class actions moot. This creates an incentive for each class counsel to obtain a quick settlement of the claims against the defendant to play the various class counsel against each other and drive the settlement value down. The loser in this system is the class member whose claim is extinguished by the settlement, at the expense of counsel seeking to be the one entitled to recovery of fees.

Our bill is designed to prevent these abuses by allowing large interstate class action cases to be heard in federal court. It would expand the statutory diversity jurisdiction of the federal courts to allow class action cases involving minimal diversity—that is, when any plaintiff and any defendant are citizens of different states—to be brought in or removed to federal court. Article III of the Constitution empowers Congress to establish federal jurisdiction over diversity cases—cases "between citizens of different States." The grant of federal diversity jurisdiction was premised on concerns that state courts might discriminate against out of state defendants. In a class action, only the citizenship of the named plaintiffs is considered for determining diversity, which means that federal diversity jurisdiction will not exist if the named plaintiff is a citizen of the same state as the defendant, regardless of the citizenship of the rest of the class. Congress also imposes a monetary threshold—now $75,000—for federal diversity claims. However, the amount in controversy requirement is satisfied in a class action only if all of the class members are seeking damages in excess of the statutory minimum.

These jurisdictional statutes were originally enacted years ago, well before the modern economy cases. Congress did not explicitly address the Compensatory General issues, which means that federal diversity jurisdiction will not exist if the named plaintiff is a citizen of the same state as the defendant, regardless of the citizenship of the rest of the class. Congress also imposes a monetary threshold—now $75,000—for federal diversity claims. However, the amount in controversy requirement is satisfied in a class action only if all of the class members are seeking damages in excess of the statutory minimum.

This result is certainly not what the Framers had in mind when they established federal diversity jurisdiction. Our bill offers a solution by making it easier for plaintiff class members and defendants to remove class actions to federal court, where cases involving multiple state laws are more appropriately heard. Under our bill, if a removed class action is found not to meet the requirements for proceeding as a class action, the federal court would dismiss the action without prejudice and the action could be refiled in state court.

In addition, the bill provides a number of new protections for plaintiff class members including a requirement that notices sent to class members be written in "plain English," and provide essential information that is easily understood. Furthermore, the bill provides judicial scrutiny for settlements that provide class members only coupons as relief for their injuries, and bars approval of settlements in which class members suffer a net loss. The bill also includes provisions that protect consumers from being disadvantaged by living far away from the courthouse. These additional consumer protections will ensure that class action lawsuits benefit the consumers they are intended to compensate.

This legislation does not limit the ability of anyone to file a class action lawsuit. It does not change anybody's rights to recovery. Our bill specifically provides that it will not alter the substantive law governing any claims as to which jurisdiction is conferred. Our legislation merely closes the loophole allowing federal courts to hear big lawsuits involving truly interstate issues, while ensuring that purely local controversies remain in state courts. This is exactly what the Framers of the Constitution had in mind when they established federal diversity jurisdiction.

I urge each of my colleagues to support this very important bipartisan legislation.

EXTENSIONS OF REMARKS

HONORING HUGH LEE GRUNDY FOR HIS DEDICATED SERVICE TO THE UNITED STATES OF AMERICA

HON. ERNIE FLETCHER OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 2001

Mr. FLETCHER. Mr. Speaker, today I rise to recognize Hugh Lee Grundy, a man who has devoted a lifetime of hard work and dedication to America’s Armed Forces in Southeast Asia. Mr. Grundy is the retired President of Air America, an organization that served a special and undercover purpose for our nation’s Central Intelligence Agency and allied countries in Asia and throughout the world. Hugh Grundy of Crab Orchard, Kentucky spent 50 to 60 years in the active world of aviation, and I am truly proud to stand here today and honor him here in the U.S. House of Representatives.

Mr. Grundy was born at Valley Hill, Kentucky on the Grundy family farm, which he now owns and operates. Mr. Grundy raised and showed saddle horses at state and county fairs while growing up. Throughout his schooling, he worked on the family farm, and later he was hired as a cadet pilot at the Kentucky Military Academy. He learned to fly light planes in Central Kentucky in his teenage years. Mr. Grundy attended Aeronautical School in California and eventually became a teacher there. He then worked for Pan American Airlines. Mr. Grundy faithfully served his country in various capacities for more than 30 years. During World War II, Mr. Grundy served his country as an Engineering Officer and Aircrew Member. He reached the rank of Major in the United States Army in 1946. At the close of World War II, Mr. Grundy exchanged active duty for the reserves and returned to Pan American. Later he was transferred to Shanghai, China to work for the China National Aviation Corporation.

Mr. Grundy served concurrently as President of Air America, Air Asia, and Civil Air Transport from 1954 to 1976. As President of Air America, Mr. Grundy commanded over 10,000 men and women serving in Vietnam, Cambodia, Laos, and Thailand. Mr. Grundy came out of retirement twice in order to return to supervise over Southern Air Transport, a company based in Miami, Florida.

In June of 2001, the CIA presented Mr. Grundy with two citations, one in his capacity as President of Civil Air Transport and Air Asia, and one to him personally. This was the second time Mr. Grundy was given recognition by the CIA, the first being a medal for Honorable Service upon the occasion of his retirement from Air America.

Today I rise, Mr. Speaker, to salute Mr. Grundy for his commitment to aviation, his service to our country, and his patriotic leadership throughout the years.
and subpoena information from energy companies or other participants subject to the jurisdiction of the Federal Energy Regulatory Commission. This legislation clarifies the functions of the Comptroller General to include: Monitoring and evaluating the functions and activities of FERC.

Access to market information from those subject to FERC jurisdiction including energy prices, costs, demand, supply, industry and market structure, auction processes, and environmental impacts.

Authority to issue subpoenas, and compliance with any issued subpoena, to those subject to FERC jurisdiction.

Access to market data, records, and information where such material relates to the jurisdiction of the Federal Energy Regulatory Commission, including materials related to energy prices, costs, demand, supply, industry and market structure, auction processes, and environmental impacts.

Monitoring and evaluating the functions and responsibilities of this Act including any audit, investigation, examination, analysis, review or evaluation.

It is essential that Congress and the American people have access to detailed and unbiased information on what is happening in our energy markets. The General Accounting Office is the right source for such information and I urge my colleagues to support this legislation to make certain that GAO has the tools it needs to perform its job in monitoring our energy markets.

The text of H.R. 2331 is below:

H.R. 2331
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.

This Act may be cited as the “Energy Market Monitoring Act”.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) When Congress created the Federal Energy Regulatory Commission in 1977 under the Department of Energy Organization Act, it did not explicitly address the Comptroller General’s authority to request and subpoena information from facilities or businesses engaged in energy matters related to the Federal Energy Regulatory Commission’s activities. Clearly, outside of the scope of the Comptroller General’s access to such information would facilitate the Comptroller General’s monitoring of the Nation’s energy programs.

(2) For the Commission to function properly to provide consumers with goods at a competitive price, and to protect consumers from unjust prices or price manipulation, the markets must be transparent in their transactions. Although the Federal Energy Regulatory Commission is responsible for market monitoring, it is unclear whether the Federal Energy Regulatory Commission has in its possession or has requested from market participants comprehensive market data.

(3) To ensure transparency of energy markets, and both consumers and suppliers, the General Accounting Office, as the investigative arm of Congress, must have full authority to examine all markets and market participants’ activities.

SEC. 3. FUNCTIONS OF COMPTROLLER GENERAL

(a) AMENDMENT.—Title IV of the Department of Energy Organization Act (42 U.S.C. 7171–7177) is amended by adding at the end of the section the following new subtitle:

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