

the tragic events of September 11, and indeed, of only yesterday, when an airliner once again went down in New York City, as we recover and we rebuild.

Mr. Speaker, I urge adoption of the legislation, and I yield back the balance of my time.

Mr. RADANOVICH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. RADANOVICH) that the House suspend the rules and pass the bill, H.R. 2976.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RADANOVICH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2828, H.R. 400, and H.R. 2976, the three bills just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EMERGENCY SECURITIES RESPONSE ACT OF 2001

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3060) to amend the Securities Exchange Act of 1934 to augment the emergency authority of the Securities and Exchange Commission.

The Clerk read as follows:

H.R. 3060

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Securities Response Act of 2001".

SEC. 2. EXTENSION OF EMERGENCY ORDER AUTHORITY OF THE SECURITIES EXCHANGE COMMISSION.

(a) EXTENSION OF AUTHORITY.—Paragraph (2) of section 12(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(k)(2)) is amended to read as follows:

"(2) EMERGENCY ORDERS.—(A) The Commission, in an emergency, may by order summarily take such action to alter, supplement, suspend, or impose requirements or restrictions with respect to any matter or action subject to regulation by the Commission or a self-regulatory organization under the securities laws, as the Commission determines is necessary in the public interest and for the protection of investors—

"(i) to maintain or restore fair and orderly securities markets (other than markets in exempted securities);

"(ii) to ensure prompt, accurate, and safe clearance and settlement of transactions in securities (other than exempted securities); or

"(iii) to reduce, eliminate, or prevent the substantial disruption by the emergency of

(I) securities markets, investment companies, or any other significant portion or segment of such markets, or (II) the transmission or processing of securities transactions.

"(B) An order of the Commission under this paragraph (2) shall continue in effect for the period specified by the Commission, and may be extended. Except as provided in subparagraph (C), the Commission's action may not continue in effect for more than 30 business days, including extensions. If the actions described in subparagraph (A) involve a security futures product, the Commission shall consult with and consider the views of the Commodity Futures Trading Commission. In exercising its authority under this paragraph, the Commission shall not be required to comply with the provisions of section 553 of title 5, United States Code, or with the provisions of section 19(c) of this title.

"(C) An order of the Commission under this paragraph (2) may be extended to continue in effect for more than 30 business days if, at the time of the extension, the Commission finds that the emergency still exists and determines that the continuation of the order beyond 30 business days is necessary in the public interest and for the protection of investors to attain an objective described in clause (i), (ii), or (iii) of subparagraph (A). In no event shall an order of the Commission under this paragraph (2) continue in effect for more than 90 calendar days."

(b) DEFINITION OF EMERGENCY.—Paragraph (6) of section 12(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(k)(6)) is amended to read as follows:

"(6) DEFINITION OF EMERGENCY.—For purposes of this subsection, the term 'emergency' means—

"(A) a major market disturbance characterized by or constituting—

"(i) sudden and excessive fluctuations of securities prices generally, or a substantial threat thereof, that threaten fair and orderly markets; or

"(ii) a substantial disruption of the safe or efficient operation of the national system for clearance and settlement of transactions in securities, or a substantial threat thereof; or

"(B) a major disturbance that substantially disrupts, or threatens to substantially disrupt—

"(i) the functioning of securities markets, investment companies, or any other significant portion or segment of the securities markets; or

"(ii) the transmission or processing of securities transactions."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 3060, the Emergency Securities Response Act. This legislation will provide the Securities and Exchange Commission with a vitally important tool to ensure the continued health and operation of our Nation's financial marketplace in the event of an emergency that threatens our securities markets, as did the attacks on September 11, 2001.

September 11 was a dark day in our Nation's history. The terrorist attacks inflicted great human and physical loss in our country and, in particular, in New York City, the financial capital of the world.

The damage to lower Manhattan, home of the world's largest stock market and the heart of our Nation's financial marketplace, suspended the operation of the U.S. equities markets for the longest period since World War I.

Mr. Speaker, those were indeed 4 days in which traders were incapable of getting to those markets; and our discussions up there with the major players, the New York Stock Exchange, the NASDAQ, the American Stock Exchange, indicated how severe the damage was, particularly for the inability of the traders of the New York Stock Exchange to even get physically into the exchange, not to mention, of course, the problems that they had with the electrical systems and with the telephone system.

Had it not been for the hard work of Verizon with the power company, with all people working at NASDAQ and in the New York Stock Exchange and the American Stock Exchange, literally they would have been unable to open even that Monday after September 11.

I had the honor to appear in New York with the Treasury Secretary and the Chairman of the Securities and Exchange Commission to witness the reopening and closing of the markets that day, and it was a proud day for all Americans that those markets were up and running, providing the kind of liquidity and the kind of market activity that we have come to expect from those great markets.

To facilitate the successful reopening of those equities markets, the Securities and Exchange Commission used, for the first time, emergency powers granted in the wake of the market crash of 1987 to ease certain regulatory restrictions temporarily. The measures the Commission took helped to increase liquidity and promote stability.

The Commission and its Chairman, Harvey Pitt, along with the financial markets and firms based in New York, as well as those outside New York, who pitched in to help their competitors and colleagues, deserve special recognition for their efforts in restoring normalcy to those markets.

However, the Commission's emergency authority under current law is

unnecessarily and dangerously restrictive. For example, that authority permits the Commission to provide emergency relief for only 10 business days, and is limited to the Securities and Exchange Act of 1934, only one of the several Federal securities laws.

This authority should be flexible enough to be useful where relief is necessary for a longer period of time, or under Federal securities laws other than the Exchange Act.

I am pleased to bring to the floor legislation that will accomplish those goals. H.R. 3060, the Emergency Securities Response Act, will enhance the Commission's authority to take actions in the wake of an emergency to reduce, eliminate, or prevent a substantial disruption of the securities markets or investment company operations.

This bipartisan legislation, introduced with the committee's ranking member, the gentleman from New York (Mr. LAFALCE), extends the maximum duration of an SEC emergency order to 30 business days, and under certain circumstances, up to a total of 90 calendar days.

It also extends the Commission's emergency authority to apply to all the Federal securities laws.

I want to explain to the Members, Mr. Speaker, that it was only because of the efforts, just to use one example, the emergency powers in regard to corporate buy-backs, that it was decided by the Chairman of the SEC, and I think wisely, that he should use his emergency authority to suspend certain regulations as it related to the ability of corporations to buy back their own stock.

The fact is that by doing so, he was able to stabilize the market. Those people who were selling stocks short on the first day of trading after it opened up had to be concerned and wary about the prospects that those corporations could come in and buy back their stock, stabilize those stock prices, and indeed, perhaps make life difficult for the short sellers. Indeed, in many cases, that is exactly what happened.

While the markets were down on that particular day by some 600 points in the case of the New York Stock Exchange, they were able to trade effectively, and the liquidity was there in the marketplace. As a matter of fact, the markets that day handled a record volume of trades without a glitch; again, I think testament to the ingenuity and the hard work of those people in the marketplace. So my hat is off to all of those people for their good work, and my hat is also off to the SEC for taking the leadership in this important issue.

While I hope this authority will never have to be used, and all of us share that, it is a safety measure our financial markets simply cannot do without. I urge all of my colleagues to support H.R. 3060.

Mr. Speaker, I am including for the RECORD an exchange of correspondence between myself and the Chairman of the Committee on Energy and Commerce regarding this legislation:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, November 13, 2001.

Hon. MICHAEL G. OXLEY,
Chairman, Committee on Financial Services,
Rayburn House Office Building, Wash-
ington, DC.

DEAR CHAIRMAN OXLEY: It is my understanding that the Committee on Financial Services desires to consider H.R. 3060, the Emergency Securities Response Act of 2001, on the House floor under suspension of the Rules in the near future.

Recognizing your desire to act on H.R. 3060 expeditiously, my Committee will not seek a sequential referral of the bill when you file your report. In exchange, I request that your Committee not seek a sequential referral of H.R. 1101, the Public Utility Holding Company Act of 2001, should it be reported in a form substantially similar to the introduced bill, or seek a referral of comparable legislation designed to restructure the electricity industry, should such legislation be introduced or reported.

I would appreciate your written response to this request.

Sincerely,

W.J. "BILLY" TAUZIN,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, November 13, 2001.

Hon. W. J. "BILLY" TAUZIN,
Chairman, Committee on Energy and Commerce,
Rayburn House Office Building, Wash-
ington, DC.

DEAR CHAIRMAN TAUZIN: Thank you for your letter concerning H.R. 3060.

I appreciate your agreeing not to pursue a sequential referral of this legislation. In exchange, my Committee will not seek a sequential referral of H.R. 1101, the Public Utility Holding Company Act of 2001, should it be reported in a form substantially similar to the introduced bill, or seek a referral of comparable legislation designed to restructure the electricity industry, should such legislation be introduced or reported.

Again, thank you for consideration.

Sincerely,

MICHAEL G. OXLEY,
Chairman.

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

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill. First of all, I want to say that I agree fully with every word spoken by the distinguished chairman of the Committee on Financial Services, the gentleman from Ohio (Mr. OXLEY). The SEC played a very crucial role in the recovery of our financial markets from the devastating effects of the attacks of September 11.

In addition to the important role the Commission played in coordinating market participants throughout the crisis, the emergency orders issued by the SEC helped provide needed liquidity and stability to the markets and market participants.

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The actions of the SEC helped to ensure an orderly reopening of markets, something that was in the interests of our economy and of all investors. While the SEC used the emergency authority available to it very effectively after September 11, I believe this authority would be strengthened by allowing the SEC to extend emergency actions beyond the 10 business days allowed under current law.

I was concerned after September 11 as to whether the emergency authority available to the SEC was adequate. I expressed these concerns when the Chairman of the SEC, Harvey Pitt, appeared before our Committee on Financial Services on September 26 on the status of the recovery.

The Chairman told the committee that enhancements to the SEC's authority would be useful in enabling it to respond effectively to emergencies. The formal legislative request he later submitted asked that we provide the Commission with additional emergency authority to respond to any future crisis both by extending the potential length of emergency orders and by extending the authority to clearly cover all of the Federal securities loss.

Our Committee on Financial Services worked with the Commission to craft an appropriate framework for any future emergency actions that the SEC may need to take.

The bill permits the SEC to issue emergency orders for 30 business days, which I believe will give it the flexibility needed to ensure that it can respond in a timely and effective manner to any future situation. To issue an emergency order, the SEC will have to find that an emergency exists, that an emergency order is necessary in the public interest and for the protection of investors, and that it is necessary to restore fair and orderly markets, that it is necessary to ensure prompt and accurate securities clearance and settlement, or to prevent substantial disruption to the securities markets or portions of such markets.

Further, our bill provides the Commission with the authority in limited circumstances to extend the emergency orders for an additional 90 days upon a finding that the emergency continues to exist, and that extension of the order continues to be necessary in the public interest.

As became clear after September 11, serious disruptions in communications, computer systems, transportation, and many other systems, as well as physical damage to facilities, can have a profound impact on the securities market and market participants. This bill will give the SEC an expanded set of tools to deal with such emergencies throughout the securities markets no matter what the underlying cause of the emergency may be.

Mr. Speaker, I want to commend all the members of committee, the staff of

our committee, both Republican and Democrat, and the staff and members of the SEC. I urge everyone to support this bill.

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

Mr. OXLEY. Mr. Speaker, I am awaiting the subcommittee chairman, the gentleman from Louisiana (Mr. BAKER) who has indicated he would come over to the floor.

If I could inquire of the Chair as to how much time is remaining on this side.

The SPEAKER pro tempore (Mr. CULBERSON). The gentleman from Ohio (Mr. OXLEY) has 14 minutes remaining. The gentleman from New York (Mr. LAFALCE) has 16 minutes remaining.

Mr. MARKEY. Mr. Speaker, I rise in reluctant opposition to H.R. 3060, the Emergency Securities Response Act.

This legislation amends a provision that I authored, which the Congress approved as part of the H.R. 3657, Market Reform Act of 1990, to give the SEC the power to suspend trading of securities and to issue emergency orders consistent with the public interest and the protection of investors (See CONGRESS RECORD, September 28, 1990, at H8376-8383). This provision grew out of the investigations that the Subcommittee on Telecommunications and Finance, which I then chaired, carried out into the 1987 stock market cash. One of the things we found was that the SEC lacked many of the types of emergency authorities that the CFTC had, and we felt it was desirable that they be granted broader emergency authorities.

My objection to the legislation is not that it expands the SEC's authority to suspend trading or issue emergency orders from 10 days up to 30 days, with further extensions of up to 90 days possible. Indeed, in an earlier version of this legislation (H.R. 4997, introduced in 1988, I had actually proposed allowing the SEC to exercise its emergency authorities for periods of up to 30 days). So, I have no problem with doing so today.

Instead, my concerns about the bill we are debating today is that it expands the range of coverage of this emergency provision from the Securities Exchange Act of 1934 to the full range of federal securities laws. This has the effect of expanding coverage of the provision to cover all the federal securities laws. And while there may be some good reasons to extend these authorities to the Securities Act of 1933, the Investment Company Act of 1940, the Investment Advisors Act of 1940, the Trust Indenture Act of 1939, and the Securities Investors Protection Act of 1970, I believe that the effect of this provision is to extend the reach of section 12(k) of the Securities Exchange Act of 1934 (15 U.S.C. 781(k)(2)) to allow the SEC to issue exemptions from the Public Utilities Holding Company Act of 1935 (known as "PUHCA"), which regulates the activities of large, multi-state, electric or natural gas holding companies.

While the Financial Services Committee may successfully have absconded with the Energy and Commerce Committee's securities jurisdiction, the last time I checked PUHCA was within the jurisdiction of the Energy and

Commerce Committee. Our Committee has held no hearings or had any other process with respect to whether granting the SEC emergency powers to grant exemptions to PUHCA was warranted or in the public interest. Given the Commission's rather shoddy record in recent years of administering the Act, I am not comfortable with granting such an exemption today. I am particularly concerned when I have seen no justification from the SEC or its staff for giving the SEC such authority, no analysis of the possible impact of this on PUHCA or on our nation's electricity or natural gas markets, and no indication that the lack of such authority has posed any problems for PUHCA-companies post-September 11.

I would also note that while H.R. 3060 has provisions requiring the SEC to consult with and consider the views of the CFTC whenever exercising its emergency authorities with respect to a stock-index future, there is no similar requirement with respect to the FERC when PUHCA is concerned. Given the fact that PUHCA and the Federal Power Act were passed simultaneously, and that both laws deal with regulation of energy markets, such consultation may be needed in this area as well. We at least should have been given the chance to consider it.

At the very minimum, the Energy and Commerce Committee should have been given a referral of this bill so that it could consider the need for this provision and any amendments to it affecting matters within our jurisdiction. I have been informed that in lieu of such a referral, the Majority may have exchanged letters on this matter. However, no one on the Minority of the Committee has been granted access to these letters, so I have no idea what they say or whether the Committee's substantive and jurisdictional interests have been preserved.

This is not the proper way to legislate. I object to bringing up this bill today.

Mr. LAFALCE. Mr. Speaker, I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and pass the bill, H.R. 3060.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BONILLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 2330, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 2330, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

Mr. BONILLA. Mr. Speaker, pursuant to the previous order of the House, I call up the conference report on the bill (H.R. 2330) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2002, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of Thursday, November 8, 2001, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of November 9, 2001, at page H7962.)

The SPEAKER pro tempore. The gentleman from Texas (Mr. BONILLA) and the gentlewoman from Ohio (Ms. KAPTUR) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. BONILLA).

Mr. BONILLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring before the House today the conference report on H.R. 2330, providing appropriations for Agriculture, Rural Development, the Food and Drug Administration and Related Agencies for fiscal year 2002.

Mr. Speaker, I want to acknowledge the good work of my friend, the gentlewoman from Ohio (Ms. KAPTUR), my ranking member who has contributed greatly to this process. It has been a real pleasure working with her and all the members of the subcommittee in getting to this point today. It has really been a pleasure, and I want to acknowledge that as we present this conference report.

Mr. Speaker, I believe we have produced a good, bipartisan conference agreement that does a lot to advance important nutrition, research and rural development programs and still meet our conference allocations on discretionary and mandatory spending. My goal this year has been to produce a bipartisan bill, and I believe we have done a good job in reaching that goal.

This conference agreement does have significant increases over fiscal year 2001 for programs that have always enjoyed strong bipartisan support, and they include: Agriculture Research Service, \$83 million for salaries and expenses and \$45 million for buildings and facilities; Cooperative State Research Education and Extension Service, \$45 million; Animal and Plant Health Inspection Service, \$83 million; Food