Mr. LOTT. Let me revise that request and/or that notification and see if we can get unanimous consent that we have the cloture vote on Wednesday, February 3. We will notify Members exactly what the time will be. In the meantime, I ask unanimous consent that the mandatory quorum under rule XXII be waived and then not put in the limiting of the time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. Let me say, while I believe very strongly that this legislation needs to be passed and is an issue that has tremendous environmental consequences and concerns we have to address, I think the Senator from Nevada would also acknowledge that we have always been sensitive to the need for him and his colleague from Nevada to know what is going on, to not be surprised, have a chance to make their statements, offer amendments, and resist in every way. I am very sympathetic to the need for them to have that opportunity. We will protect their rights as we go forward. We appreciate the way the Senator has approached it also.

I now withdraw the motion to proceed.

The PRESIDING OFFICER. The Senator has that right. The motion is withdrawn.

Mr. LOTT. Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Madam President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Wellstone amendment to the bankruptcy legislation.

Mr. FEINGOLD. Madam President, I ask unanimous consent to speak for 8 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 8 minutes.

DECISION TO SUSPEND EXECUTIONS IN ILLINOIS

Mr. FEINGOLD. Madam President, earlier today, Governor George Ryan of Illinois made an announcement that is absolutely unprecedented for a sitting governor since the reinstatement of the modern death penalty almost 25 years ago. Governor Ryan plans to effectively block executions in Illinois by granting stays of all scheduled executions on a case-by-case basis until a State panel can examine whether Illinois is administering the death penalty fairly and justly. Governor Ryan is right to take this step, because real questions are being raised about whether innocent people are being condemned to die.

Since the U.S. Supreme Court's 1976 Gregg decision finding the death penalty constitutional, Illinois has executed 12 people and and found 13 people on death row to be innocent. This is truly extraordinary. After condemning people to death, Illinois has actually found more death row inmates innocent than it has executed! Some of the innocent were exonerated based on a new DNA test of forensic evidence. Others successfully challenged their convictions based on inadequate representation by disbarred or suspended attorneys or a determination that crucial testimony of a jailhouse informant was unreliable. Illinois has exonerated 13 individuals but the numbers are sure to grow, as other cases continue to be investigated and appeals make their way through the courts.

What is even more troubling is that the lives of some of these 13 innocent people were saved not by the diligence of defense counsel or a jury or judge, but by a group of students taking a journalism class at Northwestern University. These Northwestern University students uncovered evidence, which led to the exoneration of people like Anthony Porter, who spent 15 years on death row and came within 2 days of execution. The criminal justice system failed to do its job. These students and their journalism professor—actors very much outside the criminal justice system—did the footwork to uncover exculpatory evidence. Governor Ryan supports the death penalty as a form of punishment in Illinois. I do not. But he has courageously acknowledged what many lawyers, scholars, and journalists have argued for some time: the criminal justice system in Illinois is broken and it must be fixed.

I applaud Governor Ryan for what is unfortunately unusual courage. Many political leaders, even those who may be personally opposed to the death penalty, nevertheless feel it is somehow "political suicide" to support a moratorium on executions. They fear being labeled "soft on crime." But, last year, the Nebraska legislature passed a moratorium initiative, unfortunately, it was only to be vetoed later by the governor. But Governor Ryan—a Republican Governor and the Illinois chair of Republican Presidential hopeful George W. Bush's campaign—has decided he will lead the people of Illinois to expecting more from their criminal justice system. He has decided to hold out for what should be the minimum standard of any system of justice: that we do all that we can not to execute an innocent person.

As a result of the Governor's action, Illinois is the first of the 38 States with the death penalty to halt all executions while it reviews the death penalty procedure. But the problems of inadequate representation, lack of access to DNA testing, police misconduct, racial bias and even simple errors are not unique to Illinois. These are problems that have plagued the administration of capital punishment around the country since the reinstatement of capital punishment almost a quarter century ago. I hope the Federal government and the other 37 States with capital punishment follow the wisdom of Illinois and halt executions until they, too, review their administration of the death penalty. At the Federal level, I call on the President and the Attorney General to suspend executions until the Federal government reviews the administration of the Federal death penalty.

Are we certain that the Federal death penalty is being applied in a fair, just and unbiased manner? Are we certain that the Federal death penalty is sought against defendants free of even a hint of racial bias? Are we certain that the Federal death penalty is sought evenly from U.S. Attorney district to U.S. Attorney district across the Nation? I don't think we have a clear answer to these questions. Yet, these are questions, literally, of life or death.

There isn't room for even a simple mistake when it comes to the ultimate punishment, the death penalty. For a nation that holds itself to principles of justice, equality and due process, the Federal government should not be in the business of punishing by killing. As Governor Ryan's spokesperson aptly noted, "It's really not about politics. How could anyone be opposed to this when the system is so clearly flawed?"

Let us not let one more innocent person be condemned to die. Let us demand reform.

In a moment, I intend to offer an amendment to the bankruptcy bill. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FEINGOLD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

BANKRUPTCY REFORM ACT OF 1999—Continued

Mr. FEINGOLD. Madam President, I ask unanimous consent that the pending Wellstone amendment be set aside so I may offer an amendment.

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

AMENDMENT NO. 2747

(Purpose: To make an amendment with respect to consumer credit transactions)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 2747.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in title XI, insert the following:

SEC. 11___. CONSUMER CREDIT TRANSACTIONS.

(a) DEFINITION.—Section 1 of title 9, United States Code, is amended—

(1) in the section heading, by striking "**and 'commerce' defined**" and inserting "**, 'commerce', 'consumer credit transaction', and 'consumer credit contract' defined**"; and

(2) by inserting before the period at the end the following: "; 'consumer credit transaction', as herein defined, means the right granted to a natural person to incur debt and defer its payment, where the credit is intended primarily for personal, family, or household purposes; and 'consumer credit contract', as herein defined, means any contract between the parties to a consumer credit transaction.".

(b) AGREEMENTS TO ARBITRATE.—Section 2 of title 9, United States Code, is amended by adding at the end the following: "Notwithstanding the preceding sentence, a written provision in any consumer credit contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract, or the refusal to perform the whole or any part thereof, shall not be valid or enforceable. Nothing in this section shall prohibit the enforcement of any written agreement to settle by arbitration a controversy arising out of a consumer credit contract, if such written agreement has been entered into by the parties to the consumer credit contract after the controversy has arisen.".

Mr. FEINGOLD. Madam President, I rise today to introduce an amendment to the bankruptcy reform bill that will protect and preserve the American consumers' right to take their disputes with creditors to court. There is a troubling trend among credit card companies and consumer credit lenders of requiring customers to use binding arbitration when a dispute arises. Under this system, the consumer is barred from taking a dispute to court, even a small claims court.

While arbitration can certainly be an efficient tool to settle claims, it is credible and effective only when customers and consumers enter into it knowingly, intelligently, and voluntarily. Unfortunately, that is not what is happening in the credit card and consumer credit lending business. One of the most fundamental principles of our civil justice system is each American's right to take a dispute to court. In fact, each of us has a right in civil and criminal cases to a trial by jury. A right to a jury trial in criminal cases is contained in the sixth amendment to the Constitution. The right to a jury trial in a civil case is contained in the seventh amendment, which provides, "In suits at common law where the value and controversy shall exceed $20, the right of trial by jury shall be preserved."

It has been argued that Americans are overusing the courts. Court dockets across the country are said to be congested with civil cases. In response to these concerns, various ways to resolve disputes, other than taking a dispute to court, have been developed. Alternatives to litigating in a court of law are collectively known as "alternative dispute resolution," or ADR. Alternative dispute resolution includes mediation and arbitration. Mediation and arbitration can resolve disputes in an efficient manner because the parties can have their cases heard well before they would have received a trial date in a court. Mediation is conducted by a neutral third party, the mediator, who meets with the opposing parties to help them find a mutually satisfactory solution. Unlike a judge in a courtroom, the mediator has no independent power to impose a solution. No formal rules of evidence or procedure control mediation. The mediator and the parties mutually agree on how to proceed.

In contrast, arbitration involves one or more third parties—an arbitrator or arbitration panel. Unlike mediation but similar to a court proceeding, the arbitrator issues a decision after reviewing the merits of the case as presented by all parties. Arbitration uses rules of evidence and procedure, although it may use rules that are simpler or more flexible than the evidentiary and procedural rules that a party would follow or be subjected to in a court proceeding. And arbitration can be either binding or nonbinding.

Nonbinding arbitration means the decision issued by the arbitrator or arbitration panel takes effect only if the parties agree to it after they know what the decision is.

In binding arbitration, parties agree in advance to accept and abide by the decision, whatever it is. In addition, there is a practice of inserting arbitration clauses in contracts to require arbitration as the forum to resolve disputes before a dispute has even arisen.

Now, this is called mandatory arbitration. This means that if there is a dispute, the complaining party cannot file suit in court, and instead is required to pursue arbitration. It is binding, mandatory arbitration, and it therefore means that under the contract the parties must use arbitration to resolve a future disagreement, and the decision of the arbitration panel is final. The parties have no ability to seek relief in court or through mediation. In fact, if they are not satisfied with the arbitration outcome, they are probably stuck with the decision. Even if a party believes the arbitrator did not consider all the facts or follow the law, the party cannot file a lawsuit in court. A basis to challenge a binding arbitration decision exists only where there is reason to believe the arbitrator committed actual fraud, which is a pretty unlikely scenario.

In contrast, if a dispute is resolved by a court, the parties can potentially pursue an appeal of the lower court's decision.

Madam President, because binding mandatory arbitration is so conclusive, this form of arbitration can be a credible means of dispute resolution only when all parties know and understand the full ramifications of agreeing to it. I am afraid that is not what is happening in our Nation's business climate and economy in a variety of contexts ranging from motor vehicle franchise agreements, to employment agreements, to credit card agreements. I am proud to have sponsored legislation addressing employment agreements and motor vehicle franchise agreements. In fact, I am the original cosponsor, with my distinguished colleague from Iowa, Senator GRASSLEY, the manager of the bankruptcy reform bill, of S. 1020, which would prohibit the unilateral imposition of binding, mandatory arbitration in motor vehicle dealership agreements with manufacturers. Many of our colleagues have joined us as cosponsors.

Similar to the problem in the motor vehicle dealership context, there is a growing, menacing trend of credit card companies and consumer credit lenders inserting binding, mandatory arbitration clauses in agreements with consumers. Companies such as First USA Bank, American Express, and Green Tree Discount Company unilaterally insert binding mandatory arbitration clauses in their agreements with consumers, often without the consumers' knowledge or consent.

The most common way the credit card companies have done so is often through the use of a "bill stuffer." Bill stuffers are the advertisements and other materials that credit card companies insert in envelopes with the customers' monthly statements. Some credit card issuers such as American Express have placed fine-print, mandatory arbitration clauses on bill stuffers. Let's take a look at what I am talking about.

I have in my hand a monthly statement mailing from American Express. Let's look inside.

First, we have the return envelope to pay your bill. And look at what is on the envelope. They have attached an advertisement.

So before you can mail your payment, you have to tear this advertisement off the back of the envelope. Otherwise you won't be able to seal it shut.

Then, if you look at what else is in the envelope, here is the monthly statement. It is a multipage printed form, front and back.

On this occasion, even though there was very little activity on this particular account—one charge and one credit—the statement is six pages long. The first page contains information about how much you owe American Express, charges made, payments received, finance charges applied, and so on. The reverse side of the first page also contains some fine print information about the account.

Then, if you look at pages 3 and 4 they contain additional fine-print information about the account; for example, what to do if your card is stolen or lost, and a summary of your billing rights.

If you keep reading at this point, you look at pages 5 and 6. They are chock full of advertising material. Target stores urge you to shop with them. The State of North Carolina encourages you to plan your next holiday in North Carolina.

This past spring, in addition to an American Express cardholder being bombarded with all of this information, American Express cardholders also received this—For Your Information, ''FYI, A Summary of Changes to Agreements and Benefits.'' The summary is 10 pages long.

In addition to the multipage statement of charges, terms, and advertising material, the cardholder received another multipage document with fine-print terms and conditions.

If my colleagues are like me and most Americans, I review the statement of charges for accuracy, look at how much I owe, rip off the bottom portion, stick it and my check in the return envelope, and mail it to American Express. I don't spend a lot of time reading all of the fine-print information about the account or the ad. I certainly would not spend time reading a 10-page summary of changes to my statement. At most, I might scan these other pages and bill stuffers, but I would not spend time reading them in detail.

Let's look at the summary of changes. As I said, it is called, ''FYI, A Summary of Changes to Agreements and Benefits.'' When you look at their summary, there are two things that hit you: The cartoon in the middle and the big letters, ''FYI'' in the upper left side of the first page. FYI, for your information, to me and most Americans means that it contains some information that may be of interest to me but nothing that requires serious thought or action from me. In reality, however, the summary of changes is a complex, fine-print document that almost reads like a legal document. It talks about changes to various privileges of the American Express card membership, American Express Purchase Protection Plan, Buyer's Assurance Plan, Car Rental Loss and Damage Insurance Plan, and Credit Protection Plan.

In addition, the summary contains an arbitration provision on page 2. Even though the document contains changes to the terms of the agreement with the cardholder—it actually changes the contract between the parties—it is simply labeled as an FYI, for your information, document. I find that troubling.

If we take a closer look at the arbitration provision, this arbitration provision is in condensed, fine print, to say the least. It is not exactly easy to read, even though this is an enlarged version of the original. The key clause in this arbitration provision is the following:

> If arbitration is chosen by any party with respect to a claim, neither you nor we will have the right to litigate that claim in court or have a jury trial on that claim.

I will repeat that.

If the cardholder has a dispute with American Express, the cardholder cannot take the claim to court or have a jury trial on the claim. This provision took effect on June 1 of last year. So if you are an American Express cardholder and you have a dispute with American Express, as of June 1999, you can't take your claim to court—even small claims court. You are bound to use arbitration, and you are bound to live with the final arbitration decision.

In this case, you are also bound to use an arbitration organization selected by American Express, the National Arbitration Forum.

Unfortunately, American Express isn't the only credit card company imposing mandatory arbitration on its customers. First USA Bank, the largest issuer of Visa cards, with 58 million customers, has been doing the same thing since 1997.

Here is the bill stuffer distributed by First USA. This is the inside of a folded, one-page insert. As you can see, similar to the American Express summary, this is another fine-print, condensed set of terms and conditions. It covers a wide variety of topics, including information on finance charges, termination and foreign currency transactions. Here in the last column are the three paragraphs on the arbitration provision. The language is similar to the American Express language and states that the cardholders' dispute will be resolved by arbitration. The cardholder will not be able to go to a court to resolve the claim. No ''if's,'' ''and's,'' or ''but's'' about it. Just plain and simple. The cardholder, by virtue of continuing to simply use the First USA card, gives up the right to go to court, even small claims court, to resolve the dispute.

Unfortunately, this problem also extends beyond credit cards. It is also a growing practice in the consumer loan industry. Consumer credit lenders such as Green Tree Consumer Discount Company are inserting mandatory arbitration clauses in their loan agreement. The problem is these loan agreements are usually adhesion contracts, which means that the consumer must either sign the agreement as is or forego a loan.

In other words, the consumer lacks the bargaining power to have the clause removed. More importantly, when signing on the dotted line of the loan agreement, the consumer may not even understand what mandatory arbitration means. The consumer in all likelihood does not understand that he or she has written away his or her right to go to court to resolve a dispute with the lender.

Arbitration in some ways, of course, is an efficient way to settle disputes. But it has to be entered into knowingly and voluntarily. That is not what is happening in either the consumer loan or credit card industries.

You might say that if consumers are not pleased with being subjected to a mandatory arbitration clause, consumers can cancel their credit card, or not execute on their loan agreement, and they can take their business elsewhere. Unfortunately, that is easier said than done. As I mentioned, First USA Bank, the Nation's largest Visa card issuer, is part of this questionable practice. In fact, the practice is becoming so pervasive that consumers may soon no longer have an alternative unless they forego use of a credit card or a consumer loan entirely. I think that is kind of a hefty price to pay to retain the longstanding right to go to court.

In my opinion, this is a decision that consumers should not be forced to make. Companies such as First USA, American Express, and Green Tree argue that they rely on mandatory arbitration to resolve disputes faster and cheaper than court litigation. The claim may be resolved faster, but is it really cheaper? Is it as fair as a court of law? I don't think so.

Arbitration organizations can charge exorbitant fees to the consumer who brings a dispute—often an initial filing fee plus hourly fees to the arbitrator or arbitrators involved in the case. These costs to consumers can be higher than bringing the matter to small claims court and paying a court filing fee.

For example, the National Arbitration Forum, the arbitration entity of choice for American Express and First USA, the National Arbitration Forum charges fees that are likely greater than if the consumer brought a dispute in small claims court. For a claim of less than $1,000, the National Arbitration Forum charges the consumer a $49 filing fee. In contrast, the consumer could have brought the same claim, in small claims court here in the District of Columbia and would have paid a fee of no more than $10. In other words, the consumer pays a fee to the National Arbitration Forum that is nearly five times more than the fee for filing a claim with small claims court.

That is bad enough, but the National Arbitration Forum's competitors are even worse. The American Arbitration Association charges a $500 filing fee for claims of less than $10,000, or more if the claim exceeds $10,000, and a minimum filing fee of $2,000 if the case involves three or more arbitrators. In addition to the filing fee, they also charge a hearing fee for holding hearings other than the initial hearing—$150 to be paid by each party for each day of hearings before a single arbitrator, for $250 if the hearing is held before an arbitration panel. The International Chamber of Commerce requires a $2,500 administrative fee plus an arbitrator's fee of at least $2,500, if the claim is less than $50,000. These fees are greater if the claim exceeds $50,000. This $5,000 or more fee could very well be greater than the consumer's entire claim. So, as you can see, the consumer's dispute is not resolved more efficiently with arbitration. It is resolved either at greater cost to the consumer or not at all, if the consumer cannot afford the costs, or the costs outweigh the amount in dispute.

The unilateral imposition of mandatory arbitration also raises fairness concerns. As I demonstrated earlier, typical cardholders are not likely to ever notice the arbitration provision. But even if they notice the provision and read the fine print, consumers nevertheless may not understand that their right to court has just been stripped away. So, what we have here is a small number of people who will actually read the bill stuffer and an even smaller number who will understand what it means.

Another problem with mandatory, binding arbitration is that the lender gets to decide in advance who the arbitrator will be. In the case of American Express and First USA, they have chosen the National Arbitration Forum. All credit card disputes with consumers involving American Express or First USA are handled by them. What does this mean? If you think about it, the arbitrator has a financial interest in reaching an outcome that favors the credit card company. If the National Arbitration Forum develops a pattern of reaching decisions that favor the cardholder, wouldn't American Express or First USA strongly consider taking their arbitration business elsewhere? I think there is a very good chance, I would say there is a significant chance that would happen.

There has been one important ruling on the enforceability of mandatory arbitration provisions in credit card agreements. That ruling involved a mandatory arbitration provision announced in mailings to Bank of America credit card and deposit account holders. In a 1998 decision by the California Court of Appeals, which the California Supreme Court refused to review, the court ruled that the mandatory arbitration clauses unilaterally imposed on the Bank's customers were invalid and unenforceable. As a result of that decision, credit card companies in California cannot impose mandatory arbitration in their disputes with customers. In fact, the American Express notice recognizes this fact and notes here at the bottom that the provision will not apply to California residents until further notice from the company. I think that was a wise, well-reasoned decision by the California appellate court, but Americans have no assurance that all courts will reach the same fair and reasonable decision.

My amendment extends the wisdom of the California appellate decision to every credit cardholder and consumer loan borrower in the country. It amends the Federal Arbitration Act to prohibit the unilateral imposition of mandatory, binding arbitration in consumer credit transactions. Let me be clear. I believe that arbitration can be an efficient way to settle disputes. I agree we ought to encourage alternative dispute resolution. But I also believe that arbitration is a fair way to settle disputes only when it is entered into knowingly and voluntarily by both parties to the dispute. My amendment does not prohibit arbitration of consumer credit transactions when entered into voluntarily and knowingly. It merely prohibits binding, mandatory arbitration imposed unilaterally without the consumer's knowledgeable and/or voluntary consent.

Credit card companies and consumer credit lenders are increasingly slamming the courthouse doors shut on consumers, often unbeknownst to them. This is grossly unjust. Let's restore fairness to the resolution of consumer credit disputes.

At some point I hope that my colleagues will join me in keeping the doors to the courthouse open to all American credit card users and consumer credit borrowers. At this time, however, I will not push for a vote on this issue. I have agreed to withdraw this amendment with the understanding from my friend from Iowa, Senator GRASSLEY, the manager of this bill and the chair of the Judiciary Subcommittee on Administrative Oversight and the Courts, that the issue of mandatory arbitration in consumer credit agreements will be part of a hearing to be held in the Courts Subcommittee on March 1. That hearing will address the Federal Arbitration Act and the problem of mandatory arbitration clauses inserted in contracts unilaterally. I appreciate Senator GRASSLEY's leadership and cooperation in reaching this accommodation. I look forward to working with him on this issue, as well as the broader issue of the growing, problematic trend of the unilateral imposition of mandatory arbitration in a variety of contracts.

I admire the leadership of the Senator on the overall issue in addition to the fact it has come up and is a serious problem in the consumer credit agreement area.

Mr. GRASSLEY addressed the Chair.

AMENDMENT NO. 2747 WITHDRAWN

Mr. FEINGOLD. Madam President, I withdraw the amendment and yield the floor.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I have had a chance to discuss this issue with the Senator from Wisconsin over a long period of time, both at the subcommittee level, the committee level, and during floor action on this bill which has been going on now since last October, with a long interim for a holiday break.

I appreciate what the Senator from Wisconsin is trying to do. We have joined together on a bill dealing with one aspect of this problem and that happens to be a bill which deals with arbitration in the automobile industry. As the lead Member of the Senate on alternative dispute resolution issues, I certainly do not want alternative dispute resolution to be used in unfair ways. So following up on the request of the Senator from Wisconsin that if we could make some sort of arrangement for his not offering his amendment at this time—and he has withdrawn it—I have scheduled a hearing in my judiciary subcommittee on our bill. I hope to air some of these other problems the Senator has raised.

I do have a great deal of sympathy for what the Senator from Wisconsin is attempting, but I think more groundwork needs to be done so we all have a better understanding of these issues before moving ahead at this time.

The bottom line, I say to the Senator from Wisconsin—and I hope he will answer yes or no—is that I wish to make sure he is working with us between now and our hearing so every commitment I have made in regard to his offering or not offering his arbitration amendment to this bill at this time is to his satisfaction.

Mr. FEINGOLD. Madam President, it is very much to my satisfaction. I am delighted to know we are going to look at a variety of contexts at this hearing, including this one with the credit card companies but also the one my colleague and I have had so much interest in regarding motor vehicles and also the employment discrimination area. To me, although I would be pleased to have this amendment on this bill, I think that is a good opportunity to point out the overall problem we have had, what my colleague described as the possibility arbitration would be used in a way that neither of us would like, that it would somehow become a method of unfairness instead of what we both hope, which is a way to resolve disputes more efficiently or economically, sometimes, than when you go to court. I think it is an excellent idea.

I look forward to working with the chairman in preparation for the hearing. I think it is a good way to work out all these issues, and, again, I thank the Senator from Iowa for being very easy to work with on this and being very serious about getting something done.

Mr. SARBANES. Madam President, I express my appreciation to the managers of the bankruptcy bill, Senators LEAHY, TORRICELLI, GRASSLEY, and HATCH, for accepting and including an amendment I had planned to offer on the floor as part of the managers' amendment to S. 625. My amendment requires that a simple yet important disclosure be made on credit card bills to help protect consumers.

During the bankruptcy reform debate in the last Congress, the Senate examined whether the increased rate of consumer bankruptcies in the Nation resulted solely from consumers' access to an excessively permissive bankruptcy process, or whether other factors also contributed to this increase. Ultimately we concluded that the record increase in bankruptcy filings across the nation was due not only to the ease with which one can enter the bankruptcy system, but also to the unparalleled levels of consumer debt—especially credit card debt—being run up across the country. As Senator DURBIN noted, and as the CBO, FDIC, and numerous economists have found, the rate of increase in bankruptcy filings paralleled the rate of increase in consumer debt.

This is not a coincidence. Rather, increased bankruptcies proceed directly from the fact that Americans are bombarded daily by credit card solicitations that promise easy access to credit without informing their targets of the implications of signing up for such credit.

During our debate in the last Congress, the Senate also concluded that irresponsible borrowing could be reduced, and many bankruptcies averted, if Americans were provided with some basic information in their credit card materials regarding the consequences of assuming greater debt. A consensus emerged that credit card companies have some affirmative obligation to provide such information to consumers in their solicitations, monthly statements, and purchasing materials, in light of their aggressive pursuit of less and less knowledgeable borrowers.

As a result of this consensus, the Senate's bankruptcy bill in the last Congress—S. 1301—contained several provisions in the managers' amendment addressing credit card debt, and requiring specific disclosures by credit card companies in their payment and solicitation materials. These provisions, which I sponsored along with Senators DODD and DURBIN, were vital to the Senate's success in adopting balanced bankruptcy reform legislation by the overwhelming margin of 97–1.

Unfortunately, the House-Senate conference committee struck these disclosure provisions from its final conference report, leaving the bankruptcy bill again a one-sided document that failed to account for the role credit card companies play in the accumulation of credit card debt and in increased consumer bankruptcy rates. As a result of the conference committee's actions, the conference report died in the waning days of the 105th Congress.

As we again debate bankruptcy legislation, it remains my firm belief that Congress must address both sides of the consumer bankruptcy equation—both the flaws in the bankruptcy system that make it easy for people to declare bankruptcy even if they have the ability to pay their debts, and the lending practices that encourage people with limited financial resources to accumulate debts that are beyond their ability to repay.

Last year, the Senate adopted an amendment to S. 625 that requires credit card issuers to give customers on their billing statements three disclosures: (1) warning that paying just the minimum monthly amount will increase the interest they pay and the time it takes to repay their balances; (2) a generic example; and (3) a toll-free number a customer can call for an estimate of how long he or she has to pay the minimum payment and the total payment to pay off his balance. However, the amendment contained an exception for certain credit card issuers that provide actual, instead of estimated, payment information. Such a credit card issuer would not have to disclose the warning, an example, or even the telephone number. This situation subverted the purpose of this section and distorted the balance contained in the original amendment.

My amendment would restore this balance by requiring some disclosures to be given by certain credit card issuers that have a toll-free number for informing customers of the actual number of months it takes to repay outstanding balances using minimum monthly payments requirement. It requires such credit card issuers to make two disclosures: (1) the telephone number and (2) a warning. My amendment requires the credit card bill to contain the statement, ''Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For more information, call this toll-free number: _________.''

If we are going to make it harder for individuals to file for bankruptcy, we need to make certain that they are informed about their credit decisions. The minimal warning contained in my amendment helps credit card customers who pay the minimum monthly amount on their credit card bills better understand how long it will take and how much they will pay to work off the balance. The Financial Literacy Center has calculated that a consumer who, for example, has a $5,000 loan balance outstanding on which 17% interest is charged and who is paying 2% of the balance each month, will take 50 years to pay off the entire loan and end up paying $33,447. That is a very long time and a significant burden that, with the disclosures in my amendment, debtors will be able to better appreciate.

My amendment helps consumers get important information that will enable them to analyze how to manage their credit card borrowing more effectively.

MORNING BUSINESS

Mr. GRASSLEY. Madam President, on behalf of the majority leader, I ask unanimous consent that there be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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

NATIONAL BIOTECHNOLOGY MONTH

Mr. HATCH. Madam President, as we come to the end of the first month of the new millennium, I want to make a few remarks about the great promise of biotechnology in benefitting the American public. In fact, January 2000 has been very appropriately designated as Biotechnology Month.

In my view, this first century of the new millennium will be remembered by historians for revolutionary advances in biomedical research. It is fitting that in the next few months scientists will complete the mapping of the human genome—the basic blueprint of the structure of human beings. This event ranks very high in the technological achievements of mankind.

It is also noteworthy that this task required the confluence of some of the best minds in the medical sciences and computer technology. Frankly, the mapping of the human genome simply would not have been possible at this time absent the development of the low-cost, high-speed computers that have been available to scientists in recent years. Over the next few decades perhaps no more valuable cargo will travel down the information highway of the Internet than the gene maps.

This new knowledge will not sit idly in digital databases. For once the detailed genetic structure is known and accessible, researchers will be better able to understand the function of individual genes and complex interactions among collections of genes. Once both structure and function are ascertained, diagnostic tools, therapeutic agents and preventives such as vaccines can be more easily developed. It is the American public who stands to benefit most from this new knowledge and products.

It would be difficult to underestimate the effect that biotechnology will have on health care delivery and, more to the point, on the health status of the American public and our neighbors throughout the world. In the area of