



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 109<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 152

WASHINGTON, FRIDAY, SEPTEMBER 22, 2006

No. 120

## House of Representatives

The House was not in session today. Its next meeting will be held on Monday, September 25, 2006, at 12:30 p.m.

## Senate

FRIDAY, SEPTEMBER 22, 2006

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

### PRAYER

The PRESIDENT pro tempore. The Senate will be led in prayer by the Chaplain of the House of Representatives, Rev. Daniel P. Coughlin.

The guest chaplain offered the following prayer:

Lord God Almighty, accept our prayer no matter our faith heritage. Today, we of Abrahamic faith join our Jewish brothers and sisters as they approach the celebration of Rosh Hashanah and Muslim brothers and sisters who begin Ramadan. The marking of a lunar new year can be both unnerving and heartening because it is a holiday about life and death.

Called to turn a new page, we see life and mercy win out over death and judgment. Seeking forgiveness of our sins, as God-fearing people, we find our true identity and are ready to begin anew.

Your biblical story of the birth of Abraham's son, Isaac, and Abraham's near sacrifice of Isaac, would have us face the fear and trembling story of fragile life and the sacrifice of faith.

Lord God of Abrahamic faith, unite us in being attentive to Your holy will and our ability to make the right choices of life for the future.

In Your holy Name we pray, and to Your holy Name be the glory both now and forever. Amen.

### PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

### ORDER OF PROCEDURE

Mr. McCONNELL. Mr. President, I ask unanimous consent that I be permitted to proceed notwithstanding the order of last night, as we have a few housekeeping items to complete this morning.

The PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

### CREDIT RATING AGENCY REFORM ACT OF 2006

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 590, S. 3850.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 3850) to improve ratings quality for the protection of investors and in the public interest by fostering accountability, transparency, and competition in the credit rating agency industry.

There being no objection, the Senate proceeded to consider the bill.

Mr. SARBANES. Mr. President, I support this important legislation to enhance competition and improve the Federal oversight of credit rating agencies—S. 3850, as amended, the Credit Rating Agency Reform Act of 2006.

I applaud Chairman SHELBY for his strong leadership on this issue and am pleased to have worked closely with him on this legislation. The bill also reflects important contributions from Senators MENENDEZ, SCHUMER, ENZI, and SUNUNU.

Credit rating agencies play an important and valuable role in the capital markets by providing opinions to investors on the ability and willingness of issuers to make timely payments on debt instruments. These ratings can have significant impact. The Washington Post of November 22, 2004 wrote: "they can, with the stroke of a pen, effectively add or subtract millions from a company's bottom line, rattle a city budget, shock the stock and bond markets and reroute international investment."

Investors trust the agencies' impartiality and rely on their ratings. The SEC created the designation of Nationally Recognized Statistical Rating Organization, NRSRO, which it currently applies to five agencies. Many institutional investors buy debt only if it has been rated by an NRSRO. A Reuters article dated February 1, 2006 stated:

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



Printed on recycled paper.

S10011