

the Fed's monetary policy. We've seen recently the harmful impact that congressional pressure can have on the Fed's monetary policy even without this audit, such as Republican members of Congress urging the Fed to take no further actions to rescue the economy, which is why I bring to my colleagues' attention the below column by former Federal Reserve Vice Chairman, Alan Blinder, in which he points out additional options for the Fed to tackle the elevated unemployment rate that are not being used.

That said, it is clear that cultural change is needed at the Federal Reserve, which has too often put the needs of America's biggest banks ahead of the interests of the American public. As just the latest example, JP Morgan Chase CEO, Jamie Dimon, has refused to resign from the board of the New York Federal Reserve Bank, despite the fact that the New York Fed is investigating misbehavior at JPMorgan Chase's Chief Investment Office that contributed to its recent multi-billion dollar trading loss.

Furthermore, I strongly supported a provision in the Dodd-Frank Act that has increased transparency at the Fed, providing for an audit of the emergency financial assistance provided by the Fed during the financial crisis, as well as requiring the Fed to release information going forward about parties participating in emergency lending programs and the details of those transactions. The bill also importantly limited the power of bankers like Mr. Dimon who serve on the boards of regional Federal Reserve Banks.

There is one aspect of today's bill that I strongly support, the provision of this bill added in committee by Mr. CUMMINGS, which provides for an audit of the Independent Foreclosure Review, which has been grossly mismanaged by the Fed and the Office of the Comptroller of the Currency and does not appear to be on track to provide appropriate compensation to homeowners who were abused. I believe that the Fed needs to know that their role is to look out for the American public, and I hope they hear that loud and clear today.

HOW BERNANKE CAN GET BANKS LENDING AGAIN

(By Alan S. Blinder)

If the Fed reduces the reward for holding excess reserves, banks will have to find something else to do with their money, like making loans or putting it in the capital markets.

The U.S. economy could use another boost, and it won't come from fiscal policy. Can the Federal Reserve provide it?

Chairman Ben Bernanke keeps insisting that the central bank is not out of ammunition, and in a literal sense he is right. After all, the Fed has not yet exhausted its bag of tricks. It is still twisting the yield curve. It can purchase more assets. It can tell us that its federal funds target interest rate will remain 0-25 basis points beyond late 2014. It can even nudge the funds rate down within that range. The operational question is: How powerful are any of these weapons?

Let's start with Operation Twist, which was recently extended through the end of this year. The Fed seeks to flatten the yield curve by buying longer-term Treasuries and selling shorter-term ones. And it's probably succeeding—a bit. But Federal Reserve activity in the Treasury markets is modest

compared with the vast volume of trading. Realistically, the U.S. yield curve is probably influenced far more by daily developments in Europe. In any case, the Fed will be out of short-term Treasuries to sell by December.

The logical next step would be more quantitative easing—QE3—or, as the Fed likes to call it, more large-scale asset purchases. Purchases of what? There are two main choices. One is Treasuries. But does anyone really think that lower U.S. Treasury rates are what this country needs?

Mortgage-backed securities (MBS) are a better choice, the idea being to reduce mortgage rates by shrinking the spread between MBS and Treasuries. But mortgage rates are already falling toward 3.5%. With 10-year expected inflation around 2.1%, can a 1.4% real interest rate be deterring many prospective home buyers? No, they are shut out of the market by the unavailability of credit. Posted rates are low, but try getting a mortgage.

The third available weapon is what the Fed calls “forward guidance”—that is, indicating (please don't say promising!) that the 0-25 basis points funds rate will be maintained for years to come. The Fed's current guidance (please don't call it a pledge!) extends “at least through late 2014.” While that's pretty far into the future, the Fed could stretch it to 2015, 2016 or 2025 for that matter.

In rational models, the yield curve should flatten a bit every time the Fed pushes that date out further. But the key words here are “rational” and “a bit.” To most bond traders, two and a half years is already an eternity. Would they really respond much if 2015 replaced 2014?

This brief analysis paints a pretty grim picture: The Fed has three weak weapons, one of which will be exhausted by year's end.

Fortunately, there is more the Fed can do. I have two out-of-the-box suggestions to make, one in today's column and another in a companion piece soon.

The simpler option is one I've been urging on the Fed for more than two years: Lower the interest rate paid on excess reserves. The basic idea is simple. If the Fed reduces the reward for holding excess reserves, banks will hold less of them—which means they will have to find something else to do with the money, such as lending it out or putting it in the capital markets.

The Fed sees this as a radical change. But remember that it paid no interest on reserves before the 2008 crisis and, not surprisingly, banks held practically no excess reserves then. In early October of that year, Congress gave the Fed authority to pay interest on reserves, which it promptly started doing. When the Fed trimmed the federal funds rate to its current 0-25 basis-point range in December 2008, it also lowered the interest rate on reserves to 25 basis points, where it has been ever since.

My suggestion is to push it lower in two stages. First, test the waters by cutting the interest on excess reserves (in Fedpeak, the “IOER”) to zero. Then, if nothing goes wrong, drop it to, say, minus-25 basis points—that is, charge banks a fee for holding their money at the Fed. Doing so would provide a powerful incentive for banks to disgorge some of their idle reserves. True, most of the money would probably find its way into short-term money-market instruments such as fed funds, T-bills and commercial paper. But some would probably flow into increased lending, which is just what the economy needs.

The Fed has steadfastly opposed this idea for years. Why? One objection is true but silly: Lowering the IOER might not be a very

powerful instrument. No kidding. Are there a lot of powerful instruments sitting around unused?

The other objection is that making the IOER zero or negative would push other money-market rates even closer to zero than they are now, thereby hurting money-market funds and otherwise impeding the functioning of money markets. My answer two years ago was that we have more important things to worry about. My answer today is that it has mostly happened anyway: U.S. money-market rates are negligible.

It is noteworthy that the European Central Bank just jumped ahead of the Fed by cutting the rate it pays on bank deposits to zero—and European money markets did not die. Denmark's National Bank went even further, dropping its deposit rate to minus 20 basis points. Yet the Little Mermaid still sits in Copenhagen harbor.

The Fed's hostility toward lowering the interest on excess reserves is almost self-contradictory. When Mr. Bernanke lists the weapons the Fed plans to use when the time comes to tighten monetary policy, he always gives raising the IOER a prominent role. His reasoning is straightforward and sound: If the Fed makes holding reserves more attractive, banks will hold more of them. Why doesn't the same reasoning apply in the other direction?

But suppose it doesn't work. Suppose the Fed cuts the IOER from 25 basis points to minus 25 basis points, and banks don't lend one penny more. In that case, the Fed stops paying banks almost \$4 billion a year in interest and, instead, starts collecting roughly equal fees from banks.

That would be almost an \$8 billion swing from banks to taxpayers. There are worse things.

Mr. Blinder, a professor of economics and public affairs at Princeton University, is a former vice chairman of the Federal Reserve.

ELEANOR LOGAN, LONDON 2012
OLYMPIC ATHLETE

HON. CHELLIE PINGREE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 2012

Ms. PINGREE of Maine. Mr. Speaker, I am pleased to highlight the outstanding accomplishments of a young woman from Maine's First District.

Eleanor Logan has been rowing since 2003. She has shown true dedication to the sport in her training and competition, and has won numerous awards for her rowing, both nationally and internationally. After winning gold in the 8-person shell at the 2008 Beijing Olympics, she set her sights on completing her undergraduate degree from Stanford University while also training for the 2012 U.S. Olympic Team. And now, within weeks, she will be representing our nation in the London Olympics.

I'm very proud to highlight Eleanor's success. She is a shining example of what can be accomplished with opportunity and commitment. Successfully balancing education and training, she has worked tremendously hard to achieve her Olympic dreams.

As Eleanor continues on her journey as an athlete and a leader, she is enabling Maine to shine on the international stage, as well.

Go Team USA!

HONORING DEBRA MALINA, PRESIDENT OF THE AMERICAN ASSOCIATION OF NURSE ANESTHETISTS

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 2012

Ms. SCHAKOWSKY. Mr. Speaker, today I rise to pay tribute to Debra Malina, CRNA, DNSc, MBA. Ms. Malina will soon complete her year as national president of the American Association of Nurse Anesthetists (AANA). I am very pleased that Ms. Malina was tapped as the 2011–2012 President of this prestigious national organization.

Founded in 1931, the AANA is the professional organization that represents more than 44,000 practicing Certified Registered Nurse Anesthetists (CRNAs) and Student Nurse Anesthetists who will become CRNAs. CRNAs are advanced practice registered nurses who administer approximately 32 million anesthetics to patients each year. They work in every setting in which anesthesia is delivered, including hospital surgical suites and obstetrical delivery rooms, ambulatory surgical centers, and the offices of dentists, podiatrists, and all types of specialty surgeons. They also provide acute and chronic pain management services to patients in need of such care. CRNAs provide anesthesia for all types of surgical cases and, in some states, are the sole anesthesia providers in 100% of rural hospitals, ensuring that these facilities can offer their communities obstetrical, surgical, and trauma stabilization services.

The American Association of Nurse Anesthetists is headquartered in my district, and President Malina has served the association extremely well and helped to improve health care for all Americans. A CRNA for 15 years, Ms. Malina received her doctorate in nursing science from the University of Tennessee in Memphis, Tennessee, and her master's degree in business administration from Madison University in Gulfport, Mississippi. Additionally, she earned her master's degree in anesthesiology from Barry University in Miami Shores, Florida and a bachelor's degree in nursing from Florida International University in Miami.

In addition to her current service as AANA President, Ms. Malina has held various leadership positions in the AANA, including President-elect, Treasurer, Region 2 Director, and member of the Finance Committee. Ms. Malina has also served as the AANA Association Management Services director. In addition, she is a former president of the Tennessee Association of Nurse Anesthetists and has served on numerous committees on the state and national levels. She was also an advanced practice nursing member of the Tennessee Board of Nursing.

Adding to her professional accomplishments, Ms. Malina has effectively used her experience in education and CRNA practice to inform the public about the safety, value and cost-effectiveness of CRNA care. During her AANA Presidency, Ms. Malina has played important roles in advocating for the practice of nurse anesthesia and its patients before Medicare and other federal agencies and with members of the Congress of the United States. She has worked tirelessly to promote the facts that CRNAs help make healthcare work better and cost less.

Let me give just two examples of her leadership. The Institute of Medicine reports that 100 million Americans suffer from chronic intractable pain, which costs more than two-thirds of a trillion dollars each year in medical and economic costs. Ms. Malina has demonstrated leadership in urging Medicare to restore direct reimbursement for pain management services provided by CRNAs—a move that will improve care for patients and reduce unnecessary costs. Ms. Malina and her national organization were also crucial in supporting provisions included in the recently-enacted Food and Drug Administration user fee reauthorization to combat critical shortages of anesthesia and other drugs.

Mr. Speaker, I rise to ask my colleagues to join me today in recognizing the outgoing President of the American Association of Nurse Anesthetists, Ms. Debra Malina, CRNA, DNSc, MBA, for her notable career and outstanding achievements.

SOUTHERN PINES IS AN ALL-AMERICA CITY

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 2012

Mr. COBLE. Mr. Speaker, we are excited to report that a city in the Sixth District of North Carolina has been nationally cited for its efforts to promote literacy. This is a prime example of where hard work pays off for Southern Pines, North Carolina. The plan to improve reading through the resources of a coalition of business, government and civic leaders has resulted in Southern Pines being named as an All-America City.

Due to Southern Pines' development of a sensible and sustainable plan to increase grade-level reading proficiency by the end of the third grade, the National Civic League presented Southern Pines with the prestigious All-America City award on July 2, 2012, during the Grade-Level Reading Communities Network Conference and All-America City Award celebration. Southern Pines Library Director Lynn Thompson and her husband Bob Howell, Boys and Girls Club Executive Director Caroline Eddy, as well as PineStraw Magazine's Cos Barnes, accepted the award while representing Southern Pines during the conference in Denver.

With the efforts of leaders in the community such as The Country Bookshop, Southern Pines Public Library, and Boys and Girls Club expanding their summer reading programs, they have renewed the enthusiasm for elementary literacy. "I think the award recognizes what a great community this is to live in," Mayor David McNeill told The Pilot. "I congratulate everyone who has worked so hard on this project, but the kids are the real winners. The efforts that they will put forth to improve their reading skills will benefit them for a lifetime."

Deserving thanks and credit for their hard work and effort towards elementary literacy include Southern Pines Public Library, Boys and Girls Clubs of Sandhills, Moore County Chamber of Commerce, Moore County Literacy Council, Moore County NAACP, Partners for Children and Families, Sandhills Children's Center, and United Way of Moore County.

Also deserving recognition for this prestigious award is Southern Pines Town Manager Reagan Parsons.

On behalf of the citizens of the Sixth District of North Carolina, we congratulate Southern Pines for being named as an All-America City. The city called its campaign, "Southern Pines Grows Great Leaders," and we are thrilled that the National Civic League agrees with us that Southern Pines is a great place to learn and live.

OUR UNCONSCIONABLE NATIONAL DEBT

HON. MIKE COFFMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 2012

Mr. COFFMAN of Colorado. Mr. Speaker, on January 20, 2009, the day President Obama took office, the national debt was \$10,626,877,048,913.08.

Today, it is \$15,882,491,122,065.69. We've added \$5,255,614,073,152.61 to our debt in just over 3 years. This is debt our Nation, our economy, and our children could have avoided with a balanced budget amendment.

IN RECOGNITION OF ERIC UPTAGRAFFT PARTICIPATING IN THE 2012 OLYMPICS

HON. MIKE ROGERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 2012

Mr. ROGERS of Alabama. Mr. Speaker, I ask for the House's attention today to recognize Sgt. 1st Class Eric Uptagrafft. Eric will participate in the 2012 Olympics in London.

Uptagrafft, of Phenix City, Alabama, is the rifle instructor for the U.S. Army Marksmanship Unit. He competed in the 1996 Atlanta Olympics finishing 30th. Uptagrafft spent seven years engineering a new rifle with gunsmiths and through the U.S. Army Marksmanship Unit's custom firearms unit.

Uptagrafft's wife, Sandra, will also be participating in the 2012 London Olympics. The couple will celebrate their anniversary while in London on August 5th.

Mr. Speaker, I offer my congratulations to Eric and best wishes to him and his wife in the Olympics and a happy anniversary.

DR. JOHN EVANS ATTA MILLS

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 2012

Ms. BROWN of Florida. Mr. Speaker, I rise today in remembrance of Dr. John Evans Atta Mills, President of the Republic of Ghana. I was saddened to hear about the untimely death of President Mills. My thoughts, prayers and condolences go to his wife, family and the people of Ghana. The World has lost a leader, visionary and champion for democracy.

President Mills pledged his life to education and the betterment of his beloved Ghana. He