

securities regulators, and elimination of outdated provisions. While the two bills had much in common, they also differed in certain respects. I commend Senator D'AMATO for his leadership of the Conference Committee, which has successfully bridged the differences between the two bills. Credit also goes to Senator GRAMM, Senator DODD, Senator BENNETT, and the House Conferees. The final product is a reasonable bill that deserves support.

This bill has two major themes: first, improvement of mutual fund regulation, and second, reallocation of responsibility between Federal and State securities regulators. It is appropriate to review the regulation of mutual funds, given the tremendous growth in this segment of the financial services industry. Mutual fund assets now equal insured bank deposits in size. The legislation contains a number of provisions supported by the SEC that are intended to allow mutual funds to operate more flexibly. These provisions include allowing the SEC to require mutual funds to provide shareholders with more current information and to maintain additional records that will be available to the SEC. Given the importance that mutual funds now have as an investment vehicle for millions of American households, it is crucial that information be available for mutual fund shareholders, and these provisions address that need. Both the Senate and House bills contained provisions creating a new exemption for funds open solely to sophisticated investors known as qualified purchasers. In the conference report, the House and Senate reached a compromise on the definition of qualified purchaser.

With respect to the role of the States in securities regulation, let me say that State securities regulators play a crucial role in policing our markets. Still, dual regulation need not mean duplicative regulation. The State regulators themselves have convened a task force to recommend how securities regulation can be made more efficient and effective by dividing authority between the Federal and State level. This conference report retains the provision of the Senate bill, that the SEC may preempt State laws only with respect to securities traded on the New York Stock Exchange, the American Stock Exchange, the NASDAQ, or other exchanges with substantially similar listing standards. The provision in the House bill would have preempted State law for securities not traded on an exchange. The conference report does contain preemption provisions from the House bill that were not present in the Senate bill, addressing secondary trading and regulation of brokerage firms.

The House and Senate compromised on the investment adviser provisions of the Senate bill. These would have removed investment advisory firms with \$25 million or more under management from State regulation. The conference report provides that investment ad-

viser representatives of such firms will continue to be licensed by the States in which they have places of business. The bill does not prohibit a State from requiring that investment adviser representatives doing business in that State designate a place of business in the State, such as an address for service of process, for purposes of maintaining State licensing authority over such individuals.

This is a moderate bill, and appropriately so, for the Federal and State laws governing our securities markets and the participants in those markets are not in need of wholesale changes. All the evidence suggests that the U.S. securities markets are functioning well. Companies continue to raise capital in the U.S. markets in record amounts. In addition to established businesses, new companies have been raising capital in record amounts. Individual investor confidence in the securities markets, measured by direct investment in securities and investment through mutual funds and pension plans, remains high. The U.S. securities markets retain their preeminent position in the world.

As passed by the conference, this bill strikes a reasonable balance. It should improve efficiency in the regulation of our securities markets without unduly limiting the authority of the State regulators, thereby exposing investors to sharp practices. The bill received support from Democratic and Republican House and Senate conferees, and was passed by the House unanimously 2 days ago. I am pleased that the House and Senate, Democrats and Republicans alike, were able to reach consensus on this legislation.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the conference report be considered as adopted, the motion to reconsider be laid upon the table, and statements relating to the report appear at the appropriate place in the RECORD.

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

The conference report was agreed to.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, and passed, the Senate will stand in recess until 2:15.

Thereupon, the Senate, at 12:35 p.m., recessed until 2:13 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SMITH).

FEDERAL AVIATION REAUTHORIZATION—CONFERENCE REPORT

The Senate resumed consideration of the conference report.

The PRESIDING OFFICER. Under the previous order, there will be 3 hours of debate on the conference report equally divided.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, I designate myself as being in charge of the time for this side of the aisle.

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

Mr. McCAIN. Mr. President, I will be brief.

We have decided and the reality is that we will pass this bill. Under the unanimous-consent agreement we entered into yesterday, we will have a cloture vote on Thursday, it is obvious that there are well in excess of 60 votes for passage of this conference report. Unfortunately, for reasons that are not clear to me, the other side has chosen to delay until Thursday that cloture vote. Then, of course, there is the possibility of utilizing time after that.

Meanwhile, funding for much-needed projects is being held up. Funding for projects that are vital, in the view of many States throughout the country, which I will be describing at a later time, is being held up. I do not know why it is being held up. I do not know if it is at the behest of the Teamsters Union. I do not know if it is at the behest of some other labor unions. I do not know why. This provision was inserted by the Senator of South Carolina in conference and voted and carried nearly unanimously. It was the correction of a technical error. Now, the Senator from Massachusetts has tied up the Senate, going through the arcane obstruction and delay such as having the bill read for nearly 5 hours last evening. All but two pages of it were required to be read last night. I do not know why that happened, but the fact is we should be taking up this conference report and passing it right now. There are plenty of Senators who are still in town. We could do it now.

Why the Senator from Massachusetts insists on delaying these programs and projects—do you know what these programs and projects are? These are jobs. These are real jobs for working men and women around America who want to move forward to take their jobs and are now precluded from doing so until this conference report is signed.

The fiscal year ended last night at midnight. We are now a little more than 14 hours into the new fiscal year and thousands, literally thousands of men and women who are not working on these critically needed airport projects. We are now 14 hours into the new fiscal year where much needed improvements having to do with aviation safety and airport security are not being accomplished. We will go into Thursday at minimum, which is 2 more days away. Then the conference report is signed. Then it has to go to the President's desk for signature. We could be talking about several days, all because the Senator from Massachusetts objects to us moving ahead and voting on the conference report which has the overwhelming support of the Members of the Senate. Let me be clear, the provision in question was proposed on his side of the aisle in the conference, which was a technical correction to a drafting error and we all