Ms. JENKINS of Kansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today, I rise in support of H.R. 3635, the Local Coverage Determination Clarification Act. I introduced this legislation along with Congressman KIND, which will help ensure the Medicare coverage decisions are made by qualified health experts through a transparent process that is based on sound medical evidence.

Medicare administrative contractors, or MACs, play a critical role in ensuring that Medicare beneficiaries have access to needed care. However, the less-than-transparent process used by MACs to make coverage decisions can limit or deny patients' access to necessary care.

Specifically, the science that guides some of these decisions can be flawed, mischaracterized, or misapplied. The deliberations and decisions of the MACs, which should be based on medical science, are often conducted behind closed doors, with little opportunity for interested stakeholders to raise issues or offer alternatives. These decisions affect millions of Medicare beneficiaries and impact crucial access to innovative technologies and services.

The establishment of a clear process informed by health experts will make the local coverage determination, or LCD, process and the decisions developed by that process more sound, more transparent, and ensure accountability among MACs. These requirements are necessary to ensure that our Nation's seniors receive quality healthcare treatment.

Specifically, H.R. 3635 would improve the LCD process by requiring that carrier advisory committee meetings of the MAC are open, public, and on the record, with minutes taken and posted to the MAC's website for public inspection. The gravity of limiting or precluding coverage for both beneficiaries and practitioners heightens the need for transparency, especially when such meetings are currently closed off.

MACs would be required to include, at the outset of the coverage determination process, a description of the evidence a MAC considered when drafting a local coverage determination as well as the rationale it relies on to deny coverage.

Additionally, under current rules, local coverage determinations are essentially unreviewable once they become final. This legislation would create a process for stakeholders to request additional review of a MAC's local coverage decision from the Centers for Medicare and Medicaid Services.

It would also require the Secretary to submit a report to Congress regarding the number of requests filed with fiscal intermediaries and carriers and the number of appeals filed with the Secretary, as well as the actions in response. Additionally, the report would recommend ways to improve the usefulness and efficiency of the process as well as the communication with Medicare beneficiaries and providers.

While I am pleased that the legislation we have here today takes steps to improve the process and bring transparency to protect access for Medicare patients, we must continue to work to ensure that MACs independently evaluate the evidence of other MACs' coverage decisions. Local coverage determinations should be thoroughly evaluated by experts in each local jurisdiction.

Currently, loopholes in the process allow contractors to adopt another MAC's coverage determination without the necessary scientific rigor and meaningful engagement with stakeholders that is vital in forming the most appropriate policy. Due to regional, geographic, and population-based deficiencies, these carbon-copied LCDs may not reflect the specific geographic region they are intended to serve. Local coverage determinations should be just that—local.

Put simply, what works best for one location does not always work best for another location. Applying local coverage determinations across jurisdictions has the practical effect of establishing national coverage policies without having followed the more rigorous national coverage determination process. As such, I look forward to working with my colleagues on this issue, moving forward.

Medicare beneficiaries deserve transparency and accountability for these decisions that directly impact their access to care. These reforms are necessary to ensure that local coverage determinations do not impede a physician's medical judgment and deny patients access to medically necessary care. By changing the LCD process, Congress can ensure that medical and scientific evidence is not used selectively to deny appropriate coverage to seniors.

I want to thank Mr. KIND, who joined me in introducing this legislation.

I want to ask my colleagues for their bipartisan support of this bill as we work to improve access and care for every American.

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

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

Mr. Speaker, my colleague has well described the purpose of this legislation. As she indicated, the bill establishes a timeline through which MACs must publish proposed LCDs online. She described what they are so the public can be sure what MACs and LCDs are.

It would further require public meetings to review draft determinations and ensure expert input is being sought on all proposals.

The bill also provides that stakeholders and beneficiaries, as she mentioned, may request reconsideration of LCDs and that MACs must respond to these requests.

These are small but useful improvements to the local coverage determination process. It will help improve transparency and ensure that appropriate coverage determinations are made for Medicare beneficiaries.

Mr. Speaker, I am pleased to indicate support for this bill, and I yield back the balance of my time.

Ms. JENKINS of Kansas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in closing, I am proud to stand here today in support of this commonsense legislation that creates transparency and accountability to the local coverage determinations process and will help ensure that Medicare patients receive the medical care they need.

Mr. Speaker, I hope everyone will join me in voting for this legislation on the House floor today as we work to improve access and care for every American, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Kansas (Ms. JENKINS) that the House suspend the rules and pass the bill, H.R. 3635, as amended.

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

A motion to reconsider was laid on the table.

□ 1530

STATE INSURANCE REGULATION PRESERVATION ACT

Mr. ROTHFUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5059) to amend the Home Owners' Loan Act with respect to the registration and supervision of insurance savings and loan holding companies, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5059

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 ''State Insurance Regulation Preservation Act''.

SEC. 2. SUPERVISION OF INSURANCE SAVINGS AND LOAN HOLDING COMPANIES.

(a) DEFINITIONS.—Section 10(a)(1) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(1)) is amended by inserting at the end the following:

''(K) DOMICILE.—The term 'domicile' means the State in which an insurance underwriting company or the holding company for such company is incorporated, chartered, or organized.

''(L) BUSINESS OF INSURANCE.—The term 'business of insurance' means any activity that is regulated in accordance with the relevant State insurance laws and regulations, including the writing of insurance and the reinsuring of risks.

''(M) INSURANCE SAVINGS AND LOAN HOLDING COMPANY.—The term 'insurance savings and loan holding company' means—

''(i) a savings and loan holding company with 75 percent or more of its total consolidated assets in an insurance underwriting company (or insurance underwriting companies), other than assets associated with insurance for credit risk, during the 4 most recent consecutive quarters, as calculated in accordance with Generally Accepted Accounting Principles or the Statutory Accounting Principles in accordance with State law;

''(ii) a company that—

''(I) was a savings and loan holding company as of July 21, 2010, and through date of enactment of this clause; and

''(II) was not subject to the Basel III capital regulation promulgated by the Board of Governors of the Federal Reserve System and the Comptroller of the Currency on October 11, 2013 (78 Fed. Reg. 62018), because the savings and loan holding company held 25 percent or more of its total consolidated assets in subsidiaries that are insurance underwriting companies (other than assets associated with insurance for credit risk); or

''(iii) a top-tier savings and loan holding company that—

''(I) was registered as a savings and loan holding company before July 21, 2010; and

''(II) is a New York not-for-profit corporation formed for the purpose of holding the stock of a New York insurance company.

''(N) INSURANCE UNDERWRITING COMPANY.—The term 'insurance underwriting company' means an insurer that is subject to regulation by a State insurance authority of the insurer's domicile.

''(O) STATE INSURANCE AUTHORITY.—The term 'State insurance authority' means the State insurance authority of the State in which an insurance underwriting company or holding company for such company is domiciled.

''(P) TOP-TIER SAVINGS AND LOAN HOLDING COMPANY.—The term 'top-tier savings and loan holding company' means the ultimate parent company in a savings and loan holding company structure.''.

(b) REGISTRATION.—Section 10(b)(1) of the Home Owners' Loan Act (12 U.S.C. 1467a(b)(1)) is amended by inserting at the end the following new sentence:

''A savings and loan holding company that is an insurance savings and loan holding company shall register as an insurance savings and loan holding company.''.

(c) REPORTS.—Section 10(b)(2) of the Home Owners' Loan Act (12 U.S.C. 1467a(b)(2)) is amended by adding at the end the following new subparagraph:

''(D) INSURANCE SAVINGS AND LOAN HOLDING COMPANIES.—The Board, to the fullest extent possible, shall request reports and other information filed by insurance savings and loan holding companies and any insurance underwriting company that is a subsidiary of such company with other Federal authorities and the State insurance authority for such company before requesting such reports or information from the insurance savings and loan holding company or any insurance underwriting company that is a subsidiary of such company.

''(E) RULE OF CONSTRUCTION.—Nothing in this section may be construed as prohibiting the Board from requesting reports and other information that is not otherwise collected and shared with other Federal or State authorities.''.

(d) BOOKS AND RECORDS.—Section 10(b)(3) of the Home Owners' Loan Act (12 U.S.C. 1467a(b)(3)) is amended—

(1) by striking ''Each'' and inserting the following:

''(A) IN GENERAL.—Each''; and

(2) by inserting at the end the following new subparagraph:

''(B) INSURANCE SAVINGS AND LOAN HOLDING COMPANIES.—The Board, to the fullest extent possible, shall align any prescribed recordkeeping requirements for an insurance savings and loan holding company with the recordkeeping requirements imposed by the State insurance authority of such company and any insurance underwriting company that is a subsidiary of such company.''.

(e) EXAMINATIONS.—Section 10(b)(4)(C) of the Home Owners' Loan Act (12 U.S.C.1467a(b)(4)(C)) is amended—

(1) in clause (i), by striking the word ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new clause:

''(iii) INSURANCE SAVINGS AND LOAN HOLDING COMPANIES.—

''(I) COORDINATION.—The Board, to the fullest extent possible, shall coordinate examinations of an insurance savings and loan holding company in conjunction with the State insurance authority of such company and any insurance underwriting company that is a subsidiary of such company and other State and Federal authorities in order to minimize the potential for duplication and conflict between the examinations conducted by the Board and the examinations conducted by other State and Federal authorities.

''(II) SCOPE AND FREQUENCY.—Following public notice and comment, the Board shall establish a schedule for the frequency and the scope of examinations of insurance savings and loan holding companies that is consistent with the supervisory framework required by paragraph (7).''.

(f) SUPERVISION.—Section 10(b) of the Home Owners' Loan Act (12 U.S.C. 1467a(b)) is amended by inserting at the end the following new paragraph:

''(7) INSURANCE SAVINGS AND LOAN HOLDING COMPANIES.—

''(A) TAILORED SUPERVISION.—The Board, by rule, shall establish a supervisory framework for insurance savings and loan holding companies that—

''(i) is tailored to the unique risks, operations, and activities of insurance savings and loan holding companies; and

''(ii) to the fullest extent possible, and consistent with the safe and sound operation of insurance savings and loan holding companies, does not unnecessarily duplicate the supervision of insurance underwriting companies by the State insurance authorities for such companies or insurance underwriting companies that are subsidiaries of such companies.

''(B) REVIEW OF SUPERVISORY GUIDANCE.—Following public notice and comment, the Board shall review and revise supervisory policy letters and guidance applicable to insurance savings and loan holding companies to ensure that such letters and guidance are not inconsistent with the supervisory framework required by this paragraph.''.

SEC. 3. ASSESSMENTS AND FEES FOR INSURANCE SAVINGS AND LOAN HOLDING COMPANIES.

Section 11(s) of the Federal Reserve Act (12 U.S.C. 248(s)), which relates to assessments and fees, is amended by inserting at the end the following new paragraph:

''(4) EXCLUDED ASSETS.—For purposes of paragraph (2)(B), the total consolidated assets of an insurance savings and loan holding company, as defined in section 10(a)(1)(L) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(1)(L)), shall not include assets attributable to the business of insurance conducted by such company or any affiliate of such company, other than assets associated with insurance for credit risk.''.

SEC. 4. IMPLEMENTATION.

(a) IMPLEMENTATION OF SUPERVISORY FRAMEWORK.—The Board shall establish the supervisory framework required by section 10(b)(7) of the Home Owners' Loan Act (12 U.S.C. 1467a(b)(7)), as added by this Act, within 24 months of the date of enactment of this Act.

(b) REVIEW OF SUPERVISORY GUIDANCE.—The Board shall complete the review of supervisory policy letters and policy guidance required by section 10(b)(7) of the Home Owners' Loan Act (12 U.S.C. 1467a(b)(7)), as added by this Act, within 30 months of the date of enactment of this Act.

(c) REPORT TO CONGRESS.—The Board, no later than 36 months after the date of enactment of this Act, shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the implementation of this Act.

(d) BOARD DEFINED.—As used in this section, the term ''Board'' means the Board of Governors of the Federal Reserve System.

SEC. 5. RELATIONSHIP TO OTHER LAWS.

This Act and the amendments made by this Act shall not limit any authority over insurance savings and loan holding companies (as defined under section 10(a)(1) of the Home Owners' Loan Act) that is provided by a Federal law other than the Home Owners' Loan Act.

SEC. 6. RULEMAKING AUTHORITY.

The Board may issue regulations and orders as may be necessary to—

(1) administer and carry out this Act and the amendments made by this Act; and

(2) prevent evasions of this Act and the amendments made by this Act.

SEC. 7. RULE OF CONSTRUCTION.

Nothing in this Act or the amendments made by this Act may be construed to affect the authority of the Board of Governors of the Federal Reserve System over any subsidiary of an insurance savings and loan holding company that is not an insurance underwriting company (as such terms are defined, respectively, under section 10(a)(1) of the Home Owners' Loan Act).

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to the rule, the gentleman from Pennsylvania (Mr. ROTHFUS) and the gentlewoman from Ohio (Mrs. BEATTY) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania.

GENERAL LEAVE

Mr. ROTHFUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 5059, the State Insurance Regulation Preservation Act. I want to thank Chairman HENSARLING and Ranking Member WATERS for their support for this bill. I also want to commend my colleague, Representative JOYCE BEATTY from Ohio, for her leadership on this issue. It has been a pleasure working with Representative BEATTY, the ranking member's staff, and the Federal Reserve to ensure that this

legislation is balanced, effective, and bipartisan.

This bill is a good example of how solutions-minded Members from both sides of the aisle can come together to address a clear problem. H.R. 5059 is a commonsense, right-regulation bill that calls on the Federal Reserve to tailor the supervision of insurance-focused savings and loan holding companies.

As many of you know, Dodd-Frank brought savings and loan holding companies under the Federal Reserve's supervision for the first time. Despite the fact that Dodd-Frank also reaffirmed a State-based model of insurance regulation, a principle that we all support, the law had the effect of also bringing insurance savings and loan holding companies, or ISLHCs, under the Fed's purview.

These are firms that are overwhelmingly engaged in the business of insurance but also happen to own thrift subsidiaries. These insurance companies are simultaneously regulated by the Fed and the States. The lack of clarity regarding how Fed supervision of these insurers should complement rather than supplant State regulation has led to regulatory inefficiency, duplication of effort, and higher compliance costs.

Bank-centric Fed supervision has also been a poor fit for companies that are primarily in the insurance business and has not been consistent with the actual risks posed by ISLHCs. All of this cost and complexity eventually impact consumers through higher prices and reduced access to services.

I should also point out that the burden of duplicative supervision has encouraged a significant number of these insurance companies to get rid of their thrift subsidiaries. Today, fewer than half of the insurance savings and loan holding companies that existed when Dodd-Frank was enacted continue to operate under the same model.

H.R. 5059 streamlines regulators' approach to ISLHCs by enacting the following reforms.

If an ISLHC has filed a report with another Federal or State regulator, the Fed will be required to request that report from that regulator first before requesting the information from the company. This prevents compliance staff from being required to respond to duplicative information requests.

H.R. 5059 also requires the Fed to align recordkeeping requirements with those imposed by State insurance authorities to avoid duplication.

The bill also requires that Fed examinations be coordinated, to the fullest extent possible, with State and Federal authorities. Again, this will help to reduce unnecessary duplication and conflict.

The bill further requires the Fed to craft a supervisory framework that appropriately tailors the supervision of ISLHCs. It then requires a review of existing supervisory guidance to ensure that it is consistent with the new framework.

All of these reforms will provide greater regulatory clarity and efficiency, and reduce unnecessary compliance burden. In doing so, we can ensure that these companies can continue to serve their customers without sacrificing the safety and soundness of our financial system.

Mr. Speaker, I urge my colleagues to support H.R. 5059, and I reserve the balance of my time.

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

I rise in support of H.R. 5059, the State Insurance Regulation Preservation Act. H.R. 5059 is a bipartisan piece of legislation that seeks to ensure that Federal regulation over the insurance industry is not unnecessarily duplicative or overly burdensome.

Mr. Speaker, I would like to start by thanking my colleague from the other side of the aisle, Mr. ROTHFUS, for working on this bill with me, as well as the chairman of our committee, Congressman HENSARLING, and Ranking Member WATERS for understanding the issue we are trying to solve and lending their support.

This bill came a long way from when it was introduced earlier this year, and it reflects input from members of the Financial Services Committee, industry stakeholders, and Federal regulators. This bill simply seeks to right-size regulation placed on insurance savings and loan holding companies compared to the risk they pose to financial stability.

Insurance savings and loan holding companies are insurance companies that own their own bank. In most instances, these types of banks represent a small percentage of their insurance parent company's overall bottom line, but due to the ownership by the company, they are subject to Federal regulation by the Federal Reserve and the Office of the Comptroller of the Currency.

When we held a legislative hearing on this bill in March, one of the witnesses testified that, while their insurance company's bank assets made up only 0.2 percent of the company's total assets, the regulation by the Federal Reserve consumed 25 percent of the company's compliance costs, ultimately forcing the company to close their bank.

This is but one example, Mr. Speaker, of the uneven regulation these companies are facing. This costly and out-of-sync duplicative regulation of these insurance savings and loan holding companies is not working as effectively as it should, and this bill seeks to harmonize some of these duplications.

There is no reason why a smaller insurance company, like Ohio-based Westfield Insurance, should face more regulation than some of the largest insurance companies in the country due to the fact that they simply own a small bank, or why a company like Nationwide Insurance, a company based in my district, the Third Congressional District of Ohio, which has $236 billion in assets and a $7 billion bank, should be treated by the Federal Reserve like a $243 billion bank holding company.

This is not fair. The regulation of the business of insurance is different from the regulation of banks, and the Federal Reserve's supervisory framework must reflect, I believe, this important difference.

The Federal Reserve has historically never regulated insurance until recently, within the past 10 years, Mr. Speaker, when Congress transferred the regulatory authority over these companies to the Feds. By contrast, our State insurance regulators have regulated this country's insurance system for nearly 150 years.

While the Federal Reserve has said that they are looking to tailor some of their regulations, there is little evidence to support those assertions, and time is simply running out. Since we transferred this authority to the Federal Reserve in 2010, nearly two-thirds of existing insurance savings and loan holding companies have closed their banks.

We need better coordination and cooperation between our State insurance regulators and Federal regulators to ensure our insurance regulatory regime is not unnecessarily duplicative or overly burdensome.

This bill will seek to accomplish both of these things. Talk about a win-win, Mr. Speaker. I believe this is it.

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

Mr. ROTHFUS. Mr. Speaker, I yield 2½ minutes to the gentleman from Missouri (Mr. LUETKEMEYER), the chairman of the House Financial Institutions and Consumer Credit Subcommittee.

Mr. LUETKEMEYER. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. ROTHFUS), who is vice chair of the House Financial Institutions and Consumer Credit Subcommittee, and the gentlewoman from Ohio (Mrs. BEATTY) for their work on this legislation.

For years, the Federal Government has slowly expanded its jurisdiction in a number of areas. From healthcare to education, the Federal Government's presence has grown larger and larger. This bill attempts to restore regulatory balance and ensure that the proper authority—in this instance, the State insurance commissioners—can continue to do the job they have done well for more than 100 years.

In a pre-Dodd-Frank world, there were more than 30 insurance savings and loan holding companies that owned insurance depository institutions. Federal Reserve supervision of these institutions has driven insurance companies to close their banks. That list includes Shelter Insurance, headquartered just outside my district in Columbia, Missouri.

In the wake of Dodd-Frank and the dawn of Federal Reserve supervision, Shelter executives said it was simply no longer cost-effective to run a bank.

This was a profitable, well-run bank that served people in the communities I represent that was put out of business by the Federal Government.

Mr. ROTHFUS and Mrs. BEATTY have introduced legislation that would mandate more tailored supervision of insurance holding companies subject to Federal Reserve oversight. The legislation will require the Fed to streamline examination procedures and better coordinate with State insurance regulators.

To be clear, the legislation does not, Mr. Speaker—and I say again, does not—end Federal Reserve supervision. It merely directs the Fed to better coordinate with the States and develop standards that are more suitable for insurers, something Congress has asked them to do for years.

The gentleman from Pennsylvania and the gentlewoman from Ohio worked together and with the Federal Reserve, both before and after the markup, to address various concerns. They are both to be commended for their efforts to work across the aisle and with the regulators.

H.R. 5059 is a commonsense solution to Federal overreach and a step toward reduction of bureaucratic redundancy. The bill has received tremendous support, so much that it was agreed to by a voice vote in the Financial Services Committee on July 24.

Mr. Speaker, I again want to thank Mr. ROTHFUS and Mrs. BEATTY for their ongoing leadership and ask my colleagues to join me in supporting H.R. 5059.

Mrs. BEATTY. Mr. Speaker, in closing, I would simply like to say, again, thank you to my colleagues on the other side of the aisle, and I want to thank all the members who helped us get this bill to this point and reiterate that this bill does not—does not—remove insurance savings and loan companies from Federal regulation.

Insurance savings and loan holding companies will still be regulated by several Federal Government agencies, including the Federal Reserve. This bill simply seeks to require the Federal Reserve to tailor their bank-centric regulations to the business of insurance and to coordinate supervision and examination of these companies with their State counterparts to avoid unnecessary, duplicative, and overly burdensome regulation.

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

Mr. ROTHFUS. Mr. Speaker, I thank Representative BEATTY for working together on this very particular piece of legislation.

Again, this is a right-sized regulation that enjoys strong bipartisan support and sets forth the appropriate framework for regulating insurance savings and loan holding companies in this area.

Mr. Speaker, I request that my colleagues vote ''yes'' on this legislation, H.R. 5059, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. ROTHFUS) that the House suspend the rules and pass the bill, H.R. 5059, as amended.

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

A motion to reconsider was laid on the table.

FINCEN IMPROVEMENT ACT OF 2018

Mr. ROTHFUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6411) to amend the duties of the Financial Crimes Enforcement Network (FinCEN) to ensure FinCEN works with Tribal law enforcement agencies, protects against all forms of terrorism, and focuses on virtual currencies.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6411

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 ''FinCEN Improvement Act of 2018''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The mission of the Financial Crimes Enforcement Network (FinCEN) is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

(2) In its mission to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering and other illicit activity, the United States should prioritize working with partners in Federal, State, local, Tribal, and foreign law enforcement authorities.

(3) The Federal Bureau of Investigation has stated that since the terror attacks on September 11, 2001, ''The threat landscape has expanded considerably, though it is important to note that the more traditional threat posed by al Qaeda and its affiliates is still present and active. The threat of domestic terrorism also remains persistent overall, with actors crossing the line from First Amendment protected rights to committing crimes to further their political agenda.''.

(4) Although the use and trading of virtual currencies are legal practices, some terrorists and criminals, including international criminal organizations, seek to exploit vulnerabilities in the global financial system and are increasingly using emerging payment methods such as virtual currencies to move illicit funds.

(5) In carrying out its mission, FinCEN should prioritize all forms of terrorism and emerging methods of terrorism and illicit finance.

SEC. 3. STRENGTHENING FINCEN.

Section 310 of title 31, United States Code, is amended—

(1) in paragraph (C)—

(A) in clause (i), by striking ''appropriate Federal, State, local, and foreign law enforcement agencies'' and inserting ''appropriate Federal, State, local, Tribal, and foreign law enforcement agencies''; and

(B) in clause (vi), by striking ''to protect against international terrorism'' and inserting ''to protect against terrorism'';

(2) in paragraph (E), by striking ''appropriate Federal, State, local, and foreign law enforcement authorities'' and inserting ''appropriate Federal, State, local, Tribal, and foreign law enforcement authorities'';

(3) in paragraph (F), by striking ''Federal, State, local, and foreign law enforcement'' and inserting ''Federal, State, local, Tribal, and foreign law enforcement''; and

(4) in paragraph (H), by striking ''anti-terrorism and anti-money laundering initiatives, and similar efforts'' and inserting ''anti-terrorism and anti-money laundering initiatives, including matters involving emerging technologies or value that substitutes for currency, and similar efforts''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. ROTHFUS) and the gentleman from Colorado (Mr. PERLMUTTER) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania.

GENERAL LEAVE

Mr. ROTHFUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

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

There was no objection.

□ 1545

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

Mr. Speaker, the FinCEN Improvement Act was introduced by Representative ED PERLMUTTER, the ranking member of the Subcommittee on Terrorism and Illicit Finance, and cosponsored by Representative STEVE PEARCE, the chairman of this subcommittee.

This would add Tribal law enforcement agencies to those partners with which the Financial Crimes Enforcement Network already works, which includes Federal, State, local, and foreign law enforcement agencies.

The bill would clarify that FinCEN should protect against all forms of terrorism. FinCEN currently supports law enforcement on domestic issues, not just international, and this legislation would clarify that current practice. This bill would add an emphasis on emerging technologies or value that substitutes for currency in order to address the growing exploitation of digital currencies to move illicit funds.

The financial technology, virtual currency, and electronic payments landscape is rapidly evolving to include means of storing and transferring value that didn't exist when previous laws and regulations were written. This bill emphasizes that FinCEN ought to prioritize cryptocurrencies to ensure that criminals and terrorists cannot use these technologies to carry out illicit financial activities.

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

Mr. PERLMUTTER. Mr. Speaker, I yield myself such time as I may consume. I thank my friend, Mr. ROTHFUS, for bringing this bill up today.