Nadler	Rivers	Tanner
Napolitano	Rothman	Thompson (CA)
Neal	Roybal-Allard	Thurman
Obey	Sabo	Tierney
Olver	Sanders	Towns
Ortiz	Sawyer	Udall (CO)
Pallone	Schakowsky	Udall (NM)
Pascrell	Scott	Velazquez
Pastor	Sherman	Visclosky
Payne	Shows	Waters
Pelosi	Skelton	Watt (NC)
Phelps	Slaughter	Waxman
Pomeroy	Stark	Weiner
Price (NC)	Stenholm	Wexler
Rangel	Strickland	Woolsey
Reyes	Stupak	Wu

NOT VOTING—34

Ackerman	Hansen	Rodriguez
Barcia	Jones (OH)	Rush
Brady (PA)	Klink	Sanchez
Campbell	Lazio	Shays
Chenoweth-Hage	Lewis (CA)	Spratt
Clay	Lipinski	Talent
Conyers	McCollum	Thompson (MS)
Diaz-Balart	McIntosh	Turner
Dingell	Miller (FL)	Weygand
Forbes	Oberstar	Wise
Franks (NJ)	Owens	
Gephardt	Oxley	

□ 1717

Mr. HINOJOSA and Mr. NADLER changed their vote from ''yea'' to ''nay.''

Mr. KLECZKA changed his vote from ''nay'' to ''yea.''

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. SANCHEZ. Mr. Speaker, during rollcall vote No. 539 on H.J. Res. 114, I was unavoidably detained, Had I been present, I would have voted ''yea.''

PROVIDING FOR CONSIDER ATION OF MOTIONS TO SUSPEND THE RULES

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 640 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 640

Resolved, That it shall be in order at any time on the legislative day of Thursday, October 19, 2000, for the Speaker to entertain motions to suspend the rules and pass, or adopt, the following measures:

(1) the bill (H.R. 2780) to authorize the Attorney General to provide grants for organizations to find missing adults;

(2) the resolution (H. Res. 605) expressing the sense of the House of Representatives that communities should implement the Amber Plan to expedite the recovery of abducted children;

(3) the bill (H.R. 4541) to reauthorize and amend the Commodity Exchange Act to promote legal certainty, enhance competition, and reduce systemic risk in markets for futures and over-the-counter derivatives, and for other purposes;

(4) the concurrent resolution (H. Con. Res. 271) expressing the support of Congress for activities to increase public awareness of multiple sclerosis; and

(5) the bill (H.R. 2592) to amend the Consumer Products Safety Act to provide that low-speed electric bicycles are consumer products subject to such Act.

SEC. 2. House Resolutions 615 and 633 are laid on the table.

The SPEAKER pro tempore (Mr. ISAKSON). The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, yesterday, the Committee on Rules met and passed this resolution, providing that it shall be in order at any time on the legislative day of Thursday, October 19, for the Speaker to entertain motions to suspend the rules and pass or adopt the following measures:

The bill H.R. 2780, to authorize the Attorney General to provide grants for organizations to find missing adults; the resolution, House Resolution 605, expressing the sense of the House that communities should implement the Amber Plan to expedite the recovery of abducted children; the bill H.R. 4541, to reauthorize and amend the Commodity Exchange Act to promote legal certainty, enhance competition, and reduce systemic risk in markets for futures and over-the-counter derivatives, and for other purposes; the concurrent resolution, H. Con. Res. 271, expressing the support of Congress for activities to increase public awareness of multiple sclerosis; and, five, the bill H.R. 2592, to amend the Consumer Products Safety Act to provide that low-speed electric bicycles are consumer products subject to such an Act.

Finally, the rule provides that House Resolutions 615 and 623 are laid upon the table.

Mr. Speaker, as we all know, we are coming to the end of the congressional session and floor time is at a premium. This resolution allows us to consider several bills today under the expedited suspension procedure. I must stress that we have had all day to examine these bills, four of which are totally noncontroversial. These suspensions are not a surprise.

In addition, this resolution is within the spirit of the House rules. Under clause 1 of rule XV of the rules of the House, the Speaker may only entertain motions to suspend the rules on Mondays and Tuesdays and during the last 6 days of the session.

The House has not yet passed an adjournment resolution, but I think all of us hope and expect that we are in the last 6 days of this session. This resolution simply abides by the spirit of the standing rules of the House.

One of these bills is a bill I introduced in honor of Kristen Modafferi, a college student from Charlotte, North Carolina, who disappeared after her 18th birthday. When Kristen's parents called the National Center for Missing and Exploited Children to ask for help, they were told, ''No, we can't help you because Kristen is 18 years old.'' If we pass Kristen's Act, that will never happen again.

The National Center for Missing Children has been an incredibly effective resource for the recovery of minors. Kristen's Act would create the same type of center for missing adults. It is just common sense. We should build upon the success of the National Center for Missing Children.

H. Res. 640 also allows the House to consider H.R. 4541, the reauthorization of the Commodity Exchange Act under suspension of the rules. H.R. 4541 will lift a portion of the regulatory burden from our commodity and futures exchanges, allowing them to compete within the world's modern financial markets.

I must state, though, that I am disappointed with one aspect of the measure. While the intent of H.R. 4541 is to deregulate U.S. markets, it actually places retroactive regulation on some of our newest and most innovative electronic markets.

Foreign countries are taking advantage of electronic technology at a more rapid pace and with less red tape than our domestic market. With this in mind, the House Committee on Banking and Financial Services placed language in its version of the bill that would have ensured freedom from regulation for U.S. companies that are developing and implementing new electronic technology within the swaps market.

I was extremely disappointed to see the Committee on Banking and Financial Services language stripped from the bill we are considering today. We should encourage business innovation and not stifle new companies with regulatory uncertainty. If we fail to restore the Committee on Banking and Financial Services's language, we will place our domestic electronic exchanges at a relative disadvantage to their foreign competitors.

I am confident our colleagues in the Senate will take care of the problem. If not, our homegrown companies will have to move overseas.

Now, Mr. Speaker, despite my disappointment with part of H.R. 4541, I strongly support this rule and urge my colleagues to do the same. With this resolution, we will consider five bills before we adjourn for the year.

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

Ms. SLAUGHTER. Mr. Speaker, I thank the gentlewoman from North Carolina for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, I will not actively oppose the rule. The underlying suspension bills that the rule make in order are important for many of our constituents. But it is astonishing that the Committee on Rules must generate resolutions such as these to create the illusion that Congress is diligently performing its obligation.

This body is floating in a Never-Never Land 2 weeks into the fiscal year, considering suspension bills at a time when only 7 of the 13 spending

bills are on their way to the President. I wish I could justify unqualified support for this measure with the excuse that Congress was hard at work and needed this flexibility to complete its commitments, but my constituents know better.

Instead of working to ensure affordable prescription drugs for seniors or working to secure funds for school construction, this body routinely adjourns in the early afternoon to ponder what post office we will name on the following legislative day. The long stretches of idleness in this body surely can be replaced with meaningful deliberation on important measures.

Instead, my colleagues and I are left at the mercy of the leadership's scheduling whims. If the majority is going to abuse the power of suspensions, I implore them to put them to good use and make a real difference in the lives of the American people.

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

Mrs. MYRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER).

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule and want to congratulate my colleague the gentlewoman from North Carolina (Mrs. MYRICK) for her very, very able management of it.

This rule addresses the legitimate concern of Members who very much want an opportunity to review in advance any legislation that will be considered under the suspension of the rules procedure. The rule provides suspension authority only to those measures that are listed in the rule, so there will be no surprises whatsoever.

One of the measures listed in the rule, Mr. Speaker, is a bill authored by the manager of this rule, the gentlewoman from North Carolina (Mrs. MYRICK), which would establish a national center to collect and disseminate information on missing adult cases. I want to commend my friend from Charlotte for her work on behalf of the millions of Americans who are searching for their loved ones, and I strongly support her legislation.

Mr. Speaker, the rule also allows under suspension of the rules the consideration of H.R. 4541, critically important legislation to modernize the financial futures market. It is a collaborative effort between the Committee on Agriculture, the Committee on Banking and Financial Services and the Committee on Commerce, and I want to commend the chairmen of those committees, the gentleman from Texas (Mr. COMBEST), the gentleman from Iowa (Mr. LEACH), and the gentleman from Virginia (Mr. BLILEY); as well as the gentleman from Illinois (Mr. EWING), the gentleman from Louisiana (Mr. BAKER), and the gentleman from Ohio (Mr. OXLEY) for their hard work and dedication in bringing this legislation to the floor.

□ 1730

Similar to the Graham-Leach-Bliley Financial Services Modernization Act, H.R. 4541 will remove actually the impediments to financial innovation and will be competitive by bringing the antiquated regulatory framework for financial futures and derivatives into the 21st century. While I strongly support the bill, it is not perfect.

As my friend from Charlotte, North Carolina (Mrs. MYRICK), so clearly noted, the bill does not remove all of the necessary regulatory impediments to electronic systems that are used in trading financial futures and derivatives. It is important that this legislation not only promote competition and innovation within traditional markets but that it promote competition and innovation for emerging technologies.

Otherwise, these innovative companies, which are the key to the continued growth of our economy, will simply take their operations overseas where the regulatory climate today is much more favorable toward competition from electronic trading systems.

Mr. Speaker, passing H.R. 4541 will allow the process to move forward. It is my hope that this bill can be further improved when it is considered by the other body. But before we can consider it, we need to pass this rule, and we need to debate and pass that legislation.

So I want to urge my colleagues to move just as expeditiously as possible to pass this measure again so that all can have an opportunity to look at the different pieces of legislation that we will be considering.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to my colleague, the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentlewoman for yielding me the time and for her leadership.

Mr. Speaker, I rise in support of the rule and in support of the underlying legislation, which is among one of the most important bills that this Congress will consider this session.

The notional value of the derivatives market is fast approaching $100 trillion. By comparison, the entire Federal budget is closer to $1.7 trillion. This legislation increases the legal certainty of these instruments and makes sure that market participants are held responsible for their losses or gains.

In the Committee on Banking, I offered an amendment that was supported by the CFTC to limit the trading of energy derivatives when conducted off exchange and out of public view. Energy derivatives are based on underlying commodities, such as oil and gas, that are critically important to consumers. While my amendment was narrowly defeated, I continued to work on this issue after the markup.

I am pleased to report that my concern has now been addressed at least in part. This legislation now gives additional authority to the CFTC to monitor day-to-day prices and to issue regulations to police fraud and manipulation in off-exchange energy derivatives trades. These powers will increase public confidence in the markets and reduce the potential of manipulation by big players operating off-exchanges.

This provision could be further improved by deleting language that favors electronic trading facilities over traditional exchanges. Monitoring derivatives markets will be a major focus of the Committee on Banking for years to come. When properly used, large companies and financial institutions decrease economic risks and benefit consumers through the use of derivatives.

Large financial institutions use derivatives to hedge interest rate risk and decrease potential market disruptions.

I just want to close very briefly by thanking the chairman of the Committee on Banking, the gentleman from Iowa (Mr. LEACH), for his 6 years of leadership and the ranking member, the gentleman from New York (Mr. LAFALCE). This will probably be the last bill from the Committee on Banking while he is chair of the committee.

Mrs. MYRICK. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, I did not intend to comment on the rule, but I want to let my colleagues know that I rise in strong support and appreciate the work that the Committee on Rules did giving us an opportunity to bring the Commodities Exchange Act in front of the Congress today under a suspension. And since we are establishing a record here, I wanted to take the opportunity to make a couple of comments in response to the gentlewoman from North Carolina (Mrs. MYRICK) in regards to one area that she specifically singled out as having had some concern.

This has been a long going process, and the process has been with the intention and the goal of trying to relieve to the extent possible the regulatory burden on the exchange activity and commodities in the United States, giving them much more of a level playing field in regards to some of their foreign competitors. And at the same time while the interest and endeavor has been to relieve some of the regulatory burdens, we wanted to make sure that there was still a great amount of public confidence by the fact that there would be an oversight regulatory body that would be in fact monitoring these trades.

The specific new businesses that the gentlewoman from North Carolina (Mrs. MYRICK) referred to we generally call electronic billboards. I just wanted to make mention that I had met with a number of them over a long period of time; and certainly as an endeavor not

to increase regulations on various types of trading associations and groups, we wanted to make for certain, as they requested, that we did not in fact increase regulatory burdens on them.

We have not done that, Mr. Speaker. In fact, there are a number of sections of the bill that specifically indicate that the type of trading that is done by electronic billboards would be totally excluded as a part of CEA, would not come under the regulatory burden; and the President's working group that also had a great deal of input agreed to the fact that there should be exclusion from the CEA.

A question remains. I have visited with the gentlewoman about it. We will continue to look at it into the future. Actually, the problem seems to arise from a request of certain of these new electronic billboards to have a specific carve-out that in fact would give them additional authority that other type exchanges would not have, and it is strongly opposed by other exchanges giving them a specific advantage. That is the reason that there were not the changes. But in terms of the regulatory authority, not only did we not include them, we excluded them in some areas in some parts of the bill.

In regards to liability, we in fact created a number of things that electronic billboards, I think, would find very pleasing.

Ms. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. LAFALCE), the ranking member of the Committee on Banking and Financial Services.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, I rise in support of one of the bills that would be permitted to be taken up today under the suspension calendar, H.R. 4541, the Commodities Futures Modernization Act of 2000.

I do this for one overriding reason. If we do not pass this bill, our huge and vibrant exchanges and swap markets will decline while those in the rest of the world will flourish.

Given the alterations taking place in global finance, the need to modernize our futures and swaps markets is clear. At every turn, we are seeing active innovation in our global environment. Indeed, there is a major international merger movement in progress off shore.

OM is bidding to buy the London Stock Exchange. We now have Euronext, the creation of the merger of the Paris, Brussels, and Amsterdam bourses. There is Eurex, which now has an interest in merging with some United States exchanges. All of these are capable of more flexibility than what is permitted in our current market structures.

Moreover, the financial markets are creating increasingly specialized instruments and transactions. The most prominent of these are swaps, contractual arrangements which are so diverse in detail that they cannot be readily categorized. Their notional value has swollen to nearly $100 trillion. Moreover, there are other novelties, such as flex options, which are beginning to emerge.

American law and American regulations have been unable to keep up with these innovations except through makeshift and questionable legal inventions and contortions, the foundations of which are unclear and uncertain.

H.R. 4541 is merely a first step in this modernization. It opens up a new category of future which has heretofore been forbidden, the future on single stocks or small groups of stocks. It provides legal certainty to swaps innovations, a certainty which has been sorely missing until this bill. Moreover, it recognizes that, in most cases, the normal consumer is not the proper participant in these markets or that their participation is guarded by regulations such as the ''know your customer rule.''

These alterations will assist in streamlining the United States so that it can mirror the practices which are emerging in the competitive markets of Europe and Asia and prevent those markets from obtaining legal advantages. Further, it will keep these burgeoning businesses in the United States and not force them to migrate overseas.

I do not say this is a perfect bill. Indeed, I do not approve of using the suspension calendar to consider this sort of legislation. There should be opportunity for more than the managers amendment. There also should be opportunity for more extensive education and fuller debates.

I am not pleased with some of the bill's provisions, which fail to establish an optimal regulatory scheme and might be open to loopholes that would undermine the vital transparency and trustworthiness of American markets. Consequently, while I do not join others who oppose this legislation, I do have considerable sympathy for some of their arguments.

However, I believe the legislative process must be moved along at this time. It is doubtful we can come to agreement with the other Chamber and the administration in the short period remaining in the 106th Congress. Indeed, I caution that attempts in the other Chamber to push through vast deregulatory schemes, which will prevent the SEC, CFTC, and banking authorities from assuring the investing public that the markets are not subject to manipulation and fraud, will certainly meet with my opposition.

It is dubious whether Congress can produce a public law this session. And if we cannot, passage of today's bill will at least set down a marker for us to take up next year. In any case, this is not a subject area which is going to go away with one new law. The rapidity and breadth of change to which I have alluded assure that. Yet, for today, I support the administration's Statement of Policy on this bill and, therefore, urge an aye vote.

Mrs. MYRICK. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. SHIMKUS).

(Mr. SHIMKUS asked and was given permission to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, I am going to be brief because I know there is a lot of activity going on.

Some of the great exchanges of our Nation are in Chicago, Illinois. We have been fighting to preserve and protect those.

As many of my colleagues know, this bill modernizes the regulation of the exchange trade and futures. It establishes legal certainly for over-the-counter derivative products, and it reforms Shad-Johnson.

To the gentleman from Illinois (Mr. EWING), who is my friend, my counselor, and part author of this legislation, I just want to say, job well done.

Mr. Speaker, I rise today in support of H.R. 4541, the Commodity Futures Modernization Act of 2000. Being from Illinois, with all the Chicago interests involved, you should know that it has been my intent to develop a level and fair playing field for all involved.

When this bill was in the Commerce Committee, I offered an amendment in the nature of a substitute that eventually resulted in the version the Commerce Committee reported. We knew when we reported the bill that there was still a lot of work to be done. For that reason, I am pleased to see a final product on the House floor today. I want to thank my good friend from Illinois, Mr. EWING, for the leadership he and his staff have taken on this issue. In your retirement, you will be missed by the Illinois delegation, as well as this entire body. I also want to thank Chairman BLILEY, Subcommittee Chairman OXLEY, the ranking Members, Mr. RUSH of Illinois, and their staffs; as well as the Members and staff of the Banking Committee. They need to be recognized for their tireless efforts, persistence and cooperation to bring this compromise to the House floor.

Finally, I want to thank the Chicago Board Options Exchange, the Chicago Mercantile Exchange and the Chicago Board of Trade for their efforts to compromise and for their patience with us as we worked through the legislative process. As you know, this legislation will do three things: It modernizes the regulation of exchange-traded futures; establishes legal certainty for over-the-counter derivatives products; and reforms the Shad-Johnson Accord.

The Shad-Johnson portion of this legislation has been the most controversial, but yet the most exciting section of this bill. If this bill becomes law, we will lift an 18-year ''temporary'' ban on single stock futures and allow U.S. investors access to these products. In our global economy, we need to stay competitive, and I believe that lifting this ban will help us achieve that goal.

This is historic legislation and a vote for U.S. investors and markets. Please join me in voting in favor of H.R. 4541.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I rise in strong support of the rule and in strong support of one of the bills that will be considered under the rule, the Commodities Futures Modernization Act of 2000, H.R. 4541.

I want to associate myself with the remarks of the previous speaker, the gentleman from New York (Mr. LAFALCE), the ranking Democrat on the House Committee on Banking.

As a member of that committee, I worked with both the chairman, the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. LAFALCE) in helping to craft this legislation. I think that it is a very good forward approach to moving the United States' regulatory scheme over-the-counter derivatives markets in the right direction. And I think all three committees which had jurisdiction over this, the Committee on Banking, the Committee on Agriculture, and the Committee on Commerce did very good work.

This otherwise complicated measure will repeal the Shad-Johnson Accord and bring legal certainty to the over-the-counter derivatives and swaps market. That is something that, as that market has grown and developed in the United States, needs to be done. We need to codify a regulatory regime, as opposed to having an understanding between two Federal agencies. And it is done in a way which brings the regulatory expertise of both the Commodities Future Trading Commission and the Securities and Exchange Commission together. I think that is why we have found this legislation is also being supported by the Treasury Department.

□ 1745

I also want to say that I think this bill is correct in its exemption or exclusion of the energy derivatives market. This is a new market. A lot of it is being conducted out of my area of the country, and I think it is fair to say that the energy market in the United States is among the most transparent in the world. I think it would be premature for the Congress or the regulatory authorities to engage in some new form of regulation in those markets, particularly in the derivatives market, absent some form of national or global energy deregulation which obviously this Congress is not going to take up and it will not be taken up until the next Congress at the earliest date. So I think this is a very good bill that moves us forward.

Finally, let me say one other item. In the Committee on Banking and Financial Services, we considered the issue of whether or not to expand the ability to market swaps and derivatives over the counter to the retail public, and I think the committee very wisely chose not to follow that path. I do not think we have the regulatory regime in place to safely allow such products to be sold to the retail public, and if that were in this bill I would have a very hard time supporting it. So I think that Members need to understand that this is not a retail instrument.

I think the Members need to understand that we have ensured that there is no retail component in this bill. I think that is something that is subject to a great deal more study before we move in that direction, and so I would encourage the Members to support this bill. I would also hope that the other body across the rotunda will adopt this bill as well. It would be a shame if this Congress were to adjourn without enacting this compromise legislation and providing legal certainty to the markets.

I want to again reiterate what the gentleman from New York (Mr. LAFALCE) said. Without this legislation, it is very likely we could be pushing certain sectors of the U.S. financial markets abroad, and I think that would be to our detriment.

I rise in strong support of the rule and the bill.

Mr. Speaker, I rise today in strong support of the Commodity Futures Modernization Act of 2000 (H.R. 4541). This legislation will provide the legal certainty for Over The Counter (OTC) derivatives. Derivatives are sophisticated financial instruments which help companies to manage risk.

As a member of the House Banking Committee, I believe that providing this legal certainty is necessary. First, legal certainty will ensure that these instruments continue to be available and sold in the United States. We have an economic interest in keeping these instruments here in the United States. There is growing concern that some trading operations will move overseas without this clarification. Second, the President's Working Group on Financial Markets has also recommended that approving legislation is the only practical way to provide this legal certainty.

This legislation would also exclude certain hybrid instruments for the Commodity Exchange Act. As a result, these hybrid instruments can be sold on non-CEA regulated markets. As the representatives for one of the largest energy-related trading markets, I am particularly pleased that this legislation includes a provision that would ensure that energy-based OTC derivatives will be exempt from the CEA.

This legislation would also ensure that single stock futures and narrow-based stock index futures can be sold. As a result, the Shad-Johnson Accord would be repealed. This language was developed in cooperation with the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) who helped to negotiate this language. Under this bill, these products could be sold on existing or yet to be established commodities and securities exchanges. Trading of securities futures would be delayed for one year from enactment. Options on futures would be permitted three years after enactment after the SEC and CFTC have jointly determined whether to permit such trading and jointly studied the framework needed for such options. By requiring joint rulemaking for the CFTC and SEC, we are ensuring that both the securities and commodities regulators will be working together to set up a framework for the sale of these products. I am also pleased that these provisions would ensure that the retail public cannot purchase these products. I am not yet convinced that selling stock futures to the retail public is appropriate and requires more study.

This bill also reauthorizes the Commodity and Exchange Act. On October 1, 2000, the CEA expired and the CFTC is currently working without its authorization. Reauthorization is necessary to ensure that our commodity markets are being reviewed and overseen by a federal regulator.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 5½ minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER) for yielding me this time.

Mr. Speaker, I am going to rise in reluctant opposition to the rule under which these bills are being considered, because the rule provides that these bills will come here under suspension, which means that the bills cannot be amended in any way. It deprives us of the opportunity to offer an amendment to one of these bills, H.R. 4541, which a number of us have worked on throughout this process.

Now I want to say at the outset that I am not going to vote against H.R. 4541, because I think it is a marginal improvement in the law. It is important to pass this bill, but we passed a bill out of the Committee on Banking and Financial Services, a version of this bill which was substantially better than the bill that is coming to the floor, in one important respect.

We have heard a lot of discussion here about driving U.S. commercial ventures offshore. There is one provision that has been dropped from the bill from the Committee on Banking and Financial Services that I believe will have the effect quite possibly of driving a commercial venture that is currently located in my congressional district offshore. I represent a small company called D&I Holdings, which has a system, a proprietary communications and information system, over which the world's largest financial institutions negotiate and agree on certain types of swap transactions on an electronic basis. This company was founded in 1996 and is headquartered in my congressional district in Charlotte, North Carolina, and it has offices in London, New York and Tokyo.

At the present time, there are 40 commercial and investment banks that use their system to effectuate swaps agreements which total over hundreds of millions of dollars per day. Their system, this small business' system, is the first and at the present time the only operational inter-dealer electronic system for this segment of the swap market. It has a number of patents, but it is essentially an electronic information system.

The problem is that this bill, in the haste to deal with trading facilities, has defined trading facilities in such a way that it brings this electronic system and information system that does no negotiating at all, the parties on each end of the system are doing the negotiating but now we have bought into the definition of trading facility an electronic system that should not be included in the Federal regulations. Now, my colleagues quite often are talking about how terrible it is to have Federal regulations regulating things that should not be regulated. I am here this time talking about one of those instances where we are regulating something that really should not be regulated.

The parties on both ends of the transaction, I concede, should be regulated; and that is what this legislation should be about, but the electronic system in between the two negotiating parties should not be regulated. In the process of going through the conference and basically carving out language that the Committee on Banking and Financial Services had carefully considered that would have protected this small venture in my congressional district, they have overzealously, probably unintentionally, included an operation here that really should not be. And I think ultimately what is going to happen is we are running the risk that this small operation could be driven offshore because it can be done, this electronic operation can be done, in England or Tokyo or anywhere else in the world; but we want this business located here in the United States as we want every business located here.

It is a clean, good, upstanding business, and there is no reason that we ought to be regulating it. If this bill were not on suspension, we would have the opportunity to offer an amendment to get back to the language of the Committee on Banking and Financial Services, and therefore I am going to vote against the rule, even though I will probably end up voting for the bill.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. EWING).

Mr. EWING. Mr. Speaker, I thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me this time.

To the gentlewoman's colleague, the gentleman from North Carolina (Mr. WATT), who just spoke, I would like to respond to him. I think the issue the gentleman brings up is a very important issue and as the sponsor of the bill I want to let the gentleman know where we are with this legislation. Number one, the Blackbird Institution is not regulated by this bill. It is not regulated now. We believe that this bill exempts them from any regulation so long as they are trading in the manner in which they have indicated they are. The issue here is so long as they do not act as an organized exchange and do not do retail trades, they will be exempt under this bill and exempt from regulation. The idea, of course, is that if they decide to do otherwise then, of course, they will come under regulation like every other exchange, every other trader with retail interests.

Mr. WATT of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. EWING. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Speaker, what I would like to do with the gentleman's permission is perhaps come back during the debate on the main bill and actually have a colloquy so that at least we can create a legislative record that specifically indicates that the gentleman's interpretation is that this bill does not cover this Blackbird system, because their interpretation is entirely different than the gentleman's, and I think it would be helpful at least to have that legislative record developed. I am not sure we can do it as a part of the rule. So if the gentleman would be so kind.

Mr. EWING. Reclaiming my time, I would be more than happy to engage in that colloquy.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER) for yielding me this time.

Mr. Speaker, I want to comment on one of the bills that everyone else seems to be commenting on, that is H.R. 4541, the Commodities Futures Modernization Act. I support the bill. The legislation reauthorizes the Commodities Futures Trading Commission, streamlines regulation of the futures markets and provides legal certainty to over-the-counter derivatives.

As we know, the President's Working Group on Financial Markets has testified that securing legal certainty for financial derivatives is imperative to reducing risk within America's financial system. This legislation, while a compromise on many points, is not only an important step toward achieving the legal certainty our financial markets need but it will foster continued American innovation in the increasingly important realm of derivative financial products.

Moreover, it will help prevent the flight of our domestic financial derivatives business abroad. This makes H.R. 4541 particularly important to my State, Mr. Speaker, New York, where much of our Nation's financial trading takes place. The legislation has broad-based backing. It is supported by the Department of the Treasury, the SEC, the CFTC, as well as the major financial institutions. I would, however, like to raise one note of concern, Mr. Speaker.

The process through which H.R. 4541 was developed was not completely fair or open. At times Democrats were not sufficiently included in the negotiations, and the ranking member on the Committee on Commerce, on which I serve, the gentleman from Michigan (Mr. DINGELL), has expressed concerns which I share about the process, the fact that the Committee on Commerce was not sufficiently involved in the process, and that is wrong and things were put into this bill at the last minute just the other day, and there really has been no time to discuss it or deliberate on it; and I think that is wrong as well.

I would hope that some of these issues can be resolved when the bill finally comes back.

While the process was not satisfactory, overall the final bill moves forward and is worthy of passage by the House. Once again, I express my support for the Commodity Futures Modernization Act and I urge my colleagues to support the bill.

Ms. SLAUGHTER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed without amendment a joint resolution of the House of the following title:

H.J. Res. 114. Joint resolution making further continuing appropriations for the fiscal year 2001, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4635) ''An Act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2001, and for other purposes.''.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

Any record vote on H.R. 4541, the Commodity Futures Modernization Act, will be taken after debate has concluded on that motion.

Record votes on remaining motions to suspend the rules will be taken on Tuesday, October 24, 2000.