

something that we should seriously question.

TERRORISM AND VIOLENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ENGEL) is recognized for 5 minutes.

Mr. ENGEL. Mr. Speaker, the news in the Middle East today is unfortunately not very good news. The attack on the U.S.S. *Cole* reminds us as Americans once again how terrorism can rear its ugly head at any time at any place. The events during the past several days in the Middle East and in Israel and the West Bank show us again that terrorism and violence is just right around the corner.

Only a few months ago, Mr. Speaker, the Israeli government demonstrated the willingness to make sweeping concessions at Camp David. Unfortunately, Mr. Arafat rejected it. When we talk about the peace process and we talk about partners for peace, we have to understand that it takes two to tango. We cannot have peace if only one side is making concessions and the other side continues to hang on to its strident demands.

In fact, during the entire process at Camp David, which lasted many, many days, Mr. Barak, the prime minister of Israel, made concessions that no one would have dreamed that any Israeli government or prime minister could have made even a year ago, 6 months ago. He made those concessions; but Mr. Arafat, particularly with Jerusalem but other things as well, stuck to his hard demands.

□ 1730

The Palestinian leadership rejected compromise. They showed that they are only interested in peace on their terms. Again, a peace can only be achieved if both parties are willing to negotiate and both parties are willing to compromise.

The violent Palestinian riots we are witnessing today and for the past several days, in my opinion, result directly from the fact that Yasir Arafat did not prepare his people for peace. In fact, Arafat tries to skillfully use the pale of terrorism as a negotiating tool, playing the classic good guy-bad guy routine.

As Mr. Barak was restraining the expectations of his people, preparing the Israeli people for compromise, Arafat was pumping up the Palestinian demands and preparing them for conflict. If one does not prepare one's people by telling them that they will have to compromise to get a peace, then expectations are raised and a compromise is not able to be gotten. So today, unfortunately, we must say that Yasir Arafat has not been and is not a partner for peace.

Mr. Speaker, I just watched Prime Minister Barak speak live on CNN. Once again, he declared his willingness to make peace, but he rightfully said

that his nation, Israel, will do everything in its power to protect its people. Israel needs a partner for peace, a partner that does not engage and incite into violence; one that does not look the other way when there are people that are destroying ancient religious shrines in Nablus; one that does not allow their people to beat innocent Israelis to death, as happened this morning in Ramallah; and one that does everything in its power to set the conditions for peace.

The underlying basis for negotiations was the recognition of the PLO by Israel in exchange for the renunciation of violence by the PLO and Chairman Arafat.

In his September 9, 1993 letter for the late Prime Minister Rabin, Chairman Arafat "renounced the use of terrorism and other acts of violence" and pledged to "prevent violence and discipline violators." Unfortunately, 7 years later, this has not happened.

Unless the Palestinian leader calls on his people to halt their fanatical, hostile public violence and directs the security services to maintain order, as he promised, the Palestinians will be in violation of, not only the text of the peace agreements, but the basic understanding which underlay the process.

Furthermore, as the Palestinian rock and molotov cocktail throwers and gunmen continue to rage, Israel will be within its rights as a sovereign nation to take whatever actions it needs to protect its people and frontiers.

Now, there is a moral imperative to stand our ground. Israel is not only our closest friend and ally in the Middle East, they are in the right. Israel has demonstrated its willingness to make peace and is now under attack by thousands of violent rioters. It is time for Congress to express its solidarity with the people of Israel and stand with them at this crucial time.

We must condemn the Palestinian leadership for its cowardly encouragement of mass riots and for doing so little to halt the hysterical rampagers.

We must demand that Arafat and his lieutenants use their security services to restrain unnecessary acts of violence, show respect for our holy sites, and settle grievances only through negotiations.

In the days to come, I expect new challenges to our U.S. policy; and I suspect we will arise to the occasion.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4516) "An Act making appropriations for the Legislative Branch for the fiscal year ending September 30, 2001, and for other purposes."

The SPEAKER pro tempore (Mr. HANSEN). Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

(Mr. METCALF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BILIRAKIS) is recognized for 5 minutes.

(Mr. BILIRAKIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HORN) is recognized for 5 minutes.

(Mr. HORN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 5 minutes.

(Mr. PORTER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 5 minutes.

(Mr. PETERSON of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

H.R. 4541, THE COMMODITY FUTURES MODERNIZATION ACT OF 2000

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. BLILEY) is recognized for 5 minutes.

Mr. BLILEY. Mr. Speaker, the estimate of private sector mandates prepared by the Congressional Budget Office for H.R. 4541, the Commodity Futures Modernization Act of 2000, was not available when the Committee on Commerce filed its report on the bill. Pursuant to section 423(f)(1) of the Congressional Budget Act of 1974, as amended, I am submitting that statement for publication in the CONGRESSIONAL RECORD.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 11, 2000.

Hon. TOM BLILEY,
Chairman, Committee on Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed estimate of private-sector effects of H.R. 4541, the Commodity Futures Modernization Act of 2000. CBO completed a federal cost estimate and an assessment of the bill's effects on state, local, and tribal governments on September 6.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Judy Ruud and Tim VandenBerg.

Sincerely,
BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE ESTIMATE OF
COSTS OF PRIVATE-SECTOR MANDATES

*H.R. 4541—Commodity Futures Modernization
Act of 2000*

Summary

H.R. 4541 would impose several new private-sector mandates as defined by the Unfunded Mandates Reform Act (UMRA) on persons or entities subject to the jurisdiction of the Commodity Futures Trading Commission (CFTC), registered futures associations, and electronic trading facilities. CBO cannot determine whether the direct cost of those mandates would exceed the threshold set by UMRA for private-sector mandates (\$109 million in 2000, adjusted annually for inflation).

Private-sector mandates contained in the bill

H.R. 4541 would impose three sets of private-sector mandates. First, it would impose Title V of the Gramm-Leach-Bliley Act, the privacy provisions of that act, on all persons or entities subject to the jurisdiction of the CFTC. Second, under certain circumstances it would require registered futures associations to also become registered national securities associations, and hence subject them to the Securities and Exchange Commission as well as the CFTC. Third, it would authorize the CFTC to require certain electronic trading facilities to disseminate trading data.

Privacy Provisions

H.R. 4541 would extend the privacy protection provisions contained in Title V of the Gramm-Leach-Bliley Act to persons or entities whose financial activities are subject to the jurisdiction of the Commodity Futures Trading Commission. CBO cannot estimate the costs of complying with the privacy provisions primarily because of uncertainties about how consumer privacy protections would apply to the broad categories of entities subject to the jurisdiction of the CFTC and because of the unavailability of information about the privacy protection procedures that those entities now have in place.

In accordance with CFTC implementing regulations, the bill would require affected entities to:

Develop administrative, technical, and physical safeguards of the nonpublic information they possess concerning their customers;

Disclose their policies and practices regarding the disclosure of customers' nonpublic personal information to nonaffiliated third parties when customer relationships are initiated and annually thereafter, and give the consumer the option to stop such disclosure to nonaffiliated third parties.

Safeguards. Providing adequate safeguards for customer information could impose several costs on affected entities. The largest of these, perhaps, is ensuring the technical security of customer information. Establishing such safeguards could be quite costly for some entities, particularly the measures needed to protect computer databases. However, the cost may be minimal to entities that already have adequate safeguards in place and would face few additional costs to comply with the requirements. Due to lack of information regarding the existing level of consumer information safeguards, the safeguards that might be required under the legislation and the costs involved in upgrading these safeguards, CBO cannot estimate the cost of those requirements.

Privacy Policy and Disclosure. Developing and disseminating privacy policies, establishing procedures to notify customers of possible information disclosures, and allowing customers to disallow such disclosure would involve a variety of costs. Developing privacy policies may require entities to

incur legal costs. After the privacy policy has been adopted, relevant personnel may need training on new procedures. Notifying existing and new customers of the firm's privacy policy would entail printing and mailing costs. And the requirement to notify customers of information disclosures and allow them to opt out might require the development of new databases to track customers' opt-out elections. Furthermore, to the extent that the affected entities have been profiting from the disclosure of consumers' nonpublic personal information, entities may lose revenue if many of their customers opt out of such disclosure.

The total cost of complying with the bill's privacy policy and disclosure requirements is uncertain. Several factors could mitigate the costs of complying with the privacy policy and disclosure requirements. For example, some of the affected entities may only have institutional customers. Entities with no consumer accounts may not incur the costs associated with developing a privacy policy, notifying customers of the privacy policy, and tracking customers' responses allowing or disallowing disclosure of their information. The cost of complying with the privacy requirements would also be reduced to the extent that the affected entities do not disclose personal information to nonaffiliated third parties—in that case, the privacy policy would be relatively simple, and they would not need to track customers' responses to the policy. Moreover, if the CFTC or industry associations furnish model privacy policies, the cost of developing privacy policies might also be reduced. CBO was unable to obtain data on the extent to which the affected entities disclose customer information to nonaffiliated third parties, or obtain data concerning the possible cost of implementing systems to track delivery of privacy notices and customer opt-out elections.

Dual Registration of Registered Futures Associations

H.R. 4541 would require futures associations registered with the CFTC to register with the Securities and Exchange Commission (SEC) as a national securities association, if any of its members effect trades in the newly authorized security future products. This provision would mandate that the National Futures Association, a self-regulatory organization for the U.S. futures industry, be registered with, and fall under the regulatory scrutiny of the SEC. The National Futures Association and the SEC do not expect this requirement to impose many additional costs since this new regulatory oversight would largely parallel existing supervision by the CFTC.

Dissemination of Trading Data by Certain Electronic Trading Facilities

H.R. 4541 would authorize the CFTC to prescribe rules and regulations to ensure timely dissemination of price, trading volume, and other trading data by electronic trading facilities dealing with transactions in exempt commodities or swaps, should the CFTC determine that the electronic trading facility performs a significant price discovery function for transactions in the cash market for the commodity underlying the contracts being traded on the electronic trading facility. Based on information provided by the CFTC, it is quite possible that the CFTC would not use this authority. If, after a period of time, the CFTC did require such an electronic trading facility to disseminate trading data, the cost to the electronic trading facility would depend upon the specific information to be released, and the type of dissemination that the CFTC required. The costs of disseminating trading data may be small if simply daily dissemination to a public source were required, but would be higher

if continuous, real-time dissemination were required.

Estimate prepared by: Judy Ruud and Tim Vandenberg (226-2940).

Estimate approved by: Roger Hitchner, Assistant Director for Microeconomics and Financial Studies Division.

URGING ENVIRONMENTAL DEBATE BETWEEN PRESIDENTIAL CANDIDATES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 60 minutes as the designee of the minority leader.

Mr. BLUMENAUER. Mr. Speaker, I want to spend this time this evening dealing with an issue that I hope will get the attention that it deserves yet in this election. We just had the second Presidential debate last night. I still hold out hope for an environmental debate between the candidates for President as well as leaders in both parties up and down the ticket.

The significance of the environment to the American public is not just a matter of public opinion polls, although I note with interest recently a publication of the Clean Air Trust where they had conducted a survey of voters that indicated that 4 in 10 suggested that they would shun a Presidential candidate who opposed tougher new clean air standards, according to their national poll by the nonprofit Clean Air Trust. They were conducting this survey to determine the impact of just this one key environmental issue, clean air.

At the same time, nearly 6 in 10 voters say they would reward a Presidential candidate who fought to support clean air standards. These are entirely consistent with results of a separate Clean Air Trust survey of likely voters in the battleground State of Michigan. But we do not have to just look at public opinion polls.

I note with interest that, when we open up the newspapers in our communities from coast to coast, border to border, they are filled with issues of environmental concern to our citizens. A lot of the work that I do in Congress focuses on livable communities and what the Federal Government can do to be a better partner in promoting an environment where our families are safe, healthy, and economically secure.

I am pleased that the Vice President has been a champion of the Federal partnership in promoting livable communities. His activity on behalf of the President's Council for Sustainable Development, indeed, he has been pushing and probing across the board in the Federal Government for each and every agency to have their program of sustainable development, of livable communities, of ways to promote environmental enhancement.

The contrast with Governor Bush I think could not be more stark. There is no comprehensive State program in the State of Texas dealing with environmental quality and livability. Indeed,