

successor institution) for the purpose of repaying the loan of RTC funds used to capitalize the merged BIF-SAIF fund. The annual amount of the special assessment and the repayment term would be determined by the FDIC in consultation with the Treasury.

The disparity between the annual premium assessments paid by former SAIF-insured institutions, including the annual assessment to repay the loan of RTC funds, and the annual premium assessments paid by other insured institutions would be capped at 9 basis points.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions.

OPTION 8: DEPOSIT INSURANCE FUND MERGER
ACT OF 1995

Summary: Merges the BIF and SAIF funds with recapitalization of combined fund within five years; Scheduled reduction in BIF premium; SAIF-insured institutions contribute to combined fund shortfall with special assessment and capped premium differential; All institutions fund FICO debt obligation on *pro rata* basis.

Authorizes the merger of the BIF and SAIF deposit insurance funds into a single insurance fund with recapitalization of combined fund at designated reserve ratio of 1.25 percent of insured deposits within 5 years.

Requires both BIF-insured and SAIF-insured institutions to pay annual FICO bond debt obligation on *pro rata* basis.

Directs the FDIC to make the scheduled reduction in annual premiums paid by BIF-insured institutions to a level that reflects estimates of expenses to the current BIF fund, plus amounts necessary to pay the *pro rata* share of annual FICO debt obligation.

Provides FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the merged BIF-SAIF fund. The assessment could be collected over a number of years, with a larger portion of the assessment due in the first year to address the immediate problem of inadequate fund capitalization. The FDIC is authorized to provide exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Provides the FDIC with discretion to set annual premiums paid by SAIF-insured institutions separately from premiums paid by BIF-insured institutions until combined BIF-SAIF fund is recapitalized at the designated reserve ratio.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions.

OPTION 9: SAVINGS ASSOCIATION INSURANCE
FUND RECAPITALIZATION ACT OF 1995

Summary: Uses unexpended RTC funds to help recapitalize SAIF; No. BIF-SAIF Merger; BIF and SAIF institutions fund FICO debt obligation on a *pro rata* basis.

Authorizes the use of unexpended RTC funds to help recapitalize the SAIF fund and to cover losses consistent with the original intent of the 1989 FIRREA legislation.

Requires both BIF-insured and SAIF-insured institutions to pay the annual FICO bond debt obligation on *pro rata* basis.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law to permit FDIC to set SAIF premium at level that would balance use of RTC funds and concern for competitive position of SAIF-insured institutions.

OPTION 10: SAVINGS ASSOCIATION INSURANCE
FUND AND FINANCING CORPORATION REFORM
ACT OF 1995

Summary: BIF and SAIF-insured institutions fund FICO debt obligation on *pro rata*

basis; No merger of BIF-SAIF funds; SAIF-insured institutions capitalize SAIF with special assessment and premium disparity.

Requires both BIF-insured and SAIF-insured institutions to pay the annual FICO bond debt obligation on a *pro rata* basis.

Provides the FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the SAIF fund. The assessment could be collected over a number of years, with a larger portion of the assessment due in the first year to address the immediate problem of inadequate fund capitalization. The FDIC is authorized to provide exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law.

OPTION 11: SAVINGS ASSOCIATION INSURANCE
FUND STABILIZATION ACT OF 1995

Summary: BIF and SAIF-insured institutions fund FICO debt obligation on *pro rata* basis; SAIF-insured institutions capitalize SAIF with special assessment and premium disparity through 1999; RTC funds used as backup loss reserve for SAIF.

Requires both BIF-insured and SAIF-insured institutions to pay annual FICO bond debt obligation on a *pro rata* basis.

Provides the FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the SAIF fund. The assessment could be collected over a number of years, with a larger percentage payment due the first year to address the immediate problem of inadequate fund capitalization. The FDIC is authorized to grant exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Authorizes the use of unexpended RTC funds to be held in reserve by the FDIC to cover potential insurance fund losses for SAIF-insured institutions until SAIF achieves the designated reserve ratio. Unused funds revert to U.S. Treasury upon recapitalization of the fund.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law.

OPTION 12: FEDERAL DEPOSIT INSURANCE CORPORATION REGULATORY FLEXIBILITY ACT OF 1995

Summary: Regulatory changes to provide the FDIC with flexible authority to address problems of SAIF recapitalization and FICO debt repayment with a variety of potential revenue sources, including unexpended RTC funds, SAIF premiums and special assessment, BIF-SAIF transfers and Oakar/Sasser FICO contributions.

Authorizes the FDIC to administer repayment of the FICO bond debt obligation.

Authorizes the FDIC to administer the unexpended RTC funds and investment income and to allocate such funds for purposes of: payment of FICO debt obligation; capitalization of the SAIF; creation of a reserve to cover potential insurance fund losses in SAIF-insured institutions until SAIF achieves designated reserve ratio; creation of a reserve against federal liability in goodwill cases.

Authorizes the FDIC to borrow temporarily from either fund limited amounts to permit the other fund to achieve or maintain the designated reserve ratio. The authority to borrow assets or revenue from a fund would be limited at any time to an amount representing .03 percent of the assessment base of the fund.

Provides FDIC with discretionary authority to require SAIF-insured institutions to pay a special, one-time assessment of up to 40 basis points toward recapitalization of the SAIF. The assessment could be collected over a number of years, with a larger percentage payment due to first year to help reduce immediate concern for inadequate fund capitalization. The FDIC would have authority to grant exemptions from this assessment, or reduce such assessment, for troubled institutions or institutions which would become troubled if such an assessment were imposed.

Provides clarification that the reserve ratio of 1.25 percent of estimated insured deposits in the minimum designated reserve ratio required of the BIF and SAIF funds rather than an absolute level that must be maintained or cannot be exceeded.

Authorizes the FDIC to make appropriate reductions in annual BIF and SAIF premium assessments when the reserves of a fund meet or exceed the minimum designated reserve ratio.

Provides clarification that insurance fund revenues be used primarily for insurance fund purposes and that premium revenues not be unduly diverted for other purposes.

Authorizes the FDIC to include a portion of premiums paid by Oakar and Sasser institutions toward payment of FICO debt obligation.

Eliminates the mandatory 18 basis point minimum annual assessment rate for SAIF-insured institutions in current law.

INDUSTRY-FUNDED CHECKOFF
PROGRAM FOR PROPANE GAS

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 7, 1995

Mr. TAUZIN. Mr. Speaker, today I am introducing legislation that would allow the propane industry to establish an industry-funded check-off program for propane gas, an environmentally sound and economical energy source relied on each year by some 60 million Americans.

Last Congress, I introduced similar legislation; H.R. 3546, that was cosponsored by 124 members and formally acted upon the Energy and Power Subcommittee of the Commerce. Final action on the measure could not be completed before the 103d Congress adjourned.

The legislation I am introducing today has been modified to address issues raised during consideration of the bill last Congress. These changes have made the bill better and as I introduced the measure today, I am not aware of any likely opposition.

Propane is one of this Nation's most versatile energy sources, supplying 3 to 4 percent of our total need for energy. Since it is distributed in liquefied form by trucks, not carried in pipelines, propane is the fuel of choice in residential areas outside of the natural gas distribution system. Propane is also used by farmers to dry crops, power tractors, or warm greenhouses, by millions of recreational vehicle owners and camping enthusiasts, and by the construction and other industries as a source of heat and power.

In a checkoff program, a small fraction of the wholesale price of a product is set aside and forwarded to a specially created checkoff board. The propane board, which would be known as the Propane Education and Research Council, would use those pooled funds for a variety of activities that would benefit the propane consumer, the propane industry, and the public. The Propane Education and Research Council would undertake specific activities including: First, research and development of more efficient, cleaner burning appliances; second, research and training in safety for both the industry and the public; third, education in regulatory compliance and cooperative activities with States; and fourth, cooperative activities with State associations and builder outreach efforts. All of these activities will provide substantial benefits to propane consumers and the public.

There are currently more than 150 Federal and State checkoff programs. They operate primarily in agricultural industries, which benefit from checkoffs for beef, eggs, cotton, milk, and soybeans.

There are some similar programs in energy industries, however, such as the Gas Research Institute, the Electric Power Research Institute, the Texas Railroad Commission propane checkoff and similar State programs in Louisiana, Missouri, and Alabama. Oil producers in Oklahoma have recently created the Oklahoma Energy Resource Board.

The Gas Research Institute [GRI], for example, boasts a 400-percent return for each dollar collected and invested. While GRI's work primarily benefits urban and suburban natural gas consumers, the propane checkoff would benefit rural and agricultural users of propane, as well as urban and suburban propane consumers.

The agricultural industry, for example, which accounts for 7 to 8 percent of all propane consumed in the United States, will see substantial benefits from the propane checkoff. Much of the large industrial and agricultural equipment now in use is not as efficient as residential and commercial equipment. The propane checkoff will permit research and development into better, more efficient equipment for the industry. With even marginal increases in equipment efficiency, the agriculture industry would reap great returns. Obviously, better and more efficient utilization of propane would benefit other industries, such as construction, in still other ways, further increasing the value of the return.

A checkoff program is particularly needed for propane because, unlike all other major forms of energy and many minor energy sources, propane receives virtually no Federal support for research, development, education, or other activities. Rather than turn to the Federal Government for support in a period of deficit spending and tight funding restrictions, the propane industry has developed this self-help proposal to help ensure that propane is most effectively and efficiently utilized. While this program is paid for by the propane industry, propane consumers and the public will be primary beneficiaries.

This legislation only provides the propane industry with the opportunity to establish this program. The legislation I am proposing would not actually establish the propane checkoff. Instead, it calls upon the propane industry, propane producers, and retail marketers, to hold a referendum among themselves to authorize establishment of the checkoff before it can go

into effect. If the experience with the program is not as positive as the industry projects and experience with checkoff programs suggests, it could be terminated by a majority vote of both classes, or a two-thirds vote by a single one. It is the propane industry's own request that we would help provide it with this coordinated opportunity to voluntarily pool its resources.

This bill is an important self-help measure for the propane industry based on a proven legislative precedent from other industries. Moreover, as a self-help measure, rather than a request for direct Government funding, this measure may well become a model for future legislation in many fields. I encourage my colleagues to join me in cosponsoring this legislation.

THANK YOU LESTER McFADDEN
FOR 35 YEARS OF DEDICATED
SERVICE TO THE FRANKLIN
COUNTY DEMOCRATIC PARTY

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 7, 1995

Mr. POSHARD. Mr. Speaker, I rise today to pay tribute to Mr. Lester McFadden, a constituent and friend who is stepping down as a Democratic precinct committeeman in Benton, IL, after 35 years of dedicated service. In 1970 Lester officially entered the political ring when he became a committeeman and was elected Benton's town clerk.

Lester was born on February 15, 1911, in Logan, IL, and has lived his entire life in Franklin County. He worked 25 years as a carpenter before working more than 20 additional years in the coal industry of southern Illinois. He did all this while balancing the responsibilities of being a husband, devoted father of four, and a committeeman. Being a precinct committeeman is hard work, but Lester is no stranger to rolling up his sleeves and digging in to whatever challenge faces him.

Lester is a person that believes in the value of community involvement and always makes time for his neighbors. For approximately 15 years he coached Little League Baseball in Benton, he is a member of the West City Church of God, the Masonic Lodge, and the Shrine. He has a tough schedule, but always manages to make time for the people of Franklin County.

I have always known Lester to be a hard-working, dedicated, and honest individual. He has always been a trusted and a valued friend and it is with great sadness that I see him step down as precinct committeeman. While Lester may be leaving his role as committeeman I am sure he will continue to be active in Franklin County politics. I wish him all the best as he enters this new stage of life and I am honored to represent this distinguished gentleman in Congress.

TRIBUTE TO BETHEL PILOTS
MEN'S BASKETBALL

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. ROEMER. Mr. Speaker, I rise today to recognize and pay tribute to a group of college athletes in my district who have distinguished themselves as the NAIA Division II Men's Basketball National Champions: The Pilots of Bethel College in Mishawaka, IN.

On Tuesday, March 14, the Bethel College Pilots defeated Northwest Nazarene College 103 to 95. The championship game topped off a 16-game-winning streak and brought a perfect ending to an outstanding season. In addition to claiming the national title, the team set the school season record for most wins, finishing 38 to 2. Pilots senior guard Mark Galloway netted the three-point buzzer-beater at the end of regulation and thus sent the game into overtime. Mark became Bethel's all time leading scorer and was named the Most Valuable Player of the tournament.

In their first year after moving up in to the NAIA, the young men of Bethel reached the top of their division. By their hard work and tenacity they have brought immeasurable pride and happiness to Bethel College, Bethel alumni and our entire community. I would also commend the leadership at Bethel College, particularly Dr. Norman Bridges, for his support of the athletic program.

Mr. Speaker, I commend Coach Mike Lightfoot, head coach of the Bethel College Pilots, for leading his team to victory, for being named the NAIA Division II Coach of the Year and for his career record of 235 wins, 65 losses. I am proud and honored to recognize this milestone in Pilots' history. I know that in the years to come these fine young men will continue to distinguish themselves with greatness in their careers, and in their communities.

CONGRATULATIONS TO OUR LADY
OF THE HAMPTONS

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 7, 1995

Mr. FORBES. Mr. Speaker, I rise today to congratulate the exceptional students at Our Lady of the Hamptons Regional Catholic School in Southampton, Long Island, NY, who will be inducted into the National Junior Honor Society on April 26.

It comes as no surprise to me that the parents, teachers, and students at Our Lady of the Hamptons have produced such outstanding scholars and future community leaders. For years, Our Lady of the Hamptons has been known throughout eastern Long Island as an institution unrivaled for its dedication to educating young adults and providing them with the moral compass they will need to navigate their way through the rough seas of life. Last year, the President of the United States likewise recognized the accomplishments of this fine institution and named Our Lady of the Hamptons a Blue Ribbon School of Excellence.