

notify the Federal Trade Commission of such approval" before the period at the end of the 1st sentence.

SEC. 142. INTERAGENCY DATA SHARING.

To the extent not prohibited by other law, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System shall make available to the Attorney General and the Federal Trade Commission any data in the possession of any such banking agency that the antitrust agency deems necessary for antitrust review of any transaction requiring notice to any such antitrust agency or the approval of such agency under section 3, 4, or 6 of the Bank Holding Company Act of 1956, section 18(c) of the Federal Deposit Insurance Act, the National Bank Consolidation and Merger Act, section 10 of the Home Owners' Loan Act, or the antitrust laws.

SEC. 143. CLARIFICATION OF STATUS OF SUBSIDIARIES AND AFFILIATES.

(a) CLARIFICATION OF FEDERAL TRADE COMMISSION JURISDICTION.—Any person which directly or indirectly controls, is controlled directly or indirectly by, or is directly or indirectly under common control with, any bank or savings association (as such terms are defined in section 3 of the Federal Deposit Insurance Act) and is not itself a bank or savings association shall not be deemed to be a bank or savings association for purposes of the Federal Trade Commission Act or any other law enforced by the Federal Trade Commission.

(b) SAVINGS PROVISION.—No provision of this section shall be construed as restricting the authority of any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) under any Federal banking law, including section 8 of the Federal Deposit Insurance Act.

(c) HART-SCOTT-RODINO AMENDMENT.—Section 7A(c)(7) of the Clayton Act (15 U.S.C. 18a(c)(7)) is amended by inserting before the semicolon at the end thereof the following: ", except that a portion of a transaction is not exempt under this paragraph if such portion of the transaction (A) requires notice under section 6 of the Bank Holding Company Act of 1956; and (B) does not require approval under section 3 or 4 of the Bank Holding Company Act of 1956".

SEC. 144. ANNUAL GAO REPORT.

(a) IN GENERAL.—By the end of the 1-year period beginning on the date of the enactment of this Act and annually thereafter, the Comptroller General of the United States shall submit a report to the Congress on market concentration in the financial services industry and its impact on consumers.

(b) ANALYSIS.—Each report submitted under subsection (a) shall contain an analysis of—

(1) the positive and negative effects of affiliations between various types of financial companies, and of acquisitions pursuant to this Act and the amendments made by this Act to other provisions of law, including any positive or negative effects on consumers, area markets, and submarkets thereof or on registered securities brokers and dealers which have been purchased by depository institutions or depository institution holding companies;

(2) the changes in business practices and the effects of any such changes on the availability of venture capital, consumer credit, and other financial services or products and the availability of capital and credit for small businesses; and

(3) the acquisition patterns among depository institutions, depository institution holding companies, securities firms, and insurance companies including acquisitions among the largest 20 percent of firms and ac-

quisitions within regions or other limited geographical areas.

In section 206(a)(1)(F) of the Amendment in the Nature of a Substitute, strike clauses (ii) and (iii), and insert the following:

(ii) interest rates, except interest rate derivative instruments (I) that are based on a security or a group or index of securities (other than government securities or a group or index of government securities); (II) that provide for the delivery of one or more securities (other than government securities); or (III) that trade on a national securities exchange; or

(iii) commodities, other rates, indices, or other assets, except derivative instruments (I) that are securities or that are based on a group or index of securities (other than government securities or a group or index of government securities); (II) that provide for the delivery of one or more securities (other than government securities); or (III) that trade on a national securities exchange.

In section 206(a)(3) of the Amendment in the Nature of a Substitute, strike "and" at the end of subparagraph (B); redesignate subparagraph (C) as subparagraph (D); and after subparagraph (B), insert the following new subparagraph:

(C) the term 'government securities' has the meaning provided in section 3(a)(42) of such Act, and, for purposes of this subsection, commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities; and

In paragraph (55)(A) of section 3(a) of the Securities Exchange Act of 1934, as added by section 207 of the Amendment in the Nature of a Substitute, strike "or" at the end of clause (viii).

In paragraph (55)(A) of section 3(a) of the Securities Exchange Act of 1934, as added by section 207 of the Amendment in the Nature of a Substitute, strike the period at the end of clause (ix) and insert "; or".

In paragraph (55)(A) of section 3(a) of the Securities Exchange Act of 1934, as added by section 207 of the Amendment in the Nature of a Substitute, insert the following new clause after clause (ix):

"(x) the government of any foreign country.

At the end of subtitle A of title I of the Amendment in the Nature of a Substitute, insert the following new section (and amend the table of contents accordingly):

SEC. 109. RESPONSIVENESS TO COMMUNITY NEEDS FOR FINANCIAL SERVICES.

(a) STUDY.—The Secretary of the Treasury, in consultation with the Federal banking agencies (as defined in section 3(z) of the Federal Deposit Insurance Act) and the Securities and Exchange Commission, shall conduct a study of the extent to which adequate services are being provided as intended by the Community Reinvestment Act of 1977, including services in low- and moderate-income neighborhoods and for persons of modest means, as a result of the enactment of this Act.

(b) REPORT.—Before the end of the 2-year period beginning on the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Federal banking agencies and the Securities and Exchange Commission, shall submit a report to the Congress on the study conducted pursuant to subsection (a) and shall include such recommendations as the Secretary determines to be appropriate for administrative and legislative action with respect to institutions covered under the Community Reinvestment Act of 1977.

After section 109 (as so added) of the Amendment in the Nature of a Substitute, insert the following new section (and amend the table of contents accordingly):

SEC. 110. REPORTS ON ONGOING FTC STUDY OF CONSUMER PRIVACY ISSUES.

With respect to the ongoing multistage study being conducted by the Federal Trade Commission on consumer privacy issues, the Commission shall submit to the Congress an interim report on the findings and conclusions of the Commission, together with such recommendations for legislative and administrative action as the Commission determines to be appropriate, at the conclusion of each stage of such study and a final report at the conclusion of the study.

In section 322(b) of the Amendment in the Nature of a Substitute, strike paragraph (1) and insert the following:

(1) be a nonprofit corporation;
It was decided in the { Years ..... 407
affirmative ..... } Nays ..... 11

Table with 3 columns: Roll No. 143, AYES—407, and a list of names including Abercrombie, Ackerman, Aderholt, Allen, Andrews, Archer, Army, Baesler, Baker, Baldacci, Ballenger, Barcia, Barr, Barrett (NE), Barrett (WI), Bartlett, Barton, Bass, Becerra, Bentsen, Bereuter, Berman, Berry, Bilbray, Bilirakis, Bishop, Blagojevich, Biley, Blumenauer, Blunt, Boehlert, Boehner, Bonilla, Bonior, Bono, Borski, Boswell, Boucher, Boyd, Brady, Brown (CA), Brown (FL), Brown (OH), Bryant, Bunning, Burr, Burton, Buyer, Callahan, Calvert, Camp, Campbell, Canady, Cannon, Capps, Cardin, Carson, Castle, Chabot, Chambliss, Chenoweth, Clayton, Clement, Clyburn, Coble, Coburn, Collins, Combust, Condit, Conyers, Cook, Cooksey, Costello, Cox, Coyne, Cramer, Crane, Crapo, Cubin, Cummings, Cunningham, Danner, Davis (FL), Davis (IL), Davis (VA), Deal, DeFazio, DeGette, Delahunt, DeLauro, DeLay, Deutsch, Diaz-Balart, Dickey, Dicks, Dingell, Dixon, Doggett, Dooley, Doolittle, Doyle, Duncan, Dunn, Edwards, Ehlers, Ehrlich, Emerson, Engel, English, Eshno, Etheridge, Evans, Everett, Ewing, Farr, Fawell, Fazio, Filner, Foley, Forbes, Ford, Fossella, Fowler, Fox, Frank (MA), Franks (NJ), Frelinghuysen, Frost, Furse, Gallegly, Ganske, Gejdenson, Gekas, Gephardt, Gillmor, Gilman, Goodlatte, Goodling, Gordon, Goss, Graham, Granger, Green, Greenwood, Gutierrez, Gutknecht, Hall (OH), Hall (TX), Hamilton, Hansen, Hastert, Hastings (FL), Hastings (WA), Hayworth, Hefley, Herger, Hill, Hilleary, Hinchey, Hinojosa, Hobson, Hoekstra, Holden, Hooley, Horn, Hostettler, Houghton, Hoyer, Hulshof, Hunter, Hutchinson, Hyde, Inglis, Istook, Jackson (IL), Jackson-Lee (TX), Jefferson, Jenkins, John, Johnson (CT), Johnson (WI), Johnson, E.B., Jones, Kanjorski, Kaptur, Kasich, Kelly, Kennedy (MA), Kennedy (RI), Kennelly, Kildee, Kim, Kind (WI), King (NY), Kingston, Kleczka, Klink, Klug, Knollenberg, Kolbe, Kucinich, LaFalce, Lampson, Lantos, Largent, Latham, LaTourette, Lazio, Leach, Lee, Levin, Lewis (CA), Lewis (GA), Lewis (KY), Linder, Lipinski, Livingston, LoBiondo, Lofgren, Lowey.

Lucas	Paul	Smith (MI)
Luther	Paxon	Smith (NJ)
Maloney (CT)	Payne	Smith (OR)
Maloney (NY)	Pease	Smith (TX)
Manton	Pelosi	Smith, Adam
Manzullo	Peterson (MN)	Smith, Linda
Markey	Peterson (PA)	Snowbarger
Martinez	Petri	Snyder
Mascara	Pickering	Solomon
Matsui	Pickett	Souder
McCarthy (MO)	Pitts	Spence
McCarthy (NY)	Pombo	Spratt
McCrery	Pomeroy	Stabenow
McDade	Porter	Stark
McDermott	Portman	Stearns
McGovern	Poshard	Stenholm
McHale	Price (NC)	Stokes
McHugh	Pryce (OH)	Strickland
McInnis	Quinn	Stump
McIntosh	Rahall	Stupak
McIntyre	Ramstad	Sununu
McKeon	Rangel	Talent
McKinney	Redmond	Tanner
McNulty	Regula	Tauscher
Meehan	Reyes	Tauzin
Meek (FL)	Riggs	Taylor (MS)
Meeks (NY)	Rivers	Taylor (NC)
Menendez	Rodriguez	Thomas
Metcalfe	Roemer	Thompson
Mica	Rogan	Thornberry
Millender-	Rogers	Thurman
McDonald	Rohrabacher	Tierney
Miller (CA)	Ros-Lehtinen	Torres
Miller (FL)	Rothman	Towns
Minge	Roukema	Traficant
Mink	Roybal-Allard	Turner
Moakley	Royce	Upton
Mollohan	Rush	Velazquez
Moran (KS)	Ryun	Vento
Moran (VA)	Sabo	Visclosky
Morella	Salmon	Walsh
Murtha	Sanchez	Wamp
Myrick	Sanders	Waters
Nadler	Sandlin	Watkins
Neal	Sanford	Watt (NC)
Nethercutt	Sawyer	Watts (OK)
Neumann	Saxton	Waxman
Ney	Schaefer, Dan	Weldon (FL)
Northup	Schumer	Weldon (PA)
Norwood	Scott	Weller
Nussle	Sensenbrenner	Wexler
Oberstar	Serrano	Weygand
Obey	Sessions	Whitfield
Olver	Shadegg	Wicker
Ortiz	Shaw	Wise
Owens	Shays	Wolf
Oxley	Sherman	Woolsey
Packard	Shimkus	Wynn
Pallone	Shuster	Yates
Pappas	Sisisky	Young (AK)
Parker	Skeen	Young (FL)
Pascarell	Skelton	
Pastor	Slaughter	

NOES—11

Bachus	LaHood	Schaffer, Bob
Dreier	McCollum	Thune
Goode	Riley	Tiahrt
Johnson, Sam	Scarborough	

NOT VOTING—14

Bateman	Gilchrest	Kilpatrick
Christensen	Gonzalez	Radanovich
Clay	Harman	Skaggs
Fattah	Hefner	White
Gibbons	Hilliard	

So the amendment was agreed to.  
After some further time,

44.16 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment submitted by Mr. LAFALCE:

In section 104(b)(2) of the Amendment in the Nature of a Substitute, strike "As stated by the United States Supreme Court" and insert "In accordance with the decision of the Supreme Court of the United States".

In section 104(b)(2) of the Amendment in the Nature of a Substitute, strike "to engage" each place such term appears and insert ", or any subsidiary or other affiliate thereof, from engaging".

In section 104(b)(2) of the Amendment in the Nature of a Substitute, strike subpara-

graph (B) and insert the following new subparagraph:

(B) subparagraph (A) shall not apply after the end of the 5-year period beginning on the date of the enactment of this Act.

In section 104(b)(3) of the Amendment in the Nature of a Substitute, insert "not relating to crossmarketing activities subject to paragraph (2)" after "orders, and interpretations".

In section 104(b)(3) of the Amendment in the Nature of a Substitute, insert "to the extent that such statutes, regulations, orders, and interpretations do not have a disparate impact on insurance underwriters affiliated with an insured depository institution or wholesale financial institution" before the period at the end.

Strike the heading for subtitle C of title I of the Amendment in the Nature of a Substitute and insert the following new heading:

**Subtitle C—Subsidiaries of Insured Depository Institutions**

Strike section 121 of the Amendment in the Nature of a Substitute and insert the following new sections (and redesignate subsequent sections and amend the table of contents accordingly):

**SEC. 121. SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.**

(a) FINANCIAL SUBSIDIARIES OF NATIONAL BANKS.—Chapter one of title LXII of the Revised Statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A as section 5136C; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

**"SEC. 5136A. FINANCIAL SUBSIDIARIES OF NATIONAL BANKS.**

"(a) SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.—

"(1) IN GENERAL.—A subsidiary of a national bank may engage in an activity that is not permissible for a national bank to engage in directly, but only if—

"(A) the activity is a financial activity (as defined in paragraph (4));

"(B) the national bank is well capitalized, well managed, and achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of the bank;

"(C) all depository institution affiliates of such national bank are well capitalized, well managed, and have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution; and

"(D) the bank has received the approval of the Comptroller of the Currency.

"(2) NO EFFECT ON EDGE ACT OR AGREEMENT CORPORATIONS.—Paragraph (1) shall not apply with respect to any subsidiary which is a corporation organized under section 25A of the Federal Reserve Act or a corporation operating under section 25 of such Act.

"(3) OTHER SUBSIDIARIES PROHIBITED.—A national bank may not control any subsidiary other than a subsidiary—

"(A) which engages solely in activities that are permissible for a national bank to engage in directly or are authorized under paragraph (1); or

"(B) which a national bank may control pursuant to section 25 or 25A of the Federal Reserve Act, the Bank Service Company Act, or any other Act that expressly by its terms authorizes national banks to control subsidiaries.

"(4) FINANCIAL ACTIVITY DEFINED.—For purposes of this section and subject to paragraph (5), the term 'financial activity' means any 1 or more of the following:

"(A) Receiving money subject to a deposit or other repayment obligation.

"(B) Lending, exchanging, transferring, investing, or safeguarding money or other financial assets.

"(C) Providing any device or other instrumentality for transferring money or other financial assets.

"(D) Acting as agent or broker in the placement of annuities contracts or contracts insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death.

"(E) Providing financial, investment, or economic advisory or information services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

"(F) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

"(G) Arranging, effecting, or facilitating financial transactions for the account of third parties.

"(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities that the financial subsidiary controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

"(i) the shares, assets, or ownership interests are not acquired or held by a depository institution;

"(ii) such shares, assets, or ownership interests are acquired and held by a securities affiliate or an affiliate thereof as part of a bona fide underwriting or merchant banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment;

"(iii) such shares, assets, or ownership interests, are held only for such a period of time as will permit the sale or disposition thereof on a reasonable basis consistent with the nature of the activities described in clause (ii); and

"(iv) during the period such shares, assets, or ownership interests are held, the financial subsidiary does not actively participate in the day to day management or operation of such company or entity, except insofar as necessary to achieve the objectives of clause (ii).

"(I) Underwriting, dealing in, or making a market in securities.

"(J) Engaging in any activity that was, by regulation or order, permissible for a bank holding company pursuant to section 4(c)(8) of the Bank Holding Company Act of 1956 (as in effect on the day before the date of enactment of the Financial Services Act of 1998).

"(K) Engaging, in the United States, in any activity that—

"(i) a bank holding company may engage in outside the United States; and

"(ii) the Board of Governors of the Federal Reserve System determined, under regulations issued pursuant to section 4(c)(13) of the Bank Holding Company Act of 1956 (as in effect on the day before the date of enactment of the Financial Services Act of 1998) to be usual in connection with the transaction of banking or other financial operations abroad;

"(L) Owning shares of a company to the extent permissible under section 4(c)(7) of the Bank Holding Company Act of 1956 (as in effect on the day before the date of enactment of the Financial Services Act of 1998).

"(M) Engaging in any activity that the Comptroller of the Currency determines by regulation or order is the functional equivalent of any activity described in 1 or more of subparagraphs (A) through (K).