Mr. Speaker, ironically, the wars in Vietnam and on the streets of urban ghettos developed his sense of compassion and concern for those who face inequities and discrimination. He could have easily had a bitter soul forged out of the fires from the 1960 riots and battles he knew so well, but he chose to care and use his mind and ability for justice. Therefore, he is a great example to young men and women that the anger and distress known to many of our cities can be directed to solving our country's most pressing social problems.

Mr. Speaker, although many Members of Congress may have disagreed with his stands on military spending and his legal challenges to a President's authority to declare war on countries, no one can dispute that his arguments and debating style were pragmatic, intelligent, and were carried out with respect and dignity toward others, regardless of ideology. Therefore, he was respected in this House by those of all ideologies and political persuasions.

Mr. Speaker, our colleague from California is leaving this body after a long and productive career. While I can say that his return to private life is much deserved, I must say that he will be sorely missed because of his courage, leadership, and compassion. I will miss him as a friend.

PERSONAL EXPLANATION

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1998

Mr. PICKERING. Mr. Speaker, I was unable to return to the House floor last evening due to a scheduling conflict and missed the following vote:

Rollcall vote No. 7, passage of H. J. Res. 107. Had I been present, I would have voted ''aye.''

NATIONAL HISTORIC LIGHTHOUSE PRESERVATION ACT

HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1998

Mr. SOUDER. Mr. Speaker, I have introduced H.R. 2970, the National Historic Lighthouse Preservation Act, which would amend the National Historic Preservation Act, to establish a national historic light station preservation program. This legislation was introduced in the other body by the Chairman of the Energy and Natural Resources Committee, Senator FRANK MURKOWSKI of Alaska.

As you may know, Mr. Speaker, lighthouses have served as life-saving navigational aids since before the turn of the century. However, many of these lighthouses have outlived their use to the Coast Guard as navigational aids. Thus, the Coast Guard is left with surplus lighthouses, and declares them ''excessed.'' The question then becomes, who cares for these lighthouses once they leave the Coast Guard's hands? If the land on which a particular lighthouse in question was first granted by a Presidential Order to the U.S. Lighthouse Establishment, it is considered to be ''public domain,'' and has to be first offered through the Bureau of Land Management (BLM) to the Interior Department. If the Interior Department does not claim the land, then the lighthouse is placed in the General Service Administration's (GSA) excessing process. If the property is not considered public domain, then the lighthouse is placed directly into the GSA excessing process.

Through the GSA process, priority is first granted to federal agencies. This means that the lighthouse could be used for such things as an office for the Internal Revenue Service. If no federal agency claims it, the property is then surveyed to see if it suitable to qualify under the McKinney Homeless Assistance Act, thereby allowing it to be transferred to those organizations that assist the homeless. Should neither of these categories claim the lighthouse, it is then offered to the state in which it is located, possibly to be used for recreation purposes. If the state not claim it, then it is offered to the local government where the property is located. Finally, if the lighthouse is still available at the end of the GSA process, it is put up for public sale.

The real tragedy here, Mr. Speaker, is that many of these lighthouses have been protected and preserved over the years by non-profit historical lighthouse societies, which have donated a great deal of time, money, and resources to lighthouse preservation efforts. As you can see, in order to have the lighthouses conveyed to them, they must wait through the long process described above, and then must bid on them. This process basically requires these non-profit organizations to compete financially with private groups that have greater access to funds, and that have, in many cases, not made the same commitment to the lighthouse in the past. In addition, these private groups may have plans for the lighthouse that are inconsistent with the best interests of the community. Though these non-profit groups can, in some specific cases, purchase the light house directly from the BLM, they sometimes have to pay as much as half of its market value—a value that those particular groups helped to increase over the years through their hard work. Thus, the message we are sending here is that if you're going to provide a public service by preserving historical sites, you're going to have to pay for them in the end.

I should point out that another method for conveyance is for Congress to enact separate pieces of legislation to transfer a lighthouse to a specific group. As you know, this process can be very time consuming and cumbersome considering that there are hundreds of lighthouses that will be excessed in the near future.

My legislation would introduce a degree of fairness to the conveyance process for historic lighthouses by amending the National Historic Preservation Act to transfer this process to the National Parks Service, which would be able to work in conjunction with the State Historic Preservation Officer, to establish a national historical light station program. This new program would have priority to those government agencies that have entered into a partnership agreement with a non-profit organization whose primary mission is historical preservation of lighthouses, and would convey them at no cost. If no such applications are offered, or approved of, then the lighthouse would be put up for public sale. Thus, this legislation would help to ensure that in those cases where a non-profit group has been active in a particular lighthouses' preservation, and wishes to continue in it's work, that that group would be given a fair shot at claiming that lighthouse when the Coast Guard declares it excessed.

Mr. Speaker, we need to recognize the very important role lighthouses have played in this country's history. By encouraging government agencies to join with non-profit groups to help preserve lighthouses for the future, we will be providing a much fairer process to those who wish to continue their work in preserving these nationally historic structures.

TRIBUTE TO THE HONORABLE RONALD V. DELLUMS

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1998

Mr. STARK. Mr. Speaker, we are here to celebrate the career of a champion of Democratic principles in the House of Representatives. I am honored to have served with my friend, RON DELLUMS.

For over a quarter of a century, I have had the distinct privilege of joining RON in the good fight. He vehemently opposed our government's involvement in Vietnam. He asked the tough questions and pursued the truth in the crime of Watergate. He demanded quality for women and minorities and defended civil rights. He did not waver in the charge to stop the testing of nuclear weapons. He fought for the poor, the disabled, and the disadvantaged, in the hope that all Americans could partake in our country's bounty.

His focus, above all, was to promote peace. His work on the National Security Committee earned him the respect of all his colleagues for his grasp of issues, his focus and his powerful oratory skills. He worked for decades to expose unnecessary military spending and cut defense spending. He came here to make things better for all Americans and he succeeded.

Mr. Speaker, I stood with RON DELLUMS for close to three decades; I am saddened to see him go but I know he will make a difference for the better wherever he goes.

FINANCIAL ACCOUNTING FAIRNESS ACT OF 1998

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1998

Mr. BAKER. Mr. Speaker, today I am introducing a bill that will serve as a legislative remedy to a flaw in the private sector process for developing financial accounting standards. Specifically, the Financial Accounting Fairness Act (FAFA) will provide for judicial review of accounting principles that the Financial Accounting Standards Board has developed and the Securities and Exchange Commission has approved. In short, public companies will not be able to do what they currently cannot: have their complaints with the substance of a proposed accounting principle aired in the neutral

forum of the federal court system, just like those companies can when they are affected by other SEC rules and regulations.

Congress should not have to inject itself in these controversies each time they erupt—as it has in recent years with squabbles over accounting for stock options and derivatives. Rather, the federal court system, the traditional mechanism our democratic republic has employed to solve disputes, should be called upon to serve as the final independent adjudicator of thorny issues that arise in accounting principles.

Yesterday the issue was stock options. Today it is derivatives. What will the issue be tomorrow and beyond? The process needs to be fixed, and fixed now, before another disagreement again causes congressional intervention—an outcome few observers want.

Since 1934, when Congress and President Roosevelt created the SEC, the agency has had the ultimate responsibility for establishing financial accounting and reporting standards for public companies. Although the SEC decided long ago to place that authority in the private sector—a system that by and large has worked well—it has maintained oversight authority of these principles with regard to the federal securities laws. Since its creation in 1973, the Financial Accounting Standards Board (FASB) has served this role. Like its two predecessors, the Committee on Accounting Procedure and the Accounting Principles Board, statements and interpretations of the FASB have benefited from an SEC presumption that financial statements not in compliance with these principles are misleading and therefore in violation of the federal securities laws. As a result of this policy, FASB pronouncements have generally had the full force and effect of SEC regulations.

Although it is true that the FASB itself has extensive procedures to allow parties interested in FASB projects to make their opinions known, questions have arisen whether persons aggrieved by FASB pronouncements have the right to judicial review of their complaints, and whether such prononuncements must comply with the requirements applicable to other SEC regulations.

Recently, for example, the FASB held 100 public meetings to discuss a project, followed by four days of public hearings, and still more public meetings on an ''Exposure Draft'' of a proposal related to accounting for derivatives and hedging activities. Yet, even with all this openness, and ample opportunity for interested parties to comment on the project, there exists substantial dissension on what has emerged as the final product. Some have claimed that the process, however open, does not provide meaningful opportunities for a party—whose business may be fundamentally affected by SEC-enforced accounting and reporting standards—to truly have their concerns heard. Ultimately, the FASB can and will move forward, and its product will be endorsed through routine SEC policy. This process is flawed. Congress, having given the SEC an important responsibility for establishing accounting principles for public companies, should now clarify that judicial review can and will be available for persons whose livelihoods are at stake because of these rules.

FAFA makes it clear that judicial review is available in the event that an aggrieved party decides to seek it, and that accounting principles established for federal securities purposes shall meet the same good standards that other SEC promulgations must. To require less is to say that financial accounting principles are somehow different in nature and kind from other SEC regulations, and that they should be exempt from legal challenge, no matter how good the reason. At the end of the day, this legislation will simply provide a last chance for an aggrieved party to make its case before a neutral forum—a federal appeals court—rather than limiting it to pleas before the very body that implemented and created the standard.

The Financial Accounting Fairness Act retains the current system of private sector development of accounting principles. It in no way interferes with the FASB's process for producing financial accounting guidelines. It will not meaningfully affect the speed with which these standards are implemented, except in the event that an appeals court decides that good cause exists to stay the implementation of the standard pending resolution of a case before the court. As a result of SEC policy, FASB pronouncements have generally had the full force and effect of SEC regulations. Other SEC regulations are subject to judicial review, and the Act would allow SEC-recognized accounting principles to be similarly reviewable.

Under the Fairness Act, FASB accounting principles, as well as the FASB's record of proceedings, would be delivered to the SEC, which would in turn publish notice of each principle, and provide interested persons an opportunity to comment. The SEC would then determine whether the principle shall apply to public companies by issuing an order approving or disapproving it. In making this decision, the agency must consider the proposed principle's impact on the protection of investors, and whether it will promote efficiency, competition, and capital formation. Additionally, no principle may be approved that imposes an unnecessary or inappropriate burden on competition. These requirements are identical to those applied to other SEC regulations.

If the principle will apply to persons subject to Federal banking agency oversight, each applicable agency shall be consulted, and its views considered. Without SEC approval, SEC registrants shall not be required to comply with FASB standards for the purposes of SEC filings.

If an aggrieved party determines to seek judicial review, the Act would, in accordance with current law regarding SEC regulations, recognize the conclusiveness of SEC findings of fact supported by substantial evidence. Moreover, the reviewing court must affirm and enforce the regulation unless the SEC's action in approving the regulation is found to be arbitrary, capricious, or an abuse of discretion, among other such considerations already required under existing law. The Act would only apply to FASB pronouncements formally adopted after January 1, 1998.

Recent events have highlighted the need for this legislation. I look forward to its passage, so that the need for congressional involvement in the development of financial accounting principles will be reduced or eliminated in the future. Only when aggrieved parties clearly have the opportunity to make their cases in court will we have accounting standards that are truly accountable for their impact on public companies