debt relief initiative a reality, Rep. LaFalce worked closely with the Episcopal Church, the Catholic Church, and relief groups like Oxfam. For his leadership on debt relief and his humanitarian work in Congress, Rep. LaFalce was honored by both Bread for the World and Oxfam America, two major global anti-poverty organizations.

Debt-for-Equity/Environment—Rep. LaFalce was a leader in the Congress in addressing the Latin American debt crisis of the 1980s. He fought for language in the 1988 Trade Act that would have created an international mechanism to address debt problems. President Reagan vetoed an earlier version of the Trade Act, in part over opposition to the LaFalce debt plan. As signed into law, the debt language in the 1988 Trade Act was substantially weakened due to the Reagan Administration's influence.

Rep. LaFalce also promoted innovative debt relief strategies such as debt for equity and debt for environment "swaps," which provided debt relief for developing countries while also ensuring sound economic and environmental policies in these countries. After traveling to post-communist Central and Eastern Europe, Rep. LaFalce introduced legislation in 1990 directing the Secretary of the Treasury to negotiate for the establishment within the European Bank for Reconstruction and Development of: (1) an Environmental Trust Fund to make loans available at concessional interest rates for environmental protection projects; and (2) requirements for environmental impact assessments of all proposed operations with potential environmental impacts. The legislation also authorized the President to permit Central European countries (defined for purposes of this Act as Czechoslovakia, Hungary, Poland, and Yugoslavia) with emerging market economies to pay debt owed to the United States into local currency trust accounts to be used for environmental protection and economic development projects.

Brady Plan—Rep. LaFalce long argued for a new regime for Third World debt restructuring, beginning during the time James Baker was Secretary of the Treasury. He was delighted when Nicholas Brady was appointed Treasury Secretary by President Reagan and called Rep. LaFalce to his office to discuss debt restructuring. Rep. LaFalce had authored an op-ed on the subject in the September/October 1988 issue of *The International Economy*, in which he urged the new Treasury Secretary to ignore the advice predecessor Baker on Third World Debt relief. The Administration subsequently adopted Rep. LaFalce's recommendations to devise and implement a new regime for debt restructuring, which came to be known as the "Brady Plan." In arguing for the importance of debt forgiveness tied to sound policy reform in poor countries, Rep. LaFalce would help lay the groundwork for the landmark Heavily Indebted Poor Country Initiative a decade later.

AIDS Trust Fund—Rep. LaFalce was instrumental in passage of legislation in 2000 to create an international trust fund in sup-

port of efforts to eradicate AIDS, tuberculosis, and malaria globally. The fund will use public and private contributions to assist poor countries in implementing programs to address these devastating diseases. So far, financial commitments to the fund from donor countries and private institutions have exceeded \$1.5 billion.

Human Rights and International Finance—Rep. LaFalce has been a leading voice for the cause of human rights across the globe. As Chairman of the House Small Business Committee, Rep. LaFalce was actively engaged in promoting human rights in Mexico, meeting with key human rights activists such as Jorge Castaneda. He convened hearings to examine the mistreatment of activists by the Mexican government. Concern about human rights abuses in Mexico contributed to his decision to oppose the North American Free Trade Agreement.

As Ranking Democrat on the former House Banking Committee, Rep. LaFalce won enactment of landmark human rights provisions contained in authorizing legislation for the IMF, the World Bank, and the regional development banks, as well as in legislation to forgive debt in poor countries. As a result of these provisions, all government-sponsored international financial institutions are now required to incorporate human rights considerations into their oppositions, and debt relief is only provided countries with acceptable human rights records. Rep. LaFalce was also successful in creating a commission to monitor human rights in China as part of legislation authorizing permanent normal trade relations.

In 2000, Rep. LaFalce led congressional efforts to ratify a new International Labor Organization Convention on abusive child labor. Rep. LaFalce stood at President Clinton's side as he signed the ratification legislation into law in Seattle.

Privatization—In the midst of rapid economic change in the former communist countries during the 1990s, Rep. LaFalce became a leading proponent for the view that privatization of state-owned industries, while often necessary, needed to be implemented in the context of sound regulatory regimes. He believed that the architects and proponents of privatization schemes, both in the post-communist countries and in institutions like the IMF and World Bank, were exclusively focused on the efficiencies achieved through privatization, paying no attention to equity concerns. Without adequate anti-corruption measures, protections for workers, and small business owners and investors, Rep. LaFalce argued that rapid privatization could ultimately leave the countries in worse shape. He spoke out against "nomenklatura" privatization in Russia and "patron" privatization in Mexico, first as Chairman of the Small Business Committee in 1994 and later during hearings in the House Banking Committee.

Rep. LaFalce's concern that reckless privatization programs were being supported through U.S. foreign aid and through the international financial institutions (IFIs) led him to introduce privatization provisions in authorizing legislation for the IFIs in 2001. His concern was confirmed recently by analysis released by the International Monetary Fund, which indicated that failed privatization efforts during the 1990s were the result of inadequate regulatory oversight. Reflecting Rep. LaFalce's earlier statements, the IMF study suggested that the IFIs were too quick to support rapid privatization without adequate regulation.

Terrorism response

Rep. LaFalce authored several key bills to address the impacts of the September 11th terrorist attacks on our nation. He authored

key sections of the anti-terrorist "PATRIOT Act," primarily those dealing with money laundering. He played a leading role in House passage of legislation to provide for continued insurance coverage against terrorist attacks. And he worked with the Bush Administration to secure disaster assistance for small businesses.

The USA PATRIOT Act—In the wake of the September 11, 2001 terrorist attacks, Rep. LaFalce called on President Bush to take bold steps in the international arena to support enactment of tougher anti-money laundering laws here at home. He called for the passage of an anti-money laundering bill he had worked closely with the Clinton Administration and Sen. John Kerry (D-MA) to introduce during the 106th Congress. Rep. LaFalce successfully shepherded his legislation into law in the 107th Congress. The legislation he authored was incorporated as a separate title in the landmark USA PATRIOT Act (PL 107-56), a comprehensive law intended to bolster the U.S. government's ability to fight terrorism. Rep. LaFalce's legislation represented the PATRIOT Act's "financial war on terrorism" component.

His legislation provided the United States with new tools to combat money laundering threats from overseas, and to prevent the use of the domestic financial system by money launderers, terrorists, and corrupt foreign officials. The bill specifically addressed the abuse of offshore secrecy havens by criminals and terrorists who seek to launder their illicit monetary gains. By strengthening the Treasury Secretary's ability to curb terrorists' abuse of offshore secret accounts, the legislation authored by Rep. LaFalce should help immensely to dismantle existing terrorists' financial networks—a key battle in the global war on terrorism.

The law provides the Treasury Secretary with the authority and discretion to address specific money laundering infractions, which U.S. law enforcement agencies could not do under the previous legal regime. That regime offered limited options for law enforcement: the Treasury Secretary could either issue informational advisories to U.S. financial institutions about specific offshore jurisdictions or take the more extreme approach of invoking sweeping and often disruptive economic sanctions. The new law allows the Secretary to identify specific overseas financial institutions as engaging in money laundering and to prevent U.S. institutions from doing business with such institutions.

Rep. LaFalce's legislation provided the Treasury Secretary new discretionary authority, which can be invoked under certain select circumstances. For example, the Secretary could use this authority if he or she were to identify an area of "primary money laundering concern" offshore. If invoked by the Treasury Secretary, this discretionary tool would only apply to the overseas activities of U.S. financial institutions, not domestic activities. The approach taken in the LaFalce legislation offers the kind of regulatory flexibility, which did not exist previously, needed to tackle a fast-moving and remarkably adaptable class of criminals, particularly terrorists. More recently, various provisions in the legislation have been successfully used by U.S. law enforcement officials in their efforts to track down the sources of funding for Al-Qaeda and other terrorist organizations.

Small Business Relief—In the immediate aftermath of September 11th, Rep. LaFalce introduced legislation to help small businesses impacted by the terrorist attacks. The "Terrorist Disaster Relief for Small Business Act" addresses the economic hardships of small businesses who are suffering ripple effects from the September 11th attacks. Just weeks after Rep. LaFalce's introduction of the bill, the Bush Administration

undertook regulatory changes to make more small businesses eligible for disaster assistance. The Administration's action expanded eligibility for loans to disaster-impacted businesses at interest rates as low as 4 percent, and for terms of up to 30 years. The Bush Administration has indicated that it plans to allocate funds in the FY 2002 budget to leverage approximately \$1 billion in new Small Business Administration disaster loans.

Victory Bonds—Following the September 11th terrorist attacks, Rep. LaFalce received numerous calls from his constituents about how they could help in the recovery efforts, and how they could show their support against international terrorists. Rep. LaFalce heeded these calls by immediately introducing legislation to authorize the issuance of special "Victory" savings bonds. The effort was modeled on a proud tradition in America that dates back to the Second World War, when government bond sales generated over \$200 billion to fund the war effort. Recently, the U.S. Treasury responded by re-designating its current series EE savings bonds as "Patriot Bonds." This move is intended to encourage Americans to contribute to the government's anti-terrorism campaign.

Terrorism Reinsurance—Rep. LaFalce played a leading role in the House's passage of legislation that would provide for the continuation of insurance coverage against terrorist attacks, which was in danger of disappearing, or being too costly, after September 11th. Agreement has been reached on the bill and the conference report should be approved in November.

Islam Resolution/Imam Guest Chaplain—Rep. LaFalce has always been a strong advocate for freedom of religious expression in America. In the aftermath of September 11, he grew increasingly concerned that this precious freedom might be compromised, particularly with respect to Muslims, out of fear and in the name of "defense against terrorism." In November 2001, Rep. LaFalce introduced H. Res. 280, a resolution recognizing Islam as one of the great religions of the world and commending Muslims on their faith, particularly during the Islamic holy month of Ramadan. At Rep. LaFalce's request, the U.S. House of Representatives marked the commencement of Ramadan for the very first time, when, with the concurrence of Speaker Dennis Hastert, he arranged an invitation to Muslim Chaplain at Georgetown University, Imam Yahya Hendi, to offer the opening prayer before the U.S. House of Representatives.

Italian-American heritage

Rep. LaFalce is one of our nation's leading Italian-Americans. Over the years, he has been showered with honors for his leadership, his integrity, and his dedication to those he serves.

Italian-American Heritage Award—Rep. LaFalce received the "Italian Heritage Award" from the Italian Heritage and Culture Club of Western New York. The club then renamed the award the "JOHN J. LaFALCE Italian Heritage Award" for future recipients.

Delegation Dean—As the most senior Italian-American serving in the U.S. Congress, Rep. LaFalce was the Dean of the Italian-American Congressional Delegation. In 2001, he led a fact-finding trip to Italy sponsored by the National Italian-American Foundation (NIAF), the leading advocacy group for Americans of Italian descent. The LaFalce/NIAF delegation traveled to Rome, the Vatican and the southern region of Calabria.

In the village of Marcedusa, in the Province of Catanzaro, in the Region of Calabria,

Rep. LaFalce was made an honorary citizen of both Marcedusa and Calabria. His paternal grandparents—Giovanni LaFalce and Concetta Mancuso—came from Calabria, were married and lived in Marcedusa (population 500), before emigrating to the United States. While he appreciated his honorary citizenship, he especially prized the gift of a bottle of olive oil made from the olives of the trees planted and nourished by his grandfather.

The pastor of St. Andrea the Apostle Church in Marcedusa, where Rep. LaFalce's grandparents were married, showed him a statue of the Blessed Virgin Mary that was bought by his grandparents and donated to the Church in gratitude for the blessings they had received in America and in appreciation to the people of Marcedusa who had given them their roots.

Order of Merit—Rep. LaFalce received Italy's highest rank of decoration, the Order of Merit, from Italian Ambassador to the U.S. Boris Biancheri. The Ambassador journeyed to Western New York to make the presentation, awarded for Rep. LaFalce's accomplishments as a leading Italian-American. The award named him a Knight-Commander of the Order of Merit of the Republic of Italy, or "Commendatore," that country's highest civilian honor.

Caucus/conference participation

U.S.—Canada Inter-Parliamentary Group—Rep. LaFalce has been an active member of the United States—Canada Inter-Parliamentary Group. The group meets annually to create a network among Canadian and American legislators to discuss issues of mutual interest in the areas of Trade and Economic Issues, International Relations, and Trans-border Issues.

Congressional Study Group on Germany—Rep. LaFalce has long been a member of the Congressional Study Group on Germany; in 1999 he served as vice chair, and in 2000 as chairman. The group meets once a year alternating between Germany and the U.S. In 2000, when Rep. LaFalce was chairman, the members of the German Bundestag came to the annual conference in Niagara Falls, New York.

Argentina Task Force—In 2002, Rep. LaFalce was asked by the Inter-American Dialogue to co-chair an elite group of policymakers charged with offering recommendations to resolve Argentina's economic crisis. Rep. LaFalce co-chairs the task force with Ambassador Carla Hills. In his appointment as co-chair, Rep. LaFalce was recognized for his leadership on international debt issues and his expertise in Latin America.

Bilderberg Conference—Rep. LaFalce was the only Member of the U.S. House of Representatives to participate as a member of the fiftieth meeting of the Bilderberg Conference, held in Virginia from May 30th—June 2nd 2002. The Bilderberg Meeting gathered 115 of the world's most influential leaders from 20 countries to discuss a variety of national and international issues. Participants included leaders of government, business, and academia, such as Henry Kissinger, David Rockefeller, Donald Rumsfeld, Larry Summers, Carla Hills, Alan Greenspan, Fannie Mae Chairman Franklin Raines, World Bank President James Wolfensohn, DaimlerChrysler Chairman Jurgen Schrempp, and Deutsche Bank Chairman Hilmar Kopper. The next meeting of the Bilderberg Conference will be in May, 2003 in Versailles.

Diabetes Caucus—Rep. LaFalce is Co-Vice Chair and a founding member of the Congressional Diabetes Caucus, one of the largest and most influential congressional organizations. Founded in 1995, the Diabetes Caucus strives to increase the awareness of diabetes

in Congress and to promote greater research into diabetes and diabetes-related complications. Due to Rep. LaFalce and the influence of the Caucus, Congress established the Diabetes Working Group to advise the NIH on research needs and priorities. Most recently, in October, 2002, Rep. LaFalce and his colleagues in the Caucus introduced the Pancreatic Islet Cell Transplantation Act to help advance islet cell transplantation, the most exciting advance in diabetes research since the discovery of insulin in 1921. Rep. LaFalce and the Caucus have secured millions in federal funding for Medicare coverage of diabetes education and supplies, research and treatment initiatives through the National Institutes of Health, the Departments of Health and Human Services, Veterans Administration, Indian Health Service and the Agriculture Cooperative Extension Service.

Sampling of honors and awards

Honorary Doctorates—Rep. LaFalce has received four honorary degrees from universities that awarded him for his public service, his integrity, and his leadership.

In 1991, the Villanova University School of Law recognized him with an Honorary Doctor of Laws degree. In 1990, Canisius College awarded Rep. LaFalce on honorary Doctor of Humane Letters degree for his "Extraordinary leadership as a Member of Congress and champion of the citizens of Western New York."

St. John's University awarded him an honorary Doctor of Laws degree in 1989, emphasizing in their commendation that Rep. LaFalce proves that "public service in a democracy can be the most noble of professions."

Niagara University also awarded him an honorary Doctor of Laws in 1979. The Niagara University citation read in part: "...Three qualities emerge as best describing the man: honesty, energy and conviction. His honesty is attested by the estimation that he knows who he is, whom he represents, and what he is doing in Congress. His energy is realized in the extent and diversity of his involvement and legislative efforts...as well as his thoroughness, his dogged determination to see a matter through to its completion. His conviction is demonstrated by a creed which avows: regardless of which side of the aisle it originated, 'Truth is truth, Justice will out, and the Law must be upheld.'"

Homeownership Alliance—the "Homeownership Hero" award was presented to Rep. LaFalce by the Homeownership Alliance to recognize his "outstanding contribution to the expansion of homeownership opportunities for all Americans." 2002

Financial Services Roundtable—Rep. LaFalce was honored by the Financial Services Roundtable with its "American Financial Leadership Award" for "his superb leadership...in reforming the financial services industry which is so vital to the economy of our state and nation." 2000

National Association of Federal Credit Unions—A special career recognition award was given to Rep. LaFalce by the National Association of Federal Credit Unions "for being a champion for federal credit unions and their members for more than twenty-five years." 2002

Oxfam International & Bread for the World—For his successful humanitarian work in Congress on behalf of debt relief for the world's poor, Rep. LaFalce was honored by Oxfam International and Bread for the World, two global anti-poverty organizations, "for helping break the cycle of poverty." 1999

National Association of Realtors—Rep. LaFalce was awarded the National Association of Realtors' "Legislative Leadership Award" in the 106th Congress "In appreciation for his

outstanding leadership in supporting legislation to help families achieve the American dream of homeownership."

Center for Health, Environment and Justice—On the 20th anniversary of the Love Canal crisis in his district, Rep. LaFalce was honored "for his significant role in assisting residents to obtain justice" and for his "tireless efforts to move various agencies at all levels of government that was above and beyond the call of duty." 1998

New York Credit Union—Rep. LaFalce was awarded the "Freedom of Consumer Choice Award" by the New York Credit Union Campaign for Consumer Choice "for actively defending the rights of consumers to choose their financial institutions and for protecting the future of America's credit unions." 1998

Small Business Council of America—In recognition of his work as Chairman of the Small Business Committee, where he wrote laws creating hundreds of thousands of jobs in the small business sector, Rep. LaFalce received the "Congressional Award" from the Small Business Council of America, which read in part: "when others trample asunder the rights and best interests of small business, he steps forward and moves mountains."

Associated General Contractors (NY State Chapter)—In 1975, Rep. LaFalce had the distinction of being the first of the newly-elected Members to have a bill he authored signed into law. That bill preserved and created more than one-million construction jobs—300,000 in New York State alone. For his work, the New York State Chapter of the Associated General Contractors honored Rep. LaFalce with its annual "Man of the Year" award.

American Diabetes Association—As Chairman and Vice-Chairman of the House Diabetes Caucus, Rep. LaFalce was honored twice by the American Diabetes Association with its Valor Award in recognition of his continuing efforts to secure increased funding for diabetes research and "for his outstanding service to people with diabetes." 2000, 2002

National Multiple Sclerosis Society—Rep. LaFalce was honored as "Congressman of the Year" by the National MS Society for his "deep personal appreciation and commitment to the needs of people with MS who have lost access to breakthrough treatments because they are dependent on Medicare reimbursements." 1995

National Sleep Foundation—The National Sleep Foundation awarded Rep. LaFalce its very first Public Policy Leadership Award in 2001 for his efforts in bringing the problem of sleep disorders to the nation's attention. He secured \$125,000 in federal funds for a sleep disorder educational program to be conducted jointly by the University at Buffalo Medical School, Mount St. Mary's Hospital Sleep Disorder Center in Lewiston, and Millard Fillmore-Gates Hospital's Sleep Disorder Center in Buffalo.

National Association of Women Business Owners—Rep. LaFalce received the "Congressional Advocate of the Year" award from the National Association of Women Business Owners for his work in enacting the Women's Business Ownership Act, which expanded federal assistance programs to businesses owned by women.

New York State Association of Renewal and Housing Officials, Inc.—Rep. LaFalce was recognized by the NYSARHO "for his outstanding contributions to national housing and community development programs while serving as a member of the House Subcommittee on Housing and Community Development and in appreciation for his cooperation with the committees, officers, and members of this Association."

New York State Realtors—Rep. LaFalce was honored by the New York Realtors for his "consistent contributions to the development of the community by participation in civic affairs and by leadership and dedication to making America better."

Housing Agencies of New York State—Rep. LaFalce received the New York state Housing Agencies' Housing award "in recognition of and appreciation of your continued support of those programs which provide housing opportunities for low and moderate income people in the United States."

H.R. 4664

SPEECH OF

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 14, 2002

Mr. HALL of Texas. Mr. Speaker, I rise in support of the National Science Foundation Authorization Act, H.R. 4664, which provides a 5-year reauthorization for the National Science Foundation's research and education programs.

The bill represents a bipartisan effort to provide the level of resources necessary to sustain the important work of the National Science Foundation in science and engineering research and education.

I want to congratulate Research Subcommittee Chairman SMITH and Ranking Democratic Member EDDIE BERNICE JOHNSON for their efforts to craft the bill. I also want to thank Science Committee Chairman BOEHLERT for his leadership and for working closely with this side of the aisle in developing the bill.

NSF is our premier agency for support of basic research at academic institutions in the physical sciences and the non-medical biological sciences, in mathematics, and in engineering. Basic research discoveries launch new industries that bring returns to the economy far exceeding the original public investment.

In fact, over the past 50 years, half of U.S. economic productivity can be attributed to technological innovation and the science that has supported it. Unfortunately, the simple truth is that during the 1990s we underinvested in the fields of science that NSF supports.

A recent report from the National Academy of Sciences provides specific examples that make this case. The report shows that between 1993 and 1999 federal research support at academic institutions fell by 14 percent in mathematics, by 7 percent in physics, by 2 percent in chemistry, and by 12 percent in electrical engineering.

Inadequate funding for basic research in such important fields imposes a price on society, because new ideas are lost that would otherwise underpin future technological advances.

Of even more importance, anemic funding of academic science and engineering research reduces the numbers of new young scientists and engineers, who constitute the essential element necessary to ensure the nation's future economic strength and security.

H.R. 4664 authorizes funding growth for NSF of 15 percent per year for 5 years, bringing the total authorization level to \$9.8 billion by the final year. This follows the funding path to double NSF's budget over 5 years, as was

proposed by Rep. EDDIE BERNICE JOHNSON in the NSF authorization bill she introduced, and I cosponsored, last year.

The funding growth proposed by H.R. 4664 will enable the Foundation to expand its investments in cutting-edge research initiatives and shore up its core research programs.

In particular, this new funding will enable NSF to increase average grant size and duration, as well as increase the number of new awards. Due to budget constraints, NSF now declines more than \$1 billion dollars worth of research applications each year that receive merit review scores as high or higher than the average score for funded applications.

The funding authorized by H.R. 4664 will also begin to address the growing imbalance in federal support for fundamental research in the physical sciences and engineering relative to the biomedical fields. This is a serious matter because, for any field of science, progress is dependent on advances made in other fields. As pointed out by the past director of the National Institutes of Health, Nobel Laureate Harold Varmus, most of the revolutionary changes that have occurred in biology and medicine are rooted in new methods that, in turn, are usually rooted in fundamental discoveries in many different fields.

For the past half-decade, we have been very free in our support of biomedical research. I consider that to be a very good thing for all of our people. However, investing too narrowly in medical fields without investing in all the other sciences—sciences that contribute to the base of knowledge necessary for medical breakthroughs—will lead to a slowdown in medical progress in the long run.

H.R. 4664 will provide the resources needed by NSF to support multidisciplinary research initiatives in such areas as nanotechnology, information technology, and the mathematical sciences. It will allow construction of new national user facilities for astronomers, computational scientists, earth and atmospheric scientists, and life scientists.

And equally important, the bill institutes new programs to strengthen science and math education in the schools and to train the scientists and engineers the nation needs for the future. Without a constant infusion of well-trained, talented young people into technically challenging fields, our country would lose its edge on the rest of the world.

H.R. 4664 incorporates many provisions from the National Mathematics and Science Partnerships Act that passed the House earlier this year. These important provisions are designed to bring more support to our K-12 science and math teachers, their students, and their schools. The overall goal is to help our children become much more proficient in science and math, and I am confident that the programs authorized by this bill will do just that.

I would particularly like to highlight some programs incorporated in H.R. 4664 that originated in H.R. 1693, a science education bill I introduced with many of my Democratic colleagues from the Science Committee. These include research to explore ways to effectively use educational technologies in the classroom and programs to encourage and support women and minorities in pursuing careers in science and engineering.