

the sense of the Congress that, as with similar research conducted in the Antarctic, the United States should provide similar support for this important effort.

The SPEAKER pro tempore, Mr. SHIMKUS, recognized Mrs. MORELLA and Mr. BARCIA, each for 20 minutes.

After debate,

The question being put, viva voce,

The SPEAKER pro tempore, Mr. SHIMKUS, announced that two-thirds of the Members present had voted in the affirmative.

Mr. BARCIA, objected to the vote on the ground that a quorum was not present and not voting.

The SPEAKER pro tempore, Mr. SHIMKUS, pursuant to clause 5, rule I, announced that further proceedings on the motion were postponed.

The point of no quorum was considered as withdrawn.

#### ¶110.17 ECONOMIC DEVELOPMENT ADMINISTRATION REFORM

Mr. SHUSTER moved to suspend the rules and pass the bill of the Senate (S. 2364) to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

The SPEAKER pro tempore, Mr. SHIMKUS, recognized Mr. SHUSTER and Mr. OBERSTAR, each for 20 minutes.

After debate,

The question being put, viva voce,

Will the House suspend the rules and pass said bill?

The SPEAKER pro tempore, Mr. SHIMKUS, announced that two-thirds of the Members present had voted in the affirmative.

So, two-thirds of the Members present having voted in favor thereof, the rules were suspended and said bill was passed.

A motion to reconsider the vote whereby the rules were suspended and said bill was passed was, by unanimous consent, laid on the table.

Ordered, That the Clerk notify the Senate thereof.

#### ¶110.18 HEALTH PROFESSIONS EDUCATION PARTNERSHIPS

Mr. BLILEY moved to suspend the rules and pass the bill of the Senate (S. 1754) to amend the Public Health Service Act to consolidate and reauthorize health professions and minority and disadvantaged health professions and disadvantaged health education programs, and for other purposes; as amended.

The SPEAKER pro tempore, Mr. BARRETT of Nebraska, recognized Mr. BLILEY and Mr. BROWN of Ohio, each for 20 minutes.

After debate,

The question being put, viva voce,

Will the House suspend the rules and pass said bill, as amended?

The SPEAKER pro tempore, Mr. BARRETT of Nebraska, announced that two-thirds of the Members present had voted in the affirmative.

Mr. BROWN of Ohio, objected to the vote on the ground that a quorum was not present and not voting.

The SPEAKER pro tempore, Mr. BARRETT of Nebraska, pursuant to clause 5, rule I, announced that further proceedings on the motion were postponed.

The point of no quorum was considered as withdrawn.

#### ¶110.19 SECURITIES LITIGATION UNIFORM STANDARD

Mr. BLILEY moved to suspend the rules and agree to the following conference report (Rept. No. 105-803):

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1260), to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

##### SECTION 1. SHORT TITLE.

This Act may be cited as the "Securities Litigation Uniform Standards Act of 1998".

##### SEC. 2. FINDINGS.

The Congress finds that—

(1) the Private Securities Litigation Reform Act of 1995 sought to prevent abuses in private securities fraud lawsuits;

(2) since enactment of that legislation, considerable evidence has been presented to Congress that a number of securities class action lawsuits have shifted from Federal to State courts;

(3) this shift has prevented that Act from fully achieving its objectives;

(4) State securities regulation is of continuing importance, together with Federal regulation of securities, to protect investors and promote strong financial markets; and

(5) in order to prevent certain State private securities class action lawsuits alleging fraud from being used to frustrate the objectives of the Private Securities Litigation Reform Act of 1995, it is appropriate to enact national standards for securities class action lawsuits involving nationally traded securities, while preserving the appropriate enforcement powers of State securities regulators and not changing the current treatment of individual lawsuits.

#### TITLE I—SECURITIES LITIGATION UNIFORM STANDARDS

##### SEC. 101. LIMITATION ON REMEDIES.

(a) AMENDMENTS TO THE SECURITIES ACT OF 1933.—

(1) AMENDMENT.—Section 16 of the Securities Act of 1933 (15 U.S.C. 77p) is amended to read as follows:

##### "SEC. 16. ADDITIONAL REMEDIES; LIMITATION ON REMEDIES.

"(a) REMEDIES ADDITIONAL.—Except as provided in subsection (b), the rights and remedies provided by this title shall be in addition to any and all other rights and remedies that may exist at law or in equity.

"(b) CLASS ACTION LIMITATIONS.—No covered class action based upon the statutory or common law of any State or subdivision thereof may be maintained in any State or Federal court by any private party alleging—

"(1) an untrue statement or omission of a material fact in connection with the purchase or sale of a covered security; or

"(2) that the defendant used or employed any manipulative or deceptive device or con-

trivance in connection with the purchase or sale of a covered security.

"(c) REMOVAL OF COVERED CLASS ACTIONS.—Any covered class action brought in any State court involving a covered security, as set forth in subsection (b), shall be removable to the Federal district court for the district in which the action is pending, and shall be subject to subsection (b).

"(d) PRESERVATION OF CERTAIN ACTIONS.—

"(1) ACTIONS UNDER STATE LAW OF STATE OF INCORPORATION.—

"(A) ACTIONS PRESERVED.—Notwithstanding subsection (b) or (c), a covered class action described in subparagraph (B) of this paragraph that is based upon the statutory or common law of the State in which the issuer is incorporated (in the case of a corporation) or organized (in the case of any other entity) may be maintained in a State or Federal court by a private party.

"(B) PERMISSIBLE ACTIONS.—A covered class action is described in this subparagraph if it involves—

"(i) the purchase or sale of securities by the issuer or an affiliate of the issuer exclusively from or to holders of equity securities of the issuer; or

"(ii) any recommendation, position, or other communication with respect to the sale of securities of the issuer that—

"(I) is made by or on behalf of the issuer or an affiliate of the issuer to holders of equity securities of the issuer; and

"(II) concerns decisions of those equity holders with respect to voting their securities, acting in response to a tender or exchange offer, or exercising dissenters' or appraisal rights.

"(2) STATE ACTIONS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, nothing in this section may be construed to preclude a State or political subdivision thereof or a State pension plan from bringing an action involving a covered security on its own behalf, or as a member of a class comprised solely of other States, political subdivisions, or State pension plans that are named plaintiffs, and that have authorized participation, in such action.

"(B) STATE PENSION PLAN DEFINED.—For purposes of this paragraph, the term 'State pension plan' means a pension plan established and maintained for its employees by the government of the State or political subdivision thereof, or by any agency or instrumentality thereof.

"(3) ACTIONS UNDER CONTRACTUAL AGREEMENTS BETWEEN ISSUERS AND INDENTURE TRUSTEES.—Notwithstanding subsection (b) or (c), a covered class action that seeks to enforce a contractual agreement between an issuer and an indenture trustee may be maintained in a State or Federal court by a party to the agreement or a successor to such party.

"(4) REMAND OF REMOVED ACTIONS.—In an action that has been removed from a State court pursuant to subsection (c), if the Federal court determines that the action may be maintained in State court pursuant to this subsection, the Federal court shall remand such action to such State court.

"(e) PRESERVATION OF STATE JURISDICTION.—The securities commission (or any agency or office performing like functions) of any State shall retain jurisdiction under the laws of such State to investigate and bring enforcement actions.

"(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) AFFILIATE OF THE ISSUER.—The term 'affiliate of the issuer' means a person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with, the issuer.

"(2) COVERED CLASS ACTION.—