

commend the Members of the Committee on both sides of the aisle for their cooperation in this regard.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

H.R. 1088, THE INVESTOR AND CAPITAL MARKETS RELIEF ACT OF 2001

Mr. DASCHLE. Mr. President, many of our colleagues have indicated their strong support for H.R. 1088, the Investor and Capital Markets Fee Relief Act. I share the belief that the Senate should take action on this critical legislation promptly.

A number of Senate leaders on securities matters have noted the importance of this bill, including the senior Senator from New York, Mr. SCHUMER, Chairman of the Banking Committee, Mr. SARBANES, the Chairman of the Securities Subcommittee, Senator DODD, the Assistant Majority Leader, Senator REID, and many others.

I want to take this opportunity to update the Senate on the status of H.R. 1088. The Senate approved the bill unanimously in March. After good-faith negotiations between both bodies, the House then approved an amended bill, which included agreed-upon improvements by an overwhelming bipartisan vote of 404 to 22. It is now pending on the Senate calendar.

This legislation is long overdue. The Securities Exchange Commission now collects fees from the investing public that are six times higher than needed to cover the costs of operating the Commission. Fee reductions can free up new investment capital that can help spur the economy at a time when it needs a boost.

Equally important are provisions in the bill that provide the Commission staff pay parity with other Federal financial regulators, which can help the agency stem turnover and retain quality staff. Investors in our securities markets deserve the best quality regulators to protect them, and those fine public servants deserve proper compensation.

This legislation should have been approved last year. It was unfortunate that, in the last Congress, even though the bill was approved by committees in both the House and Senate, it was never considered on the floor of either body. Efforts by many Senators to move the bill in the waning days of the last Congress were stymied.

Under new leadership, the Senate will soon have an opportunity to make amends for that lapse by finalizing this legislation. When Congress returns from its August work period, I will continue working with my colleagues to ensure enactment of this key measure.

Mr. SARBANES. Mr. President, I am pleased that the Majority Leader will work to ensure enactment of the SEC pay parity and fee reduction legislation when Congress returns from the August recess. Passage of H.R. 1088 is very important to the staff of the Securities and Exchange Commission as well as to the many segments of the securities industry.

This bill enjoys wide bipartisan support in the Senate. The Senate version of the bill, S. 143, The Competitive Market Supervision Act of 2001, was passed by the Banking Committee on March 1 by voice vote. It was passed by the full Senate on March 22, by unanimous consent.

I want to focus on the importance of the bill's pay parity provisions. These would authorize the Commission to pay its employees on a par with the other Federal financial regulators. Our securities markets are the envy of the world. It is important that the regulator of those markets be in a favorable position to attract and retain qualified employees. Enacting pay parity contributes towards this goal and will result in enhanced supervision of the securities markets.

Mr. SCHUMER. Mr. President, I thank my good friend, the Majority Leader, Mr. DASCHLE, and the Chairman of the Banking Committee, Mr. SARBANES, for their commitment to this important piece of legislation, H.R. 1088, of which I am the chief Democratic sponsor. This bill is of tremendous importance to New York.

As the Senator from South Dakota, Mr. DASCHLE, has indicated, this legislation would reduce transaction fees paid by investors to fund the ongoing activities of the SEC. Such fee reductions will be of substantial benefit to investors, businesses and individual investors, alike. The bill also gives pay parity for employees at the SEC so that the SEC may attract and retain highly qualified regulators to ensure the integrity of our markets.

As my colleague knows, H.R. 1088, as passed by the House, incorporated the Senate position reflected in S. 143, which was approved by this Senate under unanimous consent in March. There will be no conference on the bill and we have assurances the President will sign it. All that is left is for the Senate to act, and I urge that we do so as expeditiously as possible upon our return from the August recess.

I also thank the distinguished Assistant Majority Leader, the Senator from Nevada, Mr. REID, for his commitment to moving this critical legislation.

Mr. REID. I thank my friend, the Senator from New York, Mr. SCHUMER, for his unwavering leadership on this bill. I couldn't agree more that this bill is very important to investors. It is unfortunate that we have not been able to act on this bill before the August recess, but this should not be interpreted

as anything other than a difficulty with timing.

As my friend knows, I support this legislation. I think it is a good bill and I look forward to getting it to the floor. As the Majority Leader has indicated, although there will be a number of important measures competing for floor time this fall, including appropriations bills, it is our intention to bring this bill before the Senate.

I am hopeful our friends in the minority will extend to us the necessary cooperation to complete action on this matter. I look forward to working with the Senator from New York and our colleagues to pass this important legislation.

Mr. DODD. Mr. President, I would like to add my support for the passage of H.R. 1088, the Investor and Capital Markets Relief Act. As many of my colleagues have noted, this legislation is the result of bipartisan cooperation in both the Senate and the House.

We have worked closely to craft legislation that I believe will have important benefits for both retail and institutional investors, the securities industry and the Securities and Exchange Commission.

I would specifically like to recognize the Chairman and Ranking Members of the Banking Committee for their efforts on this bill, especially with regard to ensuring pay parity for employees of the SEC. The inclusion of this vital component will help to maintain the high level of competency we currently enjoy at the SEC.

I would also like to thank the Majority Leader and the Assistant Majority Leader for their commitment to the timely consideration of this legislation. It is my hope that when we return from the August work period, we can consider this legislation in a prompt fashion.

THE RETIREMENT OF REAR ADMIRAL LARRY BAUCOM, USN

Mr. THURMOND. Mr. President, I rise today to recognize an outstanding naval officer and public servant, Rear Admiral Larry C. Baucom, U.S. Navy, as he completes more than 30 years of active duty with the U.S. Navy. Whether as a midshipman at the U.S. Naval Academy, as the commanding officer of a fighter squadron, as the commander of a nuclear-powered aircraft carrier, or, most recently, as the Director of the Navy's Environmental Protection, Safety and Occupational Health Division, he tirelessly worked to serve America and our Navy and Marine Corps. It is a privilege for me to honor his many outstanding achievements and service to our great Nation and our service men and women.

Rear Admiral Baucom is a son of Columbia, SC. A 1970 Naval Academy graduate, he was awarded his Naval Flight Officer wings in 1971. During his

30-year career in the Navy, he served in a variety of operational assignments, including Fighter Squadron 32, Fighter Wing ONE, the U.S. Naval Test Pilot School in Patuxent River, MD, and as Executive Officer of USS *George Washington*, CVN 73. An inspired, confident leader, he commanded Fighter Squadron 143, USS *Trenton*, LPD 14, and the nuclear-powered aircraft carrier, USS *Carl Vinson*, CVN 70. Under his command, USS *Carl Vinson* was awarded two Meritorious Unit Commendations and the Battle Efficiency Award for 1996 following a highly successful Arabian Gulf deployment that included combat operations in support of Operation DESERT STRIKE. Following this tour, he served at the Supreme Allied Headquarters as the Assistant Chief of Staff for Plans and Policy. Rear Admiral Baucom also continuously pursued educational opportunities throughout his career being awarded a Master's Degree in Systems Management from the University of Southern California and in National Security and Strategic Studies from the Naval War College.

In his most recent assignment as the Navy's Director of Environmental Protection, Safety and Occupational Health Division, Rear Admiral Baucom worked to ensure that the Navy remains a leader of environmental stewardship and towards ensuring the safety and welfare of its Sailors, Marines and civil service employees. Whether contributing to the Department's efforts to guarantee critical training at the Atlantic Fleet Weapons Training Facility at Vieques, Puerto Rico, protecting the health and safety of shipyard workers, or addressing the encroachment issues that complicate our operational and training ranges, Rear Admiral Baucom's leadership has been vital to the readiness and success of our country's military forces.

Rear Admiral Baucom provided exceptional advice, support and guidance to the Secretary of the Navy and the Chief of Naval Operations. His keen insight, relentless dedication, and extraordinary talent have contributed significantly to building and maintaining the world's best-trained, best-equipped, and best-prepared Navy and Marine Corps. His vision has positively shaped the future readiness and capabilities of the fleet in ways that will resonate for generations.

I thank Rear Admiral Baucom for his many public service contributions and a life devoted to ensuring our national security. It is my distinct honor to wish him, and his wife Linda, much happiness and fair winds and following seas as they begin a new chapter in their lives.

CAP AND TRADE APPROACH TO CLIMATE CHANGE

Mr. McCAIN. Mr. President, I rise with my friend and colleague from Con-

necticut to express our concerns on a subject that is at the forefront of the many issues of global concern, climate change. The science surrounding this issue has come increasingly into focus, and Senator LIEBERMAN and I believe that it is time to take action.

Mr. LIEBERMAN. Mr. President, I also am pleased to rise to join my friend and colleague from Arizona, Senator MCCAIN, in making this call for consideration of the development of an economy-wide cap-and-trade system to control our emissions of greenhouse gases. Senator MCCAIN and I have been discussing the need to develop such legislation for some time, and upon our return from recess, we plan to discuss with leaders from each sector of our economy to discuss what commitments they can make to curb our growing problem of global warming without seriously harming our economy.

At this point, I invite Senator MCCAIN to comment on his views on the subject.

Mr. MCCAIN. Over the past year, the Commerce, Science, and Transportation Committee has held several hearings on the various scientific reports from the National Academy of Science and the International Panel on Climate Change, IPCC. These reports conclude that air temperatures are, in fact, rising. The IPCC report states that there is new and stronger evidence that most of the observed warming over the past 50 years is attributable to human activities. We continue to see throughout the world the melting of glaciers, the dying of coral reefs, and rising ocean temperatures.

The agreement reached last week in Bonn, Germany on the Kyoto Protocol means that the rest of the world is moving forward to address this important problem. Given the fact that the United States produces approximately 25 percent of the total greenhouse gases emissions, the United States has a responsibility to cut its emissions of greenhouse gases. The United States must realize that when it comes to the climate, there are no boundaries. Therefore, climate change is a global problem and must be resolved globally.

The current situation demands leadership from the United States. In accordance with the agreement reached last week, there is going to be a world marketplace for carbon reductions, a marketplace that rewards improvements in energy efficiency, advances in energy technologies, and improvements in land-use practices—and we are running the risk that America is not going to be part of it.

The risks that climate change poses for businesses have now increased. In addition to the risk of unpredictable impacts of global warming, and of unpredictable regulation of greenhouse gas emissions, American companies now face the risk of being left out of the global marketplace to buy and sell emission reductions.

While U.S. businesses are gaining experience with voluntary programs and are recognized as the world's experts in this area, they are increasingly recognizing that purely voluntary approaches will not be enough to meet the goal of preventing dangerous effects on the climate system. Increasingly, businesses confronting these risks see sensible regulation of carbon dioxide and other greenhouse gases as necessary and inevitable. Clearly, they prefer the cap-and-trade approach.

In a July 23 editorial in the Wall Street Journal, a cap and trade program was discussed as one of the incentive-based market strategies that has been developed as an alternative to traditional fiat-based, "nanny-sez-so" regulation. The editorial further states that "a cap and trade program will result in more abatement from those firms who can do it at relatively lower costs and less abatement from those firms who can only do it at relatively higher costs. The net will be the same amount of overall pollution reduction, but achieved at lower cost than would obtain under traditional regulation."

As usual, industry is ahead of government in this area. Many companies have already started trading programs either within their company or as members of partnerships to meet predetermined levels. Not only are these companies meeting their environmental goals, they are also realizing it on a profitable basis. We all know that improved efficiencies mean improved profitability.

The 1990 Clean Air Act's acid rain emissions trading program for limiting sulfur dioxide has shown that there can be top-down limits on pollutants and not endanger the economy. The key is unleashing the power of markets to find the most innovative, cost-effective ways of meeting those top-down limits. That's what a cap-and-trade system does best. Deploying the power of a marketplace to pursue the least expensive answers is a unique and powerful American approach to the threat of climate change.

In 1994, the Arizona Public Service (APS), an Arizona public utility, entered into an agreement with the Niagara Mohawk, a New York utility, and the US Department of Energy to swap carbon dioxide and sulfur dioxide credits. APS had reduced its sulfur dioxide emissions below levels mandated under the 1990 Clean Air Act. Niagara Mohawk had reduced its carbon dioxide emissions below the level of its voluntary commitment. APS exchanged its sulfur dioxide allowances issued under the Clean Air Act's acid rain program for Niagara Mohawk carbon dioxide emissions reductions that APS could then use to help meet its commitment to DOE to reduce greenhouse gas emissions. After receiving the sulfur dioxide allowances, Niagara Mohawk donated them to an environmental organization to be retired. The