

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. HUDSON. Mr. Speaker, I was unavoidably detained and forced to miss this vote series. Had I been present, I would have voted "Yea" on rollcall No. 64 and "Nay" on rollcall No. 65.

PERSONAL EXPLANATION

Mr. GENE GREEN of Texas. Mr. Speaker, I was unable to vote on the morning of Thursday, February 8, 2018, due to personal circumstances. If I had been able to vote, I would have voted as follows:

On passage of H.R. 1153, the Mortgage Choice Act, I would have voted "nay."

On the approval of the Journal, I would have voted "nay."

PERSONAL EXPLANATION

Mr. GRAVES of Louisiana. Mr. Speaker, I was unavoidably detained while meeting with Louisiana pastors after the National Prayer Breakfast. Had I been present, I would have voted "yea" on rollcall No. 64 and "nay" on rollcall No. 65.

SMALL BANK HOLDING COMPANY  
RELIEF ACT OF 2018

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 725, I call up the bill (H.R. 4771) to raise the consolidated assets threshold under the small bank holding company policy statement, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. BYRNE). Pursuant to House Resolution 725, the amendment in the nature of a substitute consisting of the text of Rules Committee Print 115-57 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 4771

*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 "Small Bank Holding Company Relief Act of 2018".

SEC. 2. CHANGES REQUIRED TO SMALL BANK HOLDING COMPANY POLICY STATEMENT ON ASSESSMENT OF FINANCIAL AND MANAGERIAL FACTORS.

(a) IN GENERAL.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall revise the Small Bank Holding Company Policy Statement on Assessment of Financial and Managerial Factors (12 C.F.R. part 225—appendix C) to raise the consolidated asset threshold under such policy statement from \$1,000,000,000 (as adjusted by Public Law 113-250) to \$3,000,000,000.

(b) CONFORMING AMENDMENT.—Subparagraph (C) of section 171(b)(5) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5371(b)(5)) is amended to read as follows:

"(C) any bank holding company or savings and loan holding company that is subject to the application of the Small Bank Holding Company Policy Statement on Assessment of Financial and Managerial Factors of the Board of Governors (12 C.F.R. part 225—appendix C)."

The SPEAKER pro tempore. The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair now recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and submit extraneous materials on the bill under consideration.

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

There was no objection.

Mr. HENSARLING. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise today in very strong support of H.R. 4771, the Small Bank Holding Company Relief Act of 2018. It is a bipartisan bill which passed our committee with a strong bipartisan vote of 41-14.

Mr. Speaker, this exact same provision came out of the Senate Banking Committee also with a very strong bipartisan vote of 16-7.

First, I want to thank the gentlewoman from Utah (Mrs. LOVE) who is a very hardworking member of the Financial Services Committee. I want to thank her for introducing this legislation and helping lead our congressional efforts to provide regulatory relief to our Nation's community banks. She is a great asset to our committee and widely respected.

The Federal Reserve Small Bank Holding Company Policy Statement is a regulation that allows certain bank holding companies that have less than \$1 billion in assets to hold more debt at the holding company level than would otherwise be permitted by current capital requirements. They do this as long as they meet a number of ongoing requirements and restrictions.

H.R. 4771 would raise that threshold for qualifying institutions from \$1 billion to \$3 billion, thus allowing more community banks to raise more capital by the issuance of debt. By increasing this threshold, H.R. 4771 provides much needed relief for bank holding companies from overly burdensome capital and leverage requirements that were truly intended, Mr. Speaker, for the largest and most complex global financial institutions.

It is a reoccurring problem, Mr. Speaker. Again, over and over, the regulatory burden on our community financial institutions is causing us to lose one approximately every other day in America. These are rules that have made it, again, more difficult for small banks to raise capital. And while the bank holding companies will no longer have to abide by these rules under this bill, again, there are plenty of safeguards that continue to be in place to protect the safety and soundness of the institution and its customers. But these institutions present no threat to

the safety and soundness of our financial system.

First and foremost, the Federal Reserve retains the right to impose capital standards on a holding company if they determine it is needed. In other words, this is a "may" bill and not a "shall" bill. The \$3 billion threshold remains totally within the discretion of the Federal Reserve. It is permissive.

Next, capital rules and regulations will continue to apply to the subsidiary banks of the holding company level. Again, let me repeat, the capital rules and regulations continue to apply to subsidiary banks.

All institutions must continue to meet certain qualitative requirements, including those pertaining to non-banking activities, off-balance-sheet activities, and publicly registered debt and equity. These requirements ensure that the higher leverage the policy statement allows does not pose any undue burden on subsidiary depository institutions.

So the Small Bank Holding Company Relief Act will indeed make it easier for small, hometown community banks to raise capital. And as they raise more capital, they can turn it into more Main Street jobs, more economic growth, and more home ownership opportunities for our constituents.

In fact, passing this bill will immediately benefit community banks all across America. Not the big banks, not Wall Street banks, as I have no doubt the ranking member will say in her remarks, but again, it will be community banks that will benefit.

If you don't believe me, ask them. Ask the Independent Community Bankers of America and its 5,700 community bank members.

As a matter of fact, the passage of this bill, Mrs. LOVE's bill, has been an important, longstanding goal of the Independent Community Bankers of America because they have been suffering and suffocated by an avalanche of red tape with massive increases in regulatory burdens, which has caused consolidation with much, much larger competitors. Because of increased regulation and compliance costs, again, many of them have found it difficult to access and raise capital. This is the capital that is needed to capitalize our small businesses.

Small businesses are struggling for access to credit, and the incredible regulatory burden placed on home buyers has simply complicated the buying process.

□ 1115

These higher costs are being felt at the same time that paychecks are only now beginning to grow for working families thanks to the Tax Cuts and Jobs Act.

Just don't take my word for it, Mr. Speaker. Let's listen to just one community banker who happens to be from West Virginia. They wrote in and said:

What no one in a position of power seems to realize is that many customers in our

country prefer to deal with a smaller, hometown institution, with people they know and trust. If a customer has a question about their loan or their deposit, they simply pick up the phone and call or drop by. If we don't know the answer, we find out and let them know as soon as possible. But it appears that Congress and the administration are attempting to get rid of smaller institutions, so there are a lot fewer institutions to deal with, and those are the large ones who are too big to fail.

Mr. Speaker, that is exactly what happened under the Dodd-Frank Act.

Continuing:

Please just try to remember that small financial institutions and small businesses are the heart of America. The American Dream is to work hard, learn, and make a good life for yourself and your family. In the meantime, it includes working in your community or neighborhood to help others out. Even as a small institution as ours, we sponsor Little League Baseball teams, soccer teams, the county junior fair, and many other activities. We realize if we don't support local small businesses, they soon won't be here.

Those words could have been written by almost any community financial institution in America, Mr. Speaker, and they ring so true. In order to keep our small communities alive, we have to keep their small businesses alive and we must keep their small banks alive.

So, again, it is so important that we enact H.R. 4771 and that we reduce this red tape on our community financial institutions.

Mr. Speaker, I thank the gentlewoman from Utah for introducing the legislation, and I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 4771, the Small Bank Holding Company Relief Act of 2018. This bill is another Republican-led measure to roll back appropriately tailored policies to regulate the financial services sector that ignores the hard-learned lessons of the catastrophic 2008 financial crisis.

We have seen this same flawed approach in H.R. 10, which I called the "Wrong Choice Act," last year, and we are seeing it again in the Senate as it considers advancing Senator CRAPO's Wall Street giveaway, which includes a provision identical to the bill that we are considering today, along with several other harmful provisions.

The Federal Reserve's Small Bank Holding Company Policy Statement was first issued in 1980 to enable the transfer of ownership of small community banks by allowing small, noncomplex bank holding companies to operate with higher levels of debt than would normally be permitted.

The original policy statement established a threshold of bank holding companies with less than \$150 million in assets, but this level was increased to \$500 million in 2006.

The policy statement allows certain small bank holding companies and savings and loan holding companies to hold more debt at the holding company level than would otherwise be allowed

by capital requirements if the debt is used to finance up to 75 percent of an acquisition of another bank. Put another way, the policy statement is important because it allows small institutions like community banks and minority-owned insured depository institutions to access additional debt so they can continue serving their communities without compromising bank safety and soundness.

Thus, it is important that the threshold level be carefully calibrated so it cannot be abused by speculative investors. If the threshold is raised too high, it will encourage more mergers and acquisitions, riskier banking activities, and reduced banking services and credit availability to rural, low-income, minority, and underserved communities.

In 2014, Democrats worked with Republicans to examine this threshold and reached a reasonable compromise to raise the threshold to \$1 billion. This change was implemented only after closely consulting with regulators to determine the appropriate threshold level to help community banks grow without making them targets for mergers and acquisitions.

The \$1 billion threshold is sensible and reasonable in light of the Federal Deposit Insurance Corporation's exhaustive study several years ago on the definition of "community bank." While the FDIC factors in other considerations, their definition of a community bank includes a dollar threshold of banks with less than \$1 billion in assets.

According to 2016 data from the Federal Reserve, 87 percent of all bank holding companies are covered by the current \$1 billion threshold. This means that a large majority of the industry currently benefits from the adjusted 2014 threshold increase in the policy statement, including all truly small community banks.

Furthermore, it is worth highlighting that the bipartisan compromise reached in 2014 included other important safeguards, such as excluding any bank holding companies and savings and loan holding companies with less than \$1 billion that are engaged in significant nonbanking activities. It also gives the Federal Reserve the ability to exclude any bank holding companies and savings and loan holding companies from the policy statement, regardless of size, if it concludes that the exclusion is warranted for supervisory purposes.

But my colleagues on the other side of the aisle have not hesitated to try and push the threshold higher. Last Congress, just a little more than a year after a bipartisan compromise to increase the threshold, Republicans pushed through the House another bill, H.R. 3791, that would have significantly increased the threshold from \$1 billion to \$5 billion. That bill faced a veto threat from the Obama administration, as it should have, and it went nowhere in the Senate.

Last year, Chairman HENSARLING included a provision in H.R. 10, the "Wrong Choice Act," to drastically raise the \$1 billion threshold to \$10 billion. Because the Senate now appears set to move a bill that raises the threshold, but to nowhere near that level, we now find ourselves back on the floor of the House today considering a new bill to triple the threshold from \$1 billion to \$3 billion.

While it is a slightly less drastic increase than the one in the bill Republicans pushed through the House last Congress, tripling the policy statement threshold to \$3 billion so soon since the last threshold increase is still unwise. There simply has not been sufficient time to see what effect doubling the policy statement threshold from \$500 million to \$1 billion really means for community banks.

Congress should at least examine the data and understand the effects of the last change before making another one. We should not ignore the concerns raised by experts that this approach will allow small banks to take on more debt than they otherwise need and may actually promote mergers and acquisitions so that we have fewer community banks, not more.

While Republicans push bills like H.R. 4771 in the name of helping community banks, this is yet another proposal that would likely result in fewer, not more, community banks.

Even the Treasury Department under this President, President Trump, only recommended raising the threshold to \$2 billion. So they are \$1 billion even beyond what the President supports. That was in a report issued last year.

As I mentioned, H.R. 4771 is one of the many harmful provisions in Senator CRAPO's financial deregulatory bill that is advanced in the Senate. Senator CRAPO's bill also includes many other harmful rollbacks that would fundamentally weaken our framework. It would roll back certain stress testing requirements for megabanks like Wells Fargo and would exempt or weaken enhanced standards for many of the large banks in the country.

The Senate bill also would gut rules for foreign banks like Deutsche Bank and Credit Suisse.

It would also eliminate a requirement that many banks collect and publicly report critical Home Mortgage Disclosure Act, or HMDA, data. HMDA data is used for many important policy purposes, including to identify mortgage lending discrimination against many Latinos, African Americans, and other minority groups.

I could go on and on, but the list is longer than the time that we have allotted. The bottom line is I strongly urge my colleagues to reject H.R. 4771 and the other efforts by congressional Republicans and this administration to deregulate Wall Street and the banking industry and roll back the clock to a time not long ago when we had weak

oversight and few safeguards that protect consumers, investors, and taxpayers.

You can see what is happening. At one point, the opposite side of the aisle said: "Let's jump to \$5 billion." And then, Mr. HENSARLING said: "No, let's jump to \$10 billion." This is done without any thought or consideration for what they are doing and the risks that they are placing on these little banks to be bought up and the mergers to take place.

You can see there is no real thought, no real review, no real consideration given when you say: "Let's go from \$1 billion to \$3 billion to \$5 billion to \$10 billion, whatever we can get." We are saying: "No, that is wrong. Don't do that. Don't do that to these community banks."

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

Mr. HENSARLING. Mr. Speaker, I yield 5 minutes to the gentlewoman from Utah (Mrs. LOVE), the sponsor of this legislation.

Mrs. LOVE. Mr. Speaker, I rise in support of H.R. 4771.

Mr. Speaker, I want to first thank Chairman HENSARLING for his support of this bill, as well as the cosponsors, Mr. GOTTHEIMER and Mr. MEEKS, for making this a bipartisan effort to help community banks.

Economic freedom and personal freedom run hand in hand. In order to ensure personal freedoms, Americans need access to credit as individuals, on behalf of their families, and in their businesses. That is why I am proud to have introduced this bill.

H.R. 4771 is a very simple bill to help small banks and savings and loan companies get access to the capital they need to make credit available in their communities. These small banking institutions are critical to people in the local communities in which they reside. They support the credit needs of families, small businesses, farmers, and entrepreneurs.

Community banks are often the principal lending source for many people, whether they are purchasing a home or starting a business. In many counties around the Nation, our community banks are the only banking presence that residents have.

When these community banking institutions are overwhelmed with regulations and mandates, many of which are meant for larger institutions, it is the hardworking families and low-income Americans in those communities that suffer.

Mr. Speaker, this bill is about people. Community banks give people the credit they need to pursue their dreams, buy a home, buy a car, and own and grow their businesses. In fact, proximity to a community bank increases the chance that a new small business will be approved for a loan that they need to succeed.

By raising the consolidated asset threshold under the Federal Reserve's Small Bank Holding Company Policy

Statement from \$1 billion to \$3 billion in assets, hundreds of additional small banks and thrift holding companies will qualify for the coverage under the policy statement and, therefore, be exempt from certain regulatory and capital guidelines.

These capital standards were originally established for larger institutions and disproportionately harm small holding companies. Many holding companies that are above the current threshold face challenges with regard to capital formation, just when regulators are demanding higher capital levels.

The exemptions provided in the policy statement make it easier for a small holding company to raise capital and issue debt. This bill is about making sure that regulations fit the size of the institution.

Mr. Speaker, a similar effort was passed into law during the 113th Congress under suspension by the House and by unanimous consent in the Senate. That bill raised the threshold from \$500 million, where it had been since 1996, to \$1 billion.

□ 1130

That legislation also extended the exemption to savings and loan holding companies. While we are glad that we were able to achieve that increase, which roughly helped 500 small bank and thrift holding companies, why wouldn't we extend those benefits further?

H.R. 4771 would bring even more small institutions within the scope of the policy statement. We have already seen the benefits of the last increase. One success story we have heard was an instance where 35 bank holding companies pooled their resources together to issue debt under the policy statement. That debt was then downstreamed to their respective banks where the capital was then used to make loans in the communities they serve, illustrating the great multiplier effect that the policy statement can produce. H.R. 4771 seeks to extend that flexibility and success to a greater number of small institutions and the communities they serve.

Opponents of this increase have alleged that changing the regulatory threshold would put communities and the Deposit Insurance Fund at higher risk. But the policy statement contains not one but several safeguards designed to ensure that the small bank holding companies that operate with the higher levels of debt permitted under the policy statement do not present an undue risk to the safety and the soundness of the subsidiary banks.

Mr. Speaker, to sum it up, this bill is not about supporting banks. It is about supporting families. It is about supporting communities and small business. It is about making sure that small-business owners have access to the credit they need to expand and to thrive.

I recently heard of a businessowner in my community who employs about

30 people. Most of these people that she employs are women who are trying to take care of their families and make a little bit more so that they could put some money in their pocket or buy a car. She would like to expand her business, but it—

The SPEAKER pro tempore (Mr. BYRNE). The time of the gentlewoman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 30 seconds to the gentlewoman from Utah.

Mrs. LOVE. Mr. Speaker, she would like to expand her business to employ even more people, but she continuously receives red tape, and it makes it very difficult for her to be able to provide for her community. This is about families sitting around the kitchen table imagining the possibilities of renovating their home and the entrepreneur dreaming of starting a restaurant or being her own boss.

Raising the threshold received strong bipartisan support in the Financial Services Committee, and I hope that it will receive equal support in this Chamber.

Mr. Speaker, I would like to thank the chairman for this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I don't know what the other side wants. They want \$5 billion at one point, they want \$10 billion at one point, and now they want \$3 billion. They just throw it up against the wall and hope something sticks, and we are saying: Don't put these community banks at risk.

Mr. Speaker, I yield as much time as he may consume to the gentleman from Michigan (Mr. KILDEE), the vice ranking member of the Financial Services Committee.

Mr. KILDEE. Mr. Speaker, I thank Ranking Member WATERS for yielding. I know she understands the danger in yielding to me as much time as I may consume. I will just take a couple of minute on this.

I rise in opposition to H.R. 4771, the Small Bank Holding Company Relief Act. There are unaddressed concerns as to the effect this bill will have on community banks that serve so many of our constituents, whether it be through more bank consolidation or whether it will encourage small banks to take on more unsustainable debt.

The Federal Reserve has a small bank holding company policy statement that outlines ownership transfer of small community banks and savings associations "by allowing their holding companies to operate with higher levels of debt than would normally be permitted."

The holding companies that qualify for the policy statement can have up to \$1 billion in assets, a limit that was reached, in a bipartisan effort, in the 113th Congress. Yet, even though this new threshold was enacted just at the end of 2014, we have seen multiple efforts to raise the limit even higher.

According to data from the Federal Reserve, under the current \$1 billion

threshold, 87 percent of all bank holding companies and 72 percent of savings and loan holding companies are holding nearly \$1 trillion in assets under that billion-dollar threshold.

It is too soon to know the effects of increasing the threshold to \$1 billion. Why are we pushing to raise it even further without sufficient information as to the effect on the market of the last increase?

And we may disagree on the conclusion we come to, but a concern I would like to address is that while we are raising this question, while we are debating whether to raise this threshold without, I believe, sufficient knowledge as to the full impact of the last increase, we are taking time on the floor when we have so many other unaddressed concerns that get no time on this floor.

You know, as members of the committee, and certainly other Members of the House understand, I spent a good deal of my time working on issues related to the conditions of America's cities and towns. A whole subset of American towns, even in a period of economic growth, which we all acknowledge has been sustained now over the period of the last 8 years, many communities are continuing to be left behind.

Why is that? I am sure there are a lot of reasons. I am sure some of my friends would argue that some of the issues addressed in this legislation might touch on them. But one thing I know for sure, the crumbling roads and bridges and water and sewer systems in those communities are so serious, the problem is so great. The unaddressed issues of violent crime in many of those same cities, which this House continues to leave unaddressed, essentially ensures that any change in the regulatory structure in the marketplace is not sufficient to deal with the underlying and really troubling problems that these communities face.

You know, a year ago, the President came to the floor of this House and talked about a \$1 trillion infrastructure plan. He came back and said it was going to be \$1.5 trillion with one little asterisk, only \$200 billion from the Federal Government. State and local government is supposed to make up the rest of it.

I raise this because often the arguments in favor of taking some of the regulatory protections off these institutions are that it is supposed to unlock the marketplace to rebuild these communities when these communities are so shackled to the bottom of the ocean that no rising tide will raise them.

If we don't get control of the incredible struggle and deterioration in these older cities, nothing we do on this floor otherwise is going to make it right for those folks.

I represent one of those towns. You have heard me talk about my own hometown of Flint. There are so many other communities that are struggling.

The jurisdiction of a committee does include addressing the condition of urban America. I would just hope, and really ask, that we spend a bit more time on those questions.

I would feel much more comfortable having a debate about what the regulatory structure looks like if I felt like there was sufficient attention being given to those issues. In the meantime, because of the questions that I have already raised about the impact of this legislation not being fully understood, even the last increase in the threshold not being fully understood, I am going to urge my colleagues to oppose this legislation.

Mr. HENSARLING. Mr. Speaker, I yield myself 10 seconds to say that, as the ranking member appears to be vexed at where the \$3 billion number came from, it is the product of bipartisan compromise, something I invite her to engage in more often, and this particular bill is supported by almost half the Democrats on the committee.

Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. LUETKEMEYER), the chairman of the Financial Institutions and Consumer Credit Subcommittee.

Mr. LUETKEMEYER. Mr. Speaker, I thank Chairman HENSARLING for the time. To say that the current regulatory climate presents challenges for small financial institutions would be a drastic understatement. Today, regulators require more and more from community banks in terms of both regulatory oversight and capital requirements.

The gentlewoman from Utah has crafted legislation that seeks to alleviate some of these pressures facing our community banks. Small bank and thrift holding companies confront unique challenges with regard to capital formation, which is a particular concern at times when regulators demand more and more capital.

Understanding these challenges, the Fed has recognized that small banks have limited access to equity financing. The Federal Reserve small bank holding policy statement gives relief from certain capital guidelines and requirements, making it easier for a community bank to raise capital and issue debt, and to make acquisitions and form new bank and thrift holding companies.

I would like to digress for just a little second here. I haven't heard anybody talk about it, and I think it is very important, Mr. Speaker, that we talk about the timeframe prior to 2008, whenever we were averaging about 150 to 175 new banks and credit unions every year. But between the timeframe of 2010 and 2006, we averaged one.

That is significant because small businesses get their loans from small banks. And without this access to capital for small businesses, we will dry up our small businesses in this country that are the job creators.

So by increasing the threshold, the Fed's policy statement from \$1 billion

to \$3 billion, we have the opportunity to help more banks operating in our community, and hopefully be formed in our communities, and help our lending to our constituents.

Similar legislation has been contemplated in the House on a number of occasions. The language in this latest iteration is identical to the bipartisan language proposed in the Senate Banking Committee bill and is similar to legislation that passed the House in the 114th Congress and included in my CLEARRR Act.

H.R. 4771 will go a long way in ensuring that our Nation's smallest institutions are able to grow stronger and continue to serve their constituents.

I want to thank Mrs. LOVE for her leadership on this legislation and Chairman HENSARLING for his commitment to issues facing community banks and credit unions.

Mr. Speaker, I ask my colleagues to join me in supporting this common-sense bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Mr. Speaker, I am so honored to have this opportunity. I thank the chairman as well, and I want to thank the ranking member for all of the work that she has done in this area. She has been a part of the avant-garde to protect and maintain community banks.

One of the great difficulties that we have had with our committee is defining what a community bank is. We have had testimony to indicate that a community bank can be \$50 billion or more. We want to make sure that the small institutions that the chairperson is talking about continue to exist.

It is unfortunate, but if we pass this legislation, there is a good likelihood that the level of consolidation that will take place will be antithetical to the very commentary that we are hearing with reference to the need for community banks, small banks to make sure small businesses will receive loans. There is a contradiction contained within the very effort that is being made.

I am honored to have with me a statement from over 200 civil rights community organizations, labor unions, businesses, investors, faith-based businesses, community and civic groups; and this statement reads—this is from them, but I concur with it: "Raising the limit to \$3 billion is a policy well calculated to significantly reduce the number of community banks in the U.S. First, raising the limit will allow medium-sized community banks of \$2 to \$3 billion in size to more easily acquire smaller community banks. . . ."

That is a significant comment because the acquisition of smaller banks is going to cause us to have fewer smaller banks, and the argument that is being made is that the smaller banks are the ones that are servicing small businesses.

It goes on to read: “. . . reducing the number of independent community banks. Second, allowing holding companies to borrow excessively will raise the risk of bank failure the next time the financial system is under stress.

“A \$3 billion limit is unjustified, as there is no evidence that community banks over \$1 billion in size are currently too small to survive. According to a recent FDIC report, ‘While economies of scale are important for community banks, historical trends in the size distribution of community banks that have survived over the last quarter century do not suggest that economies of scale require a community bank to grow or merge to asset sizes larger than \$1 billion.’”

My point is that I am a proponent of community banks.

□ 1145

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Texas.

Mr. AL GREEN of Texas. The point is that I am a proponent of having small banks. I call small banks community banks. I am a proponent of this. If I am a proponent of it, then I support the notion that we cannot allow them to be consolidated such that we will have fewer of them.

I think this legislation is a little bit misguided in that it contradicts the very premise upon which it rests.

Mr. HENSARLING. Mr. Speaker, I yield myself 10 seconds just to say that I am shocked that anybody would come here and say that they want to support community banks and they supported Dodd-Frank—the very reason these community banks are being gobbled up. The whole idea of this legislation is to allow them to come together and protect themselves and not be gobbled up by the big banks they vilify in the first place.

Mr. Speaker, I am now pleased to yield 3 minutes to the gentleman from Michigan (Mr. HUIZENGA), the chairman of the Subcommittee on Capital Markets, Securities, and Investments.

Mr. HUIZENGA. Mr. Speaker, we have been hearing some of the details of the bill, but here is the real message: this is about our small communities and small banks that are the lifeblood of those communities.

A little earlier you heard the ranking member talk about this being about Wall Street.

Do you know what?

She is right. This is about Wall Street. Wall Street was one block away from where I lived on Sanford Street in Zeeland, Michigan. By the way, we were connected by Main Street and Central Avenue. That is what it is about. Whether it is Wall Street in Zeeland, Michigan, or Sanford Street, or my friends in Baldwin, Michigan, this is about our small communities.

What does a strong local community bank bring?

It brings local investment.

And what does that local investment bring?

Stability, predictability, trust, trust among the farmers, among those corner pub owners, or among those small hotel owners that may be depending on the stray traveler that is going to be coming through.

This has been sort of viewed as a risk to these small banks. It is actually the opposite of that. Either, A, one small community bank is going to merge with another small community bank and they are going to remain small community banks under that \$3 billion threshold; or, B, what we have been seeing a lot of—and this is what the chairman was talking about—they are going to get gobbled up by a large bank that doesn't qualify under this legislation.

And guess what.

They are far more likely to remove those ATMs and far more likely to move those local branches out of places like Tustin and Luther and Baldwin and Holland.

I can tell you this: if you went and said that this is anything other than about strengthening our small community banks, it shows, A, one is either wildly out of touch or, B, playing politics.

That is the sad part, because I can tell you this: if you go talk to my friend Debbie Smith-Olson, who is the CEO of Lake-Osceola State Bank in Baldwin, Michigan—located in the poorest county in the State of Michigan, one of the top 100 poorest counties in the Nation—and you told her that this was about Wall Street, she would laugh.

If I went and talked to my friends at Macatawa Bank and tried to describe this as being about helping big banks and Wall Street and rolling back Dodd-Frank, they would first look at me in stunned silence, and then they would ask me: Are you serious?

Well, unfortunately, that is the kind of rhetoric that you are hearing out here today.

Let's make sure that we understand what this is really about: strengthening our small banks, which strengthen our small communities and strengthen our small-business owners. That is what is going to continue this economic comeback that we are experiencing here in the United States.

I commend the gentlewoman from Utah in her work on a bipartisan manner on the basis that this has been coming together with people of goodwill trying to come up with a solution to make sure that we don't see needless consolidation in a banking community that has already been so hit.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Michigan.

Mr. HUIZENGA. As I wrap up, this is about making sure that we have a solid community banking system. We know

that they have been under assault under these Dodd-Frank provisions that have come through, which I don't think were necessarily maliciously put in, but they were misunderstood about what those effects were going to be. The gentlewoman from Utah (Mrs. LOVE) is rectifying that.

Mr. Speaker, I want to encourage my colleagues to support that and to vote “yes” for this very important bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think it is important for us to understand the support that community banks have gotten from this side of the aisle.

I know that my colleagues on the opposite side of the aisle, oftentimes, advance the argument that they are the only ones who care about community banks and that we don't understand community banks. And, oftentimes, they have arguments that basically would have one conclude that we don't really advance the cause of community banks.

I would just like to remind my colleagues in this Congress of the work that we have done in support of community banks. We have supported, and successfully supported, less frequent exams for well-rated community banks with less than \$1 billion. The exam cycle is now 18 months instead of 12 months for these strong small banks.

We took into consideration the concerns of community banks about the examiners coming too often, disturbing the banks, oftentimes, tying up the personnel in the bank. So we agreed to not have them come in every 12 months and to extend that so that 18 months will give some relief to the community banks so that they don't have to deal with the auditors in such a way that disturbs the bank.

We also moved successfully to eliminate an annual privacy notice for community banks and credit unions whose policies have not changed and the consumer has already notified. Well, we did that. We eliminated these annual privacy notices for the community banks and for credit unions who have not changed their policies, and there is no need to have to continue to insist that they have these annual privacy notices.

Well, we went further with less stringent SEC registration rules for small thrifts, providing parity with other banks; and access to credit for privately insured credit unions, allowing them to join the Federal Home Loan Banks program; improving mortgage licensing for community banks and credit unions by allowing regulator access to the nationwide mortgage licensing system and registry, while maintaining confidentiality protections.

I just cite this because it is so important to understand what we have done on this side of the aisle to ensure that our community banks are strong, that they are there for our communities, that they provide the loans, that they



assist in developing our communities. What we don't understand oftentimes is why our friends on the opposite side of the aisle, in the name of community banks, will come with proposals that hurt community banks.

We have pointed out that our friends on the opposite side of the aisle have gone so far as to try and get everyone to believe that we should increase this amount of debt that they could carry up to \$10 billion. That is totally irresponsible, totally. And even when they attempted to go to \$5 billion, totally irresponsible, down to \$3 billion, because I guess they just say: Well, we have to try to get some more opportunities for small banks to carry this debt.

Well, they don't answer the question about what happens when these small community banks are burdened with debt that they cannot take care of, that they cannot pay. They don't talk about the fact that that is going to cause the community bank to close. And they certainly don't talk about putting them in a position where they will be brought up.

So I would simply say for those of us who have proven our support for community banks and who continue to engage with community banks about what we can do to ensure their strength, to ensure that they are there to provide the loans in the neighborhoods and in the communities that they serve, I think we have identified ourselves and we have defined ourselves. We would simply ask those who are listening to this debate to continue to know and understand what is happening between these different sides of the aisle, to look at what we have done, and to understand how we have been helpful in our support for community banks.

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

Mr. HENSARLING. Mr. Speaker, I yield myself 10 seconds to simply use a term popularized on the other side of the aisle. These are crumbs, deregulatory crumbs, offered by the ranking member when, in fact, she and others on the other side of the aisle have their handprints all over Dodd-Frank, which 90 percent of community bankers will tell you is the number one reason they are going out of business, which is why we have to enact this bill.

Mr. Speaker, I am now pleased to yield 2 minutes to the gentleman from Pennsylvania (Mr. ROTHFUS), the vice chairman of our Subcommittee on Financial Institutions and Consumer Credit.

Mr. ROTHFUS. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I rise today to express my support for H.R. 4771, the Small Bank Holding Company Relief Act.

I also want to thank my colleague from Utah, Representative LOVE, for her hard work on this important issue.

We have extensively discussed the challenges that small banks face in the current regulatory environment, both

on the House floor and in the Financial Services Committee, including, just yesterday, a debate on the Mortgage Choice Act.

These challenges contribute to the continued retreat of community banks from small towns and underserved communities across our country, including those that dot my district in the hills and valleys of western Pennsylvania.

This hurts families and Main Street businesses by depriving them of the access to financial services that they desperately need.

The Small Bank Holding Company Relief Act will allow more institutions to operate under the Small Bank Holding Company Policy Statement, which will help them raise additional capital by issuing debt.

It will also make it easier for covered institutions to form new holding companies, fund existing holding companies, and make acquisitions.

Altogether, this is a smart, targeted bill that will help more small financial institutions grow and adjust to the changing economic and regulatory landscape.

Mr. Speaker, I urge my colleagues to support this legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to remind my colleagues on the opposite side of the aisle that the community banks with \$1 billion to \$5 billion in assets already have sufficient access to capital markets and, as a group, are exhibiting help and resilience.

Raising a threshold to exempt banks with over \$1 billion from important minimum leverage and capital requirements will do little more than encourage banks to take on debt—as I have reminded you time and time again today—endangering their soundness and potentially depriving their customers of much-needed banking services should the bank fail.

Setting the consolidated assets threshold at \$1 billion was a bipartisan decision that struck a balance between allowing small banks to access capital to better serve their customers and ensuring their safety and soundness. Raising the threshold would be an unnecessary and risky change.

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

Mr. HENSARLING. Mr. Speaker, I am now pleased to yield 2 minutes to the gentleman from Florida (Mr. ROSS), vice chairman of the Housing and Insurance Subcommittee.

Mr. ROSS. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I thank my colleague, Mrs. LOVE, from Utah for presenting this bill.

Mr. Speaker, I stand here in support of H.R. 4771.

It is said that all politics are local, but might I also suggest that all economic growth is local as well. Local in the sense of small businesses. Small

businesses, the moms and pops who put their ideas at risk in order to create their American Dream of growing a business and creating jobs.

Yet, what does it take?

It takes access to capital. Yet, since Dodd-Frank, we have not seen that access to capital available to our small businesses, who so desperately need it, in order to grow our economies, especially at the community level.

In fact, might I even suggest that Dodd-Frank has only one attribute in terms of job growth, and that is the creation of the one fastest growing job out there: compliance officer—compliance officers that banks and financial institutions now have to hire in order to meet regulatory burdens that take away from the bottom line of consumers who want to achieve the American Dream.

Mr. Speaker, H.R. 4771, the Small Bank Holding Company Relief Act, will allow that access to capital that is so desperately needed at the local level, and I encourage my colleagues to support this bill.

□ 1200

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Okay. So we have heard it again. We hate Dodd-Frank. We hate Dodd-Frank. We hate the Consumer Financial Protection Bureau. We don't believe that Dodd-Frank should have created the reforms that they did.

Just forget about the fact that there was a subprime meltdown in 2008, that this country went into a recession, almost a depression. Throw all of that out of the window. Forget about what was happening when the big banks failed and we bailed them all out. Forget about reforms.

Oh, how much we hate Dodd-Frank. We just blame Dodd-Frank for everything.

Please. I think that, as credible legislators, we are beyond the point of wrapping up everything that we don't like and accusing Dodd-Frank reforms for causing problems to everything and everybody, including the community banks. The fact of the matter is, if we want to strengthen, preserve, and make sure community banks are available to our communities, we won't take on public policy that would put them at risk with having more debt than they can take care of, and we won't put them at risk of being bought up and these mergers taking place.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield myself 10 seconds just to request of the ranking member, on her time, if she will begin to name the community banks that were responsible for the 2008 financial crisis, ostensibly, that was supposed to be answered by Dodd-Frank. She will have some time to think about that.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ZELDIN).

Mr. ZELDIN. Mr. Speaker, I rise in strong support of H.R. 4771, the Small Bank Holding Company Relief Act, and I commend my friend from Utah, MIA LOVE, for her amazing leadership on this important issue and her tireless effort to bring relief to the community banks that lend to small businesses and families in my district and in towns all across America.

By reforming the onerous one-size-fits-all regulations mandated by the Dodd-Frank law that roped small community financial institutions in with large global too-big-to-fail megafirms, this commonsense bill will give community banks and the customers they serve more clarity and allow them to focus on their important mission of lending to homeowners and businesses.

This legislation also makes it easier for small- and medium-sized institutions subject to Dodd-Frank mandates to form new holding companies, fund existing holding companies, and make acquisitions by issuing debt at the holding company level.

Now that they are subject to the Basel III capital requirements, many community banks have found it difficult to access and raise capital.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. I yield the gentleman from New York an additional 30 seconds.

Mr. ZELDIN. The consequence of this choke hold on community lending means less mortgages, less small business loans, and less economic growth. H.R. 4771 fixes this and facilitates the ability of community banks and savings institutions to raise needed capital.

I urge adoption of this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I have no further requests for time and I am prepared to close, so I yield myself the balance of my time.

Mr. Speaker, Democrats support targeted, measured relief for our community financial institutions. We recognize that these smaller banks and credit unions intimately know their communities and how best to serve them. But we also know that changes to the rules that are designed to ensure that community banks are safe and sound can have unintended consequences.

While community banks did not cause the 2008 financial crisis, they were at the center of another crisis just two decades before. When I came to the Financial Services Committee, thousands of savings and loan holding companies were failing and causing serious harm to the communities they were supposed to serve. This was due, in part, to the fact that lawmakers thought it was wise to weaken safeguards on these savings and loan holding companies, allowing them to take on more leverage and offer riskier products. I fear that Congress will again pass legislation today that will ultimately cause harm to both the very community banks we want to help and the hardworking Americans that rely on them.

And now, Republicans are trying to raise the threshold as high as possible. In the chairman's "Wrong Choice Act," he would raise the threshold tenfold, to \$10 billion. At the end of last Congress, Republicans sought to raise it to \$5 billion. A few months ago, the Trump administration recommended raising it to \$2 billion, and now, a little less than 3 years after we reached a bipartisan compromise, we are inexplicably considering legislation to raise it to \$3 billion.

I tried to tell you just a few moments ago, they don't know. They are just throwing it up against the wall: whatever we can get. Next they will be asking for \$20 billion. No, you have moved away from \$10 billion; you have moved away from \$5 billion; now you are at \$3 billion. Your President wants \$2 billion. We say, leave it as it is.

Mr. Speaker, if you are listening to this and feeling dizzy, it is understandable. None of these levels are backed by the same careful consideration Congress gave to the threshold 2 years ago, and I am afraid it is exactly the kind of legislating that set the groundwork for the savings and loan crisis and left thousands of communities without access to banking services.

When I came on, Members of Congress were fleeing the old Banking Committee. They wanted to get out of there because they had been responsible for public policy that had put the S&L business at risk, and now that was all failing. They were fleeing it, and they were punishing people, all the new Members coming on, and making them go on this committee because they knew that they had nobody else to serve on it.

So I have been there. I have seen it. I have experienced it. I am a part of Dodd-Frank reforms. I served on the conference committee. I worked with Dodd. I worked with Frank. I know what we should be doing.

Before I close, I would like to remind my colleagues that this bill and many of the other one-off financial services bills Republicans are pushing should really be viewed as setting the table for the dangerous deregulatory package making it through the Senate. That package, which our committee has not even considered to thoroughly understand the interactions of all the rollbacks it contains, weakens oversight of Wall Street and the Nation's largest banks under the guise of community bank relief.

H.R. 4771 is one of the many provisions in the Senate bill that, when taken together, will risk further bailouts and harm homeownership in America. Every time this House passes another provision of that bigger bill, we make it more likely that critical safeguards and protections will be eviscerated at the expense of our Nation's homeowners and consumers.

I urge all Members to soundly reject H.R. 4771 today and to reject the larger Senate legislation if it comes to the House. I comfortably say, despite the

fact that my friends on the opposite side of the aisle are trying to frame this in a certain way, they really don't know what they are doing. Reject this bill.

I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. DAVIDSON), a hardworking member of the Financial Services Committee.

Mr. DAVIDSON. Mr. Speaker, I rise today to offer my support for H.R. 4771, the Small Bank Holding Company Relief Act. This bill is another example of the rollback of burdensome regulations of the Dodd-Frank Act, which Barney Frank himself says missed the mark, particularly with respect to small banks.

I appreciate the Member opposed calling attention to Democrats who have worked across the aisle to benefit community banks. In fact, 11 of them support this bill in our committee, and I appreciate them for doing that. I appreciate the cosponsors who are Democrats, who worked across the aisle with my colleague, Mrs. LOVE, to pass this good bill through our committee, and I look forward to seeing more colleagues pass this in a bipartisan way across the floor of the House today.

How about giving small institutions a chance to start taking back some of their market share? Instead of too big to fail, what Dodd-Frank has done is made things so that small banks are too small to succeed. These exemptions that are in this bill make it easier for small bank holding companies to raise capital, to issue debt.

Under the current capital requirements, small businesses just can't compete with the larger banks, and the large banks have celebrated this in their own statements, celebrating the effect of Dodd-Frank in protecting their market share and helping them grow it.

Under current capital requirements, that is what we have seen: bigger banks getting bigger, and smaller banks getting fewer. We need to give community banks the ability to breathe from the regulatory burden that has been shoved down their throats. And if you want to make big banks smaller, you can try to regulate them more, but we have demonstrated that is their competitive advantage.

Frankly, all benchmarks are easier to audit. Just picking a number here in D.C. is easier to audit, and this is a compromise to what would be a good solution to look at systemic risk.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. I yield the gentleman from Ohio an additional 30 seconds.

Mr. DAVIDSON. We are losing nearly one community bank a day, and that is having a devastating impact on local businesses and communities. I urge all of our colleagues to support H.R. 4771.

Mr. HENSARLING. Mr. Speaker, may I inquire how much time is remaining.

The SPEAKER pro tempore. The gentleman from Texas has 4¼ minutes remaining.

Mr. HENSARLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, our community financial institutions play a vital role in our local communities, particularly in rural areas like the Fifth District of Texas, our east Texas counties, and yet they are being crushed, crushed by the sheer weight, volume, complexity, and expense of regulation brought about by Dodd-Frank.

I hear so much from the ranking member about how much her side of the aisle cares about community banks, but their words are belied by their actions in supporting Dodd-Frank, supposedly meant for Wall Street, but it is hurting Main Street.

We have a bill before us today, Mr. Speaker, H.R. 4771, that will give a little bit of ability for community banks to protect themselves from the onslaught of this regulatory burden. The whole idea, again, Mr. Speaker, is to ensure that community banks can at least gather and merge amongst themselves so they are not gobbled up by the big banks that are vilified by the other side of the aisle in the first place.

Again, Mr. Speaker, this is actually—you wouldn't know it from the ranking member—a bipartisan proposal, supported by almost half—half—of the Democrats on the Financial Services Committee. And again, there is great bipartisan work on our committee. Almost three-quarters of our bills are bipartisan; it is just few of them that are supported by our ranking member.

Let's do one small thing today. Let's have the House do one small thing today, Mr. Speaker, that will help them survive a day more so that they can lend money to a hardworking family to buy that first home, so that they can lend money to somebody to realize their American Dream of perhaps starting their own small business. After having to get that paycheck at the local factory for so many years, now they can finally go out and start their own small business. Maybe it is a matter of sending the first kid to college.

But all of this, all of this disappears. These hopes and dreams disappear with our community banks who are still failing, unfortunately, at the rate of one approximately every other day. This is unacceptable. This is totally unacceptable.

So we have one deregulatory measure here—one—to help our community banks survive. And we hear from so many of them, Mr. Speaker.

Here is one from Indiana that says:

Regulations have significantly reduced our ability to make judgment calls on credit decisions. When I first came to First Savings Bank, I had a number of people tell me that the First Savings Bank gave them their first loan, probably when they didn't deserve it. Today, they are business and civic leaders. And I guess we made the right call then. However, today we cannot make that call. Washington has made that call, and the answer is no.

One reason, one voice of one banker telling us why we need the bill from the gentlewoman from Utah.

Here is another from a banker in Texas, who said:

When I started banking, the community bank business model was built around bankers helping their communities to thrive. Today, customers are confused when they have to sign so many papers to open a deposit account or borrow money. I can only think of one explanation, and that is our government thinks our customers are too stupid to come into the bank and negotiate a private transaction with their banker, the community banker that they go to church with, the community banker whose kids go to school with the customers' kids, and the community banker whose wife is in the local charity with the wives of the banker's customers' wives.

□ 1215

Here is another one from Nevada:

I have been a banker for over 30 years, and I have never been more discouraged than I am now. Good bankers are fleeing the industry. The days of making a commonsense decision for the benefit of a customer are gone. For me, retirement can't come soon enough.

I have got binders and binders full of these testimonies, Mr. Speaker. As the local community banks leave, so leave the credit opportunities of so many low- and moderate-income Americans. It has got to stop.

Mr. Speaker, it is time for the House to enact H.R. 4771. Let's stop the carnage, let's encourage community bank living, and I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 725, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HENSARLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

#### MESSAGE FROM THE SENATE

A message from the Senate by Ms. Byrd, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 582. An act to amend the Communications Act of 1934 to require multi-line telephone systems to have a configuration that permits users to directly initiate a call to 9-1-1 without dialing any additional digit, code, prefix, or post-fix, and for other purposes.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

#### IMPROVING RURAL CALL QUALITY AND RELIABILITY ACT OF 2017

Mr. LANCE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 96) to amend the Communications Act of 1934 to ensure the integrity of voice communications and to prevent unjust or unreasonable discrimination among areas of the United States in the delivery of such communications.

The Clerk read the title of the bill.

The text of the bill is as follows:

S. 96

*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 "Improving Rural Call Quality and Reliability Act of 2017".

#### SEC. 2. ENSURING THE INTEGRITY OF VOICE COMMUNICATIONS.

Part II of title II of the Communications Act of 1934 (47 U.S.C. 251 et seq.) is amended by adding at the end the following:

#### "SEC. 262. ENSURING THE INTEGRITY OF VOICE COMMUNICATIONS.

"(a) REGISTRATION AND COMPLIANCE BY INTERMEDIATE PROVIDERS.—An intermediate provider that offers or holds itself out as offering the capability to transmit covered voice communications from one destination to another and that charges any rate to any other entity (including an affiliated entity) for the transmission shall—

"(1) register with the Commission; and

"(2) comply with the service quality standards for such transmission to be established by the Commission under subsection (c)(1)(B).

"(b) REQUIRED USE OF REGISTERED INTERMEDIATE PROVIDERS.—A covered provider may not use an intermediate provider to transmit covered voice communications unless such intermediate provider is registered under subsection (a)(1).

"(c) COMMISSION RULES.—

"(1) IN GENERAL.—

"(A) REGISTRY.—Not later than 180 days after the date of enactment of this section, the Commission shall promulgate rules to establish a registry to record registrations under subsection (a)(1).

"(B) SERVICE QUALITY STANDARDS.—Not later than 1 year after the date of enactment of this section, the Commission shall promulgate rules to establish service quality standards for the transmission of covered voice communications by intermediate providers.

"(2) REQUIREMENTS.—In promulgating the rules required by paragraph (1), the Commission shall—

"(A) ensure the integrity of the transmission of covered voice communications to all customers in the United States; and

"(B) prevent unjust or unreasonable discrimination among areas of the United States in the delivery of covered voice communications.