to the rate that these companies have had to pay to obtain Mexican currency. While the wire service companies obtain pesos at a rate that closely matches an established benchmark rate, the companies distribute pesos to their customers at a far lower rate. The difference between these two figures represents a source of additional income to the companies and an additional cost to the consumer—one which is not disclosed.

Before transferring money, many customers research the current benchmark exchange rate to find out how many Mexican pesos can be obtained for their U.S. dollars. However, customers are not informed that the wire transfer companies fail to abide by that benchmark rate, and establish their own conversion scheme allowing them to pocket additional money.

A benchmark exchange rate is set daily by Banco De Mexico. While this figure is an official rate, those entities doing the largest share of business converting U.S. dollars to Mexican pesos—such as major financial institutions, markets, government agencies, and the wire transfer companies—generally receive a rate which closely matches the daily benchmark rate.

On the other hand, Western Union and MoneyGram arbitrarily set a different exchange rate for their customers—one which has been found to be three times more costly than the rate for converting U.S. dollars to Mexican pesos was the exchange rate which MoneyGram set to particular. For example, on a recent occasion, at Mexican immigrants and their families in

Lawsuits have been filed in federal court in California claiming the companies have engaged in false advertising and charging hidden fees. Likewise, a class-action lawsuit will also be filed in federal court in Chicago next week. I am introducing today legislation aimed at curbing the wire transfer companies’ tactics which they have used to take advantage of their customers. My legislation would require the wire transfer companies to fully disclose their practices to their customers, thereby making sure that such “hidden” costs are brought to light.

This bill would require companies to list—and to reasonably explain—their own currency conversion rates on all advertisements, forms and receipts provided to customers, and in display windows or at service counters in all establishments offering international wire transfers.

Failure to comply could lead to criminal penalties and civil liabilities of at least $500,000. I am entitling my bill the “Wire Transfer Fairness and Disclosure Act of 1998.” I welcome the support of my colleagues who wish to join me in protecting consumers in our communities.

I wish the Annandale Lions Club continued in thanking each and every Annandale Lion for their hard work and dedication to helping others in making Annandale a great place to live. I wish the Annandale Lions Club continued success in all of its future endeavors.

TRIBUTE TO PAUL KORBER

HON. ELTON GALLEGLY OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 23, 1998

Mr. GALLEGLY of California, Speaker, I would like to pay tribute today to Paul Korber, a hero who lost his life while saving a mother and her two sons stranded in the rough waters of the Ventura Harbor. Paul Korber, a harbor patrol officer in Ventura County, California, ignored the dangers which took his life to save three others.

The rescue was not an uncommon one for Paul Korber. He often risked his own safety to help those in danger—his job was to save lives. But that day the tides were not in his favor and he died in the line of duty, an unexpected chance he had.

Paul Korber was known as a fitness advocate and could usually be found on a mountain bike, camping or freddieing to spear fish.
Paul was a man who embraced life and who enjoyed a good adventure. Friends of Paul Korber have said he was a positive person who was always looking for ways to improve himself, whether it was learning a foreign language or staying physically fit.

But besides being a hero and an athlete, Paul Korber was a success at one of life's biggest challenges—he was a single father. After Paul's wife, Cindy, died of cancer three years ago, Paul was faced with raising his son, Barrett, on his own. Paul and Barrett were very close, taking camping trips, bike riding and fishing together. Paul always found time for his young son, even helping out at Barrett's school.

Paul Korber was a great father, an outstanding athlete, and a hero. His bravery and selflessness will always be remembered with gratefulness by the many lives saved and with fondness by the many lives he touched.

THE “UNITED STATES PATENT AND TRADEMARK OFFICE AUTHORIZATION ACT, FY 1999”

HON. HOWARD COBLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 23, 1998

Mr. COBLE. Mr. Speaker, today I am pleased to introduce the “United States Patent and Trademark Office Authorization Act for Fiscal Year 1999,” which contains the first actual decrease ever in patent user fees for our nation's inventors.

The introduction of this legislation follows a hearing the Subcommittee on Courts and Intellectual Property of the Committee on the Judiciary held last month in exercise of its oversight responsibilities concerning the operations of the U.S. Patent and Trademark Office (“PTO”). The Subcommittee heard testimony from witnesses representing the Administration, PTO users, and PTO employee unions. This hearing covered the PTO's budget, including how its fee revenues are collected and spent, the expiration of the patent surcharge fee, the diversion of PTO funds to other government agencies, and other relevant issues.

The Administration announced that in light of the lapsing of Section 10101 of the Omnibus Budget Reconciliation Act of 1990 (“OBRA”), the patent fees established under subsections 41(a) and (b) of title 35 of the U.S. Code would revert to their pre-OBRA level. It was stated that, unless adjusted, the fee would fall $315,526,000 short of the amount the PTO needs to execute the program recommended by the President in his FY 1998 budget. To compensate for this reduction in fees revenues, Assistant Secretary of Commerce and Commissioner of Patents and Trademarks Bruce Lehman stated that an increase was needed in the base patent fees in an amount equal to the reduction in revenue which result from the lapsing of the surcharge authority.

While I and other Members of the Subcommittee are very supportive of ensuring that the PTO is adequately funded to provide the services requested by patent and trademark applicants, the Administration's request received by the Subcommittee would actually raise $50 million more than the amount the President stated in his budget the PTO will need in FY 1999. Commissioner Lehman explained that this revenue, along with $66 million from FY 1998, would be used to fund other government agencies and programs. This continuing diversion of PTO fee revenues was strongly opposed by inventors and the trademark community, who pay for patent and trademark applications to fund only the services they receive from the PTO.

The Patent and Trademark Office is 100 percent funded through the payment of application and user fees. Taxpayer support for the operations of the Office was eliminated in 1990 with the passage of OBRA. OBRA imposed a massive fee increase (referred to as a “surcharge”) on America's inventors and industry in order to replace taxpayer support the Office was then receiving. The revenues generated by this surcharge were placed into a surcharge account. The PTO was required to request of the Appropriations Committee that they be allowed to use the revenues in the surcharge account to support the portion of its operations these revenues represented. It was anticipated in 1990 that Congress would routinely grant the PTO permission to use the surcharge revenue since it was generated originally from fees paid by users of the patent and trademark systems to support only the cost of those systems.

Unfortunately, the user fees paid into the surcharge account became a target of opportunity to fund other, unrelated, taxpayer-funded government programs. The temptation to use the surcharge, and thus a significant portion of the operating budget of the PTO, was proven to be increasingly irresistible, to the detriment and sound functioning of our nation's patent and trademark systems. Beginning with a diversion of $8 million in 1992, Congress increasingly redirected a larger share of the surcharge revenue, reaching a record level of $54 million in FY 1997. In total, over the past seven fiscal years, over $142 million has been diverted from the PTO to other agencies and programs.

Mr. Speaker, the time has come for Congress to stop diverting the fees of inventors and trademark applicants paid under the surcharge account to fund other taxpayer-funded government programs. Accordingly, in the United States Patent and Trademark Office Authorization Act, FY 1999, I am proposing a schedule of fees that would recover only the amount of money which the Administration has stated it needs to execute the program recommended by the President for the PTO in FY 1999 and FY 2000. This legislation not only funds the stated needs of the PTO, it will provide a real decrease in fees paid by patent applicants—the first actual decrease in fees in at least the last fifty years, indeed, perhaps since the patent system was established in 1790.

The decrease in fees provided by this legislation will provide tangible assistance to America's inventors, while ensuring that they get their money worth, especially since their creativity and ingenuity are so crucial to the welfare of our nation.

I urge my colleagues to join me in authorizing one of our country's most important agencies in a manner that responds fully to both the stated needs of the Office and its users.