

have seen firsthand the World War II-era submarines—I was on one of them—and the 50-year-old fighter jets that form the core of Taiwan's military.

Congress has made it clear to the administration that it wants more defense sales and more transfers like this to Taiwan, including transfers to support the modernization of its combat aircraft and its submarine fleet. These four guided missile cruisers would bolster Taiwan's defense to ensure that peace in the Taiwan Strait continues to benefit not just Taiwan, but the entire region.

In addition to supporting Taiwan, this legislation also authorizes the transfer of excess decommissioned naval vessels to Mexico. Mr. VARGAS and I recently returned from Mexico City, and transfers such as these help to support the priorities of the U.S. Navy while strengthening the capability of allies and our close partners to meet our shared maritime security objectives.

Finally, the bill includes a provision requested by the Department of Commerce to ensure that our export control regime will continue to protect sensitive information related to export licensing. In particular, it clarifies that the business confidentiality protections of the lapsed Export Administration Act remain in effect under another provision of the law and will continue to protect information related to export licensing.

This provision will both protect U.S. national security and the competitiveness of American exporters while providing time for Congress and the executive branch to modernize the statutory basis for our export control regime.

While I am disappointed that this measure does not include a provision from the House bill that would have expedited U.S. arms sales to close allies, the committee will continue to promote improvements to the foreign military sales process in the next Congress.

Finally, the bill will also clarify that certain business confidentiality protections of the Export Administration Act will continue to protect the information related to export licensing.

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

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

Mr. Speaker, I rise in strong support of S. 1683, the Naval Vessel Transfer Act. This bill includes many of the provisions in H.R. 3470, which the House passed on April 7 and sent to the other body.

I would like to thank Chairman ROYCE for the bipartisan manner in which the original House bill was drafted, considered by the committee, and passed by the House. With today's action on S. 1683, we finish our work on this important legislation.

In the Taiwan Relations Act, the United States made a commitment to support Taiwan's defensive capability. To that end, this bill authorizes the

President to transfer up to four surplus U.S. naval vessels to Taiwan. In light of China's increasingly aggressive actions in the Pacific region, it is more important than ever to bolster Taiwan's security.

This bill also authorizes a transfer of two surplus naval vessels to Mexico, a critical defense partner of the United States. These vessels will strengthen Mexico's ability to function effectively with the U.S. Navy in joint operations.

Finally, the bill strengthens congressional review of the licensing and shipment of U.S. defense exports. These provisions are necessary in light of the significant regulatory changes now being implemented by the Departments of State, Commerce, and Defense.

The President's Export Control Reform initiative will modernize our system of regulating trade and defense and dual-use items, and appropriate congressional review must continue to be an integral part of the system.

Mr. Speaker, I urge my colleagues to join me in voting for S. 1683 so we can send this legislation to the President for signature into law.

I reserve the balance of my time.

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

Mr. Speaker, earlier this year, the Foreign Affairs Committee held a hearing examining the promises that were made under the Taiwan Relations Act. That was signed 35 years ago, and there are few pieces of legislation related to foreign policy that have been as consequential as Congress stepping in with this act 35 years ago.

It is the steadfast support of the United States Congress that has helped Taiwan become what it is today: a thriving, modern society that strongly respects human rights, the rule of law, and free markets. Passage of this act is a step towards keeping the promises that we made to Taiwan 35 years ago in that Taiwan Relations Act, and I urge my colleagues to support this important legislation.

I reserve the balance of my time.

Mr. VARGAS. In closing, Mr. Speaker, as was said, this bill authorizes a transfer of naval vessels to Taiwan and Mexico, two good friends and partners of the United States. It also makes changes to regulating armed transfers and strengthens congressional oversight of the system.

I would once again like to thank Chairman ROYCE for working with us in a bipartisan manner on this important legislation. I would also like to say that as a freshman Member who may not be serving again on the committee that it was a real honor to serve under the chairman. He in fact acts very bipartisan.

He is a real leader in this country, and I am very proud that he is a Californian. It has been an honor, sir, to serve with you.

Mr. Speaker, I yield back the balance of my time.

Mr. ROYCE. Mr. Speaker, I would say likewise to Mr. VARGAS for his service on the committee.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and pass the bill, S. 1683.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

INSURANCE CAPITAL STANDARDS CLARIFICATION ACT OF 2014

Mr. NEUGEBAUER. Mr. Speaker, I ask unanimous consent that the Committee on Financial Services be discharged from further consideration of the bill (S. 2270) to clarify the application of certain leverage and risk-based requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

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

There was no objection.

The text of the bill is as follows:

S. 2270

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 "Insurance Capital Standards Clarification Act of 2014".

SEC. 2. CLARIFICATION OF APPLICATION OF LEVERAGE AND RISK-BASED CAPITAL REQUIREMENTS.

Section 171 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5371) is amended—

(1) in subsection (a), by adding at the end the following:

“(4) BUSINESS OF INSURANCE.—The term ‘business of insurance’ has the same meaning as in section 1002(3).

“(5) PERSON REGULATED BY A STATE INSURANCE REGULATOR.—The term ‘person regulated by a State insurance regulator’ has the same meaning as in section 1002(22).

“(6) REGULATED FOREIGN SUBSIDIARY AND REGULATED FOREIGN AFFILIATE.—The terms ‘regulated foreign subsidiary’ and ‘regulated foreign affiliate’ mean a person engaged in the business of insurance in a foreign country that is regulated by a foreign insurance regulatory authority that is a member of the International Association of Insurance Supervisors or other comparable foreign insurance regulatory authority as determined by the Board of Governors following consultation with the State insurance regulators, including the lead State insurance commissioner (or similar State official) of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the National Association of Insurance Commissioners, where the person, or its principal United States insurance affiliate, has its principal place of business or is domiciled, but only to the extent that—

“(A) such person acts in its capacity as a regulated insurance entity; and

“(B) the Board of Governors does not determine that the capital requirements in a specific foreign jurisdiction are inadequate.

“(7) CAPACITY AS A REGULATED INSURANCE ENTITY.—The term ‘capacity as a regulated insurance entity’—

“(A) includes any action or activity undertaken by a person regulated by a State insurance regulator or a regulated foreign subsidiary or regulated foreign affiliate of such person, as those actions relate to the provision of insurance, or other activities necessary to engage in the business of insurance; and

“(B) does not include any action or activity, including any financial activity, that is not regulated by a State insurance regulator or a foreign agency or authority and subject to State insurance capital requirements or, in the case of a regulated foreign subsidiary or regulated foreign affiliate, capital requirements imposed by a foreign insurance regulatory authority.”; and

(2) by adding at the end the following new subsection:

“(c) CLARIFICATION.—

“(1) IN GENERAL.—In establishing the minimum leverage capital requirements and minimum risk-based capital requirements on a consolidated basis for a depository institution holding company or a nonbank financial company supervised by the Board of Governors as required under paragraphs (1) and (2) of subsection (b), the appropriate Federal banking agencies shall not be required to include, for any purpose of this section (including in any determination of consolidation), a person regulated by a State insurance regulator or a regulated foreign subsidiary or a regulated foreign affiliate of such person engaged in the business of insurance, to the extent that such person acts in its capacity as a regulated insurance entity.

“(2) RULE OF CONSTRUCTION ON BOARD’S AUTHORITY.—This subsection shall not be construed to prohibit, modify, limit, or otherwise supersede any other provision of Federal law that provides the Board of Governors authority to issue regulations and orders relating to capital requirements for depository institution holding companies or nonbank financial companies supervised by the Board of Governors.

“(3) RULE OF CONSTRUCTION ON ACCOUNTING PRINCIPLES.—

“(A) IN GENERAL.—A depository institution holding company or nonbank financial company supervised by the Board of Governors of the Federal Reserve that is also a person regulated by a State insurance regulator that is engaged in the business of insurance that files financial statements with a State insurance regulator or the National Association of Insurance Commissioners utilizing only Statutory Accounting Principles in accordance with State law, shall not be required by the Board under the authority of this section or the authority of the Home Owners’ Loan Act to prepare such financial statements in accordance with Generally Accepted Accounting Principles.

“(B) PRESERVATION OF AUTHORITY.—Nothing in subparagraph (A) shall limit the authority of the Board under any other applicable provision of law to conduct any regulatory or supervisory activity of a depository institution holding company or nonbank financial company supervised by the Board of Governors, including the collection or reporting of any information on an entity or group-wide basis. Nothing in this paragraph shall excuse the Board from its obligations to comply with section 161(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5361(a)) and section 10(b)(2) of the Home Owners’ Loan Act (12 U.S.C. 1467a(b)(2)), as appropriate.”.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VENEZUELA DEFENSE OF HUMAN RIGHTS AND CIVIL SOCIETY ACT OF 2014

Ms. ROS-LEHTINEN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2142) to impose targeted sanctions on persons responsible for violations of human rights of antigovernment protesters in Venezuela, to strengthen civil society in Venezuela, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

S. 2142

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 “Venezuela Defense of Human Rights and Civil Society Act of 2014”.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The Central Bank of Venezuela and the National Statistical Institute of Venezuela stated that the annual inflation rate in Venezuela in 2013 was 56.30, the highest level of inflation in the Western Hemisphere and the third highest level of inflation in the world behind South Sudan and Syria.

(2) The Central Bank of Venezuela and the Government of Venezuela have imposed a series of currency controls that has exacerbated economic problems and, according to the World Economic Forum, has become the most problematic factor for doing business in Venezuela.

(3) The Central Bank of Venezuela declared that the scarcity index of Venezuela reached 29.4 percent in March 2014, which signifies that fewer than one in 4 basic goods is unavailable at any given time. The Central Bank has not released any information on the scarcity index since that time.

(4) Since 1999, violent crime in Venezuela has risen sharply and the Venezuelan Violence Observatory, an independent nongovernmental organization, found the national per capita murder rate to be 79 per 100,000 people in 2013.

(5) The international nongovernmental organization Human Rights Watch recently stated, “Under the leadership of President Chávez and now President Maduro, the accumulation of power in the executive branch and the erosion of human rights guarantees have enabled the government to intimidate, censor, and prosecute its critics.”

(6) The Country Reports on Human Rights Practices for 2013 of the Department of State maintained that in Venezuela “the government did not respect judicial independence or permit judges to act according to the law without fear of retaliation” and “the government used the judiciary to intimidate and selectively prosecute political, union, business, and civil society leaders who were critical of government policies or actions”.

(7) The Government of Venezuela has detained foreign journalists and threatened and expelled international media outlets operating in Venezuela, and the international nongovernmental organization Freedom House declared that Venezuela’s “media climate is permeated by intimidation, sometimes including physical attacks, and strong antimedia rhetoric by the government is common”.

(8) Since February 4, 2014, the Government of Venezuela has responded to antigovernment protests with violence and killings perpetrated by its public security forces.

(9) In May 2014, Human Rights Watch found that the unlawful use of force perpetrated

against antigovernment protesters was “part of a systematic practice by the Venezuelan security forces”.

(10) As of September 1, 2014, 41 people had been killed, approximately 3,000 had been arrested unjustly, and more than 150 remained in prison and faced criminal charges as a result of antigovernment demonstrations throughout Venezuela.

(11) Opposition leader Leopoldo Lopez was arrested on February 18, 2014, in relation to the protests and was unjustly charged with criminal incitement, conspiracy, arson, and property damage. Since his arrest, Lopez has been held in solitary confinement and has been denied 58 out of 60 of his proposed witnesses at his ongoing trial.

(12) As of September 1, 2014, not a single member of the public security forces of the Government of Venezuela had been held accountable for acts of violence perpetrated against antigovernment protesters.

SEC. 3. SENSE OF CONGRESS REGARDING ANTIGOVERNMENT PROTESTS IN VENEZUELA AND THE NEED TO PREVENT FURTHER VIOLENCE IN VENEZUELA.

It is the sense of Congress that—

(1) the United States aspires to a mutually beneficial relationship with Venezuela based on respect for human rights and the rule of law and a functional and productive relationship on issues of public security, including counternarcotics and counterterrorism;

(2) the United States supports the people of Venezuela in their efforts to realize their full economic potential and to advance representative democracy, human rights, and the rule of law within their country;

(3) the chronic mismanagement by the Government of Venezuela of its economy has produced conditions of economic hardship and scarcity of basic goods and foodstuffs for the people of Venezuela;

(4) the failure of the Government of Venezuela to guarantee minimal standards of public security for its citizens has led the country to become one of the most violent and corrupt in the world;

(5) the Government of Venezuela continues to take steps to remove checks and balances on the executive, politicize the judiciary, undermine the independence of the legislature through use of executive decree powers, persecute and prosecute its political opponents, curtail freedom of the press, and limit the free expression of its citizens;

(6) Venezuelans, responding to ongoing economic hardship, high levels of crime and violence, and the lack of basic political rights and individual freedoms, have turned out in demonstrations in Caracas and throughout the country to protest the failure of the Government of Venezuela to protect the political and economic well-being of its citizens; and

(7) the repeated use of violence perpetrated by the National Guard and security personnel of Venezuela, as well as persons acting on behalf of the Government of Venezuela, against antigovernment protesters that began on February 4, 2014, is intolerable and the use of unprovoked violence by protesters is also a matter of serious concern.

SEC. 4. UNITED STATES POLICY TOWARD VENEZUELA.

It is the policy of the United States—

(1) to support the people of Venezuela in their aspiration to live under conditions of peace and representative democracy as defined by the Inter-American Democratic Charter of the Organization of American States;

(2) to work in concert with the other member states within the Organization of American States, as well as the countries of the European Union, to ensure the peaceful resolution of the current situation in Venezuela