

The order was effective at 2:00 p.m. eastern daylight time on July 20, 2012. I have delegated to the Secretary of the Treasury, in consultation with the Secretary of State, the authority to take such actions, including the promulgation of rules and regulations, and to employ all power's granted to the President by IEEPA as may be necessary to carry out the purposes of the order. All agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of the order.

I am enclosing a copy of the Executive Order I have issued.

BARACK OBAMA,
THE WHITE HOUSE, July 20, 2012.

MESSAGE FROM THE HOUSE

At 2:03 p.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5856. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2013, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 133. Concurrent resolution authorizing the use of the rotunda of the United States Capitol for an event to present the Congressional Gold Medal to Arnold Palmer, in recognition of his service to the Nation in promoting excellence and good sportsmanship in golf.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 2527) to require the Secretary of the Treasury to mint coins in recognition and celebration of the National Baseball Hall of Fame.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 5856. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2013, and for other purposes; to the Committee on Appropriations.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time, and placed on the calendar:

S. 3414. A bill to enhance the security and resiliency of the cyber and communications infrastructure of the United States.

H.R. 5872. An act to require the President to provide a report detailing the sequester required by the Budget Control Act of 2011 on January 2, 2013.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 3420. A bill to permanently extend the 2001 and 2003 tax cuts, to provide for permanent alternative minimum tax relief, and to repeal the estate and generation-skipping transfer taxes, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KERRY, from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

S. 1039. A bill to impose sanctions on persons responsible for the detention, abuse, or death of Sergei Magnitsky, for the conspiracy to defraud the Russian Federation of taxes on corporate profits through fraudulent transactions and lawsuits against Hermitage, and for other gross violations of human rights in the Russian Federation, and for other purposes (Rept. No. 112-191).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. REED (for himself and Mr. GRASSLEY):

S. 3416. A bill to enhance civil penalties under the Federal securities laws, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATCH (for himself and Mr. MCCONNELL):

S. 3417. A bill to amend the Internal Revenue Code of 1986 to temporarily extend tax relief provisions enacted in 2001 and 2003, to provide for temporary alternative minimum tax relief, to extend increased expensing limitations, and to provide instructions for tax reform; to the Committee on Finance.

By Mr. WYDEN:

S. 3418. A bill to amend title 10, United States Code, to require the Secretary of Defense to use only human-based methods for training members of the Armed Forces in the treatment of severe combat injuries; to the Committee on Armed Services.

By Mr. SANDERS (for himself, Mr. LEAHY, Mr. BROWN of Ohio, Mr. BLUMENTHAL, and Mr. AKAKA):

S. 3419. A bill to provide for the establishment of the United States Employee Ownership Bank, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEE (for himself, Mr. RUBIO, Mr. RISCH, Mr. DEMINT, Mr. CORNYN, Mr. VITTER, and Mr. JOHNSON of Wisconsin):

S. 3421. A bill to permanently extend the 2001 and 2003 tax cuts, to provide for permanent alternative minimum tax relief, and to repeal the estate and generation-skipping transfer taxes, and for other purposes; read the first time.

By Mr. SANDERS (for himself, Mr. LEAHY, Mr. BROWN of Ohio, Mr. BLUMENTHAL, and Mr. AKAKA):

S. 3421. A bill to establish an Employee Ownership and Participation Initiative, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. VITTER:

S. 3422. A bill to prohibit the sale of billfish and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. REED (for himself, Mr. LIEBERMAN, and Mr. WHITEHOUSE):

S. 3423. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the

Beaver, Chipuxet, Queen, Wood, and Pawcatuck Rivers in the States of Connecticut and Rhode Island for study for potential addition to the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KERRY (for himself, Mr. LUGAR, Mr. WEBB, Mr. INHOFE, Mr. LIEBERMAN, and Mr. MCCAIN):

S. Res. 524. A resolution reaffirming the strong support of the United States for the 2002 declaration of conduct of parties in the South China Sea among the member states of ASEAN and the People's Republic of China, and for other purposes; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 102

At the request of Mr. MCCAIN, the names of the Senator from Wyoming (Mr. BARRASSO) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 102, a bill to provide an optional fast-track procedure the President may use when submitting rescission requests, and for other purposes.

S. 202

At the request of Mr. PAUL, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 202, a bill to require a full audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks by the Comptroller General of the United States before the end of 2012, and for other purposes.

S. 343

At the request of Mr. BINGAMAN, the name of the Senator from Virginia (Mr. WEBB) was added as a cosponsor of S. 343, a bill to amend Title I of PL 99-658 regarding the Compact of Free Association between the Government of the United States of America and the Government of Palau, to approve the results of the 15-year review of the Compact, including the Agreement Between the Government of the United States of America and the Government of the Republic of Palau Following the Compact of Free Association Section 432 Review, and to appropriate funds for the purposes of the amended PL 99-658 for fiscal years ending on or before September 30, 2024, to carry out the agreements resulting from that review.

S. 387

At the request of Mrs. BOXER, the name of the Senator from Missouri (Mrs. MCCASKILL) was added as a cosponsor of S. 387, a bill to amend title 37, United States Code, to provide flexible spending arrangements for members of uniformed services, and for other purposes.

S. 845

At the request of Mr. ENZI, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S.

845, a bill to amend the Internal Revenue Code of 1986 to provide for the logical flow of return information between partnerships, corporations, trusts, estates, and individuals to better enable each party to submit timely, accurate returns and reduce the need for extended and amended returns, to provide for modified due dates by regulation, and to conform the automatic corporate extension period to long-standing regulatory rule.

S. 866

At the request of Mr. TESTER, the name of the Senator from Missouri (Mrs. MCCASKILL) was added as a cosponsor of S. 866, a bill to amend title 10, United States Code, to modify the per-fiscal year calculation of days of certain active duty or active service used to reduce the minimum age at which a member of a reserve component of the uniformed services may retire for non-regular service.

S. 896

At the request of Mr. BINGAMAN, the name of the Senator from Colorado (Mr. BENNET) was added as a cosponsor of S. 896, a bill to amend the Public Land Corps Act of 1993 to expand the authorization of the Secretaries of Agriculture, Commerce, and the Interior to provide service opportunities for young Americans; help restore the nation's natural, cultural, historic, archaeological, recreational and scenic resources; train a new generation of public land managers and enthusiasts; and promote the value of public service.

S. 933

At the request of Mr. SCHUMER, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 933, a bill to amend the Internal Revenue Code of 1986 to extend and increase the exclusion for benefits provided to volunteer firefighters and emergency medical responders.

S. 996

At the request of Mr. ROCKEFELLER, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. 996, a bill to amend the Internal Revenue Code of 1986 to extend the new markets tax credit through 2016, and for other purposes.

S. 1299

At the request of Mr. MORAN, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 1299, a bill to require the Secretary of the Treasury to mint coins in commemoration of the centennial of the establishment of Lions Clubs International.

S. 1368

At the request of Mr. ROBERTS, the name of the Senator from Illinois (Mr. KIRK) was added as a cosponsor of S. 1368, a bill to amend the Patient Protection and Affordable Care Act to repeal distributions for medicine qualified only if for prescribed drug or insulin.

S. 1372

At the request of Mr. REED, the name of the Senator from Delaware (Mr.

COONS) was added as a cosponsor of S. 1372, a bill to amend the Elementary and Secondary Education Act of 1965 regarding environmental education, and for other purposes.

S. 1460

At the request of Mr. BAUCUS, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 1460, a bill to grant the congressional gold medal, collectively, to the First Special Service Force, in recognition of its superior service during World War II.

S. 1806

At the request of Mrs. BOXER, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1806, a bill to amend the Internal Revenue Code of 1986 to allow taxpayers to designate overpayments of tax as contributions to the homeless veterans assistance fund.

S. 1832

At the request of Mr. ENZI, the name of the Senator from West Virginia (Mr. MANCHIN) was added as a cosponsor of S. 1832, a bill to restore States' sovereign rights to enforce State and local sales and use tax laws, and for other purposes.

S. 1843

At the request of Mr. ISAKSON, the name of the Senator from Illinois (Mr. KIRK) was added as a cosponsor of S. 1843, a bill to amend the National Labor Relations Act to provide for appropriate designation of collective bargaining units.

S. 1911

At the request of Mr. SCHUMER, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1911, a bill to amend the Internal Revenue Code of 1986 to provide recruitment and retention incentives for volunteer emergency service workers.

S. 1929

At the request of Mr. BLUMENTHAL, the name of the Senator from Colorado (Mr. UDALL) was added as a cosponsor of S. 1929, a bill to require the Secretary of the Treasury to mint coins in commemoration of Mark Twain.

S. 1956

At the request of Mr. THUNE, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 1956, a bill to prohibit operators of civil aircraft of the United States from participating in the European Union's emissions trading scheme, and for other purposes.

S. 2093

At the request of Mr. MENENDEZ, the name of the Senator from Connecticut (Mr. BLUMENTHAL) was added as a cosponsor of S. 2093, a bill to establish pilot programs to encourage the use of shared appreciation mortgage modifications, and for other purposes.

S. 2201

At the request of Mr. GRASSLEY, the name of the Senator from Minnesota (Mr. FRANKEN) was added as a cospon-

sor of S. 2201, a bill to amend the Internal Revenue Code of 1986 to extend the renewable energy credit.

S. 2283

At the request of Mr. TESTER, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 2283, a bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to include procedures for requests from Indian tribes for a major disaster or emergency declaration, and for other purposes.

S. 2342

At the request of Mr. TESTER, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 2342, a bill to reform the National Association of Registered Agents and Brokers, and for other purposes.

S. 2620

At the request of Mr. SCHUMER, the name of the Senator from New Hampshire (Mrs. SHAHEEN) was added as a cosponsor of S. 2620, a bill to amend title XVIII of the Social Security Act to provide for an extension of the Medicare-dependent hospital (MDH) program and the increased payments under the Medicare low-volume hospital program.

S. 3248

At the request of Mr. ENZI, the names of the Senator from New York (Mr. SCHUMER) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 3248, a bill to designate the North American bison as the national mammal of the United States.

S. 3290

At the request of Mr. VITTER, the name of the Senator from Florida (Mr. RUBIO) was added as a cosponsor of S. 3290, a bill to prohibit discrimination against the unborn on the basis of sex or gender, and for other purposes.

S. 3325

At the request of Mr. BEGICH, the name of the Senator from Colorado (Mr. BENNET) was added as a cosponsor of S. 3325, a bill to authorize the Secretary of Health and Human Services, acting through the Administrator of the Substance Abuse and Mental Health Services Administration, in coordination with the Secretary of Education, to carry out a 5-year demonstration program to fund mental health first aid training programs at 10 institutions of higher education to improve student mental health.

S. 3352

At the request of Mr. BINGAMAN, the names of the Senator from New Hampshire (Mrs. SHAHEEN) and the Senator from Oregon (Mr. MERKLEY) were added as cosponsors of S. 3352, a bill to amend the Internal Revenue Code of 1986 to improve and extend certain energy-related tax provisions, and for other purposes.

S. 3372

At the request of Mr. WEBB, the names of the Senator from Hawaii (Mr. AKAKA), the Senator from Montana

(Mr. BAUCUS), the Senator from Colorado (Mr. BENNET), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Connecticut (Mr. BLUMENTHAL), the Senator from California (Mrs. BOXER), the Senator from Ohio (Mr. BROWN), the Senator from Washington (Ms. CANTWELL), the Senator from Maryland (Mr. CARDIN), the Senator from Delaware (Mr. CARPER), the Senator from Pennsylvania (Mr. CASEY), the Senator from Delaware (Mr. COONS), the Senator from Illinois (Mr. DURBIN), the Senator from California (Mrs. FEINSTEIN), the Senator from Minnesota (Mr. FRANKEN), the Senator from New York (Mrs. GILLIBRAND), the Senator from North Carolina (Mrs. HAGAN), the Senator from Iowa (Mr. HARKIN), the Senator from Hawaii (Mr. INOUE), the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KERRY), the Senator from Minnesota (Ms. KLOBUCHAR), the Senator from Wisconsin (Mr. KOHL), the Senator from Louisiana (Ms. LANDRIEU), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Vermont (Mr. LEAHY), the Senator from Michigan (Mr. LEVIN), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from West Virginia (Mr. MANCHIN), the Senator from New Jersey (Mr. MENENDEZ), the Senator from Oregon (Mr. MERKLEY), the Senator from Maryland (Ms. MIKULSKI), the Senator from Washington (Mrs. MURRAY), the Senator from Florida (Mr. NELSON), the Senator from Nebraska (Mr. NELSON), the Senator from Arkansas (Mr. PRYOR), the Senator from Rhode Island (Mr. REED), the Senator from Nevada (Mr. REID), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Vermont (Mr. SANDERS), the Senator from New York (Mr. SCHUMER), the Senator from New Hampshire (Mrs. SHAHEEN), the Senator from Michigan (Ms. STABENOW), the Senator from New Mexico (Mr. UDALL), the Senator from Rhode Island (Mr. WHITEHOUSE), and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. 3372, a bill to amend section 704 of title 18, United States Code.

S. 3392

At the request of Mr. BROWN of Ohio, the names of the Senator from Hawaii (Mr. INOUE) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 3392, a bill to amend the Securities Exchange Act of 1934, to require the disclosure of the total number of the domestic and foreign employers of issuers.

S. 3394

At the request of Mr. JOHNSON of South Dakota, the names of the Senator from Alaska (Mr. BEGICH), the Senator from Illinois (Mr. KIRK), the Senator from New Jersey (Mr. MENENDEZ), and the Senator from Florida (Mr. NELSON) were added as cosponsors of S. 3394, a bill to address fee disclosure requirements under the Electronic Fund Transfer Act, to amend the Federal Deposit Insurance Act with re-

spect to information provided to the Bureau of Consumer Financial Protection, and for other purposes.

S. RES. 494

At the request of Mr. CORNYN, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. Res. 494, a resolution condemning the Government of the Russian Federation for providing weapons to the regime of President Bashar al-Assad of Syria.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. REED (for himself and Mr. GRASSLEY):

S. 3416. A bill to enhance civil penalties under the Federal securities laws, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. REED. Today I am introducing bipartisan legislation to address a matter that I explored as chairman of the Banking Subcommittee on Securities, Insurance, and Investment. During a series of hearings, it became increasingly clear to me that in order to protect taxpayers and investors, we need tougher anti-fraud laws and better oversight of Wall Street. Some of these institutions that are "too big to fail" have also become "too big to care." We need to end the cycle of misconduct where such institutions can look at the bottom line and see they can break the law, get caught, pay a nominal fine, and still profit.

At a Securities and Exchange Commission, SEC, oversight hearing I held in November 2011, I asked Robert Khuzami, director of the Division of Enforcement at the SEC, why a recently proposed settlement with Citigroup had been thrown out by a Federal judge in the Southern District of New York, who believed it to be egregiously low. Mr. Khuzami replied that the SEC's ability to assess penalties was actually limited by the statute. In follow-up questions, I directly asked if Congress should consider raising these limits, especially in cases involving repeated offenders. I subsequently received a letter from SEC Chairman Schapiro, and written answers from Mr. Khuzami, supporting the need to raise the limits and make other improvements to the SEC civil enforcement statute.

As a result, I am introducing today with my colleague, Senator CHUCK GRASSLEY, the Stronger Enforcement of Civil Penalties Act of 2012 or the SEC Penalties Act. This bill will strengthen the ability of the SEC to crack down on violations of securities laws by updating its civil penalties statute. This legislation will ensure that the punishment better fits the crime by increasing the statutory limits on civil monetary penalties, directly linking the size of these penalties to the scope of harm and associated investor losses, and substantially raising the financial stakes for repeat offenders of our nation's securities laws.

Our bill will increase the per violation cap for the most egregious securities laws violations to \$1 million per offense for individuals and \$10 million per offense for entities. This will help ensure that the SEC's most severe, or "tier three," penalties will help deter people from engaging in the most serious offenses, rather than have such wrongdoing be viewed as just the cost of doing business. Under existing law, the SEC can only penalize individual securities law violators a maximum of \$150,000 per offense and institutions \$725,000 per offense.

Our bill will also toughen penalties by allowing penalties equal to three times the economic gain of the violator. It also provides a new calculation method that includes the amount of associated investor losses as part of the penalty determination. This should allow the SEC to address situations where the actual economic gain to the violator is relatively small compared to the extent of the wrongdoing or the harm caused to investors.

In the recent case involving Citigroup, existing law did not even entitle the SEC to recover the amount actually lost by investors. Estimated investors losses were about \$700 million, but the SEC proposed to settle the case with Citigroup for only \$285 million. This amount was what was estimated to be close to the total monetary recovery that the SEC itself could have obtained if it had gone to trial. Under our bill, this amount could have been much larger, and would have taken into account the economic gain to Citigroup, in addition to investor losses.

Recent reports have highlighted the level of repeat offenses that have occurred on Wall Street and gone unchecked. The SEC Penalties Act includes two statutory changes that would substantially improve the ability of the SEC's enforcement program to ratchet up penalties as recidivism occurs.

One would allow the SEC to triple the applicable penalty cap for recidivists who, within the preceding five years, have been criminally convicted of securities fraud or been the subject of a judgment or order imposing monetary, equitable, or administrative relief in any action alleging SEC fraud.

The other would allow the SEC to seek a civil penalty if an individual or entity has violated an existing federal court injunction or bar imposed by the SEC. Many believe this approach would be more efficient, effective, and flexible than the current civil contempt remedy.

Finally, under the SEC Penalties Act, the penalty relief available in administrative proceedings will be the same as it is in district court. In essence, the SEC will be able to assess these types of penalties in-house, and not just obtain them in federal court.

Given the JP Morgan trading scandal, issues arising from the Facebook IPO, and the manipulation of LIBOR, it