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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York.

PRAYER

The PRESIDING OFFICER. Today's opening prayer will be offered by the Reverend Donna R. Kafer, Chaplain of the Arizona State Legislature.

The guest Chaplain offered the following prayer:

Let us pray.

Dear Holy and Righteous Father, we come before You this day with humble hearts, thoughtful minds, and a profound understanding of Your majesty.

As the Senate body convenes today, I ask, Lord, that You give each and every one of our Senators a unique sense of their role in shaping this great Nation. We understand this mantle of leadership holds a great measure of responsibility, so we petition You, Father, to impart Your wisdom, peace, and comfort to each one of them. Provide them, Lord, with clarity of mind, vision for the future, and a renewed sense of purpose. Fill their hearts with compassion, discernment, focus, and the strength to meet the complex tasks at hand. Father, give them complete health: mentally, physically, emotionally, and spiritually. Embrace them with Your love that they may know Your boundless affection for them and Your in-depth concern for their well-being. We thank You, Lord, for hearing our petitions this day.

I sit in Your precious Name we pray. Amen.

PLEDGE OF ALLEGIANCE

The Honorable KIRSTEN E. GILLIBRAND led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUE).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 15, 2010.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York, to perform the duties of the Chair.

DANIEL K. INOUE,
President pro tempore.

Mrs. GILLIBRAND thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

WELCOMING THE GUEST CHAPLAIN

Mr. KYL. Madam President, it is my honor to help host our guest Chaplain from Arizona, Rev. Donna Kafer. On behalf of Senator MCCAIN and myself, I thank the Senate Chaplain and all others who have been so courteous to Reverend Kafer on her visit to Washington. She, I understand from the Chaplain, is the first legislative chaplain to provide the opening prayer in the Senate and only the second woman to have done so. There are milestones achieved today, and we appreciate her being with us.

She has been the chaplain at the Arizona State Legislature for over 10 years through her nonprofit organization called Leadership Challenge of Arizona. She also serves as the Arizona area coordinator of the Daughters of Destiny Network, which is a women's prison ministry based out of Colorado Springs. She travels throughout the United States sharing her testimony with incarcerated women, encouraging them and sharing the freedom that is offered through the saving grace of Jesus Christ.

Donna is an Arizona native. She and her husband Ross, a firefighter paramedic for almost 20 years, live in the Phoenix metropolitan area and have a daughter, Andrea Elizabeth.

It is our proud opportunity to help to host her today and thank her for opening the Senate with that beautiful prayer.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. REID. Madam President, every Thursday Senator ENSIGN and I greet people from Nevada. We had a lot of them today. I was late getting here. I am sorry to have missed the prayer. But I will read the prayer and recognize what Senator KYL said about the guest Chaplain. She is welcome to the Senate.

SCHEDULE

Mr. REID. Madam President, following leader remarks, the Senate will resume consideration of the conference report to accompany H.R. 4173, which is the Wall Street reform legislation. At about 11 a.m. this morning, the Senate will proceed to a rollcall vote on the motion to invoke cloture on that conference report. If cloture is invoked, we would like to yield back some of the

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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postcloture debate time so we may complete action on the Wall Street reform legislation today. There could be additional rollcall votes this afternoon.

For the benefit of Senators, I have spoken to the two Republican leaders. We still have some hope of being able to set up votes on the small business jobs bill. I hope we can do that; otherwise, we will have to proceed to a cloture vote on that sometime next week.

MEASURE PLACED ON THE
CALENDAR—S. 3588

Mr. REID. Madam President, S. 3588 is at the desk and due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will read the bill for the second time.

The assistant legislative clerk read as follows:

A bill (S. 3588) to limit the moratorium on certain permitting and drilling activities issued by the Secretary of the Interior, and for other purposes.

Mr. REID. I object to any further proceedings with respect to this bill.

The ACTING PRESIDENT pro tempore. Objection is heard. The bill will be placed on the calendar.

WALL STREET REFORM AND CONSUMER PROTECTION ACT—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the conference report to company H.R. 4173, which the clerk will report.

The assistant legislative clerk read as follows:

Conference report to accompany H.R. 4173, to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 11 a.m. shall be equally divided and controlled by the Senator from Connecticut, Mr. DODD, and the Senator from Alabama, Mr. SHELBY, or their designees, with the final 20 minutes divided equally between the two managers and the two leaders.

The Senator from Hawaii.

Mr. AKAKA. Madam President, I strongly support the Dodd-Frank conference report. I commend the chairman for all of his work to address so many issues vitally important to working families. I thank my friend from Connecticut for working closely with me to ensure this legislation will educate, protect, and empower consumers and investors.

An Office of Financial Education within the Consumer Financial Protection Bureau is created by the legislation. The office is tasked with developing and implementing initiatives to educate and empower consumers. A strategy to improve financial literacy among consumers, that includes meas-

urable goals and benchmarks, must be developed. The administrator of the bureau will serve as vice-chairman of the Financial Literacy and Education Commission to ensure meaningful participation in Federal efforts intended to help educate, protect, and empower working families.

The conference report also addresses investor literacy. A financial literacy study must be conducted by the Securities and Exchange Commission, SEC. The SEC will be required to develop an investor financial literacy strategy intended to bring about positive behavioral change among investors.

Essential consumer and investor protections for working families are included in the conference report. A regulatory structure that will have a greater emphasis on investor and consumer protections is established. Regulators failed to protect consumers and that contributed significantly to the financial crisis. Prospective homebuyers were steered into mortgage products that had risks and costs that they could not understand or afford. The Consumer Financial Protection Bureau will be empowered to restrict predatory financial products and unfair business practices in order to prevent unscrupulous financial services providers from taking advantage of consumers.

I take great pride in my contributions to the investor protection portion of the legislation. Section 915 will strengthen the ability of the Securities and Exchange Commission to better represent the interests of retail investors by creating an investor advocate within the SEC. The investor advocate is tasked with assisting retail investors to resolve significant problems with the SEC or the self-regulatory organization, SROs. The investor advocate's mission includes identifying areas where investors would benefit from changes in Commission or SRO policies and problems that investors have with financial service providers and investment products. The investor advocate will recommend policy changes to the Commission and Congress on behalf of investors.

The investor advocate is precisely the kind of external check, with independent reporting lines and independently determined compensation, that cannot be provided within the current structure of the SEC. It is not that the SEC does not advocate on behalf of investors, it is that it does not have a structure by which any meaningful self-evaluation can be conducted. This would be an entirely new function. The investor advocate would help to ensure that the interests of retail investors are built into rulemaking proposals from the outset and that agency priorities reflect the issues confronting investors. The investor advocate will act as the chief ombudsman for retail investors and increase transparency and accountability at the SEC. The investor advocate will be best equipped to act in response to feedback from investors and potentially avoid situations

such as the mishandling of information that could have exposed ponzi schemes much earlier. We also worked with our colleagues in the other Chamber to include an ombudsman that will be appointed by and report to the investor advocate.

I also worked to include in the legislation clarified authority for the SEC to effectively require disclosures prior to the sale of financial products and services. Working families rely on their mutual fund investments and other financial products to pay for their children's education, prepare for retirement, and be better able to attain other financial goals. This provision will ensure that working families have the relevant and useful information they need when they are making decisions that determine their financial future.

Unfortunately, too many investors do not know the difference between a broker and an investment advisor. Even fewer are likely to know that their broker has no obligation to act in their best interest. Investment advisors currently have fiduciary obligations. However, brokers must only meet a suitability standard that fails to sufficiently protect investors.

In a complicated financial marketplace, for investors in which revenue sharing agreements and commissions can vary significantly for similar products, we must ensure that all investment professionals that offer personalized investment advice have a fiduciary duty imposed on them.

In 2005, I first introduced legislation that would have imposed a fiduciary duty on brokers. I knew then that action was necessary. I am proud that a vital investor protection was also included in the conference report that will ensure that a fiduciary duty is imposed on brokers when giving personalized investment advice. This change is necessary because it will ensure that all financial professionals, whether they are an investment advisor or a broker, have the same duty to act in the best interests of their clients. Investors must be able to trust that their broker is acting in their best interest and we must not allow brokers to push higher commission products that may be inappropriate for a particular client. I appreciate all of the efforts of Chairman FRANK, Senator MENENDEZ, and Senator JOHNSON for all of their efforts on this important new investor protection.

This legislation also includes landmark consumer protections for remittance transactions. Working families often send substantial portions of their earnings to family members living abroad. In Hawaii, many of my constituents remit money to their family members living in the Philippines. Consumers can have serious problems with their remittance transactions, such as being overcharged or not having their money reach the intended recipient. Remittances are not currently regulated under Federal law, and State