

the military and naval authorities thereof, will recognize and maintain the freedom of said persons.

And I hereby enjoin upon the people so declared to be free to abstain from all violence, unless in necessary self-defence; and I recommend to them that, in all case when allowed, they labor faithfully for reasonable wages.

And I further declare and make known that such persons of suitable condition will be received into the armed service of the United States to garrison forts, positions, stations, and other places, and to man vessels of all sorts in said service.

And upon this act, sincerely believed to be an act of justice, warranted by the Constitution upon military necessity, I invoke the considerate judgment of mankind and the gracious favor of Almighty God.

Mr. WELLER. Mr. Speaker, I rise today to honor the 140th Anniversary of the Emancipation Proclamation.

On January 1, 1863, as the nation approached its third year of the Civil War, President Abraham Lincoln issued the Emancipation Proclamation to grant freedom to all slaves. The proclamation declared "that all persons held as slaves . . . shall be then, thenceforward, and forever free".

Not only did the Proclamation liberate the slaves, but it announced the acceptance of black men into the Union Army and Navy. By the end of the war, almost 200,000 black soldiers and sailors had fought for the Union and freedom.

Mr. Speaker, the Emancipation Proclamation can be considered one of the greatest documents of human freedom. I am honored to speak on the House floor today with my highest regards to President Lincoln's actions and accomplishments.

I am proud to say that Abraham Lincoln was elected to the state legislature in my home state of Illinois in 1834. He served the wonderful people for four successive terms until he was later elected in Congress in 1846.

Mr. Speaker, I applaud and commend Abraham Lincoln's efforts to abolish slavery and I would like to encourage the citizens of the United States to celebrate the 140th Anniversary of the Emancipation Proclamation. Thank you.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 36.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

## EMERGENCY SECURITIES RESPONSE ACT OF 2003

Mr. GARRETT of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 657) to amend the Securities Exchange Act of 1934 to augment the emergency authority of the Securities and Exchange Commission, as amended.

The Clerk read as follows:

H.R. 657

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

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Securities Response Act of 2003".

### SEC. 2. EXTENSION OF EMERGENCY ORDER AUTHORITY OF THE SECURITIES EXCHANGE COMMISSION.

(a) EXTENSION OF AUTHORITY.—Paragraph (2) of section 12(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(k)(2)) is amended to read as follows:

"(2) EMERGENCY ORDERS.—(A) The Commission, in an emergency, may by order summarily take such action to alter, supplement, suspend, or impose requirements or restrictions with respect to any matter or action subject to regulation by the Commission or a self-regulatory organization under the securities laws, as the Commission determines is necessary in the public interest and for the protection of investors—

"(i) to maintain or restore fair and orderly securities markets (other than markets in exempted securities);

"(ii) to ensure prompt, accurate, and safe clearance and settlement of transactions in securities (other than exempted securities); or

"(iii) to reduce, eliminate, or prevent the substantial disruption by the emergency of (I) securities markets (other than markets in exempted securities), investment companies, or any other significant portion or segment of such markets, or (II) the transmission or processing of securities transactions (other than transactions in exempted securities).

"(B) An order of the Commission under this paragraph (2) shall continue in effect for the period specified by the Commission, and may be extended. Except as provided in subparagraph (C), the Commission's action may not continue in effect for more than 30 business days, including extensions.

"(C) An order of the Commission under this paragraph (2) may be extended to continue in effect for more than 30 business days if, at the time of the extension, the Commission finds that the emergency still exists and determines that the continuation of the order beyond 30 business days is necessary in the public interest and for the protection of investors to attain an objective described in clause (i), (ii), or (iii) of subparagraph (A). In no event shall an order of the Commission under this paragraph (2) continue in effect for more than 90 calendar days.

"(D) If the actions described in subparagraph (A) involve a security futures product, the Commission shall consult with and consider the views of the Commodity Futures Trading Commission. In exercising its authority under this paragraph, the Commission shall not be required to comply with the provisions of section 553 of title 5, United States Code, or with the provisions of section 19(c) of this title.

"(E) Notwithstanding the exclusion of exempted securities (and markets therein) from the Commission's authority under subparagraph (A), the Commission may use such authority to take action to alter, supplement, suspend, or impose requirements or re-

strictions with respect to clearing agencies for transactions in such exempted securities. In taking any action under this subparagraph, the Commission shall consult with and consider the views of the Secretary of the Treasury."

(b) CONSULTATION; DEFINITION OF EMERGENCY.—Section 12(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(k)) is further amended by striking paragraph (6) and inserting the following:

"(6) CONSULTATION.—Prior to taking any action described in paragraph (1)(B), the Commission shall consult with and consider the views of the Secretary of the Treasury, Board of Governors of the Federal Reserve System, and the Commodity Futures Trading Commission, unless such consultation is impracticable in light of the emergency.

"(7) DEFINITIONS.—

"(A) EMERGENCY.—For purposes of this subsection, the term 'emergency' means—

"(i) a major market disturbance characterized by or constituting—

"(I) sudden and excessive fluctuations of securities prices generally, or a substantial threat thereof, that threaten fair and orderly markets; or

"(II) a substantial disruption of the safe or efficient operation of the national system for clearance and settlement of transactions in securities, or a substantial threat thereof; or

"(i) a major disturbance that substantially disrupts, or threatens to substantially disrupt—

"(I) the functioning of securities markets, investment companies, or any other significant portion or segment of the securities markets; or

"(II) the transmission or processing of securities transactions.

"(B) SECURITIES LAWS.—Notwithstanding section 3(a)(47), for purposes of this subsection, the term 'securities laws' does not include the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.)."

### SEC. 3. PARALLEL AUTHORITY OF THE SECRETARY OF THE TREASURY WITH RESPECT TO GOVERNMENT SECURITIES.

Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o-5) is amended by adding at the end the following new subsection:

"(h) EMERGENCY AUTHORITY.—The Secretary may by order take any action with respect to a matter or action subject to regulation by the Secretary under this section, or the rules of the Secretary thereunder, involving a government security or a market therein (or significant portion or segment of that market), that the Commission may take under section 12(k)(2) of this title with respect to transactions in securities (other than exempted securities) or a market therein (or significant portion or segment of that market)."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. GARRETT) and the gentleman from Pennsylvania (Mr. KANJORSKI) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. GARRETT).

GENERAL LEAVE

Mr. GARRETT of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 657.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. GARRETT of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise now in support of adoption of H.R. 657. This is a bill that would amend the Securities and Exchange Act of 1934, and it will augment the emergency authority of the Securities and Exchange Commission.

The SEC played a crucial role in the recovery of our financial markets from the devastating effects of the terrorist attacks back on September 11. This legislation now extends that emergency authority and also the flexibility of the SEC from 10 business days to 30 business days, with the possibility of an additional 90 days thereafter, to respond to emergency situations such as 9-11. By extending this emergency authority, this bill will ensure that the SEC has the ability to immediately provide stability and liquidity to our markets following such an emergency as that.

After the damage to Lower Manhattan on September 11, which, as we know, Mr. Speaker, is the home of the world's stock market, the New York Stock Exchange, they suspended the operations of the U.S. equities market for the longest time since World War I.

To facilitate the planned reopening of our markets, the SEC used for the first time ever its emergency powers to temporarily ease regulatory restrictions. All of the security markets were open, amazingly, for trading by September 17, 2001. The actions of the SEC ensured an orderly reopening of the markets, something that was in the interests of everyone, the economy and investors alike.

H.R. 657, what it does further is to eliminate any question that anyone may have of the SEC's abilities to increase liquidity and extend the duration of the relief to our marketplace. Should, unfortunately, another financial crisis occur, I am confident that by us giving them this emergency authority, they will be able to restore fair and orderly markets and prevent substantial disruption to our marketplace.

Mr. Speaker, I would also point out that the manager's amendment that we have that I am offering today amends this legislation to clarify a couple of points; first of all, the exclusion for exempted securities from the new emergency authority that the bill grants to the SEC. What this does is it preserves the regulation of government securities as it stands under the current law with respect to the Secretary of the Treasury.

It also extends the SEC's emergency authority to clearing organizations for exempted securities, so the commission will be able to take actions regarding clearing of the government securities. In addition to this, the Commission is required now under these amendments to consult with the Treasury prior to using their authority.

□ 1330

It requires a commission to consult with the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the Commodity Fu-

tures Trading Commission to, of course, the extent practical under the circumstances prior to its using its national emergency authority to suspend trading in our national marketplace.

When you think about it, this is really simply good government. The commission did consult with its fellow financial regulators during the aftermath of September 11 in order to determine what steps were necessary at that time. And so what we are doing with this legislation now is it will ensure that this commonsense practice that they did in the past, that they will do in the future as well.

Finally, this amendment grants to the Secretary of the Treasury new emergency authority similar to what the bill granted to the Commission. This new authority will enable the Treasurer to take action by order as opposed to rulemaking. Now this new authority, it should be clearly pointed out here, is specifically limited to apply only to matters under the Treasurer's existing regulatory position that affects government securities. So it does not, for example, grant the Treasurer the authority to close down the government securities market.

I would also like to point out, Mr. Speaker, that this amendment does not specifically require the commission to consult with its sister regulators prior to using the emergency authority that this bill sets out under 12(k)(2), the section that does not address trading suspension. And there is a reason for this. This is because there are instances in which the commission would be using its emergency authority to address issues that do not have to have an impact on areas within other financial regulatory authority. For example, lifting the requirement that mutual fund directors meet in person, in the event travel is rendered difficult or impossible because of such an emergency as that.

However, it is my expectation that the commission will consult with the Secretary of the Treasury and the other regulators at the time, as I mentioned previously, prior to using their new authority, where such use would have a broad financial market impact and would affect areas within those entities, their particular entities' jurisdiction. And this is exactly what the commission did back on 9/11 when the emergency occurred.

I would also expect the commission to apply this cooperative and, as I said earlier, commonsense approach to this new emergency authority by ensuring that all affected regulators are consulted whenever necessary.

When we think back now, back to September 11, 2001 and the terrorist attacks and how much they inflicted great human and physical loss in New Jersey and upon the constituents in New Jersey's Fifth Congressional District, my district, in the event of another large-scale disaster, the Emergency Response Security Act here before us gives the SEC the additional

emergency authority to protect the operational resilience of our financial markets. This legislation ensures the health and future of America's economy which relies heavily upon the future of America's economy and upon the access to our markets.

This is an impact that we saw after 9/11 that impacted the constituents, as I indicated previously, the constituents in the Fifth Congressional District. As the Speaker is aware my district is made up of four counties: Sussex, Warren, Passaic, and Bergen Counties. Many of the people are involved with the securities markets just over the Hudson River in New York City where the New York Stock Exchange is located. Not only did these individuals have relatives and loved ones who were lost in the terrorist attack on 9/11, but many of them were directly impacted by the financial consequences that followed thereafter. The SEC was able to, due to the emergency authority that they had at that time, had within their purview the powers to address the situation and get the marketplace up and running within a week's period of time.

The bill that we have before us now allows us to ensure that that will occur in the future.

Mr. Speaker, I would like to thank the gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. BAKER) for their support and swift action on this legislation. I thank the gentleman from Illinois (Mr. EMANUEL) for his support across the aisle.

Mr. Speaker, I strongly urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. KANJORSKI. Mr. Speaker, I yield myself such time as I may consume rise.

Mr. Speaker, I rise in support of the adoption of H.R. 657, a bill to provide the Securities and Exchange Commission with additional emergency powers.

As my colleagues know, the SEC played a crucial role in the recovery of our financial markets from the devastating effects of September 11, 2001 terrorist attacks. In addition to the important role the commission played in coordinating market participants throughout the crisis, the emergency orders issued by the SEC helped to provide needed liquidity and stability to the stock markets. The actions of the SEC also helped to ensure an orderly reopening of our capital markets, something that was in the interest of our economy and all investors.

Under our current law the SEC has the authority to issue emergency orders up to 10 business days in order to preserve orderly securities trading, clearance, and settlement. Following the terrorist attacks, the SEC used this authority for the first time to ease a variety of securities regulations including broker-dealer capital rules related to uncleared trades and restrictions on public companies' repurchase of their own securities. The SEC later used its general exemptive authority to

extend some of the emergency provisions beyond the initial 10 business days in order to address continued lags in clearance and other areas, as well as to temporarily suspend certain investment company requirements.

While the SEC very effectively used its existing emergency powers after the 2001 terrorist strikes, I believe this authority could be further strengthened. At congressional hearings shortly after the attacks, the SEC expressed similar views about the adequacy of its emergency power. The formal legislative request later submitted by the SEC asked that we provide the agency with additional emergency authority to respond to any further crises both by extending the potential length of the emergency orders and by extending the authority to clearly cover all of the Federal securities laws.

In 2001 the Committee on Financial Services worked with the commission and other interested parties to craft an appropriate framework for any future emergency actions that the SEC may need to take. The Emergency Securities Response Act subsequently passed the House by a voice vote but it did not become law during the 107th Congress. As a result, we must consider this matter anew in the 108th Congress.

The bill before us today makes a number of improvements to current law. For example, it expands the SEC's emergency authority to cover all of the Federal securities laws. The bill further permits the SEC to issue emergency orders for 30 business days, which I believe will give the SEC the flexibility needed to ensure they can respond in a timely and effective manner to any future emergency. The legislation also provides the commission with the authority in limited circumstances to extend emergency orders for an additional 90 days upon the finding that the emergency continues to exist and that an extension of the orders continues to be necessary and in the public interest.

As it became clear after the 2001 terrorist attacks, serious disruptions in communications, computer systems, transportation, and many other systems, as well as the physical damage to facilities, can have profound effects on the securities markets and market participants. This bill will give the SEC an expanded set of tools to address such emergencies throughout the securities markets, no matter what the underlying cause of the emergency may be.

Mr. Speaker, this bill also is a tribute to the leadership of Harvey Pitt when he was chairman of the SEC Commission. And although Mr. Pitt has now left the commission and probably has been criticized for many people for many things, I think the record should reflect that in regard to handling the crises during 2001 and working with the Congress thereafter to provide for orderly markets, no other chairman of the SEC expressed greater powers and controls with greater responsibility than Harvey Pitt.

Mr. Speaker, I urge the adoption of H.R. 657, the Emergency Securities Response Act.

Mr. Speaker, I reserve the balance of my time.

Mr. GARRETT. Mr. Speaker, I reserve the balance of my time.

Mr. KANJORSKI. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. KANJORSKI) for his leadership on this important legislation and I thank him for yielding me time.

Mr. Speaker, I rise in strong support of the Emergency Securities Response Act, legislation intended to assist the recovery of the securities markets in the event of another major terrorist attack or emergency.

The terrorist attacks of September 11, 2001 wreaked a tremendous toll on my city of New York, the center of the world financial markets. As we all know, the loss of life, buildings, property, and communications equipment prevented the reopening of the financial markets until September 17. While the stock market went down the day it opened, the most important thing was that it was opened and functioning. This was a major boost in confidence for the economy, for New York City, and for the entire Nation.

For their roles in reopening the markets, the SEC and the other regulators deserve much credit. Without their work, the economic fallout of the attack would have been even more serious and harmed more people. The legislation we are voting on today is intended to give the SEC additional flexibility to deal with just such a situation should we face another terrorist attack, disaster or emergency.

The Emergency Securities Response Act extends the commission's emergency authority from 10 to 30 days and up to 90 days in certain circumstances. This legislation is necessary because we know that our Nation's financial infrastructure is a frontline target in the war against terrorism. The World Trade Center was a symbol of the United States' economy.

I truly want to compliment the leaders of other such symbols of our economy in New York. The New York Stock Exchange and the New York Mercantile Exchange have done an extremely good job not only during that emergency, but since, in their efforts to upgrade security to almost fortress-like levels. I would like to thank the gentleman from Ohio (Mr. OXLEY), the gentleman from Massachusetts (Mr. FRANK), the ranking member, the gentleman from Pennsylvania (Mr. KANJORSKI) and the gentleman from New Jersey (Mr. GARRETT) for their work on this issue. And I truly hope we never have to use the powers this legislation grants the SEC. I truly hope we will never have such an emergency again. But I strongly support this legislation.

Mr. KANJORSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GARRETT of New Jersey. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from New Jersey (Mr. GARRETT) that the House suspend the rules and pass the bill, H.R. 657, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

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**AUTHORIZING PRESIDENT TO AGREE TO CERTAIN AMENDMENTS TO AGREEMENT ESTABLISHING A BORDER ENVIRONMENT COOPERATION COMMISSION AND A NORTH AMERICAN DEVELOPMENT BANK**

Mrs. BIGGERT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 254) to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

The Clerk read as follows:

H.R. 254

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

**SECTION 1. AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT.**

(a) IN GENERAL.—Part 2 of subtitle D of title V of Public Law 103-182 (22 U.S.C. 290m—290m-3) is amended by adding at the end the following:

**“SEC. 545. AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT.**

“The President may agree to amendments to the Cooperation Agreement that—

“(1) enable the Bank to make grants and nonmarket rate loans out of its paid-in capital resources with the approval of its Board; and

“(2) amend the definition of ‘border region’ to include the area in the United States that is within 100 kilometers of the international boundary between the United States and Mexico, and the area in Mexico that is within 300 kilometers of the international boundary between the United States and Mexico.”.

(b) CLERICAL AMENDMENT.—Section 1(b) of such public law is amended in the table of contents by inserting after the item relating to section 544 the following:

“Sec. 545. Authority to agree to certain amendments to the Border Environment Cooperation Agreement.”.

**SEC. 2. ANNUAL REPORT.**

The Secretary of the Treasury shall submit annually to the Committee on Financial Services of the House of Representatives and