

these mistakes. This report, and the work of the staff, is an outstanding example of the constitutional oversight role that the Senate can and should play.

I want to particularly thank David Grannis, the committee's staff director and Daniel Jones, the lead staffer and author of much of the report. Many other committee staffers past and present participated in producing the report including: Evan Gottesman, Chad Tanner, Alissa Starzak, Nate Adler, Jennifer Barrett, Nick Basciano, Michael Buchwald, Jim Catella, Eric Chapman, John Dickas, Lorenzo Goco, Andrew Grotto, Tressa Guenov, Clete Johnson, Michael Noblet, Michael Pevzner, Tommy Ross, Caroline Tess, James Wolfe, and Andy Johnson.

REMEMBERING JUDY BAAR TOPINKA

Mr. DURBIN. Mr. President, today I pay tribute to one of Illinois' great pioneers, State Comptroller Judy Baar Topinka. Judy passed away suddenly last night at the age of 70. She was the only woman in our State to hold two State constitutional offices, and her leadership built bridges for countless women.

Born in 1944 to William and Lillian Baar, Judy and her family lived in Riverside, near Cicero and Berwyn, two blue-collar Chicago suburbs. Her mother ran a real estate business while her father fought in World War II. She went to Northwestern University and graduated with a degree in journalism from the university's Medill School in 1966.

Judy became a reporter for a suburban Chicago newspaper chain and rose through the ranks to editor. But in 1980, she decided to run for the Illinois House. She said she ran because the corrupt officials were ignoring the community.

Her trademark humor and her work ethic served her well and she went to serve as State senator from 1985 until 1995. In 1994, she became the first woman in Illinois history to hold the post of State treasurer and then went on to set another first as the only State treasurer to be reelected to three consecutive terms. Judy was a consummate public servant. A few weeks ago, she was re-elected as State comptroller and was about to start her second term.

Judy never shied away from taking tough stands or making the hard decisions. When it was not popular among many in her party, she was an advocate of women's rights and gay rights. When both parties needed to be held accountable, she was fearless. She was always a straight talker.

She was one of a kind. Judy could play the accordion, and she spoke four languages—English, Czech, Spanish, and Polish. She loved dance polkas and really was Illinois' Polka Queen. Anyone who knew her also knew about her beloved dogs and their preference for

McDonald's cheeseburgers. In an era where far too many are stuck on talking points, Judy said what she thought and did it with style.

In a political world of cocker spaniels she could be a bulldog taking a bite out of both Democrats and right-wing Republicans without missing a beat. She was a blue-collar, immigrants' kid who lit up the room with her quick wit and boundless energy.

Illinois lost someone special. My prayers and thoughts go out to her son Joseph, her new granddaughter Alexandra Faith, and the rest of her family.

NOMINATION OF THO DINH-ZARR

Mr. CORNYN. Mr. President, today I address the Senate on the nomination of Dr. Tho "Bella" Dinh-Zarr of Texas to be a Member of the National Transportation Safety Board, NTSB.

Dr. Dinh-Zarr is uniquely qualified to serve as a Member of the NTSB. Dr. Dinh-Zarr currently holds the position of Director of the U.S. office of the FIA Foundation, an independent nonprofit charity based in the United Kingdom which supports activities that promote international road safety research and sustainable mobility. I have been informed that, prior to assuming her current role, Dr. Dinh-Zarr also served as the Foundation's Road Safety Director from 2007–2014. Dr. Dinh-Zarr has extensive professional experience with traffic and highway safety issues, working previously as Director of North America's Make Roads Safe Campaign for Global Road Safety, a scientist at the National Highway and Traffic Safety Administration, and as National Director of Traffic Safety Policy for the American Automobile Association.

I would like to highlight some of Dr. Dinh-Zarr's connections to our shared home State of Texas—in particular, her education and work experience at some of our well-known academic and research institutions. Dr. Dinh-Zarr and her family escaped Vietnam in 1975, eventually taking up residence along the Gulf Coast in Galveston, TX. From an early age, Dr. Dinh-Zarr developed an awareness of the region's extensive multi-modal transportation network and the importance of rail, marine, and pipeline safety in her community. One of her first jobs was working at the Galveston Railroad Museum, an institution dedicated to preserving the region's storied history of rail transportation through educational exhibits and programs. Dr. Dinh-Zarr earned both a Masters of Public Health and a Ph.D. in Health Policy and Injury Prevention from the University of Texas School of Public Health. She is a graduate of Rice University and worked as a Research Associate at the Texas A&M Transportation Institute, TTI, widely recognized as one of the premier transportation research agencies in the country.

The NTSB plays a critical role in advancing transportation safety. The

agency is charged with investigating transportation-related accidents and making recommendations aimed at preventing future events. In order to best meet its goal of improving safety across our Nation's transportation system, the NTSB must ensure safety recommendations are reasonable, balanced and evidence-based. The agency's investigative and advocacy responsibilities must be considered in light of the unique and diverse safety challenges confronting our States, where innovative and tailored solutions can often more effectively reduce or eliminate the likelihood of future incidents or injury versus a one-size-fits-all approach. Toward this end, NTSB must place a high priority on transparency and accountability, working to ensure communities, individuals, small businesses, and all others impacted by its work are provided adequate opportunities to be heard.

I am confident that Dr. Dinh-Zarr is up to the challenge. She will not only bring to the position a wealth of knowledge and experience, but also a Texan's sense of compassion and dedication to the service of others. I am pleased to join her friends and family, members of Vietnamese American community in Texas and across the country, and many others in support of this well-qualified nominee.

INSURANCE CAPITAL STANDARDS CLARIFICATION ACT OF 2014

Ms. COLLINS. I ask unanimous consent to engage in a colloquy with Senators BROWN and JOHANNIS.

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

Ms. COLLINS. Mr. President, in June of this year the Senate passed by unanimous consent, S. 2270, urgent legislation I introduced with Senators BROWN and JOHANNIS to address the capital requirements that apply to insurance companies under Federal supervision pursuant to the Dodd-Frank Act. This legislation clarifies the Federal Reserve's authority to recognize the distinctions between banking and insurance when implementing section 171 of the Dodd-Frank Act, ensuring that bank-centric capital standards are not applied to such companies' regulated insurance activities.

One of the central elements of the Dodd-Frank Act was stronger capital rules for both banks and certain non-bank financial institutions. Two sections of the Dodd-Frank Act accomplished this—section 165, which applies to large bank holding companies and to non-bank systemically important financial institutions, SIFIs, and section 171, which applies minimum capital standards to insured depository institutions, depository institution holding companies, including insurance savings and loan holding companies, and to SIFIs.

Insurance companies, specifically insurance savings and loan holding companies, are different from banks. Insurers must match long-term obligations

to their policyholders with long-term assets, mostly bonds, while banks have more callable obligations—securities and loans and mortgages—and fund them with deposits as well as a mix of debt and equity of varying maturities and durations. The Dodd-Frank legislation reflected this reality, both in its text and in the legislative history, which repeatedly recognizes that the business of insurance is unique and presents different risks.

Mr. BROWN. I and other original cosponsors and strong supporters of S. 2270 have, like you, been disappointed by the regulators' failure to recognize that they have the authority to implement the Collins amendment as it applies to insurers in a manner that tailors the capital requirements for insurers to reflect the substantial differences between insurers and depository institutions. We continue to believe that the regulators could solve this problem using their existing authority. This legislation shows that there is strong bipartisan support for addressing this issue. As you know, 31 of your colleagues and I cosponsored the bill, and the legislation passed the Senate with unanimous support in early June.

S. 2270 is narrowly crafted to only address this issue as it relates to insurance companies and insurance savings and loan holding companies. If you are a bank, or another entity that owns a bank, you will be subject to the full force of the Collins amendment for your banking activities. At the same time, if you are a financial organization engaged in insurance which is also engaged in bank activities, including derivatives market making, those activities would be subject to the Collins amendment.

To accomplish the goal of directing the Federal Reserve to tailor rules for insurance, our legislation permits the Federal Reserve to create a non-Basel III regime for the insurance operations of supervised entities. The legislation allows the Fed to work with State insurance regulators to develop appropriate insurance-based capital standards for insurance activities.

Mr. JOHANNIS. I am an original cosponsor of this legislation and appreciate your long-standing partnership on this issue. The bill clarifies that, in establishing the minimum leverage capital and risk-based capital standards under section 171, the Federal Reserve Board is not required to include activities or companies that are engaged in the business of insurance and are subject to State insurance regulation, including State insurance capital requirements. Similarly, regulated foreign affiliates or subsidiaries engaged in the business of insurance and subject to foreign insurance regulation and foreign insurance capital requirements that have not been deemed to be inadequate also may be excluded from section 171 capital standards. We believe it is worth noting that the Government Accountability Office found

that the State risk-based capital rules performed well during the financial crisis.

The bill allows the insurance capital requirements that have been effective to continue to determine the capital requirements for the activities of insurance companies and groups that are supervised by the Federal Reserve Board. Furthermore, activities of a holding company supervised by the Federal Reserve Board that are not the business of insurance would remain subject to the capital standards under section 171. In determining insurance versus non-insurance activities of a supervised entity, the legislation provides regulators with the flexibility to tailor the rules for certain affiliates or subsidiaries of insurance companies that are necessary to the business of insurance, including, for example, affiliates or subsidiaries that support insurance company general and separate accounts.

Our legislation defines "business of insurance" by reference to section 1002 of the Dodd-Frank Act, and under this definition the business of insurance means "the writing of insurance or the reinsuring of risks by an insurer, including all acts necessary to such writing or reinsuring and the activities relating to the writing of insurance or the reinsuring of risks conducted by persons who act as, or are, officers, directors, agents, or employees of insurers or who are other persons authorized to act on behalf of such persons." The reference to this definition of the "business of insurance" will help ensure that insurance activities of federally supervised companies are subject to tailored capital rules, whether those activities are undertaken by the insurance companies themselves or by their affiliates or subsidiaries on their behalf.

Ms. COLLINS. We also want to ensure that the Federal Reserve uses its authority to tailor capital rules for insurance operations of entities under its supervision, regardless of the size of the subsidiary insured depository institution. As we have stated, under this legislation and under current law, the Basel banking regime and the Collins amendment requirements will continue to apply to all insured depository institutions. It would be at odds with sound public policy and the intent of this legislation for the Federal Reserve to impose a Basel banking capital regime on the entire enterprise of an insurer that happens to also own a sizable insured depository institution—the depository institution in that operation will already be subject to banking rules, but the insurance operations should not be.

Mr. BROWN. Another important provision of our legislation addresses the issue of insurance accounting for a small number of non-publicly traded insurance companies. While every publicly traded company in the United States is required by the Federal Securities laws to prepare consolidated financial statements under Generally

Accepted Accounting Principles, GAAP, all insurance companies in the United States—whether in mutual or stock form of organization—are required by their State insurance regulators to utilize an accounting method known as Statutory Accounting. Indeed, most mutual insurance companies only use Statutory Accounting in preparing their financial statements.

Statutory Accounting Principles, SAP, are generally more conservative than GAAP because they are specifically designed to promote insurer solvency and the ability to pay claims instead of measuring an insurer's value as a going concern. SAP does not allow a number of non-liquid or intangible assets to be included on an insurer's balance sheet and provides less favorable accounting treatment for certain expenses. In both the text of the Dodd-Frank Act and its legislative history, Congress recognized the acceptability of SAP for holding companies engaged in insurance activities coming under Federal Reserve jurisdiction. Specifically, Congress 1) directed the Federal Reserve to rely on existing reports and information provided to State and other regulators (which for insurance companies would have been prepared according to SAP); and 2) included Senate report language stating that Federal Reserve assumption of jurisdiction over savings and loan holding companies engaged in the business of insurance did not reflect a mandate to impose GAAP. However, in proposed rulemakings, the Federal Reserve expressed its intention to require all companies to eventually prepare GAAP financial statements—consistent with their existing model for all bank holding companies. Imposing such a mandate on companies using only SAP would cost insurers a substantial amount to take on multi-year financial projects yielding minimal, if any, supervisory benefit to regulators.

S. 2270 makes clear that under Section 171 of the Dodd-Frank Act and the Home Owners' Loan Act, such a mandate is inappropriate where the holding company is a non-publicly traded insurance company that is only required to prepare and file SAP statements. Nothing in this provision prevents the Federal Reserve from obtaining any information it is otherwise entitled to obtain from a SAP-only insurer.

Ms. COLLINS. Mr. President, I and the many other supporters of S. 2270 are pleased that this legislation has passed the Senate. It is critical that this legislation be enacted this year. We look forward to its enactment this year and working with regulators as they implement appropriate, tailored capital rules for insurers under their supervision.

NEWBORN SCREENING SAVES LIVES REAUTHORIZATION ACT

Mr. HATCH. Mr. President, I applaud the passage of the Newborn Screening Saves Lives Reauthorization Act.