

It is time for us to enact a uniquely American plan that doesn't embrace the insurance industry, that doesn't close down the insurance industry, but that says to the insurers: you have to compete in the marketplace with a public plan that relies on Medicare rates, that ensures that we will have real competition, and that is real change for the American people.

It is time for us to educate the American people and to get this done for the public so that we can be competitive.

THE BRITISH HEALTH CARE SYSTEM IS UNHEALTHY

(Mr. POE of Texas asked and was given permission to address the House for 1 minute.)

Mr. POE of Texas. Mr. Speaker, government-run health care has been around in England for over 60 years. In those years, the government still hasn't gotten it right.

In March, Britain's Health Care Commission, which has ironically been renamed the Care Quality Commission, reported that 1,200 people have died needlessly at two British hospitals over the past 3 years.

The government report said that Stafford Hospital and Cannock Chase Hospital have filthy conditions and unhygienic practices. The government report says government-run hospitals don't have enough doctors and nurses and the doctors and nurses are poorly trained. They don't know how to use the cardiac monitors, and the hospitals don't even have enough of the cardiac monitors that they don't know how to operate. The British Government report also says that these two government-run hospitals have left patients with no food, no water and no medicine for up to 4 days.

Mr. Speaker, this is just another example that government-run health care has not worked. Doctors and nurses are rationed; care is rationed; medicine, food and water are rationed. The British health care plan is: "Just don't get sick" because the government-run system can't help you.

And that's just the way it is.

AMERICANS WILL FINALLY BE GUARANTEED HEALTH CARE

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, today is a great day.

My committee, the Energy and Commerce Committee, will report out the health care reform bill today. It is very exciting because what it means is that people will finally be guaranteed health care, and they'll know that they'll have health care regardless of what job they have. They won't lose it if they go from job to job.

Right now, we have a lot of people in this country who are uninsured. They will be provided with health insurance. We have a lot of other people who are

afraid they're going to lose their jobs or who are afraid they're not going to be able to afford their health insurance.

Again, we'll address the affordability issue by bringing down costs for people who actually have insurance, and we'll guarantee that, whether or not you have a health condition and regardless of your gender, you'll be able to get the same health care; you'll be able to get the same insurance policy, and you won't be discriminated against.

This is a real opportunity for America to see that this Congress can actually do the job, that we can get the job done—that we can cover everyone and reduce costs—so that you'll finally have the peace of mind that you're guaranteed health insurance.

THE TRUTH ABOUT HOUSE DEMOCRATS' TAX INCREASES

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, the American people know we need health care reform in this country, but thanks to House Republicans and a handful of Democrats in Congress, the American people have been given a reprieve on the Democrat plan to enact a government takeover of health care, paid for with more than \$800 billion in new taxes. Now, that tax increase number has been disputed in the past 24 hours, so I thought I'd pull the stats.

According to the Congressional Budget Office and the Joint Committee on Taxation, the House Democrat reform bill includes \$543 billion in a surtax on high-income filers, \$208 billion in increased taxes on businesses, an additional set of tax increases—international tax increases which they refer to—of \$37 billion, and more taxes on benefits of \$2 billion. Taxes on individuals who do not purchase bureaucrat-approved health insurance—\$29 billion. So the total amount of tax increases included in the Democrat bill, according to official estimates, is \$820.1 billion over 10 years.

The chance for the American people to know what's in this plan and to come back and to pass health care reform without more government and more taxes? Priceless.

Let the debate begin.

PROVIDING FOR CONSIDERATION OF H.R. 3269, CORPORATE AND FINANCIAL INSTITUTION COMPENSATION FAIRNESS ACT OF 2009

Mr. MCGOVERN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 697 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 697

Resolved, That upon the adoption of this resolution it shall be in order to consider in

the House the bill (H.R. 3269) to amend the Securities Exchange Act of 1934 to provide shareholders with an advisory vote on executive compensation and to prevent perverse incentives in the compensation practices of financial institutions. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions of the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Financial Services; (2) the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Frank of Massachusetts or his designee, which shall be considered as read, shall be separately debatable for 10 minutes equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for division of the question; (3) the amendment in the nature of a substitute printed in the report of the Committee on Rules, if offered by Representative Garrett of New Jersey or his designee, which shall be considered as read, and shall be separately debatable for 30 minutes equally divided and controlled by the proponent and an opponent; and (4) one motion to recommit with or without instructions.

SEC. 2. All points of order against amendments printed in the report of the Committee on Rules accompanying this resolution are waived except those arising under clause 9 or 10 of rule XXI.

SEC. 3. During consideration of an amendment printed in the report of the Committee on Rules accompanying this resolution, the Chair may postpone the question of adoption as though under clause 8 of rule XX.

SEC. 4. In the engrossment of H.R. 3269, the Clerk is authorized to make technical and conforming changes to amendatory instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 1 hour.

Mr. MCGOVERN. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Mr. MCGOVERN. Mr. Speaker, I ask unanimous consent that all Members may be given 5 legislative days in which to revise and extend their remarks on House Resolution 697.

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

There was no objection.

Mr. MCGOVERN. I yield myself such time as I may consume.

Mr. Speaker, House Resolution 697 provides for the consideration of H.R. 3269, the Corporate and Financial Institution Compensation Fairness Act of 2009, under a structured rule.

The rule provides 1 hour of general debate controlled by the Committee on Financial Services. The rule makes in order an amendment by Chairman

FRANK, which is debatable for 10 minutes. It also makes in order an amendment in the nature of a substitute by Representative GARRETT, which is debatable for 30 minutes. The rule provides one motion to recommit with or without instructions.

Mr. Speaker, I rise today in support of H.R. 3269, the Corporate and Financial Institution Compensation Fairness Act. I would like to congratulate my good friend and my colleague from Massachusetts, Chairman BARNEY FRANK, for all of his hard work on this bill.

□ 0930

Mr. Speaker, if the last year has taught us anything, it's that the compensation practices of some of our largest corporations have gotten completely out of control. Middle class Americans on Main Street are struggling to hold on to their jobs, struggling to pay for health care and education and food and energy. They have seen their wages stagnate while their costs have skyrocketed.

Meanwhile, over on Easy Street, things are great. Corporate executives are continuing to give themselves multi-million dollar pay packages; the golden parachutes are still flying. One of the most egregious cases of this came when American taxpayers watched as AIG, the American International Group, doled out lavish bonuses after being bailed out of the financial mess that they helped create.

Chairman FRANK is thoroughly committed to ensuring our financial system remains sound, and I am pleased to see this bill as the first piece of larger reforms by the House Financial Services Committee.

Mr. Speaker, I would also like to voice my support for the proposed Consumer Financial Protection Agency. I know there has been strong pushback from the industry, but I would like to commend my colleagues for their perseverance in putting these protections in place. The bill will help to give the owners of these corporations, the shareholders, a meaningful voice in how companies are run. Specifically, this bill grants shareholders a say on pay for top executives by guaranteeing them a non-binding advisory vote on their company's pay practices. Again this vote is nonbinding.

The board of directors and the compensation committees are free to ignore their shareholders' wishes, but those shareholders will at least have the opportunity to express their views.

The bill would also strengthen the ability of Federal regulators, namely, the Federal Reserve and Federal Deposit Insurance Corporation, to restrict pay structures that encourage inappropriate risk at financial companies. If regulators see a large company driving itself off a cliff by employing unstable pay practices for top executives, they should have the ability to act.

I'm pleased that the Financial Services Committee adopted a number of

amendments. To note one in particular, Mr. HENSARLING, my Republican colleague from Texas, recognized the need to take the size of the institution into account. His amendment to exempt financial institutions with assets of less than \$1 billion from the bill's incentive base compensation disclosure requirements and related compensation structure oversight was adopted in committee.

I look forward to the debate on this bill and on the Republican substitute which is made in order under this rule.

I urge my colleagues to send a strong message that the misbehavior in corporate America must come to an end by supporting this bill.

I reserve my time.

Mr. SESSIONS. Mr. Speaker, I appreciate the gentleman from Massachusetts, my friend Mr. MCGOVERN, for yielding me the time this morning. And I would yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to this rule and to the underlying legislation. The structured rule does not call for the open and honest debate that we really had been promised years ago by our Democrat colleagues to have an open, honest debate on the issues that are before this country. But once again, time in and time out, here we are without an open rule.

Mr. Speaker, it's my intention today to discuss the dangerous precedent that this legislation sets forth on the future of business in America and the stranglehold that government will have over the free enterprise system.

Additionally, I offered two amendments in the Rules Committee last night, and I will discuss those here today. One would ensure this legislation would not create a bonanza for trial lawyers, and the other would provide for the necessary transparency and disclosure for shareholders. Both were rejected by the Democrats of the Rules Committee and eliminated from debate on the House floor today.

Mr. Speaker, government takeover of the free enterprise system seems to be a common theme with this Democrat Congress and with the Obama administration, a theme that has led to record deficits and record unemployment. This underlying legislation has masked itself as a bill to restrict CEO pay by giving shareholders a nonbinding vote on executive compensation. Yet in reality, it gives the government broad authority to review and determine appropriate compensation for every employee of a financial firm.

This legislation empowers the Federal Government to set unprecedented standards for annual shareholder votes while providing broad government authority for regulators who will have guidance to implement this and give authority to them over the free enterprise system.

We all agree that we need to curb abuses of the past and to promote responsible approaches to executive compensation. But this bill provides un-

precedented government intervention in the free enterprise system. It is the wrong solution. The goal of regulatory reform should be to help, not hinder, our economy's ability to sustain economic growth and job creation.

This legislation does the opposite by legislating a one-size-fits-all rule for public companies that discourage private firms from going public. This will limit U.S. companies' access to the capital markets and undermine U.S. economic competitiveness. This legislation allows financial regulators the authority to determine wages for all employees, not just CEOs, officers, and bankers, but everyone.

The rank and file of community banks, minority banks, and credit unions could all have their compensation determined by unelected Washington bureaucrats. This perception undermines the confidence in corporate America and unfairly taints the vast majority of U.S. companies.

In an effort to provide the clarification necessary to ensure the intent of this legislation is not to create a bonanza for trial lawyers, I offered an amendment in the Rules Committee. The amendment would have clarified that this legislation simply creates no new private right of action in our courts, nor would its passage make a compensation committee's decisions to uphold its fiduciary responsibilities to shareholders subject to any existing private right of action.

Without this amendment, trial lawyers will be able to exploit a new opportunity to shake down companies for huge payments by challenging any action deemed non-compliant from this non-binding vote. This is a common-sense amendment that should have been considered on the House floor today, and it should be in the bill as law.

My second amendment would have provided sunshine and transparency for shareholders by requiring a full SEC disclosure about who is financing efforts to influence votes on this new congressionally mandated non-binding shareholder resolution. Put simply, this amendment would provide shareholders with access to information about who is spending money to influence that vote.

As Federal candidates, we're obligated to disclose to the Federal Election Commission the name, occupation, and amount given from each of our donors. We require this because the public interest is advanced by letting voters know who funds each candidate's campaign. My amendment asks the same disclosure so the shareholders know what people, what organization—whether they be labor unions, environmental groups, consumer advocates or simply a normal citizen of this country. We need to know who is spending money on influencing this new mandatory, non-binding vote.

Americans pride themselves on free enterprise choice and a marketplace

that works for all of us; yet today Congress will pass legislation that increases government intervention in the financial markets, rations resources, limits consumer choices, and dictates wages and prices. In a time of economic recession with record unemployment and record deficits, Congress should be enacting legislation to assist our economy.

Mr. Speaker, the motives are clear. This administration and this Congress are using policy and regulation to force a government takeover of the free enterprise system.

Mr. Speaker, this Congress should be doing things to encourage employment, to encourage people to go back to work, to encourage competitiveness, to encourage our country to be prepared tomorrow; not to have record unemployment, not to spend more money for record debts, but to give America and the free enterprise system the chance and opportunity it deserves to flourish in America.

Mr. Speaker, I encourage my colleagues to vote against this rule and the underlying legislation.

I reserve the balance of my time.

Mr. MCGOVERN. We have no further speakers at this time, and I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, in closing, I would like to stress that while my friends on the other side of the aisle claim to be protecting consumers with this legislation, they refuse to protect all Americans in this legislation from trial lawyers benefiting from their tax dollars, and they also voted in the committee against transparency and accountability.

Mr. Speaker, as a Nation, we have many, many, many real problems to deal with that require leadership and dedication to ensure the future of this Nation. We need to provide for jobs, encourage economic growth and spur innovation and prosperity of this Nation, not to hamper the free enterprise system. This is, without question, further government control and muzzling of the free enterprise system. Some argue that this legislation is about executive compensation; but in reality, it continues to be the government takeover of the free enterprise system.

I encourage a "no" vote on this structured rule and a "no" vote on the underlying legislation.

I yield back the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, as we're about to adjourn for the August recess, I think it's important to note that this is a Congress that accomplished a great deal.

We have passed 12 of our appropriations bills. We passed the historic Recovery and Reinvestment Act, which is keeping teachers and police officers employed, and stimulating economic growth throughout this country. We have passed an energy bill that, if signed into law, will create thousands and thousands of new green jobs as well as free us of our dependence on foreign

oil. We have extended SCHIP, which means that more and more children have access to health care. We passed the Lilly Ledbetter Pay Equity Act bill to address the issue of discrimination of women in the workplace. Yesterday we passed a food safety bill.

So we did all of this in spite of resistance and in spite of obstructionism by many of my colleagues on the other side of the aisle. But I think it is an indication that this is a Congress that has accomplished a great deal.

Let me just say finally, Mr. Speaker, with regard to the underlying legislation, that if you like the status quo, if you want to embrace the same old, same old when it comes to corporate misbehavior, then vote against the rule and vote against the bill. If you want things to change, if you want to ensure corporate responsibility, then please support the underlying bill championed by Chairman FRANK.

With that Mr. Speaker, I urge a "yes" vote on the previous question and on the rule.

I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 0945

CORPORATE AND FINANCIAL INSTITUTION COMPENSATION FAIRNESS ACT OF 2009

Mr. FRANK of Massachusetts. Mr. Speaker, pursuant to H. Res. 697, I call up the bill (H.R. 3269) to amend the Securities Exchange Act of 1934 to provide shareholders with an advisory vote on executive compensation and to prevent perverse incentives in the compensation practices of financial institutions, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 697, the amendment in the nature of a substitute recommended by the Committee on Financial Services, now printed in the bill is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 3269

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 "Corporate and Financial Institution Compensation Fairness Act of 2009".

SEC. 2. SHAREHOLDER VOTE ON EXECUTIVE COMPENSATION DISCLOSURES.

(a) AMENDMENT.—Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

“(i) ANNUAL SHAREHOLDER APPROVAL OF EXECUTIVE COMPENSATION.—

“(1) ANNUAL VOTE.—Any proxy or consent or authorization (the solicitation of which is sub-

ject to the rules of the Commission pursuant to subsection (a)) for an annual meeting of the shareholders to elect directors (or a special meeting in lieu of such meeting) where proxies are solicited in respect of any security registered under section 12 occurring on or after the date that is 6 months after the date on which final rules are issued under paragraph (4), shall provide for a separate shareholder vote to approve the compensation of executives as disclosed pursuant to the Commission's compensation disclosure rules for named executive officers (which disclosure shall include the compensation committee report, the compensation discussion and analysis, the compensation tables, and any related materials, to the extent required by such rules). The shareholder vote shall not be binding on the issuer or the board of directors and shall not be construed as overruling a decision by such board, nor to create or imply any additional fiduciary duty by such board, nor shall such vote be construed to restrict or limit the ability of shareholders to make proposals for inclusion in such proxy materials related to executive compensation.

“(2) SHAREHOLDER APPROVAL OF GOLDEN PARACHUTE COMPENSATION.—

“(A) DISCLOSURE.—In any proxy or consent solicitation material (the solicitation of which is subject to the rules of the Commission pursuant to subsection (a)) for a meeting of the shareholders occurring on or after the date that is 6 months after the date on which final rules are issued under paragraph (4), at which shareholders are asked to approve an acquisition, merger, consolidation, or proposed sale or other disposition of all or substantially all the assets of an issuer, the person making such solicitation shall disclose in the proxy or consent solicitation material, in a clear and simple form in accordance with regulations to be promulgated by the Commission, any agreements or understandings that such person has with any named executive officers of such issuer (or of the acquiring issuer, if such issuer is not the acquiring issuer) concerning any type of compensation (whether present, deferred, or contingent) that is based on or otherwise relates to the acquisition, merger, consolidation, sale, or other disposition of all or substantially all of the assets of the issuer and the aggregate total of all such compensation that may (and the conditions upon which it may) be paid or become payable to or on behalf of such executive officer.

“(B) SHAREHOLDER APPROVAL.—Any proxy or consent or authorization relating to the proxy or consent solicitation material containing the disclosure required by subparagraph (A) shall provide for a separate shareholder vote to approve such agreements or understandings and compensation as disclosed, unless such agreements or understandings have been subject to a shareholder vote under paragraph (1). A vote by the shareholders shall not be binding on the issuer or the board of directors of the issuer or the person making the solicitation and shall not be construed as overruling a decision by any such person or issuer, nor to create or imply any additional fiduciary duty by any such person or issuer.

“(3) DISCLOSURE OF VOTES.—Every institutional investment manager subject to section 13(f) shall report at least annually how it voted on any shareholder vote pursuant to paragraphs (1) or (2) of this section, unless such vote is otherwise required to be reported publicly by rule or regulation of the Commission.

“(4) RULEMAKING.—Not later than 6 months after the date of the enactment of the Corporate and Financial Institution Compensation Fairness Act of 2009, the Commission shall issue final rules to implement this subsection.

“(5) EXEMPTION AUTHORITY.—The Commission may exempt certain categories of issuers from the requirements of this subsection, where appropriate in view of the purpose of this subsection. In determining appropriate exemptions, the Commission shall take into account, among