

Most of these funds have not been delivered or have been diverted from long-term projects to emergency programs and costs of running the Palestinian Authority.

The United States committed \$500 million, of which \$75 million annually for five years is managed by the Agency for International Development (AID). The other \$125 million was to come from the Overseas Private Investment Corporation (OPIC) to assist American investors through a combination of loans, loan guarantees, and political risk insurance.

AID has assisted a number of worthwhile projects, including \$12 million for construction of six housing units with 192 apartments in Gaza called Al Karam Towers. AID is also helping to improve uses of scarce water resources and assisting private sector economic growth through technical assistance, training, loans to local firms, and establishment of industrial parks. But AID funds have been diverted from long-term projects to help in establishing Palestinian self-rule. For example, AID committed \$2 million to support local elections in the West Bank and Gaza, and to assist Palestinians in promoting more responsible and accountable governance.

AID has minimized help for the agricultural sector, the one area where Palestinians could immediately develop profitable exports, especially under a new Free Trade Agreement with the US. Allocating additional funds to farm exports would be cost efficient.

OPIC made a major effort to seek private sector projects to assist or insure. But most private investors have avoided Gaza, so OPIC funds committed to date have been modest.

Mr. Arafat would be wise to stress the solving of such economic problems as a prime way to reduce tensions, improve the quality of life, and enhance opportunities for peace. He should build on momentum from the hotel project and stress the need for private sector involvement in the Palestinian economy.

#### THE 50TH WEDDING ANNIVERSARY OF JOHN AND EMMA SPANEDDA

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1997

Mr. PASCRELL. Mr. Speaker, I would like to bring to your attention the momentous occasion of the 50th wedding anniversary of John and Emma Spanedda of Paterson, NJ.

It was 50 years ago on February 15, 1947, that John and Emma were happily married. The two were childhood sweethearts, growing up together in Seminole, a small coal mining community in western Pennsylvania when John, the oldest son of 4 children of Anthony and Elizabeth Spanedda, along with the former Emma Veronesi, the youngest daughter of 11 children of Peter and Julia Veronesi decided to finally marry.

After John served in the U.S. Air Force during World War II, the couple decided to move to New Jersey, taking up residence in the Riverside section of Paterson, where they have since lived for most of their married life.

Upon their to Paterson, NJ, John became a business partner and manager of Pennsy Coat, Inc., in downtown Paterson, which manufactured women's coats and had employed 70 workers for 25 years. During this time, Emma was busy at home, raising their family of two sons and four daughters.

Both John and Emma have been active members of the community, especially through their involvement with Blessed Sacrament Church, where Emma had served on many committees of the church and was a leading participant in the Blessed Sacrament PTA. Even today, John and Emma remain faithful parishioners of the church.

Since their retirement, John and Emma's life has been occupied by church, friends, and family, including the activities of their 6 grown children, 14 grandchildren, and 2 great-children.

Mr. Speaker, I ask that you join me, our colleagues, John and Emma's family and friends, Blessed Sacrament Church, and the city of Paterson, in recognizing the truly momentous occasion of John and Emma Spanedda's 50th wedding anniversary.

#### THE MANDATES INFORMATION ACT

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1997

Mr. CONDIT. Mr. Speaker, along with our colleagues, ROB PORTMAN, NICK SMITH, WALLY HERGER, and J.C. WATTS, earlier this week I introduced the Mandates Information Act, H.R. 1010, legislation to protect consumers, workers, and small businesses by enhancing the quality of Congress' deliberation on proposed new unfunded mandates on the private sector.

The problem addressed by this bill is simple: Congress does not deliberate carefully enough before deciding whether to impose unfunded mandates on the private sector. Focusing almost exclusively on the benefits of unfunded mandates, Congress pays little heed to, and sometimes seems unaware of, the burden that unfunded mandates sometimes impose on the very groups they are supposed to help.

This burden is substantial. Economists of almost every stripe agree that the costs of unfunded mandates are primarily borne by consumers, workers, and small businesses. These costs take the form of higher prices for consumers, lower wages for workers, and hiring disincentives for small businesses.

The Mandates Information Act would create a process for the Congress to deliberate carefully on proposed new private-sector mandates before deciding whether to impose them. Specifically, the bill would direct the Congressional Budget Office to prepare a Consumer, Worker and Small Business Impact Statement for new private-sector mandates contained in bills reported out of committee. The bill would also establish a point of order against legislation containing private-sector mandates that exceed the \$100 million cost threshold set for such mandates in the Unfunded Mandates Reform Act of 1995. Although this point of order could be waived, it would ensure that Congress actually considers the information set forth in the Consumer, Worker and Small Business Impact Statement. The result will be focused, high-quality deliberation on the wisdom of new unfunded private-sector mandates.

Mr. Speaker, we took a very important step in 1995 by passing the Unfunded Mandates Act to protect State, local, and tribal govern-

ments from having to pay for mandates placed on them in Washington. One of the unspoken truths of that act is that it has been a deterrent to imposing mandates. It has worked in several instances, notably keeping costly mandates out of the telecommunications and immigration bills.

While we should continue to be diligent in enforcing the rules that relate to intergovernmental mandates, it is time to apply the same rules to private sector mandates. Mr. Speaker, I urge our colleagues to join me in support of this important legislation.

H.R. 1010

*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 "Mandates Information Act of 1997".

#### SEC. 2. FINDINGS.

The Congress finds the following:

(1) Before acting on proposed private sector mandates, the Congress should carefully consider the effects on consumers, workers, and small businesses.

(2) The Congress has often acted without adequate information concerning the costs of private sector mandates, instead focusing only on the benefits.

(3) The costs of private sector mandates are often borne in part by consumers, in the form of higher prices and reduced availability of goods and services.

(4) The costs of private sector mandates are often borne in part by workers, in the form of lower wages, reduced benefits, and fewer job opportunities.

(5) The costs of private sector mandates are often borne in part by small businesses, in the form of hiring disincentives and stunted growth.

#### SEC. 3. PURPOSES.

The purposes of this Act are the following:

(1) To improve the quality of the Congress' deliberation with respect to proposed mandates on the private sector, by—

(A) providing the Congress with more complete information about the effects of such mandates; and

(B) ensuring that the Congress acts on such mandates only after focused deliberation on the effects.

(2) To enhance the ability of the Congress to distinguish between private sector mandates that harm consumers, workers, and small businesses, and mandates that help those groups.

#### SEC. 4. FEDERAL PRIVATE SECTOR MANDATES.

(a) IN GENERAL.—

(1) ESTIMATES.—Section 424(b)(2) of the Congressional Budget Act of 1974 (2 U.S.C. 658c(b)(2)) is amended—

(A) in subparagraph (A) by striking "and" after the semicolon; and

(B) by redesignating subparagraph (B) as subparagraph (C), and inserting after subparagraph (A) the following:

"(B) the impact (including any disproportionate impact in particular regions or industries) on consumers, workers, and small businesses, of the Federal private sector mandates in the bill or joint resolution, including—

"(i) an analysis of the effect of the Federal private sector mandates in the bill or joint resolution on consumer prices and on the actual supply of goods and services in consumer markets;

"(ii) an analysis of the effect of the Federal private sector mandates in the bill or joint resolution on worker wages, worker benefits, and employment opportunities; and

"(iii) an analysis of the effect of the Federal private sector mandates in the bill or

joint resolution on the hiring practices, expansion, and profitability of business with 100 or fewer employees; and".

(2) POINT OF ORDER.—Section 424(b)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 658c(b)(3)) is amended by adding after the period "If such determination is made by the Director, a point of order under this part shall lie only under section 425(a)(1) and as if the requirement of section 425(a)(1) had not been met."

(3) THRESHOLD AMOUNTS.—Section 425(a)(2) of the Congressional Budget Act of 1974 (2 U.S.C. 658d(a)(2)) is amended—

(A) by striking "Federal intergovernmental mandates by an amount that causes the thresholds specified in section 424(a)(1)" and inserting "Federal mandates by an amount that causes the thresholds specified in section 424(a)(1) or (b)(1)"; and

(B) by inserting ", in the case of Federal intergovernmental mandates exceeding the thresholds specified in section 424(a)(1)" after "unless".

(4) APPLICATION RELATING TO APPROPRIATIONS COMMITTEES.—Section 425(c)(1)(B) of the Congressional Budget Act of 1974 (2 U.S.C. 658d(c)(1)(B)) is amended—

(A) in clause (i) by striking "intergovernmental";

(B) in clause (ii) by striking "intergovernmental";

(C) in clause (iii) by striking "intergovernmental";

(D) in clause (iv) by striking "intergovernmental";

(5) APPLICATION RELATING TO CONGRESSIONAL BUDGET OFFICE.—Section 427 of the Congressional Budget Act of 1974 (2 U.S.C. 658f) is amended by striking "intergovernmental".

(b) RULES OF THE HOUSE OF REPRESENTATIVES.—Clause 5 of rule XXIII of the Rules of the House of Representatives (as added by section 107 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1514)) is amended by striking "section 424(a)(1)" and inserting "section 424(a)(1) or (b)(1)".

(c) EXERCISE OF RULEMAKING POWERS.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it shall be considered as part of the rules of such House, respectively, and shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such

rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of each House.

#### SEC. 5. SENSE OF THE CONGRESS.

It is the sense of the Congress that any unfunded mandates that are determined by the Director of the Congressional Budget Office to exceed the applicable threshold under section 424(a)(1) or (b)(1) of the Congressional Budget Act of 1974 (2 U.S.C. 658f(a)(1), 658f(b)(1)) should be financed through reduced taxes, tax abatements, or direct compensation by the Federal Government.

### THE NATIONAL SECURITY COMMITTEE'S INVESTIGATION OF SEXUAL MISCONDUCT IN THE MILITARY

HON. TILLIE FOWLER

OF FLORIDA

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1997

Mrs. FOWLER. Mr. Speaker, my colleague, Ms. HARMAN, and I appreciate the opportunity to apprise our colleagues about the ongoing congressional efforts to investigate the serious allegations of sexual misconduct that have been made in our Armed Forces.

As our colleagues know, the House National Security Committee, of which we are members, is the committee with primary responsibility over the Department of Defense, particularly with regard to policy issues. It has been tasked by Speaker GINGRICH to fully investigate the issue of sexual misconduct in the military services. Committee chairman FLOYD SPENCE has asked our colleague STEVE BUYER, chairman of the Personnel Subcommittee, and ourselves, the two most senior women on the committee, to lead the committee's efforts.

Mr. Speaker, we take seriously both the allegations of sexual misconduct and the allegations raised this week of possible investigative misconduct. Let us point out that the committee's focus is not on integrated basic training,

not gender neutral performance standards, and not women in combat. Our focus is on sexual misconduct.

The committee's schedule of activities is designed to provide members with an independent basis with which to evaluate the Army Senior Task Force Report on sexual misconduct, due in mid June, and other testimony it will receive, while not interfering with ongoing criminal investigations and prosecutions.

More importantly, the committee's work will examine each of the military services, not just the Army.

During the course of the investigation, the committee will focus on the extent to which the guidelines and systems to protect against harassment and sexual misconduct have failed; whether the Army and the other branches of the Armed Forces can institute sufficient safeguards to protect against future misconduct or whether extraordinary avenues must be created to address allegations of sexual misconduct; the degree to which broad discretion as exercised in the chain of command contributes to a lack of faith in the military justice system; and as a result of the allegations raised Wednesday, whether investigative practices have led to inappropriate pressure if not coercion of individuals to make false allegations or to make admissions in violation of due process and fifth amendment rights against self-incrimination.

To date, we have not reached the conclusion that an investigation independent of the Army of the Department or Defense is necessary. We are concerned that an independent investigation may jeopardize planned criminal prosecutions.

Mr. Speaker, our Armed Forces have a proud history. They led the Nation in racial integration. We believe they fully appreciate what is at stake with these allegations and will respond to ensure that both women and men are respected as individuals and for the contribution each brings to making our military the best fighting force possible.

We look forward to providing progress reports to our colleagues on the committee's investigation of this important subject.