the surveys carried out under this paragraph.

"(E) For the purposes of this paragraph and section 111(c)(4) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the term "health surveys" shall include preliminary assessments of the potential risk to human health posed by individual sites and facilities subject to this paragraph, based on such factors as the nature and extent of contamination, the existence or portential for pathways of human exposure (including ground or surface water contamination, air emissions, and food chain contamination), the size and potential susceptibility of the community within the likely pathways of exposure, the comparions of expected human exposure levels to the short-term and long-term health effects associated with identified contaminants and any available recommended exposure or tolerance limits for such contaminants, and the comparison of existing morbidity and mortality data on diseases that may be associated with the observed levels of exposure. A purpose of such preliminary assessments shall be to help determine whether full-scale health or epidemiological studies and medical evaluations of exposed populations shall be undertaken.".

(d) The amendments made by this section shall be effective with respect to fiscal year 1985 and each fiscal year thereafter.●

By Mr. GORTON (for himself and Mr. GOLDWATER):

S. 2292. A bill to provide for continued access by the Federal Government to land remote sensing data from satellites and for other purposes; to the Committee on Commerce, Science, and Transportation.

LAND REMOTE SENSING SATELLITE COMMUNICATIONS ACT OF 1984

Mr. GORTON. Mr. President, I am introducing today on my behalf and on behalf of the distinguished Senator from Arizona (Mr. GOLDWATER) a bill to provide for a continued U.S. land remote sensing capability and an orderly transfer of this capability to the private sector.

Our current experimental land remote sensing satellite (Landsat) system has established the United States as the undisputed world leader in remote sensing technology. Four satellites have been launched during the past 12 years, and a fifth, called Landat D-prime, will be launched next month. Data from these satellites have enabled us to see the Earth in a way never previously possible, and our policy of nondiscriminatory data access, or "open skies," has made Landsat a provider of worldwide benefit and international goodwill.

Recently, other nations have begun developing their own land remote sensing systems. I must warn my colleagues that not only is our leadership in this area threatened, but uncertainty over the future of Landsat has jeopardized the existence of any U.S. land remote sensing capability at all. Our inability to resolve the debate between those who believe the Landsat system should be commercialized and those who feel the Government should continue to sponsor the system has left us with no plans for any capability after Landsat D-prime, which is expected to function for 3 years.

Last March, the administration proposed to commercialize the Landsat system. This decision was based on the fact that the system is very costly to operate and generates very little revenue. The idea behind commercialization is that the private sector could operate the technology at less expense than the Government, and that a private marketing effort could greatly expand the market for data.

The problem with the administration's proposal was that it included commercialization of our meteorological satellite (Metsat) system, an idea that had no congressional support. Last year, when I introduced a resolution opposing Metsat commercialization, I expressed my feeling that the outcry over the prospect of commercializing Metsat was preventing Congress from focusing on the more relevant issue of Landsat. Now that the resolution and its House companion have overwhelmingly passed and the Metsat commercialization proposal has been dropped, we can give Landsat commercialization proper consideration.

Mr. President, as chairman of the Commerce Committee's Subcommittee on Science, Technology, and Space, I have followed this issue very closely, and I have come to see two fundamental facts.

First, the market for land remote sensing data is currently very small, and will not develop without private sector initiative and marketing expertise. Several years of private marketing will be required to make land remote sensing a profitable business, and no adequate private systems are likely to be developed until the potential for profit exists.

Second, Landsat D-prime represents the final product of more than a billion dollars of Federal expenditure, and should not be turned over to the private sector for a price that would reflect only the revenues that can currently be realized from its operation.

The legislation I am introducing today would provide for a phased commercialization of Landsat, beginning with data marketing and expanding to space system management as market development enables wholly private systems to prosper.

Under this approach, the Government would maintain ownership of Landsat D-prime and contract for private marketing of the data and possibly private operations of the system. Concurrently, the Government would work with the private sector on development of a follow-on system with at least equivalent capabilities. Private involvement in system development would reduce Federal costs from the expense of constructing another experimental Government satellite, and private operation and data marketing would further develop the market for data. In the future, wholly private systems would be licensed by the Secretary of Commerce.

Last month the Department of Commerce issued a request for proposals asking private parties to bid for the Landsat system and development of a follow-on system. Current law stipulates that legislation must be enacted to permit any such transfer, and this legislation would authorize the transfer while setting forth conditions under which it is acceptable to the Congress.

Mr. President, I feel this legislation would insure continued U.S. involvement in remote sensing, expedite the development of an expanded data market, and minimize Federal expenses in transferring this capability to the private sector.

I hope the bill will stir debate on the issue, and I eagerly await the comments and suggestions of the private sector, the administration, and my colleagues.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2292

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Land Remote Sensing Statellite Communications Act of 1984".

TITLE I—DECLARATION OF FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds and declares that—

(1) the Federal Government's experimental LANDSAT system has established the United States as the world leader in land remote sensing satellite technology;

(2) the continuous collection of land remote sensing data from satellites is of major benefit in managing the Earth's natural resources;

(3) private sector involvement in space can provide sound bases for the future growth of space-based technologies;

(4) it is necessary to determine the extent to which it is appropriate and in the national interest for the private sector to assume responsibility for civil land remote sensing satellite system operation and data management;

(5) the existing civil land remote sensing system of the United States involves important international commitments;

(6) civil land remote sensing involves relevant national security concerns;

(7) it is in the national interest to promote the establishment of private land remote sensing ventures;

(8) land remote sensing development has been inhibited by lack of market development and private industry is best suited to develop the data market;

(9) it is doubtful that the private sector alone currently can develop a total land remote sensing system because of the high risk and large capital expenditure involved;

(10) cooperation between the Federal Government and private industry is necessary to manage effectively the existing LANDSAT system so as to ensure data continuity, to honor international and national security responsibilities, and to broaden the data market enough to support self-sufficient private ventures; and

(11) such cooperation should be structured to minimize the amount of support and regulation by the Federal Government, while assuring continuous availability to the Federal Government of land remote sensing data.

PURPOSES

SEC. 102. The purposes of this Act are to—

(1) guide the Federal Government in achieving proper involvement of the private sector by providing a framework for gradual commercialization of land remote sensing, allowing an increasing private role as the market for data expands, and assuring continuous data availability to the Federal Government;

(2) preserve the leading position of the United States in civil land remote sensing, preserve the national security, and honor the international obligations of the United States;

(3) reaffirm the right of all nations to sense the Earth's surface and acquire land remote sensing data, so long as such data are made available to all potential users on a non-discriminatory basis; and

(4) minimize the duration and amount of further Federal investment necessary to assure data continuity while achieving commercialization of civil land remote sensing.

DEFINITIONS

SEC. 103. For purposes of this Act, the term—

(1) "LANDSAT system" means LANDSAT 4 and LANDSAT D-prime, and related ground equipment, systems and facilities;

(2) "non-discriminatory basis" means without preference, bias, or any arrangement that favors any purchaser or class of purchasers over another, such that—

(A) data products are made available to all potential buyers at standard, published prices;

(B) all purchasers are given the same opportunities for access to data, such as timeliness of availbility and terms of delivery; and

(C) special arrangements, other than any arrangement for exclusive access to data by any purchaser, such as volume discounts, gathering of data with certain characteristics requested by a purchaser, and maintenance of secrecy regarding any such arrangements, are permissible if the availability and prices of such services are published and uniformly available to the data purchasers;

(3) "Secretary" means the Secretary of Commerce;

(4) "unenhanced data" means digital or minimally processed signals collected from civil land remote sensing satellites involving rectification of distortions, registration with respect to features of the Earth, and calibration of spectral response; the term does not include conclusions, manipulations, or calculations derived from such signals or combination of the signals with other data or information; and

(5) "United States private entity" means any non-governmental entity or consortium of entities, the majority of whose assets is owned by citizens of the United States, the majority of whose personnel is comprised of citizens of the United States, and whose principal place of business is in the United States.

TITLE II—OPERATION AND DATA MARKETING OF LANDSAT SYSTEM

OPERATION

SEC. 201. (a) The National Oceanic and Atmospheric Administration shall be responsible for—

(1) the orbit and data collection of LANDSAT 4, and disposition of LANDSAT 4 upon the termination of its useful operation, as determined and published by the Secretary;

(2) the launch, orbit, and data collection of LANDSAT D-prime, and disposition of LANDSAT D-prime upon the termination of its useful operation, as determined and published by the Secretary;

(3) ground equipment and facilities which are used to operate the LANDSAT system; and

(4) provision of data to foreign ground stations under the terms of existing Memoranda of Understanding between the United States Government and nations that operate ground stations.

(b) The Secretary may extend any such Memoranda of Understanding if such extension provides for their expiration upon the termination of the useful operation of the LANDSAT system.

(c) The provisions of this section shall not prohibit the National Oceanic and Atmospheric Administration from continuing to contract for the operation of the LANDSAT system, so long as the Administration retains—

(1) ownership of the system;

(2) ownership of the unenhanced data; and

(3) authority to make decisions concerning operation of the system.

MARKETING OF UNENHANCED DATA

SEC. 202. (a) In accordance with the requirements of this title, the Secretary shall, to the extent provided in advance by appropriations Acts and in accordance with the provisions of subsection (c) of this section, contract with a United States private entity for the marketing of unenhanced data collected according to the provisions of section 201 of this title. Any such contract shall provide that—

(1) the contractor may set the prices of unenhanced data products, if the products are always available to all potential buyers at published, non-discriminatory prices and terms of access;

(2) the contractor shall compensate the United States Government for the right to sell the data by payment of an initial fee, a percentage of data sales receipts, or some combination of such fee and receipts;

(3) the contractor shall pay to the United States Government the full purchase price of any unenhanced data that the contractor elects to utilize for purposes other than sale, in accordance with paragraph (4) of this subsection; and

(4) the contractor shall not engage in any sale of processed data except in a manner consistent with applicable antitrust laws.

(b) Prior to entering into such a contract, the Secretary shall publish the requirements of subsection (a)(1) through (4) of this section, and the contract shall be subject to such requirements.

(c)(1) Any decision or proposed decision by the Secretary to enter into any such contract shall be transmitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives for their review. No such decision or proposed decision shall be implemented unless (A) a period of 30 days of continuous session of Congress has passed after the receipt by each such committee of such transmittal or (B) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the decision or proposed decision. As part of such transmittal, the Secretary shall include the information specified in subsection (a)(1) through (4) of this section.

(2) For purposes of this section—

(A) continuity of session is broken only by an adjournment sine die; and

(B) days on which either House is not in session because of an adjournment of more than 5 days to a day certain are excluded in the computation of such period.

AWARDING OF THE CONTRACT

SEC. 203. The Secretary shall award any such contract on the basis of—

(1) the financial return to the United States Government, based on any initial fee offered for marketing rights and any percentage of data sales receipts offered to the United States Government; and

(2) the ability to expand the market for unenhanced land remote sensing data.

TITLE III—DATA CONTINUITY AFTER THE LANDSAT SYSTEM

PURPOSE

SEC. 301. It is the purpose of this title to—

(1) provide for a transition from operation by the Federal Government to private, commercial operation of land remote sensing satellite systems;

(2) determine, with minimal risk during the proposed transition period, whether wholly private operation of land remote sensing is in the best interests of the United States; and

(3) provide for the continuity of land remote sensing satellite data after the termination of the operation of the existing system, as described in title II of this Act.

DATA CONTINUITY

SEC. 302. The Secretary shall evaluate proposals from United States private entities for a contract for the development of a system capable of generating land remote sensing data and marketing such unenhanced data for a period of 6 years. Such evaluation and any solicitation of proposals shall be conducted by means of a competitive process. Such proposals, at a minimum, shall specify—

(1) the quantities and qualities of data expected from the system;

(2) the projected date upon which operations could begin;

(3) the number of satellites to be constructed and their expected lifetimes;

(4) any need for Federal funding to develop the system;

(5) any percentage of sales receipts offered to the Federal Government; and

(6) plans for expanding the market for land remote sensing data.

NOTIFICATION REGARDING AWARDING OF THE CONTRACT

SEC. 303. (a) The Secretary shall evaluate the proposals referred to in section 302 of this title and, to the extent provided in advance by appropriations Acts, may contract with a United States private entity for the development of a system capable of generating land remote sensing data and marketing such unenhanced data for a period of 6 years. As part of such evaluation, the Secretary shall analyze the expected outcome of each proposal, in terms of—

(1) the availability to the Federal Government of at least the quantities and qualities of data used by the Federal Government in fiscal year 1983;

(2) the availability of such data upon the expected termination of the LANDSAT system;

(3) the cost to the Federal Government of developing the recommended system;

(4) the potential to expand the market for data;

(5) any percentage of data sales offered to the Federal Government, in accordance with section 304 of this title; and

(6) such other factors as the Secretary deems appropriate and relevant.

(b)(1) Any decision or proposed decision by the Secretary to enter into any such contract shall be transmitted to the Committee on Commerce, Science, and Transportation

of the Senate and the Committee on Science and Technology of the House of Representatives for their review. No such decision or proposed decision shall be implemented unless (A) a period of 30 days of continuous session of Congress has passed after the receipt by each such committee of such transmittal or (B) each such Committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the decision or proposed decision. As part of such transmittal, the Secretary shall include the information specified in subsection (a)(1) through (6) of this section.

(2) For purposes of this section—

(A) continuity of session is broken only by an adjournment sine die; and

(B) days on which either House is not in session because of an adjournment of more than 5 days to a day certain are excluded in the computation of such period.

MARKETING INCENTIVE

SEC. 304. In order to promote aggressive marketing of land remote sensing data, any contract entered into pursuant to this title may provide that the percentage of sales paid by the contractor to the Federal Government shall decrease according to stipulated increases in sales levels.

SALE OF DATA

SEC. 305. Any contract entered into pursuant to this title shall provide that—

(1) the contractor will offer to sell and deliver unenhanced land remote sensing data to all potential buyers on a non-discriminatory basis;

(2) the contractor will engage in any sale of processed data only in a manner consistent with applicable antitrust laws; and

(3) the contract shall not provide a guarantee of purchases of data by the Federal Government from the contractor.

REPORT

SEC. 306. Within 2 years after the date on which any such contract becomes effective, the Secretary shall report to the Congress on the progress and feasibility of the transition to total private financing, operation, and ownership of a land remote sensing satellite system, together with any legislative recommendations to accomplish such transition.

TERMINATION OF AUTHORITY

SEC. 307. The authority granted by this title shall terminate 10 years after the date of the beginning of any contract entered into according to the provisions of this title.

TITLE IV— PRIVATE LAND REMOTE SENSING SYSTEMS

GENERAL AUTHORITY

SEC. 401. In consultation with other appropriate Federal agencies, the Secretary shall license qualified United States private entities to operate civil land remote sensing satellite systems in accordance with the provisions of this title.

CONDITIONS FOR OPERATION

SEC. 402. (a) No party or consortium may operate any land remote sensing satellite system which is subject to the jurisdiction or control of the United States without obtaining a license pursuant to section 401 of this title.

(b) A party or consortium shall be licensed to operate its system if—

(1) unenhanced land remote sensing data are made available to all potential users on a non-discriminatory basis;

(2) in the case of a consortium, the system is administered by a central, responsible entity established by the consortium;

(3) no terms of the license issued under this title protect the license holder from fair competition from other license holders;

(4) the license provides that, before any party or consortium terminates its operations under the license, it will make disposition of any satellites in space in a manner satisfactory to the President; and

(5) the entity seeking to obtain the license agrees, as a condition for the receipt of such license, to provide to the Secretary any data generated under such license which the Secretary may request for the purpose of archiving, pursuant to section 602 of this Act.

(c)(1) The Secretary, in consultation with other appropriate Federal agencies, shall be responsible for protection of national security interests and adherence to international responsibilities of the United States which are relevant to operation of private land remote sensing satellite systems, including—

(A) responsibility for all outer space activities of non-governmental entities of the United States;

(B) liability for damage caused by space objects under registration or license by the Federal Government; and

(C) registration with appropriate international authorities of all objects launched into space by non-governmental entities of the United States.

(2) In order to carry out paragraph (1) of this subsection, the Secretary shall, before licensing any private land remote sensing satellite system, secure an agreement from the private entity or consortium that it will—

(A) furnish the Secretary with complete orbit and data collection characteristics of the system, obtain advance approval of any intended deviation from such characteristics, and inform the Secretary immediately of any unintended deviation;

(B) obtain advance approval from the Secretary of any agreement it intends to enter with a foreign nation, entity, or consortium involving foreign nations or entities; and

(C) operate the system in a manner that is consistent with international law.

(13) The Secretary, in order to carry out the responsibilities specified in this title, may—

(A) inspect the facilities or financial records of any entity that holds a license pursuant to this title;

(B) promulgate regulations to implement the provisions of this title; and

(C) provide, within the licenses or regulations issued, for penalties for noncompliance with the requirements of such licenses or regulations, including termination of license and civil penalties.

AGENCY ACTIVITIES

SEC. 403. Federal agencies are authorized and encouraged to engage in joint activities in satellite land remote sensing by forming consortia with private firms, in accordance with the provisions of section 401 of this title, if—

(1) such activities will not compete with United States private sector activities;

(2) such activities are appropriate to an agency's missions and activities; and

(3) appropriated funds are available for that purpose.

TERMINATION

SEC. 404. The authority contained in this title shall terminate at the expiration of 10 years after the date of enactment of this Act if no firm or consortium has been licensed and continues in operation under the provisions of this title.

TITLE V—RESEARCH AND DEVELOPMENT

CONTINUED FEDERAL RESEARCH AND DEVELOPMENT

SEC. 501. The Administrator of the National Aeronautics and Space Administration, the Administrator of the National Oceanic and Atmospheric Administration, and the heads of other Federal agencies shall continue land remote sensing research and development, and are encouraged to conduct experimental space remote sensing programs (including applications programs) and to develop remote sensing technologies in support of their authorized missions, using funds appropriated for those purposes. In carrying out such programs, Federal agencies are encouraged to cooperate with private industry.

USE OF EXPERIMENTAL DATA

SEC. 502. Data gathered in Federal experimental land remote sensing programs may be used in related research and development programs funded by the Federal Government, including applications programs, but not for commercial uses or in competition with private sector activities, except as permitted by section 503 of this title.

SALE OF EXPERIMENTAL DATA

SEC. 503. Data gathered in Federal experimental land remote sensing programs may be competitively sold en bloc (consistent with national security interests and international obligations of the United States) to any United States entity which will market the data on a nondiscriminatory basis.

TITLE VI—GENERAL PROVISIONS

"OPEN SKIES"

SEC. 601. (a) Unenhanced land remote sensing satellite data generated by any system operator under the provisions of this Act shall be made available to all users on a non-discriminatory basis, in accordance with the requirements of this Act.

(b) For the purposes of this title, the term "system operator" means a contractor under title II or III or a license holder under title IV of this Act.

ARCHIVING OF DATA

SEC. 602. (a) In order to preserve many of the public benefits of civil remote sensing from space, including long-term global environmental monitoring, the Secretary shall provide for long-term storage and maintenance of data, as described in subsection (b) of this section, and for access to such data.

(b)(1) The Secretary shall continue to provide storage, maintenance, and access for unenhanced data from the LANDSAT system.

(2) The Secretary shall provide storage, maintenance, and access for unenhanced data generated pursuant to title III of this Act. The Secretary may obtain and examine such data to determine whether such data have potential public value, and to store and maintain data that are determined to be of value.

(3) The Secretary may provide storage, maintenance, and access for unenhanced data generated by license holders under title IV of this Act if the Secretary finds that such data have sufficient public value.

(c) All data generated by any system operator under titles III or IV of this Act shall be made available to the Secretary by the system operator in a form suitable for processing for data storage, maintenance, and access. The Secretary may (as provided in advance by appropriations Acts) pay to such system operator reasonable costs for reproduction and transmittal of the data.

(d)(1) Copies of stored data may not be made available from the archive except (A) to the system operator originally providing the data, or (B) pursuant to paragraph (2) or (3) of this subsection.

(2) Copies of stored data may be made available to persons requesting such copies if the system operator who originally pro-

vided the data so authorizes the Secretary in writing.

(3) Copies of stored data may be made available to persons requesting such copies without authorization of the system operator after 10 years after the date of the generation of such data.

(4) Persons or system operators requesting and receiving copies of such data from the archive shall pay to the Secretary reasonable costs of reproduction and transmittal.

(5) Nothing in tis subsection shall release the Secretary from the Secretary's obligation to provide data storage, maintenance, and access.

(e) In carrying out the functions of this section, the Secretary may use existing facilities or may contract with a private sector party or parties for performance of such functions, to the extent provided in advance by appropriations Acts.

NONREPRODUCTION

SEC. 603. Unprocessed land remote sensing data generated by any system operator under the provisions of this Act may be sold on the condition that such data shall not be reproduced and disseminated by the purchaser.

REIMBURSEMENT FOR ASSISTANCE

SEC. 604. The Administrator of the National Aeronautics and Space Administration, the Secretary of Defense, and the heads of other Federal agencies may provide assistance to operators of remote sensing systems under the provisions of this Act. Substantial assistance, such as launch services, shall be reimbursed by the operator.

RADIO FREQUENCY ALLOCATION

SEC. 605. The Federal Communications Commission is authorized and encouraged to allocate to any license holder under title IV of this Act access to Government radio frequencies and other civil radio frequencies appropriate for land remote sensing systems in a timely manner, consistent with the national interest.

CONSULTATION

SEC. 606. (a) The Secretary shall consult with the Secretary of Defense on all matters under this Act affecting national security. The Secretary of Defense shall be responsible for identifying and notifying the Secretary of those national security concerns of the United States which are relevant to activities under this Act.

(b) The Secretary shall consult with the Secretary of State on all international matters arising under this Act. The Secretary of State shall be responsible for identifying and notifying the Secretary of those international obligations and commitments of the United States which are relevant to activities under this Act.

By Mrs. HAWKINS:

S. 2294. A bill to require the registration of deposit brokers with the Securities and Exchange Commission, to require the Federal depository institution insuring agencies to better police the funds acquisition activities of newly insured and financially impaired depository institutions, to amend the Securities Exchange Act of 1934, the Federal Deposit Insurance Act, the National Housing Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FEDERAL DEPOSIT INSURANCE REFORM ACT OF 1984

● Mrs. HAWKINS. Mr. President, I am today introducing legislation to modernize and reform Federal Government insurance of deposits in banks and thrift institutions just as the Garn-St Germain Act, which the Congress passed in 1982, modernized and reformed the Nation's financial institutions. As a result of passage of the Garn-St Germain Act, financial institutions have become increasingly competitive. This is no less true when it comes to seeking new sources of funds for their deposits. Gathering deposits on a national basis through the use of brokerage intermediaries has become an increasingly popular and effective means of raising deposit dollars.

These changes in the way financial institutions raise their deposits have produced both positive and negative effects. The use of intermediaries to raise funds has made it possible for institutions of all sizes, including small amd medium-sized banks and thrift institutions, to tap national markets for their needed deposit dollars. This makes additional funds available for use in their local communities.

The brokerage intermediaries provide the consumer with an efficient vehicle for obtaining the maximum return on his or her investment dollars, consistent with the safety of Federal insurance of deposits. Financial institutions, too, use this new method to make their investment. Many credit unions, banks, and thrift institutions now place substantial amounts of idle funds with other institutions through brokerage intermediaries. Florida credit union managers tell me that with their small staffs there would be a great loss if they could not use brokers to seek out the highest return on investments.

At the same time, the Federal regulators have expressed concern that this ready availability of funds can lead to abuse by financial institutions and by the intermediaries who raise funds for them. They maintain that at the financial institution level, some institutions in weak financial condition have used brokerage firms to maintain their liquidity without giving adequate consideration to their ability to repay. Apparently some newly formed institutions, intent of rapid growth, have turned a virtue into a vice, and have grown faster than they are able to prudently invest,

Finally, because of uncertainty over the status of deposits as securities under the Federal securities laws, certain brokerage firms have not been subject to oversight of their activities by the Securities and Exchange Commission. This lack of oversight has been a major source of concern for Federal regulators and has left the consumer, without the protections which the Federal securities laws provide.

The Federal Deposit Insurance Reform Act of 1984, which I am introducing today, updates Federal law to bring it current with these important marketplace developments, the bill is simple and straight-forward.

First, it updates the definitions of "broker" and "dealer" in the Federal Securities Exchange Act of 1934 by including persons in the business of engaging in transactions in deposits. Thus, these persons will be required to register with the Securities and Exchange Commission and will be subject to the requirements which apply to brokers and dealers which effect transactions in securities such as stocks and bonds. There is no good reason why the public should not have the protection which Federal securities laws provide when dealing with intermediaries who place deposits for them or engage in other transactions in deposits. As drafted, the bill woud except from the definition of "broker" and "dealer," banks and thrift institutions, since they are already adequately supervised by the Federal banking agencies.

Second, the bill would recognize that the public can place deposits through registered broker-dealers and retain their insurance deposits. The bill rejects, as too extreme, a proposal by the Federal insurance agencies which would effectivley deny insurance to members of the public who use registered brokers. Thus, the bill would preserve the benefits currently available to all insured institutions, including small and medium-sized institutions, to raise capital on national markets—without the expense of national advertising campaigns or interstate branch networks. Often only the very largest institutions can afford to raise deposits in this way. The bill also means that the public can continue to enjoy the benefits of investing their dollars at maximum rates of interest with continued Federal insurance without the prohibitive expense of placing these funds themselves.

Third, the bill contains two important exceptions designed to safeguard the Federal insurance funds by granting the agencies the authority to restrict the use of brokers by new or financially impaired financial institutions.

In sum, the bill presents a balanced approach to the problem of bringing Federal insurance of deposits current with the marketplace realities of today. It reaffirms that insured deposits may be raised on a nationwide basis using qualified professionals. Finally, it recognizes that growth can be too much of a good thing, by providing authority to the agencies to limit growth for new or financially impaired institutions.

Mr. President, I urge my colleagues to join me in support of this legislation. I ask unanimous consent that the text of the bill be placed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows: