

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, 5-minute voting will continue.

There was no objection.

CONDEMNING HUMAN RIGHTS ABUSES BY THE GOVERNMENT OF IRAN AND EXPRESSING SOLIDARITY WITH THE IRANIAN PEOPLE

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 976.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MCCAUL) that the House suspend the rules and agree to the resolution, H. Res. 976, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 408, nays 10, answered “present” 2, not voting 12, as follows:

[Roll No. 460]  
YEAS—408

Ackerman	Camp (MI)	Edwards
Aderholt	Campbell (CA)	Ehlers
Akin	Cannon	Emanuel
Alexander	Cantor	Emerson
Allen	Capito	Engel
Andrews	Capps	English (PA)
Baca	Cardin	Eshoo
Bachus	Cardoza	Etheridge
Baird	Carmahan	Everett
Baker	Carson	Farr
Baldwin	Carter	Fattah
Barrett (SC)	Castle	Feeney
Barrow	Chabot	Ferguson
Bartlett (MD)	Chandler	Filner
Barton (TX)	Chocola	Fitzpatrick (PA)
Bass	Clay	Flake
Bean	Cleaver	Foley
Beauprez	Clyburn	Forbes
Becerra	Coble	Ford
Berkley	Cole (OK)	Fortenberry
Berman	Conaway	Fossella
Berry	Conyers	Fox
Biggert	Cooper	Frank (MA)
Bilbray	Costa	Franks (AZ)
Bilirakis	Costello	Frelinghuysen
Bishop (GA)	Cramer	Gallely
Bishop (NY)	Crenshaw	Garrett (NJ)
Bishop (UT)	Crowley	Gerlach
Blackburn	Cuellar	Gibbons
Blumenauer	Culberson	Gilchrest
Blunt	Cummings	Gillmor
Boehlert	Davis (AL)	Gingrey
Boehner	Davis (CA)	Gohmert
Bonilla	Davis (FL)	Gonzalez
Bonner	Davis (IL)	Goode
Bono	Davis (KY)	Goodlatte
Boozman	Davis (TN)	Gordon
Boren	Davis, Jo Ann	Granger
Boswell	Davis, Tom	Graves
Boucher	Deal (GA)	Green (WI)
Boustany	DeFazio	Green, Al
Boyd	DeGette	Green, Gene
Bradley (NH)	Delahunt	Grijalva
Brady (PA)	DeLauro	Gutierrez
Brady (TX)	Dent	Gutknecht
Brown (OH)	Diaz-Balart, L.	Hall
Brown (SC)	Diaz-Balart, M.	Harman
Brown, Corrine	Dicks	Harris
Brown-Waite,	Dingell	Hart
Ginny	Doggett	Hastings (FL)
Burgess	Doolittle	Hastings (WA)
Burton (IN)	Doyle	Hayes
Butterfield	Drake	Hayworth
Buyer	Dreier	Hefley
Calvert	Duncan	Hensarling

Hergert	McNulty
Herseth	Meehan
Higgins	Meek (FL)
Hinojosa	Meeke (NY)
Hobson	Melancon
Hoekstra	Mica
Holden	Michaud
Holt	Millender-Schiff
Honda	McDonald
Hooley	Miller (FL)
Hostettler	Miller (MI)
Hoyer	Miller (NC)
Hulshof	Miller, Gary
Hunter	Miller, George
Hyde	Mollohan
Inglis (SC)	Moore (WI)
Inslee	Moran (KS)
Israel	Moran (VA)
Issa	Murphy
Istook	Murtha
Jackson (IL)	Musgrave
Jackson-Lee (TX)	Myrick
Jefferson	Nadler
Jindal	Napolitano
Johnson (CT)	Neal (MA)
Johnson (IL)	Neugebauer
Johnson, E. B.	Northup
Johnson, Sam	Norwood
Jones (OH)	Nunes
Kanjorski	Nussle
Kelly	Oberstar
Kennedy (MN)	Obey
Kildee	Oliver
Kind	Ortiz
King (IA)	Osborne
King (NY)	Otter
Kingston	Owens
Kirk	Oxley
Kline	Pallone
Knollenberg	Pascrell
Kolbe	Pastor
Kuhl (NY)	Payne
LaHood	Pearce
Langevin	Pelosi
Lantos	Pence
Larsen (WA)	Peterson (MN)
Larson (CT)	Peterson (PA)
Latham	Petri
LaTourette	Pickering
Leach	Pitts
Levin	Platts
Lewis (CA)	Poe
Lewis (GA)	Pombo
Lewis (KY)	Pomeroy
Linder	Porter
Lipinski	Price (GA)
LoBiondo	Price (NC)
Lofgren, Zoe	Pryce (OH)
Lowe	Putnam
Lucas	Radanovich
Lungren, Daniel E.	Rahall
Lynch	Ramstad
Mack	Rangel
Maloney	Regula
Manzullo	Rehberg
Marchant	Reichert
Markey	Renzi
Marshall	Reyes
Matheson	Reynolds
Matsui	Rogers (AL)
McCarthy	Rogers (KY)
McCaul (TX)	Rogers (MI)
McCollum (MN)	Rohrabacher
McCotter	Ros-Lehtinen
McCrary	Ross
McGovern	Rothman
McHenry	Roybal-Allard
McHugh	Royce
McIntyre	Ruppersberger
McKeon	Rush
McMorris	Ryan (OH)
Rodgers	Ryan (WI)
	Ryun (KS)
	Sabo

NAYS—10

Abercrombie	Lee
Hinchee	McDermott
Jones (NC)	McKinney
Kucinich	Paul

ANSWERED “PRESENT”—2

Capuano	Kaptur
Case	Keller
Cubin	Kennedy (RI)
Evans	Kilpatrick (MI)
Jenkins	Moore (KS)

NOT VOTING—12

Salazar	Waters
Sánchez, Linda T.	Woolsey
Sanchez, Loretta	
Sanders	
Saxton	
Schakowsky	
Schiff	
Schmidt	
Schwartz (PA)	
Schwarz (MI)	
Scott (GA)	
Scott (VA)	
Sensenbrenner	
Serrano	
Sessions	
Shadegg	
Shaw	
Shays	
Sherman	
Sherwood	
Shimkus	
Shuster	
Simmons	
Simpson	
Skelton	
Slaughter	
Smith (NJ)	
Smith (TX)	
Smith (WA)	
Snyder	
Sodrel	
Solis	
Souder	
Spratt	
Stark	
Stearns	
Stupak	
Sullivan	
Pastor	
Sweeney	
Tancredo	
Tanner	
Tauscher	
Taylor (MS)	
Taylor (NC)	
Terry	
Thompson (CA)	
Thompson (MS)	
Thornberry	
Tiahrt	
Tiberi	
Tierney	
Towns	
Turner	
Udall (CO)	
Udall (NM)	
Upton	
Van Hollen	
Velazquez	
Visclosky	
Walden (OR)	
Walsh	
Wamp	
Wasserman	
Schultz	
Watson	
Watt	
Waxman	
Weiner	
Weldon (FL)	
Weldon (PA)	
Weller	
Westmoreland	
Wexler	
Whitfield	
Wicker	
Wilson (NM)	
Wilson (SC)	
Wolf	
Wu	
Young (AK)	
Young (FL)	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that there are 2 minutes remaining in this vote.

□ 1612

Mr. McDERMOTT changed his vote from “yea” to “nay.”

So (two-thirds of those voting having responded in the affirmative) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MILITARY PERSONNEL FINANCIAL SERVICES PROTECTION ACT

Mr. DAVIS of Kentucky. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 418) to protect members of the Armed Forces from unscrupulous practices regarding sales of insurance, financial, and investment products.

The Clerk read as follows:

S. 418

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Military Personnel Financial Services Protection Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Congressional findings.
- Sec. 3. Definitions.
- Sec. 4. Prohibition on future sales of periodic payment plans.
- Sec. 5. Required disclosures regarding offers or sales of securities on military installations.
- Sec. 6. Method of maintaining broker and dealer registration, disciplinary, and other data.
- Sec. 7. Filing depositories for investment advisers.
- Sec. 8. State insurance and securities jurisdiction on military installations.
- Sec. 9. Required development of military personnel protection standards regarding insurance sales; administrative coordination.
- Sec. 10. Required disclosures regarding life insurance products.
- Sec. 11. Improving life insurance product standards.
- Sec. 12. Required reporting of disciplinary actions.
- Sec. 13. Reporting barred persons selling insurance or securities.
- Sec. 14. Study and reports by Inspector General of the Department of Defense.

SEC. 2. CONGRESSIONAL FINDINGS.

Congress finds that—

(1) members of the Armed Forces perform great sacrifices in protecting our Nation in the War on Terror;

(2) the brave men and women in uniform deserve to be offered first-rate financial products in order to provide for their families and to save and invest for retirement;

(3) members of the Armed Forces are being offered high-cost securities and life insurance products by some financial services companies engaging in abusive and misleading sales practices;

(4) one securities product offered to service members, known as the "mutual fund contractual plan", largely disappeared from the civilian market in the 1980s, due to excessive sales charges;

(5) with respect to a mutual fund contractual plan, a 50 percent sales commission is assessed against the first year of contributions, despite an average commission on other securities products of less than 6 percent on each sale;

(6) excessive sales charges allow abusive and misleading sales practices in connection with mutual fund contractual plan;

(7) certain life insurance products being offered to members of the Armed Forces are improperly marketed as investment products, providing minimal death benefits in exchange for excessive premiums that are front-loaded in the first few years, making them entirely inappropriate for most military personnel; and

(8) the need for regulation of the marketing and sale of securities and life insurance products on military bases necessitates Congressional action.

### SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

#### (1) LIFE INSURANCE PRODUCT.—

(A) IN GENERAL.—The term "life insurance product" means any product, including individual and group life insurance, funding agreements, and annuities, that provides insurance for which the probabilities of the duration of human life or the rate of mortality are an element or condition of insurance.

(B) INCLUDED INSURANCE.—The term "life insurance product" includes the granting of—

- (i) endowment benefits;
- (ii) additional benefits in the event of death by accident or accidental means;
- (iii) disability income benefits;
- (iv) additional disability benefits that operate to safeguard the contract from lapse or to provide a special surrender value, or special benefit in the event of total and permanent disability;
- (v) benefits that provide payment or reimbursement for long-term home health care, or long-term care in a nursing home or other related facility;
- (vi) burial insurance; and
- (vii) optional modes of settlement or proceeds of life insurance.

(C) EXCLUSIONS.—Such term does not include workers compensation insurance, medical indemnity health insurance, or property and casualty insurance.

(2) NAIC.—The term "NAIC" means the National Association of Insurance Commissioners (or any successor thereto).

### SEC. 4. PROHIBITION ON FUTURE SALES OF PERIODIC PAYMENT PLANS.

(a) AMENDMENT.—Section 27 of the Investment Company Act of 1940 (15 U.S.C. 80a-27) is amended by adding at the end the following new subsection:

#### “(j) TERMINATION OF SALES.—

“(1) TERMINATION.—Effective 30 days after the date of enactment of the Military Personnel Financial Services Protection Act, it shall be unlawful, subject to subsection (i)—

“(A) for any registered investment company to issue any periodic payment plan certificate; or

“(B) for such company, or any depositor of or underwriter for any such company, or any other person, to sell such a certificate.

“(2) NO INVALIDATION OF EXISTING CERTIFICATES.—Paragraph (1) shall not be construed to alter, invalidate, or otherwise affect any rights or obligations, including rights of redemption, under any periodic payment plan certificate issued and sold before 30 days after such date of enactment.”.

(b) TECHNICAL AMENDMENT.—Section 27(i)(2)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-27(i)(2)(B)) is amended by striking "section 26(e)" each place that term appears and inserting "section 26(f)".

(c) REPORT ON REFUNDS, SALES PRACTICES, AND REVENUES FROM PERIODIC PAYMENT PLANS.—Not later than 6 months after the date of enactment of this Act, the Securities and Exchange Commission shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report describing—

(1) any measures taken by a broker or dealer registered with the Securities and Exchange Commission pursuant to section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) to voluntarily refund payments made by military service members on any periodic payment plan certificate, and the amounts of such refunds;

(2) after such consultation with the Secretary of Defense, as the Commission considers appropriate, the sales practices of such brokers or dealers on military installations over the 5 years preceding the date of submission of the report and any legislative or regulatory recommendations to improve such practices; and

(3) the revenues generated by such brokers or dealers in the sales of periodic payment plan certificates over the 5 years preceding the date of submission of the report, and the products marketed by such brokers or dealers to replace the revenue generated from the sales of periodic payment plan certificates prohibited under subsection (a).

### SEC. 5. REQUIRED DISCLOSURES REGARDING OFFERS OR SALES OF SECURITIES ON MILITARY INSTALLATIONS.

Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3(b)) is amended by inserting immediately after paragraph (13) the following:

“(14) The rules of the association include provisions governing the sales, or offers of sales, of securities on the premises of any military installation to any member of the Armed Forces or a dependent thereof, which rules require—

“(A) the broker or dealer performing brokerage services to clearly and conspicuously disclose to potential investors—

“(i) that the securities offered are not being offered or provided by the broker or dealer on behalf of the Federal Government, and that its offer is not sanctioned, recommended, or encouraged by the Federal Government; and

“(ii) the identity of the registered broker-dealer offering the securities;

“(B) such broker or dealer to perform an appropriate suitability determination, including consideration of costs and knowledge about securities, prior to making a recommendation of a security to a member of the Armed Forces or a dependent thereof; and

“(C) that no person receive any referral fee or incentive compensation in connection with a sale or offer of sale of securities, unless such person is an associated person of a registered broker or dealer and is qualified pursuant to the rules of a self-regulatory organization.”.

### SEC. 6. METHOD OF MAINTAINING BROKER AND DEALER REGISTRATION, DISCIPLINARY, AND OTHER DATA.

Section 15A(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3(i)) is amended to read as follows:

“(i) OBLIGATION TO MAINTAIN REGISTRATION, DISCIPLINARY, AND OTHER DATA.—

“(1) MAINTENANCE OF SYSTEM TO RESPOND TO INQUIRIES.—A registered securities association shall—

“(A) establish and maintain a system for collecting and retaining registration information;

“(B) establish and maintain a toll-free telephone listing, and a readily accessible electronic or other process, to receive and promptly respond to inquiries regarding—

“(i) registration information on its members and their associated persons; and

“(ii) registration information on the members and their associated persons of any registered national securities exchange that uses the system described in subparagraph (A) for the registration of its members and their associated persons; and

“(C) adopt rules governing the process for making inquiries and the type, scope, and presentation of information to be provided in response to such inquiries in consultation with any registered national securities exchange providing information pursuant to subparagraph (B)(ii).

“(2) RECOVERY OF COSTS.—A registered securities association may charge persons making inquiries described in paragraph (1)(B), other than individual investors, reasonable fees for responses to such inquiries.

“(3) PROCESS FOR DISPUTED INFORMATION.—Each registered securities association shall adopt rules establishing an administrative process for disputing the accuracy of information provided in response to inquiries under this subsection in consultation with any registered national securities exchange providing information pursuant to paragraph (1)(B)(ii).

“(4) LIMITATION ON LIABILITY.—A registered securities association, or an exchange reporting information to such an association, shall not have any liability to any person for any actions taken or omitted in good faith under this subsection.

“(5) DEFINITION.—For purposes of this subsection, the term "registration information" means the information reported in connection with the registration or licensing of brokers and dealers and their associated persons, including disciplinary actions, regulatory, judicial, and arbitration proceedings, and other information required by law, or exchange or association rule, and the source and status of such information.”.

### SEC. 7. FILING DEPOSITORIES FOR INVESTMENT ADVISERS.

(a) INVESTMENT ADVISERS.—Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-4) is amended—

(1) by striking "Every investment" and inserting the following:

“(a) IN GENERAL.—Every investment”; and

(2) by adding at the end the following:

“(b) FILING DEPOSITORIES.—The Commission may, by rule, require an investment adviser—

“(1) to file with the Commission any fee, application, report, or notice required to be filed by this title or the rules issued under this title through any entity designated by the Commission for that purpose; and

“(2) to pay the reasonable costs associated with such filing and the establishment and maintenance of the systems required by subsection (c).

“(c) ACCESS TO DISCIPLINARY AND OTHER INFORMATION.—

“(1) MAINTENANCE OF SYSTEM TO RESPOND TO INQUIRIES.—

“(A) IN GENERAL.—The Commission shall require the entity designated by the Commission under subsection (b)(1) to establish and maintain a toll-free telephone listing, or a readily accessible electronic or other process, to receive and promptly respond to inquiries regarding registration information (including disciplinary actions, regulatory, judicial, and arbitration proceedings, and other information required by law or rule to be reported) involving investment advisers

and persons associated with investment advisers.

“(B) APPLICABILITY.—This subsection shall apply to any investment adviser (and the persons associated with that adviser), whether the investment adviser is registered with the Commission under section 203 or regulated solely by a State, as described in section 203A.

“(2) RECOVERY OF COSTS.—An entity designated by the Commission under subsection (b)(1) may charge persons making inquiries, other than individual investors, reasonable fees for responses to inquiries described in paragraph (1).

“(3) LIMITATION ON LIABILITY.—An entity designated by the Commission under subsection (b)(1) shall not have any liability to any person for any actions taken or omitted in good faith under this subsection.”

(b) CONFORMING AMENDMENTS.—

(1) INVESTMENT ADVISERS ACT OF 1940.—Section 203A of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3a) is amended—

(A) by striking subsection (d); and

(B) by redesignating subsection (e) as subsection (d).

(2) NATIONAL SECURITIES MARKETS IMPROVEMENT ACT OF 1996.—Section 306 of the National Securities Markets Improvement Act of 1996 (15 U.S.C. 80b-10, note) is repealed.

**SEC. 8. STATE INSURANCE AND SECURITIES JURISDICTION ON MILITARY INSTALLATIONS.**

(a) CLARIFICATION OF JURISDICTION.—Any provision of law, regulation, or order of a State with respect to regulating the business of insurance or securities shall apply to insurance or securities activities conducted on Federal land or facilities in the United States and abroad, including military installations, except to the extent that such law, regulation, or order—

(1) directly conflicts with any applicable Federal law, regulation, or authorized directive; or

(2) would not apply if such activity were conducted on State land.

(b) PRIMARY STATE JURISDICTION.—To the extent that multiple State laws would otherwise apply pursuant to subsection (a) to an insurance or securities activity of an individual or entity on Federal land or facilities, the State having the primary duty to regulate such activity and the laws of which shall apply to such activity in the case of a conflict shall be—

(1) the State within which the Federal land or facility is located; or

(2) if the Federal land or facility is located outside of the United States, the State in which—

(A) in the case of an individual engaged in the business of insurance, such individual has been issued a resident license;

(B) in the case of an entity engaged in the business of insurance, such entity is domiciled;

(C) in the case of an individual engaged in the offer or sale (or both) of securities, such individual is registered or required to be registered to do business or the person solicited by such individual resides; or

(D) in the case of an entity engaged in the offer or sale (or both) of securities, such entity is registered or is required to be registered to do business or the person solicited by such entity resides.

**SEC. 9. REQUIRED DEVELOPMENT OF MILITARY PERSONNEL PROTECTION STANDARDS REGARDING INSURANCE SALES; ADMINISTRATIVE COORDINATION.**

(a) STATE STANDARDS.—Congress intends that—

(1) the States collectively work with the Secretary of Defense to ensure implementation of appropriate standards to protect

members of the Armed Forces from dishonest and predatory insurance sales practices while on a military installation of the United States (including installations located outside of the United States); and

(2) each State identify its role in promoting the standards described in paragraph (1) in a uniform manner, not later than 12 months after the date of enactment of this Act.

(b) STATE REPORT.—It is the sense of Congress that the NAIC should, after consultation with the Secretary of Defense and, not later than 12 months after the date of enactment of this Act, conduct a study to determine the extent to which the States have met the requirement of subsection (a), and report the results of such study to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(c) ADMINISTRATIVE COORDINATION; SENSE OF CONGRESS.—It is the sense of the Congress that senior representatives of the Secretary of Defense, the Securities and Exchange Commission, and the NAIC should meet not less frequently than twice a year to coordinate their activities to implement this Act and monitor the enforcement of relevant regulations relating to the sale of financial products on military installations of the United States.

**SEC. 10. REQUIRED DISCLOSURES REGARDING LIFE INSURANCE PRODUCTS.**

(a) REQUIREMENT.—Except as provided in subsection (e), no person may sell, or offer for sale, any life insurance product to any member of the Armed Forces or a dependent thereof on a military installation of the United States, unless a disclosure in accordance with this section is provided to such member or dependent at the time of the sale or offer.

(b) DISCLOSURE.—A disclosure in accordance with this section is a written disclosure that—

(1) states that subsidized life insurance is available to the member of the Armed Forces from the Federal Government under the Servicemembers' Group Life Insurance program (also referred to as "SGLI"), under subchapter III of chapter 19 of title 38, United States Code;

(2) states the amount of insurance coverage available under the SGLI program, together with the costs to the member of the Armed Forces for such coverage;

(3) states that the life insurance product that is the subject of the disclosure is not offered or provided by the Federal Government, and that the Federal Government has in no way sanctioned, recommended, or encouraged the sale of the life insurance product being offered;

(4) fully discloses any terms and circumstances under which amounts accumulated in a savings fund or savings feature under the life insurance product that is the subject of the disclosure may be diverted to pay, or reduced to offset, premiums due for continuation of coverage under such product;

(5) states that no person has received any referral fee or incentive compensation in connection with the offer or sale of the life insurance product, unless such person is a licensed agent of the person engaged in the business of insurance that is issuing such product;

(6) is made in plain and readily understandable language and in a type font at least as large as the font used for the majority of the solicitation material used with respect to or relating to the life insurance product; and

(7) with respect to a sale or solicitation on Federal land or facilities located outside of the United States, lists the address and phone number at which consumer complaints

are received by the State insurance commissioner for the State having the primary jurisdiction and duty to regulate the sale of such life insurance products pursuant to section 8.

(c) VOIDABILITY.—The sale of a life insurance product in violation of this section shall be voidable from its inception, at the sole option of the member of the Armed Forces, or dependent thereof, as applicable, to whom the product was sold.

(d) ENFORCEMENT.—If it is determined by a Federal or State agency, or in a final court proceeding, that any person has intentionally violated, or willfully disregarded the provisions of, this section, in addition to any other penalty under applicable Federal or State law, such person shall be prohibited from further engaging in the business of insurance with respect to employees of the Federal Government on Federal land, except—

(1) with respect to existing policies; and

(2) to the extent required by the Federal Government pursuant to previous commitments.

(e) EXCEPTIONS.—This section shall not apply to any life insurance product specifically contracted by or through the Federal Government.

**SEC. 11. IMPROVING LIFE INSURANCE PRODUCT STANDARDS.**

(a) IN GENERAL.—It is the sense of Congress that the NAIC should, after consultation with the Secretary of Defense, and not later than 6 months after the date of enactment of this Act, conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on—

(1) ways of improving the quality of and sale of life insurance products sold on military installations of the United States, which may include—

(A) limiting such sales authority to persons that are certified as meeting appropriate best practices procedures; and

(B) creating standards for products specifically designed to meet the particular needs of members of the Armed Forces, regardless of the sales location; and

(2) the extent to which life insurance products marketed to members of the Armed Forces comply with otherwise applicable provisions of State law.

(b) CONDITIONAL GAO REPORT.—If the NAIC does not submit the report as described in subsection (a), the Comptroller General of the United States shall—

(1) study any proposals that have been made to improve the quality of and sale of life insurance products sold on military installations of the United States; and

(2) not later than 6 months after the expiration of the period referred to in subsection (a), submit a report on such proposals to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

**SEC. 12. REQUIRED REPORTING OF DISCIPLINARY ACTIONS.**

(a) REPORTING BY INSURERS.—Beginning 1 year after the date of enactment of this Act, no insurer may enter into or renew a contractual relationship with any other person that sells or solicits the sale of any life insurance product on any military installation of the United States, unless the insurer has implemented a system to report to the State insurance commissioner of the State of domicile of the insurer and the State of residence of that other person—

(1) any disciplinary action taken by any Federal or State government entity with respect to sales or solicitations of life insurance products on a military installation that

the insurer knows, or in the exercise of due diligence should have known, to have been taken; and

(2) any significant disciplinary action taken by the insurer with respect to sales or solicitations of life insurance products on a military installation of the United States.

(b) REPORTING BY STATES.—It is the sense of Congress that, not later than 1 year after the date of enactment of this Act, the States should collectively implement a system to—

(1) receive reports of disciplinary actions taken against persons that sell or solicit the sale of any life insurance product on any military installation of the United States by insurers or Federal or State government entities with respect to such sales or solicitations; and

(2) disseminate such information to all other States and to the Secretary of Defense.

(c) DEFINITION.—As used in this section, the term “insurer” means a person engaged in the business of insurance.

**SEC. 13. REPORTING BARRED PERSONS SELLING INSURANCE OR SECURITIES.**

(a) ESTABLISHMENT.—The Secretary of Defense shall maintain a list of the name, address, and other appropriate information relating to persons engaged in the business of securities or insurance that have been barred or otherwise limited in any manner that is not generally applicable to all such type of persons, from any or all military installations of the United States, or that have engaged in any transaction that is prohibited by this Act.

(b) NOTICE AND ACCESS.—The Secretary of Defense shall ensure that—

(1) the appropriate Federal and State agencies responsible for securities and insurance regulation are promptly notified upon the inclusion in or removal from the list required by subsection (a) of a person under the jurisdiction of one or more of such agencies; and

(2) the list is kept current and easily accessible—

(A) for use by such agencies; and

(B) for purposes of enforcing or considering any such bar or limitation by the appropriate Federal personnel, including commanders of military installations.

(c) REGULATIONS.—

(1) IN GENERAL.—The Secretary of Defense shall issue regulations in accordance with this subsection to provide for the establishment and maintenance of the list required by this section, including appropriate due process considerations.

(2) TIMING.—

(A) PROPOSED REGULATIONS.—Not later than the expiration of the 60-day period beginning on the date of enactment of this Act, the Secretary of Defense shall prepare and submit to the appropriate Committees of Congress a copy of the regulations required by this subsection that are proposed to be published for comment. The Secretary may not publish such regulations for comment in the Federal Register until the expiration of the 15-day period beginning on the date of such submission to the appropriate Committees of Congress.

(B) FINAL REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit to the appropriate Committees of Congress a copy of the regulations under this section to be published in final form.

(C) EFFECTIVE DATE.—Final regulations under this paragraph shall become effective 30 days after the date of their submission to the appropriate Committees of Congress under subparagraph (B).

(d) DEFINITION.—For purposes of this section, the term “appropriate Committees of Congress” means—

(1) the Committee on Financial Services and the Committee on Armed Services of the House of Representatives; and

(2) the Committee on Banking, Housing, and Urban Affairs and the Committee on Armed Services of the Senate.

**SEC. 14. STUDY AND REPORTS BY INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE.**

(a) STUDY.—The Inspector General of the Department of Defense shall conduct a study on the impact of Department of Defense Instruction 1344.07 (as in effect on the date of enactment of this Act) and the reforms included in this Act on the quality and suitability of sales of securities and insurance products marketed or otherwise offered to members of the Armed Forces.

(b) REPORTS.—Not later than 12 months after the date of enactment of this Act, the Inspector General of the Department of Defense shall submit an initial report on the results of the study conducted under subsection (a) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, and shall submit followup reports to those committees on December 31, 2008 and December 31, 2010.

The SPEAKER pro tempore (Mr. BONNER). Pursuant to the rule, the gentleman from Kentucky (Mr. DAVIS) and the gentleman from Georgia (Mr. SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. DAVIS of Kentucky. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and insert extraneous material thereon.

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

There was no objection.

Mr. DAVIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume but first would like to recognize the distinguished chairman of the Financial Services Committee, Mr. OXLEY of Ohio.

Mr. OXLEY. Mr. Speaker, I rise in support of S. 418, the Military Personnel Financial Services Protection Act, which protects the men and women serving in our Nation's military from deceptive financial practices and unsuitable financial products.

I want to pay a particular tribute to the sponsor of the House legislation that came through the Financial Services Committee. This bill that we have before us is almost identical to the bill that passed out of our committee. Mr. DAVIS, a veteran and West Point graduate, led the way in protecting our military men and women on this issue early last year. Early last year he secured a bipartisan voice vote in committee and a resounding 405–2 bipartisan victory in the House.

Congratulations also go to former Congressman Max Burns of Georgia who led the charge protecting our military personnel in the 108th Congress.

□ 1615

We are pleased with giving the Senate credit for their bill number if we get to enact the protections for our military as envisioned by Mr. DAVIS and Max Burns.

Mr. Speaker, since the tragic day of September 11, 2001, our country has been at war with terrorism around the world. In the prosecution of that war, our armed services have performed heroically. Many have made the ultimate sacrifice for the cause of freedom, and all have worried about the safety and security of their loved ones as they leave to serve our country.

Unfortunately, there are a few bad actors in the financial services industry who have been taking financial advantage of our soldiers. These unscrupulous companies and their sales teams infiltrate our military installations and use aggressive, misleading, and often illegal sales tactics to sell high-cost products of dubious value that are unsuitable for any investor, and are particularly unsuitable for most military personnel.

The Pentagon has issued directives intended to prevent these abuses. But with the ongoing confusion over regulatory jurisdiction, the lack of communication among government agencies, and the lack of sufficient investor protection standards for certain financial products, it is clear that our military personnel can never be adequately protected unless Congress enacts this bill.

The Davis bill bans bad financial products and coercive sales practices on military bases, including obscure and high-cost “contractual plans.” It clarifies the regulatory jurisdiction on military installations within the U.S. and abroad, adds appropriate consumer protections and disclosures for financial products sold on military bases, and ensures proper reporting systems between our military and the financial regulators to catch bad actors before they can do more harm.

It also makes the process of selecting a financial adviser more transparent for all investors by providing online access to background information on broker-dealers, including disciplinary actions. This last provision was taken from legislation introduced by the gentleman from Arizona (Mr. SHADEGG) that passed the House in April 2005.

The overwhelmingly bipartisan support for this bill within Congress and the military is the result of strong leadership by the gentleman from Kentucky (Mr. DAVIS) as well as former Member Max Burns, as well as the chairman of the Subcommittee on Capital Markets, Mr. BAKER, who led our committee's investigation into abusive practices and bad products, Congressman JIM RYUN and Congressman STEVE ISRAEL. Mr. RYUN and Mr. ISRAEL worked closely together on the reporting requirements of this bill, and the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) for ensuring appropriate SEC review of broker-dealer sales practices on military installations.

Their hard work and passion for protecting our military personnel is well reflected on this legislation. I urge my colleagues in the full House to vote “yes” on S. 418.

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

Mr. SCOTT of Georgia. Mr. Speaker, I yield myself such time as I may consume.

First, let me extend my deep appreciation and thanks to our distinguished chairman, Chairman OXLEY of Ohio. As many of us know, Chairman OXLEY will be leaving us and I want to take this opportunity to recognize what an outstanding chairman you have been to our Committee on Financial Services. It has been a pleasure serving with you, and you have been an outstanding chairman.

It is also a pleasure to stand here as I represent our ranking member, the gentleman from Massachusetts (Mr. FRANK), who has provided outstanding leadership on our Financial Services Committee, and has led the way for this to be a strong bipartisan effort, to Mr. DAVIS of Kentucky. Certainly it is a pleasure to work with you on this measure.

I think this is a very important bill because of the timeliness of it, especially with so many of our military men and women in harm's way overseas, especially in Iraq and Afghanistan, that we put forward a measure designed to help protect their financial security.

Senate 418, the Military Personnel Financial Services Protection Act, the measure before us today, will address some serious problems of predatory lending and financial abuse targeted at our military men and women.

In 2004, the New York Times ran a series of very good stories which detailed misleading sales practices of financial products to members of the military. A few unscrupulous agents had made misleading pitches to captive audiences by posing as counselors on veterans benefits, and they solicited soldiers while on duty.

This issue is important to me, as it is to all of us in this Congress, but especially to me and those of us from Georgia, because so many of these reported scams occurred at Fort Benning in my State of Georgia.

So I joined with my colleagues on the Financial Services Committee and we held hearings to investigate these predatory and abusive lending practices, and then we went to work on finding legislative remedies.

This legislation that we worked on is very similar to Senate 418. Our legislation was passed by a large majority in the House, but was not brought up for action on the Senate floor until recently. What we have before us as Senate 418 represents the final bipartisan and bicameral product in addressing these important issues. This is indeed the work of the House and the Senate.

What S. 418 will do, it will ban all future sales of periodic payment plans. It will require greater regulation of insurance sales on military bases. It will require the Department of Defense to create a registry of agents who are prohibited from selling financial policies on bases, and it will expand investor access to registration information for brokers, for dealers and advisers.

I would like to give just a little more detail about a few of the protections afforded our military personnel in this measure. Senate 418 will give State insurance regulators jurisdiction over insurance sales on Federal facilities and bases within the United States as well as abroad. Many of the abuses that occurred on bases continued because of confusion about regulatory jurisdiction, and especially at overseas bases. This bill resolves that. This provision clears up that concern.

Also my colleague, the gentleman from New York (Mr. ISRAEL), authored a provision contained in section 13 of this measure. This provision requires the Secretary of Defense to notify the appropriate State regulators when an insurance agent or financial adviser is added or deleted from a registry of agents or advisers banned from military bases. This provision will prevent unscrupulous sales agents from moving to other jurisdictions to avoid detection.

Further, insurance companies could not sell or solicit policies to military personnel on a base without first providing clear written notice that federally subsidized life insurance is available through the Federal Government, and that the sale of the private plan is not sanctioned or recommended by the government.

To ensure our servicemembers are capable of addressing their financial needs, we must first provide them with adequate compensation. At the same time, we must help our soldiers exercise financial responsibility. It is necessary that military personnel have financial literacy, something that I have worked very hard on since my first day arriving in Congress. These individuals can face financial questions from Internet-based sales, from sales off base, and from being faced with decisions in the civilian world. As we know, predatory sales practices are not limited to the base.

Our military folks have enough to worry about. They constantly live in a life-and-death situation. They certainly do not need these added financial insecurity pressures that are placed upon them by predatory lenders and financial abusers.

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

Mr. DAVIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the work of the gentleman from Georgia on this important issue which affects so many of our men and women in uniform.

I rise today in support of S. 418, the Military Personnel Financial Services Protection Act. First, let me thank Senators ENZI and CLINTON for sponsoring the Senate companion to my bill, H.R. 458, which passed the House last year by a vote of 405-2.

This important legislation will protect our troops from certain insurance and investment products, and in particular, the contractual plan.

Contractual plans have virtually disappeared from the civilian market due to excessive sales charges, but sales persist among servicemembers and their families, who are often new to managing finances and unaware that there are alternative or more cost-effective opportunities out there. The hallmark of the deceptively expensive plans are front-loaded commission fees of up to 50 percent. S. 418 prohibits the sales of these predatory investment products.

Unfortunately, there are some bad actors still out there in the insurance and securities industry that have been taking advantage of military personnel by marketing these questionable products.

Mr. Speaker, I understand firsthand the sales tactics used by these companies on our soldiers. As a young officer in the Army, a group of salesmen showed up on my post and convinced me and my fellow soldiers to purchase a contractual plan. I fell for the sales pitch for this contractual plan because the company made it appear as though they were part of the Armed Forces family, and the salesman, a respected military veteran, was somebody I thought I could trust because of his record in the military. That trust was betrayed simply because of our ignorance.

What we discovered as time went by was that there were tremendous other options out there; and that many, many service personnel were losing tens of thousands of dollars that could have gone directly into investment products that were available in the commercial world.

I invested what was a lot of money to me at the time, not because I was a financial expert, I was a combat arms officer, but because a retired servicemember was working as a salesman and was pushing a product with the referral of other veterans. It was not until I got out of the Army and into the business world that I discovered how uncompetitive these products were when compared to other investment opportunities. However, it was too late. My wife and I lost nearly half our life savings on this so-called investment.

S. 418 also addresses the sale of life insurance to servicemembers. The bill requires life insurance companies to provide written disclosures that, among other disclosures, state that subsidized life insurance is available through the Servicemembers' Group Life Insurance Program and fully disclose the terms of the agreement and any savings feature of the product. The disclosure must be in plain and readily understandable language and in a normal type font.

Additionally, I would like to state I am disappointed that the Senate removed the qualifying words "in person" from the requirements provision of section 10 on disclosures regarding life insurance products. I have concerns that this could prevent certain well-respected life insurance companies from

continuing to do business the way they have for many years, which enables the issuing of insurance in a timely manner to servicemembers who are often about to be deployed or go into combat.

I plan to continue monitoring the status of this issue, and I will pursue legislative options in the future should my concern manifest itself.

Regulation of these types of insurance and investment products on military bases has clearly been inadequate to this point. The situation required congressional action to address the situation and protect our servicemembers.

I applaud my colleagues in the Senate for moving forward with S. 418, and I appreciate the leadership of the House for bringing it to the floor for a vote.

I would encourage the Department of Defense to continue with its efforts to improve financial literacy of our troops. I cannot emphasize strongly enough how I agree with my colleague from Georgia on the importance of teaching our young soldiers, sailors, airmen and marines about the opportunities that they have and the benefits they can accrue from taking wise counsel and go for sure and certain return on their investment while they are serving this Nation.

However, we as a Congress cannot allow these abusive sales practices to continue. We must not ask the men and women of our armed services to make sacrifices for our security without doing all we can to protect their financial futures. They are laying their lives on the line and putting their families under tremendous stresses and pressures right now. The last thing we must permit to take place is predatory sales practices upon these soldiers while they are getting ready to deploy and weigh these serious life decisions without proper information. Working together, we will solve this problem.

Thank you again to Senators ENZI and CLINTON for sponsoring the Senate version of my bill, H.R. 458, and to Chairman BAKER and Chairman OXLEY for their diligent examination of this issue in the House Financial Services Committee.

I also want to emphasize that this has truly been a bipartisan effort working together on a compromise that never weakened the provisions but actually made a stronger bill in the long run, particularly with the House version that came out last year.

I thank the ranking member, Mr. FRANK, and Chairman OXLEY for their leadership and the example they set for every committee in the House of Representatives on working together in a bipartisan manner to craft legislation that benefits the American people.

The gentleman from Georgia (Mr. SCOTT), the gentleman from New York (Mr. ISRAEL), the gentleman from Kansas (Mr. RYUN), the gentleman from Pennsylvania (Mr. FITZPATRICK), and the gentlewoman from Florida (Ms.

GINNY BROWN-WAITE) have all been integral to this dialogue to offer key provisions and key counsel to strengthen this bill.

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

Mr. SCOTT of Georgia. Mr. Speaker, I yield 4 minutes to the distinguished gentleman who has long championed the military, and on this issue has been at the forefront in providing great leadership on this issue, protecting our military from financial abuses, and that is the gentleman from North Dakota (Mr. POMEROY).

□ 1630

Mr. POMEROY. Mr. Speaker, I thank my friend for yielding.

In a prior life I used to be a State insurance commissioner, and I want to tell you how completely disgusted I am that there are still companies and agents that would prey upon the young men and women that are serving our country, in many instances young soldiers preparing for deployment to Iraq. Seizing this incredibly sensitive and exposed period in their lives, they use every trick in the book to load them up with coverages that are inappropriately priced, may well be ill-matched to the financial needs of the soldier, and they do it all for one lousy reason, personal profiteering, profiteering on those who would literally put their lives on the line to protect our freedoms. That is about as low as you can get.

And I very much appreciate the debate that we have had here. Congressman DAVIS, you related your own story about how, as a young soldier, you had some respected veteran peddling a product from a company that just fills the sales materials with flags and banners. This is just so wrong.

Frankly, I am disappointed that the State insurance commissioners have allowed this to go as far as they have. Maybe there was some confusion about what their regulatory enforcements could be relative to proximity to Air Force or Army bases. I don't understand. I believe more could have been done at the State regulatory level, and I hope this represents a good swift kick in the behind to any enforcement official looking at predatory lending practices.

This is a clear bipartisan statement from Congress that we don't countenance this at all, and we want to crack heads on anybody engaged in this kind of activity.

I also want us to note there is more to do. Both sides of the aisle have so well expressed our need for financial literacy. Let me just give you exhibit A in terms of why we need it so badly. Right outside the base gates, payday loans, predatory lending shops, not addressed in this bill, unfortunately, and still a matter we need to look at because soldiers, often young, trying to make it on pretty skinny checks, fall prey to these predatory lending practices of the payday lenders.

And I want to send a signal to this industry: We see what you are doing. We hate it, and we are going to try to figure out how we address those payday loan practices, the predatory lending practices. Surely any reputable lender, any major bank that would engage in a surcharge lending practice for the subprime market of military bases is wrong. We will not accept this surcharge on the subprime market of young soldiers, and we intend to expose and we intend to further and fully discuss these practices. So if you don't want to see your names in the paper relative to ripping off our soldiers, quit those payday loan practices. We are coming after you next. Agents, insurance companies, we are getting you with this legislation, but the subprime market is coming next. Don't make any mistake about it.

I thank the sponsors of this legislation.

Mr. DAVIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume.

I want to echo some comments that were made by Mr. POMEROY. Our title II language of the original House bill directly addressed the predatory lending issue, and we were disappointed, many of us, that that language was removed from the Senate version. However, I believe that there will be good news in the defense authorization. We have worked very tirelessly over the past couple of weeks, and I am serving as a conferee on the joint House/Senate committee, and I believe that we are going to have some very strong language to begin to address this issue, to control the fees and the percentage rates and ultimately to dissuade our young soldiers, sailors, and airmen from participating in these processes that take advantage of them financially.

One thing that I would like to point out is an aspect of my own story and the nature of this behind the bill. I remember experiencing the invitation to the steak dinner at a meeting hall where many soldiers came out to hear a presentation about how much money they could possibly make by joining these programs, and the importance of insurance and how that was going to help, and how one salesperson asked my wife if she would feel safe on the amount of insurance that she had from the servicemen's group life program at that time. She even won a \$50 lucky drawing during that. And it wasn't until several years later that we realized that we had based our trust on a false premise and had purchased a product that we didn't need.

One of the great things in America is the equalizing capability of the American people, that every person has a say with votes, that we can pursue goals and opportunities, and as the old saying goes, "What goes around comes around." I remember sitting as a new Member in the House of Representative when the then CEO of that very company was sitting across from my desk

wanting us to not bring H.R. 458, the Military Personnel Financial Services Protection Act, to the floor. And having lived that, and knowing the concern of the other Members on the committee, we are very pleased to take this first step as we are addressing many steps in protecting our servicemembers and also enhancing their financial literacy.

With that, I want to commend both sides for having worked together. I thank the gentleman from Georgia especially for his long-time interest in this. And I want to say a special note to outgoing Financial Services Committee Chairman MIKE OXLEY. I believe that he has set a stellar example of leadership in his tenure. He has been a mentor to me and other members of the committee. What he has shown is that we can work in a spirit of comity and comedy, that we can have fun as we deal with very, very serious issues. He always kept the vision, the end goal, in sight that we were working toward to keep things in perspective so that when the pressures of the time or the fatigue of the long days might move emotions in a different direction, he was always there to keep us pointed towards that end goal as we run that race to have good financial services legislation like this bill that we have today.

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

Mr. SCOTT of Georgia. Mr. Speaker, I yield myself such time as I may consume.

I just want to extend my feelings of great appreciation to Mr. DAVIS from Kentucky, the distinguished gentleman, who has truly provided the leadership on this bill. And you could tell from his eloquent statements earlier of his own experience in this issue that really clearly points to why we need this bill.

And I thank you, and it has been a pleasure working with you on this, Mr. DAVIS.

I again want to echo when he said about the chairman. I am very fortunate on this committee to have two mentors, Democrat and Republican. And as a Democrat, I am not ashamed to say one of my mentors is a Republican, and that is OXLEY. Chairman OXLEY. I call him "Oxley." On top of everything else, he is a great baseball man. And, of course, with Ranking Member FRANK, it gives a great balance to the bipartisanship on that committee, which I think enables us to deal with ticklish matters like this very appropriately.

As far as the payday situation is concerned, we will visit that another day. There is no question about that. We want to make sure that we get the good apples out of the way of the bad apples and move forward. But this bill here clearly gives us a very important statement. And it is with this statement that we are saying to these predators, keep your grubby hands off of our soldiers. We have got 18- and 19-

year-old kids who are just getting out of high school, many of them, and there these predators are, waiting on them at a time when they are faced with such life-and-death issues as going into harm's way, all of those pressures. It is not right. It is not fair. And this is why we are moving on this very important legislation, so that we can protect our fighting men and women against unscrupulous investment sales.

I urge the House to move to pass this important bipartisan measure today.

Mr. SPRATT. Mr. Speaker, I rise in support of this bill, to defend those who defend us. Our young men and women in uniform should not be prey to unscrupulous types who take advantage of their inexperience, in ways that they pay for, and for years thereafter.

Our service members are focused on the mission at hand: defending our nation. In their enthusiasm, and on the eve of their deployments, they should not be subjected to unscrupulous agents who exploit their fears of family members not being provided for, should they be killed or wounded in the line of the duty. They should not be exposed to brokers making promises of big returns on investments, while extracting exorbitant fees up front.

We have worked hard to improve the benefits that our government provides for our troops and their families. We have increased the death gratuity dramatically. We have increased life insurance coverage.

But we can do better.

We can ban the sale of periodic payment plan certificates.

We can clarify the law by making it known that the states have a duty to regulate sales conducted on military bases.

We can ensure that our young men and women in uniform are educated about the benefits the government provides for them and their families, and that they receive clear and comprehensible information about the federally subsidized life insurance available to them.

We can require registration of agents and a registry for complaints about agents so that our service members can see who has had complaints and disciplinary actions.

And Congress can monitor these practices better.

This bill does these things. And while it does not go as far as some of us in the House would like, I believe it is a good place to start. It enables us to stop some of the most damaging practices against those who defend our country.

I urge support of this bill.

Mr. SHADEGG. Mr. Speaker, today we are considering S. 418, the Military Personnel Financial Services Protection Act. At a time when so many of our brave men and women are deployed across the world defending our freedom, this bill is a small step to ensure that our military personnel to not fall victim to deceptive financial practices at home.

Furthermore, Mr. Speaker, this bill includes provisions that reach beyond just our military personnel to protect all investors. I would like to thank the Chairmen of the Financial Services and Banking Committees for including language from H.R. 1077, the Realtime Investor Protection Act, which I authored and which passed as a stand alone bill last year.

This language will require the National Association of Securities Dealers (NASD) to make its database of complaints against bro-

kers publicly available on a secure Internet site. This is extraordinarily simple and extraordinarily efficient. The result will be more informed investors with greater trust in the markets.

Although the NASD already maintains this database, BrokerCheck, the organization is prohibited from making it available online. The current system requires potential investors to submit a request for broker/dealer information via telephone or e-mail. The investor must then wait for a response. In today's high tech world, this procedure is outdated and highly inefficient.

BrokerCheck is an invaluable tool for investors, through which they can learn about the professional background, business practices, and conduct of NSD-registered firms and brokers, free of charge. Specifically, an investor can discover: Whether or not their broker has a criminal record; whether or not they have been subject to a regulatory action by the Securities Exchange Commission (SEC); and, whether or not they had customer complaints filed against them.

This bill will bring investor protection up to speed with investing technologies. Interestingly, of the 4.4 million requests NASD received through BrokerCheck for information in 2004, 99 percent were through the Internet e-mail request system, only 1 percent were by telephone. Clearly, investors prefer using the Internet to request information.

I encourage my colleagues to support this bill to protect military personnel, and the public at large, by prohibiting abusive practices and encouraging investor education.

Ms. BORDALLO. Mr. Speaker, I rise today in support of S. 418, a bill that speaks to an issue that has been of concern to Congress for several years now. I believe that the time has come to stop talking about unscrupulous practices that unfairly target U.S. servicemen and women and to act to end them. This bill serves that end.

This bill addresses the issue of deceitful insurance schemes that take advantage of U.S. service men and women by pitching important investment and insurance programs while hiding within them antiquated fee schemes. For those who offer important financial and life planning programs to hide within such plans unfair, this bill removes the ability to hide expansive and outdated fee schedules that bilk vulnerable, young service men and women.

S. 418 protects the financial interests of those who serve. I urge my colleagues to support this legislation and to support our men and women in uniform and their families.

Mr. SCOTT of Georgia. 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 Kentucky (Mr. DAVIS) that the House suspend the rules and pass the Senate bill, S. 418.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. DAVIS of Kentucky. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

WICHITA PROJECT EQUUS BEDS  
DIVISION AUTHORIZATION ACT  
OF 2005

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1025) to amend the Act entitled "An Act to provide for the construction of the Cheney division, Wichita Federal reclamation project, Kansas, and for other purposes" to authorize the Equus Beds Division of the Wichita Project.

The Clerk read as follows:

S. 1025

*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 "Wichita Project Equus Beds Division Authorization Act of 2005".

**SEC. 2. EQUUS BEDS DIVISION.**

The Act entitled "An Act to provide for the construction of the Cheney division, Wichita Federal reclamation project, Kansas, and for other purposes" (Public Law 86-787; 74 Stat. 1026) is amended by adding the following new section:

**"SEC. 10. EQUUS BEDS DIVISION.**

"(a) AUTHORIZATION.—The Secretary of the Interior may assist in the funding and implementation of the Equus Beds Aquifer Recharge and Recovery Component which is a part of the 'Integrated Local Water Supply Plan, Wichita, Kansas' (referred to in this section as the 'Equus Beds Division'). Construction of the Equus Beds Division shall be in substantial accordance with the plans and designs.

"(b) OPERATION, MAINTENANCE, AND REPLACEMENT.—Operation, maintenance, and replacement of the Equus Beds Division, including funding for those purposes, shall be the sole responsibility of the City of Wichita, Kansas. The Equus Beds Division shall be operated in accordance with applicable laws and regulations.

"(c) AGREEMENTS.—The Secretary of the Interior may enter into, or agree to amendments of, cooperative agreements and other appropriate agreements to carry out this section.

"(d) ADMINISTRATIVE COSTS.—From funds made available for this section, the Secretary of the Interior may charge an appropriate share related to administrative costs incurred.

"(e) PLANS AND ANALYSES CONSISTENT WITH FEDERAL LAW.—Before obligating funds for design or construction under this section, the Secretary of the Interior shall work cooperatively with the City of Wichita, Kansas, to use, to the extent possible, plans, designs, and engineering and environmental analyses that have already been prepared by the City for the Equus Beds Division. The Secretary of the Interior shall assure that such information is used consistent with applicable Federal laws and regulations.

"(f) TITLE; RESPONSIBILITY; LIABILITY.—Nothing in this section or assistance provided under this section shall be construed to transfer title, responsibility, or liability related to the Equus Beds Division (including portions or features thereof) to the United States.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated as the Federal share of the total cost of the Equus Beds Division, an amount not to not exceed 25 percent of the total cost or \$30,000,000 (January, 2003 prices), whichever is less, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations

in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein, whichever is less. Such sums shall be nonreimbursable.

"(h) TERMINATION OF AUTHORITY.—The authority of the Secretary of the Interior to carry out any provision of this section shall terminate 10 years after the date of enactment of this section."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. JONES) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

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

There was no objection.

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

S. 1025, introduced by Senator PAT ROBERTS and supported by our Kansas colleague TODD TIAHRT, authorizes the Secretary of the Interior to assist in the funding and implementation of an aquifer recharge program near the city of Wichita.

The Equus Beds aquifer has supplied water to Wichita for over 60 years, but groundwater levels continue to decline. The bill's project will use excess water flows from the Little Arkansas River to recharge the aquifer and would provide significant new water storage capacity for area water consumers. This enhanced aquifer recharge and storage concept will help impede saline water intrusion and enhance the region's long-term water needs.

I urge support of the bill.

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

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

Mr. Speaker, Mr. JONES has explained very well this bill. We have no objection to passage of S. 1025. The Committee on Resources approved similar legislation in the 108th Congress. The Federal cost-share for this project is not excessive, and the project itself will have a beneficial effect on local groundwater supplies.

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

Mr. JONES of North Carolina. Mr. Speaker, at this time I would like to yield such time as he may consume to the gentleman from Kansas (Mr. TIAHRT).

Mr. TIAHRT. Mr. Speaker, I would like to thank the gentleman from North Carolina. He has not only been a good leader, but a great friend, and I appreciate his yielding the time and the work he has done in favor of this bill.

Mr. Speaker, I rise today in favor of the Wichita Project Equus Beds Divi-

sion Authorization Act, S. 1025. The bill authorizes the Equus Beds aquifer recharge project in south-central Kansas and will help meet the water needs of nearly 500,000 people in the State. This is an environmentally sound project, and it will help ensure local residents, agricultural irrigators, and industrial businesses have access to clean water for decades.

□ 1645

I want to thank Chairman POMBO for his leadership in assisting me over the past few years on this important water project. Both he and the staff on the House Resources Committee have been very good to work with.

Chairman POMBO has helped ensure authorization for the needed recharge of the Equus Beds aquifer, and ensured that it was done right away. I appreciate my colleague and good friend, Senator PAT ROBERTS, for his championing this effort in the authorization bill in the Senate. He got the job done in the other body. Now it is time to finish the process in the House today.

Because the House has already approved authorization language contained in S. 1025 last year, passage of this bill today will be the final step needed to send it to the President for his signature.

I should also thank the city of Wichita officials for their effort in helping move this project forward. Their vision to ensure the greater Wichita area has a sustainable source of water both now and in the future is why this project started. Wichita's water supply projects administrator, Gerry Blain, has been great to work with. Gerry has been especially helpful to me and my staff in navigating the details of the recharge project. I appreciate his dedication to public service.

The Equus Beds aquifer recharge project involves taking floodwater from the Little Arkansas River and depositing that excess water into the aquifer through water supply wells, after going through a filtration system. Since the 1950s, the water levels in the aquifer have dropped 40 feet because of water rights and pumping excesses. The aquifer's natural recharge rate of 6 inches per year will not keep up.

Due to this overusage, saltwater from the Southwest and oil field brine from the Northwest have threatened the aquifer. When the aquifer's levels were higher, the elevated levels created a natural barrier to keep the contamination at bay.

But now that the water levels have dropped, the natural barrier is no longer there. If the aquifer is not replenished, the maximum chloride levels will eventually exceed what is permitted in both agricultural and municipal usage. This aquifer recharge project is a win-win project for all of the communities that depend on its water.

The city of Wichita and surrounding municipalities benefit because water can be safely stored to meet short-term