By April 2008, the Nation's largest financial firms had suffered $230 billion in losses based on their proprietary trading. And by the end of 2008, the taxpayers were forced to put up hundreds of billions of dollars in TARP funds to avoid the collapse of our economy. Lehman Brothers is one example. In 1998, it had ''only'' $28 billion in proprietary holdings. By 2007, its proprietary holdings had soared to $313 billion. When the values of these holdings declined in 2007 and 2008, Lehman Brothers lost $32 billion, its losses exceeded its net worth, and by September 2008, the firm had collapsed in the largest bankruptcy in history.

Senator MERKLEY and I propose an amendment that addresses these issues in the following ways:

First, commercial banks and their affiliates would be barred from high-risk proprietary trading. The risk to the federal deposit fund is simply too great to allow commercial banks to gamble as they can today.

This prohibition will not inhibit these institutions from serving their customers. Our amendment expressly permits carefully specified client-based transactions. That means that banks, through their broker-dealer affiliates, could buy or sell securities and other instruments as requested by clients. Those affiliates can also, for example, act as underwriter for a client issuing new stocks or bonds, provided those transactions are not allowed to endanger the safety and soundness of the bank.

Second, we limit proprietary trades at the largest nonbank financial institutions. These institutions would be required to keep enough capital on hand to ensure that they, and not the taxpayers, would cover their trading losses. That would limit the size of their proprietary activities. The regulators overseeing the financial system would be tasked with specifying the capital levels these institutions would be required to maintain, as well as limits on the amount of proprietary trading they could do, in order to protect the stability of the system. These restrictions would address one of the chronic problems that led to the crisis, that of financial institutions borrowing heavily to make their risky trades by leveraging their own funds, and jeopardizing the entire financial system when their risks overcame their own funds.

Third, we would address one of the most dramatic findings of our subcommittee's recent hearings, that of firms betting against financial instruments they are assembling and selling. As our hearing on investment banks showed, Goldman Sachs assembled and sold mortgage-related financial instruments, then placed large bets, for the firm's own accounts, against those very same instruments. In one case highlighted at the hearing, involving risky mortgage-backed securities, a Goldman trader bragged in an email that, although the firm lost $2.5 million when the securities failed, Goldman made $5 million on a bet placed against those very same securities. The conflict of interest prohibition in our amendment is intended to prevent firms that assemble, underwrite, place or sponsor these instruments from making proprietary bets against those same instruments.

Assembling and selling financial instruments to its clients while betting against those same instruments did injury to Goldman's clients. The fact that the firm described these instruments, in its own emails, as ''junk,'' added insult to injury. This isn't market making, bringing together two customers, a buyer and a seller, as Goldman executives claimed during our hearing. This is Goldman Sachs acting as its own secret client, betting against its customers. When members of the subcommittee asked Goldman executives about that conflict of interest, they answered by saying that we just understand, that this is how business is done on Wall Street. We understand all too well how business has been done on Wall Street. And that is why we must end the self-dealing and put a cop back on the beat on Wall Street.

Our amendment would protect depositors and taxpayers from the risk of proprietary trading at commercial banks. It will protect taxpayers from the dilemma of having to pay for Wall Street's risky bets, or watch our financial system disintegrate. And it would protect investors and the financial system at large from the conflicts of interest that too often represent business as usual on Wall Street. It will strengthen protections already in place in the bill before us, and add new ones to guard the stability of a financial system on which our economy and American jobs depend.

Senator MERKLEY and I have worked closely with a number of colleagues, including Senator DODD, as well as officials from the Treasury Department and the Securities and Exchange Commission, to ensure that our legislation would address the problems we seek to address without endangering legitimate market activity and activity on behalf of clients. It has been endorsed by former Federal Reserve Chairman Paul Volcker; business leaders such as John Reed, the former Chair and CEO of Citibank; and major organizations calling for real Wall Street reform, including the Independent Community Bankers of America, Americans for Financial Reform, and the AFL–CIO.

There is nothing wrong with Wall Street firms making a profit. What we oppose is the notion that in seeking such profit, these financial institutions can put depositors, clients, taxpayers, and the very safety of our financial system at risk. What we oppose is conflict of interest. I hope our colleagues will support these commonsense safeguards to strengthen the financial system and our economy.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. SHAHEEN). Without objection, it is so ordered.

Mr. DODD. Madam President, I ask unanimous consent that on Tuesday, May 11, after any leader time, the Senate resume consideration of S. 3217, and debate concurrently the pending Sanders amendment No. 3738 and the Vitter amendment No. 3760; that prior to a vote in relation to each amendment, there be a total debate limit of 80 minutes, with 20 minutes each under the control of Senators SANDERS, VITTER, SHELBY, and DODD, or their designees; that upon the use or yielding back of all time, the Senate proceed to a vote in relation to the Sanders amendment, followed by a vote in relation to the Vitter amendment, with no amendment in order to either amendment.

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

MORNING BUSINESS

Mr. DODD. Madam President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

ADDITIONAL STATEMENTS

TRIBUTE TO MARC MORIN

● Mr. GREGG. Madam President, today I wish to recognize Marc Morin of Bow, NH. Since December 20, 2000, Marc has been a member of the New Hampshire Board of Professional Engineers and has ably served as its chairman since July 15, 2004. In August of this year, he will step down from that position, and I would like to take this opportunity to thank him for the professionalism and dedication he has demonstrated over the last 10 years.

The Board of Professional Engineers has the important mission of protecting the public's safety and insuring the State's engineers follow the proper operating rules and regulations. Because of his reputation as an environmental engineer in the private sector, Marc was an excellent choice as board chairman. His educational accomplishments, such as holding a master of science in water resource engineering, underscore his ability to understand and apply the often complex licensing and due process requirements the board must oversee.

My wife Kathy and I have had the pleasure of knowing Marc's wife's family for many years. He has ben a great example of the strong commitment to public service and volunteerism for which New Hampshire is so well known. While his leadership on the

Board of Professional Engineers will be missed, I know we can continue to rely on the insight, sound judgments and guidance he displayed on the board. Thank you Marc!●

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mrs. Neiman, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on the Judiciary.

(The nomination received today is printed at the end of the Senate proceedings.)

PROPOSED AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE RUSSIAN FEDERATION CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—PM–53

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)) (the ''Act''), the text of a proposed Agreement Between the Government of the United States of America and the Government of the Russian Federation for Cooperation in the Field of Peaceful Uses of Nuclear Energy (the ''Agreement''). I am also pleased to transmit my written approval of the proposed Agreement and determination that the proposed Agreement will promote, and will not constitute an unreasonable risk to, the common defense and security, together with a copy of an unclassified Nuclear Proliferation Assessment Statement (NPAS) concerning the Agreement. In accordance with section 123 of the Act, as amended by title XII of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105–277), classified annexes to the NPAS, prepared by the Secretary of State in consultation with the Director of National Intelligence, summarizing relevant classified information, will be submitted to the Congress separately.

The proposed Agreement was signed in Moscow on May 6, 2008. Former President George W. Bush approved the Agreement and authorized its execution, and he made the determinations required by section 123 b. of the Act. (Presidential Determination 2008–19 of May 5, 2008, 73 FR 27719 (May 14, 2008)).

On May 13, 2008, President Bush transmitted the Agreement, together with his Presidential Determination, an unclassified NPAS, and classified annex, to the Congress for review (see House Doc. 110–112, May 13, 2008). On September 8, 2008, prior to the completion of the 90-day continuous session review period, he sent a message informing the Congress that ''in view of recent actions by the Government of the Russian Federation incompatible with peaceful relations with its sovereign and democratic neighbor, Georgia,'' he had determined that his earlier determination (concerning performance of the proposed Agreement promoting, and not constituting an unreasonable risk to, the common defense and security) was no longer effective. He further stated that if circumstances should permit future reconsideration by the Congress, a new determination would be made and the proposed Agreement resubmitted.

After review of the situation and of the NPAS and classified annex, I have concluded: (1) that the situation in Georgia need no longer be considered an obstacle to proceeding with the proposed Agreement; and (2) that the level and scope of U.S.-Russia cooperation on Iran are sufficient to justify resubmitting the proposed Agreement to the Congress for the statutory review period of 90 days of continuous session and, absent enactment of legislation to disapprove it, taking the remaining steps to bring it into force.

The Secretary of State, the Secretary of Energy, and the members of the Nuclear Regulatory Commission (NRC) have recommended that I resubmit the proposed Agreement to the Congress for review. The joint memorandum submitted to me by the Secretaries of State and Energy and a letter from the Chairman of the NRC stating the views of the Commission are enclosed.

I have considered the views and recommendations of the interested departments and agencies in reviewing the proposed Agreement, and have determined that performance of the proposed Agreement will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the proposed Agreement and urge the Congress to give the proposed Agreement favorable consideration.

My reasons for resubmitting the proposed Agreement to the Congress for its review at this time are as follows:

The United States and Russia have significantly increased cooperation on nuclear nonproliferation and civil nuclear energy in the last 12 months, starting with the establishment of the Bilateral Presidential Commission Working Group on Nuclear Energy and Security. In our July 2009 Joint Statement on Nuclear Cooperation, Russian President Medvedev and I acknowledged the shared vision between the United States and Russia of the growth of clean, safe, and secure nuclear energy for peaceful purposes and committed to work together to bring into force the agreement for nuclear cooperation to achieve this end. The Russian government has indicated its support for a new United Nations Security Council Resolution on Iran and has begun to engage on specific resolution elements with P5 members in New York. On April 8, 2010, the United States and Russia signed a historic New START Treaty significantly reducing the number of strategic nuclear weapons both countries may deploy. On April 13, both sides signed the Protocol to amend the 2000 U.S.-Russian Plutonium Management and Disposition Agreement, which is an essential step toward fulfilling each country's commitment to effectively and transparently dispose of at least 34 metric tons of excess weapon-grade plutonium, enough for about 17,000 nuclear weapons, with more envisioned to be disposed of in the future. Russia recently established an international nuclear fuel reserve in Angarsk to provide an incentive to other nations not to acquire sensitive uranium enrichment technologies. Joint U.S. and Russian leadership continue to successfully guide the Global Initiative to Combat Nuclear Terrorism as it becomes a durable international institution. The United States believes these events demonstrate significant progress in the U.S.-Russia nuclear nonproliferation relationship and that it is now appropriate to move forward with this Agreement for cooperation in the peaceful uses of nuclear energy.

The proposed Agreement has been negotiated in accordance with the Act and other applicable laws. In my judgment, it meets all applicable statutory requirements and will advance the nonproliferation and other foreign policy interests of the United States.

The proposed Agreement provides a comprehensive framework for peaceful nuclear cooperation with Russia based on a mutual commitment to nuclear nonproliferation. It has a term of 30 years, and permits the transfer, subject to subsequent U.S. licensing decisions, of technology, material, equipment (including reactors), and components for nuclear research and nuclear power production. It does not permit transfers of Restricted Data. Transfers of sensitive nuclear technology, sensitive nuclear facilities, and major critical components of such facilities may only occur if the Agreement is amended to cover such transfers. In the event of termination, key nonproliferation conditions and controls continue with respect to material, equipment, and components subject to the Agreement.

The Russian Federation is a nuclear weapon state party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Like the United States, it has a ''voluntary offer'' safeguards agreement with the International Atomic Energy Agency (IAEA). That agreement gives the IAEA the right to apply safeguards on all source or special fissionable material at peaceful-