

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.

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#### 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,

there is no indication that Governor Bush has chosen this as an area that he wants to promote Federal involvement and partnership.

When we look at the response to local communities in the State of Texas to try and deal with those problems, it appears that he does not really look with favor at initiatives at the local level.

I would quote from a recent column by Neal Peirce, one of the national journalistic experts in this arena who has been following livability environment and what happens in our metropolitan areas for several decades. He had indicated that the question about Governor Bush is why he seems oh so indifferent to America's growth quandaries. He constantly stresses local control.

But The Austin American-Statesman reports that, when the growth-deluged city of Austin, the capital, moved to regulate development and water quality, Governor Bush approved State legislation to negate all its efforts.

So it appears that he does not have a comprehensive program in the State of Texas. He does not support a comprehensive approach on the part of the Federal Government. He is willing to cut active local governments like the capital city of Austin off at the knees.

This, I think, speaks volumes to the American public about the most important challenge that we are going to be facing in terms of enhancing and maintaining our quality of life.

I think a further elaboration of the difference between the record of the Vice President and the Governor of Texas is enlightening.

The State of Texas ranks near the bottom in spending on the environment, 44th out of the 50 States in per capita spending on environmental programs, according to The Los Angeles Times last April. Texas is the third worst in the country for toxic water pollution last year. It was ranked third worst in terms of dumping chemicals into the water supply. It also ranked second worst for omitting known and suspected carcinogens to water in the country.

In 1998, Texas also had the record with the third most pollution in the country and ranked third in omitting reproductive toxins into the waterways, and second worst in dumping nitrate compounds into that State's waterways.

Governor Bush selected as his Vice Presidential nominee Dick Cheney, a gentleman, a former colleague of many in this Chamber where he served for some dozen years in the 1980s and 1990s. Secretary Cheney, as a Member of this body, voted seven times against authorizing clean water programs, often as one of a small minority of Members who voted against the authorization.

In 1986, Secretary Cheney was one of only 21 Members to vote against the appropriations to carry out the Safe Drinking Water Act. In 1987, he was one of only 26 Members who voted against

overriding President Reagan's veto of the reauthorization of the Clean Water Act.

The contrast here with Vice President GORE is stark. As a Senator, GORE fought for cleaner water. He was an original cosponsor of the Water Quality Act of 1987. He has been part of an administration that has set aside more lands for Federal protection than any administration since the man who got the ball rolling, Republican President Teddy Roosevelt almost a century ago.

He has been an active promoter of critical partnerships to protect habitat. As my colleagues know, 70 percent of the continental United States is in private hands, and any successful effort to maintain and restore the Nation's wildlife must include these private landowners.

One of the most valuable tools that has evolved is the habitat conservation plan, which is a long-term agreement between government and land owners that helps ensure the survival of threatened wildlife, while still allowing productive use of the land.

Prior to 1993, only 14 such plans existed. This administration, with the Vice President as the point person on the environment, has since forged another 250 plans, protecting more than 20 million acres and 200 threatened species, voluntary programs with private landowners to protect wildlife.

I think it is also clear that the Vice President would continue to protect and perhaps even expand national parks and monuments. This has been an item of some modest concern on the floor of this House, and we have had an opportunity to discuss it. I think the Vice President is clear that he would be supportive of those efforts, and he would seek full funding of the land legacy initiative that the administration, Mr. GORE, proposed.

They have supported full and permanent funding for the Land and Water Conservation Fund. As part of the 2001 budget proposal, the President and Vice President requested \$1.4 billion for the Land Legacy Initiative. I have every confidence that, as President, AL GORE would continue to insist that the Land and Water Conservation Fund be fully funded.

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The Vice President is also on record to support reform of the antiquated mining law to help pay for conservation. Currently, the Mining Act of 1872 remains on the books exactly as it was signed by President Ulysses S. Grant more than a century and a quarter ago. It grants, effective today, allowing patents for hard rock minerals on public lands to be mined for \$2.50 or \$5 per acre.

Since taking office in 1993, just in the course of the last two administrations, the 1872 Mining Law has required the Department of the Interior to sign 40 mining patents that deeded away publicly owned resources valued in the billions of dollars, one estimate is more

than \$15 billion, to individuals and private mining companies. No guarantee that those private mining companies are even American companies. In return, the taxpayers have received a little more than \$24,000.

The Vice President supports modernization of this law to take advantage of changed circumstances. We are no longer needing to bribe people to exploit the wilderness and settle the West. We can use the money from any mining royalties that we ought to grant to help pay for incentives to protect open space and help communities support local parks.

Again, as I look back and reflect on the difference that there would have been between the Vice President and Governor Bush, I think this record is stark. If one reviews the record of Governor Bush, who cites his stewardship, now in his second term as governor of our country's second largest State, and look at what he has done for parks or public land in the State of Texas, I think any objective review of that record would find that it is indeed sparse.

Texas ranks number 49 out of all the States in the amount of money it spends on State parks. That is number 49, I might add, from the top to the bottom. It is next to the last. A 1998 State audit found that Texas had a funding backlog of \$186 million just for maintenance of its existing parks. In 1999, the Texas Parks Commission tried to remove a cap on the sporting goods tax to increase its revenues so it could do something to help this desperate situation in the State of Texas. The governor, sadly, did not support the proposal and the measure died.

There was at least some lip service that was given by the administration of Governor Bush when he appointed a task force to find solutions to these problems. He created a task force on conservation which he "charged with finding ways to ensure that Texas leaves a legacy for our children and grandchildren, a legacy of unwavering commitment to protect and preserve our treasured lands." Sounded good. But when he had an opportunity to translate this into action, the governor ignored the request for additional funding from the Texas Parks Commission.

One of the most exciting proposals that has developed in this Congress, and something that has excited the attention of Americans across the country, has been fully funding the Land and Water Conservation Act, the CARRA legislation, which passed this Chamber with an overwhelming bipartisan vote under the leadership of the gentleman from Alaska (Mr. YOUNG), chairman of the Committee on Resources, and the ranking member, the gentleman from California (Mr. GEORGE MILLER). That was really an artful piece of legislation that would have the opportunity of really transforming the use of our public land. It had resources for urban parks, for nature areas, for habitat restoration, conservation, purchase and

maintenance, and historic activities. There was something here that excited, I think, the attention of environmentalists, conservationists, and citizens all across the country.

According to the San Antonio Express News last year, when asked if he would support the legislation, the governor did not know. I quote: "I do not know how to answer your question." And to the best of my knowledge, I have not seen him adding his voice to try and pry this legislation out of the death grip that it has with the Senate leadership where it has not been permitted to move.

It is clear that Governor Bush would increase logging on public lands, but it is less clear what that environmental impact would be. He would reverse the roadless area protections that are encountered in the administration's roadless areas initiative, and this came out of his visit to Seattle, as quoted in the Seattle Post-Intelligencer on June 26 of this year.

The vice presidential nominee of the Republican Party has been clear that a Bush-Cheney administration would be very interested in reopening the issue of the lands that have been protected from development by this administration.

Another issue of great concern to those of us in the Pacific Northwest, where we are struggling with how to balance the variety of interests dealing with the problems of the Columbia River System, with the issue of endangered species, with salmon, treaty rights to Native Americans, where there are conflicts in terms of barge traffic on the rivers, recreational users, and power, this is not an easy issue; and one of the things that has been clear is that this administration is willing to explore all options, and even some that are going to be very difficult. Vice President GORE has reiterated the fact that he feels that until we have a plan in place, that we need to keep all these options on the table.

Unfortunately, Governor Bush has stepped into a difficult situation, one that does not have an obvious solution, and is willing publicly, I think sadly for political purposes, to rule out some options without having anything in the alternative. For him, evidently, not complying with the Endangered Species Act, not dealing with our commitments under treaty obligations to Native Americans, the extinction of salmon runs is, in fact, an option.

The area of clean air is another one that is of great concern, I think, to all Americans; but I want to pause at this point because I have been joined by the gentleman from New York (Mr. HINCHEY). I am going to begin a somewhat lengthy piece, but the gentleman from New York, who is a member of the Committee on Appropriations and a tireless champion for environmental interests in his district, in his State of New York, and throughout the country, I know has been deeply involved in a number of these issues. He is a mem-

ber of the Subcommittee on Interior of the Committee on Appropriations as well, and I would yield to him if he has some observations or thoughts at this point as we have been discussing these issues as it relates to the Vice President, Governor Bush and the choices before us.

Mr. HINCHEY. Mr. Speaker, I thank the gentleman for yielding to me, and I particularly thank the gentleman for taking this time to discuss an important issue, which has not gotten the attention that I think it deserves in the context of this particular Congress.

In fact, as a member of this Congress, I have often felt that we are fighting a defensive action here, where we are taking actions that are designed to prevent harm from being done rather than moving forward in a positive direction on a number of environmental issues that really need to be addressed. The Endangered Species Act is one, and I know that the gentleman just referenced it, that deserves a great deal of attention.

The issue of CARA, a piece of legislation which is designed to protect public lands and open space, and provide also recreational opportunities both in rural and urban settings, is a critically important piece of legislation. A good portion of that was advanced in the context of the interior bill, which we passed here just recently and which was signed by the President just the other day.

Now, the reason that that provision advanced in the interior bill was in large measure a result of the leadership provided by the administration, both the President and Vice President GORE. That interior bill contained a landmark preservation, if I am not mistaken the amount was \$12 billion, over a period of time for open space protection, preservation, and also for recreational activities, again in rural but also in urban settings in association with urban parks and things of that nature.

One of the issues that I think that we really need to address, and which has not gotten enough attention, is the issue of water resources, particularly fresh water resources. It is true, and many people have observed fairly recently, that fresh water resources around the world, including those fresh water resources here in the United States, are being depleted, particularly those resources that lie in aquifers underground. We know that, for example, in the great Midwestern section of our country there is a huge underground reservoir known as the Ogallala, which runs from northern Texas up to the Dakotas, and covers a huge vast area, or at least underlies a huge vast area of the central plains.

That water resource contained in that Ogallala underground reservoir is being depleted at a rather alarming rate. This is fossil water. In other words, it is water that has lain underground for centuries and there is no visible source of rejuvenation for this

aquifer. The fact that we are depleting it at such a rapid rate is something that ought to be of increasing concern.

Now, the depletion is primarily for agricultural purposes, for applications of an agricultural nature throughout that area, and, of course, good purpose. But the idea that we can continue to drain a resource in the belief that that resource is always going to be there and will not be depleted is a false notion. It is a basic fallacy, and it is one with which we have to come to grips.

So I think that this issue of fresh water resources is an issue that is going to require a great deal of attention from this Congress in the future and from the next administration. And that, of course, raises the question of what kind of administration do we want to have in place here to succeed the Clinton administration which will husband these resources in a reasonable way; in a logical and rational and intelligent way. I think the answer to that question becomes quite apparent when we look at the choices that we have before us.

We have on the one hand Governor Bush, who has a record of depletion and deterioration of resources in the State in which he is the executive; and, on the other hand, we have Vice President GORE, who has a very deep and long record of environmental protection and husbanding of resources going back to the time when he served in this House, and then later in the Senate, and all of which he brought to his position as Vice President of the United States.

So I think as people make decisions with regard to this upcoming election, and I think it is easy to lose track of time around here, but I think it is somewhere in the neighborhood of 3 weeks now until November 7, as people begin to think more closely about the decision they are going to make with regard to who is going to be the leader of our country for the next 4 years, I think one of the issues that they ought to factor into their decision-making is the issue of the environment and who among those who are holding themselves out for this office for President of the United States is best equipped and has the knowledge and the sensitivity and the ability to care about this issue. Who is best equipped, then, in that regard, to assume the responsibility of President of the United States.

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So this is one of the issues that is of concern to me as I think about the upcoming election and I think about the kind of leadership that we are going to need to carry us forward into the 21st century at a time when environmental resources are going to be increasingly under adverse pressure and forced into adverse circumstances.

So that is a question which I hope people will be thinking closely about as they make their decision about the President and Members of the Congress and Members of the Senate as they cast their vote on November 7.

Mr. BLUMENAUER. Mr. Speaker, reclaiming my time, I would like if I could, with the indulgence of the gentleman from New York (Mr. HINCHEY), yield to our colleague, the gentleman from the State of Maryland (Mr. CARDIN), who has a long and distinguished record as a State legislator, as a private citizen, and as a Member of this Congress for focusing in on many of these concerns that I know my colleague shares.

Mr. CARDIN. Mr. Speaker, let me thank my friend for yielding to me and thank him for bringing this issue before this body.

As he pointed out, in last night's debate, we had a little bit of a discussion about the environment, not enough of a discussion on the environment. There is a clear difference between the Vice President and the Governor on the environmental issues.

The Vice President, as the gentleman from New York (Mr. HINCHEY) has pointed out, throughout his entire career has been one of the real leaders on sensible environmental policies, policies that not only help preserve our environment but also deal with economic expansion but not at the cost of destroying our woods or our airs. He understands the importance of smart growth. He understands the issues of being sensitive to our environment.

I particularly appreciate the gentleman from Oregon (Mr. BLUMENAUER) taking this time. Because when we contrast that to the record of Governor Bush and the State of Texas, which has one of the worst environmental records of any State in this Nation, and the Vice President mentioned some statistics yesterday as related to health care, it is very clear that the State of Texas has been at the bottom of our Nation in providing health benefits for its citizens, but it is also at the bottom of our Nation on its record on environment.

They have literally destroyed much of their environment at the cost of trying to do certain types of growth when it was not necessary to do that. It is certainly not the model of leadership that we need in this nation.

This issue is particularly important to the people of Maryland, important to all the States. But the quality of life in Maryland is very much dependent upon the quality of our environment. We pride ourselves on the Chesapeake Bay, the most important natural resource in our State.

I must tell my colleagues, when I was speaker of our State legislature, we took on the challenge to try to reclaim the Chesapeake Bay. Because it was becoming unsafe in many areas for people to swim or for people to use for recreational purposes. If they fell into our harbor, they did not have to worry about drowning, they would worry about whether they could survive the pollution that was coming in from all sectors, from the industrial use, from the farming use, from just not paying attention to our environment.

We made a commitment 25 years ago to do something about it. And we have. We have done a pretty good job in helping to clean up the Chesapeake Bay. But I must tell my colleagues, we need a clean air policy because that affects the quality of the Bay and acid rain. We need a smart growth policy because that affects the quality of the waters leading into the Chesapeake Bay. We need a national policy on environment. We need leadership in the executive branch that will be sensitive to these environmental issues.

Mr. Speaker, there is such a contrast between the two candidates for President on this issue. And I hope that in the remaining 3-plus weeks, less than 4 weeks, before the election that we will focus as a Nation on the environmental issues.

Look at the record of the Vice President and the Governor on the issues that we have been talking about this evening. They are very much related to the quality of life in our community, very much related to our commitment to try to improve the quality of life in each of the districts that we represent.

So I hope that we will take the time to compare the candidates who want to be President of this great Nation as to where do they stand on smart growth, that is placing people near where they work and where they live so that we can put less stress on the commute times in this country, less time on our energy dependency.

We are too dependent upon imported oil. We all know that. Part of the solution, as the Vice President has said, is less use of fossil fuels in our community, more smart growth in our community. That will help the quality of life for people who live in my district and every district in the Nation, and it will also help preserve the Chesapeake Bay and the other great bodies of water in our Nation and our air that we breathe.

I have been disappointed by what we have done in this session not because of the administration but because we have been spending more time trying to beat down some bad action by our colleagues, particularly on the other side of the aisle, when we should be looking at building a record that we can look back at with pride.

I very much hope that as we get into the last weeks of this campaign that we will challenge the leadership of our candidates running for President as to how they stand on these issues. I think there is no comparison here between the Vice President, who in his entire career in Government has shown leadership and sensitivity to the interrelationship between all the environmental issues, and the Governor, who has a record that none of us want to emulate from the State of Texas.

Mr. BLUMENAUER. Mr. Speaker, reclaiming my time, I thank the gentleman for his comments.

Two observations. One, I appreciate his reference to growing smarter in terms of wiser use of our resources and avoiding unplanned growth and sprawl.

The State of Maryland has recently been cited as another national model for experimenting with this. And I think it is important that, unlike what some of the people who are attempting to be critical of this, there is no effort with smart growth to deny choices to the American public. The notion here is to give them more opportunities in terms of where they live, how they move.

If the only way somebody can get their children to a soccer game or to school is to drive them, if they cannot walk, if they cannot cycle, if they cannot get there on their own, if they have no access to transit, it narrows their choices. If there are neighborhoods that are disposable, hollowed out, it narrows the choices.

One of the things that I am, I guess, most appreciative of for the Vice President is taking the risk that some people will try and turn these concepts on their head and suggest that somehow this is a war on the suburbs or it is trying to deny choices, when nothing could be further from the truth than trying to promote more opportunity.

I am prepared to talk a little further on clean air, but I notice we have been joined by my colleague the gentleman from Southern California (Mr. SHERMAN).

Mr. Speaker, I yield to the gentleman.

Mr. SHERMAN. Mr. Speaker, I just want to associate myself with the comments of my colleagues. I could speak a minute on this issue, but I think I would simply repeat what the rest of them have said. I have some comments about some of the fiscal issues and if the gentleman has time at the end and wants to yield time to me to discuss that point, I will. Otherwise, I thank the gentleman on the other side for agreeing to allow me to have 5 minutes at the end of his remarks.

Mr. BLUMENAUER. Mr. Speaker, I continue to yield to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, let me make an observation, if I may, in connection with the comments that were made just a moment ago by the gentleman from Maryland (Mr. CARDIN).

I think that occasionally, if we look at these issues superficially, we fail to recognize the co-relationship between issues that sometimes are taken separately and distinctly and not joined together.

The gentleman mentioned the relationship, for example, between the environment and energy. And there is a clear nexus there, obviously, that needs to be dealt with. And in that regard, it gives another opportunity to talk a little bit about the initiatives of Vice President GORE and his leadership on both environmental and energy issues in a way that addresses the complexities of both.

For example, we know that we are increasingly dependent upon foreign oil. I think we are importing now something in the neighborhood of 56 percent of the

oil that we consume here in the United States from outside of our borders. This becomes, at that level, an issue even of national security. We are far too dependent upon outside sources for the fossil fuel that we depend upon for transportation, for heating, and for a variety of other uses.

Now, that is something that we have to deal with. We have to gain energy independence to a greater degree. We have to reduce our reliance on foreign oil. How do we do that? One of the ways in which we do it is to develop alternative sources of energy. And this is an issue on which Vice President GORE has taken a leadership position that in fact was far ahead of its time. He was talking about these things when it was not apparent to most people that it would be necessary to take any action in this area.

For example, he was talking about the need to develop photovoltaic cells, for example, and direct solar energy for the creation of less electricity and, by the way, in so doing, creating a vast new industry for America which will enable us to address other issues, such as our balance of trade, balance of trade deficit.

If we are developing new sources of energy for a world that is going to be crying out for new sources of energy, that enables us to deal with our own energy situation more intelligently, reduce our dependence upon fossil fuel, create energy alternatively, and at the same time produce a product that will be desired by virtually every other country in the world.

We have an opportunity, in other words, to take a leadership position here in a new industrial venture that will enable us to accomplish a variety of objectives in a very concise and particular way. And for that I think Vice President GORE deserves a great deal of credit for stepping out in front on this issue and directing the way toward its solutions.

Mr. GEORGE MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BLUMENAUER. I yield to the gentleman from California.

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for yielding. I say to the gentleman from New York (Mr. HINCHEY) that I could not agree with him more.

It is rather tragic at a time now when we see the great peril that the Middle East is again embroiled in as the peace negotiations falter and the acts of violence are currently playing themselves out, and we think that if at the end of the Iraqi war if we had made a commitment that we would not ever again put ourselves in a position where we had to send American soldiers in the pursuit of oil or to protect the Kuwaiti fields or to protect the Saudi Arabia fields, or what have you, that we would have pursued this vast array of alternatives that the Vice President has been talking about almost his entire public life, that we could have, in fact, pursued alternatives in energy

consumption, in conservation, in technologies that would have, in fact, really made us independent and insulated us in these kinds of situations.

But, in fact, we chose to go another route. And that was massive increases in consumption, the failure to go for the efficiencies, the failure to recognize what was readily available on the market and use that here domestically or to sell it overseas. And yet, even now we continue to see the other side of the aisle and Governor Bush suggesting, if we just had one more drilling of oil.

The fact is we have increased the production of oil in America over the last 10 years rather dramatically. The hottest oil play in the world is the Gulf of Mexico. Oil companies have spent tens of billions of dollars to be able to go in and to drill there, and it has obviously been worth their while. It is a fantastic find because of new technologies in that field. But it has not made us any more independent. It has not made us any more independent. It has continued the addiction that we have had to foreign oil.

And so, rather than get our house in shape here and get our country in shape as the gentleman has suggested and as the Vice President has suggested over the last decade, we have done just the opposite, we have made ourselves more dependent. And like any other addiction, it is very difficult to break. But we ought to stop it at this point and recognize the peril it places us in internationally, the peril it places our economy in, and the unneeded expenditures by Americans for energy that is not necessarily simply because of the waste that is involved.

□ 1815

That was clearly one of the choices that was presented in the debate last night about whether or not we embrace this in terms of the future and in terms of the knowledge that we now have about energy efficiencies, conservations and technologies or whether we just say, "Let's go back to what we were doing in Pennsylvania at the turn of the century and just put another hole in the ground." It is wonderful to get the oil, but it does not relieve the dependence and there is no indication that it ever will relieve the dependence unless, in fact, we go to these new technologies. I just want to thank the gentleman for making that point.

Mr. BLUMENAUER. Reclaiming my time briefly, I could not agree more with my distinguished colleague from California. He points out that we are, in fact, extracting more energy from more sources. But if we as a Nation that represents 5 or 6 percent of the world's population continue to use 25, 30 percent of the energy supply and if our primary bets are on fossil fuels that are, in fact, finite no matter what some would hope, we are on a downward path that can only lead to disaster.

Mr. GEORGE MILLER of California. When 70 percent of the import is for transportation, we deny the fact that readily available today at these market prices, with no compromise in safety, speed or technology, a car is available, you can get 35 miles to the gallon. Not a big push from where we are today, but a dramatic change in our consumption pattern and our independence, if you will. That could just be done today with essentially no sacrifice being made. Not a dramatic runup in the price of an automobile, not a dramatic compromise in the safety for you or your families and your comfort or anything else. It is available today.

Mr. BLUMENAUER. Could those vehicles, energy-efficient vehicles be made here in the United States by American workers?

Mr. GEORGE MILLER of California. Those vehicles could be made here with no change. The difference is that all the advances that we have made on engine efficiency, the dramatic increases that we have made in efficiencies of the internal combustion engine have been loaded up with weight so that you can drive a bigger and a heavier car rather than returning the benefit to the economy, to the consumer and to the environment. We just decided we would take all the improvement and we would negate it by putting 9,000 pounds on top of it. So here we get what the industry said they could do, what many of us in the Congress wanted them to do, what the environment needs them to do, and then we just larded it up. So rather than driving an ordinary car, we took all those benefits and just put them in, if you will, to style. That is costing the American consumer a huge amount of money, a huge amount of money for no real benefit at all.

Mr. BLUMENAUER. Is it possible that if we had at least studied the CAFE standards, that if we would have applied the CAFE standards across all of today's fleet, not having massive exemptions, that we could have actually had the best of both worlds?

Mr. GEORGE MILLER of California. It is all there. It is there. But obviously when we suggest to them that they can do this voluntarily, just like when George Bush suggested to all those old polluters in Texas to just do it voluntarily, they chose to do it another way. They chose to do it to maximize profit and forget the public interest, forget the needs to clean up the environment, forget the air quality, forget the economy of people who are reaching into their pocket to pay \$2 for gasoline in a car that is getting them 20 miles to the gallon when, in fact, they could be getting 35 with none of these trade-offs.

It could be done here, it could be done with American labor. They are the best autoworkers in the world. That is not even a contest. But it is not being done because huge, huge cars now are cash cows for the automobile companies and that is more important

to them than the public safety, the environment, household incomes, expenses or our dependency on foreign oil.

Mr. BLUMENAUER. Reclaiming my time, I was struck by your comment about the voluntary emission reduction plan in Texas. This is one of the innovations that has been cited by Governor Bush under his leadership. There was legislation that was introduced, he supported, Texas Senate bill 766 that took effect more than a year ago. It has been touted as an approach to voluntarily clean up these 760 old plants that were grandfathered in. I find it fascinating that as a result of this effort, there have been 73 so-called pioneer companies out of the 760 that have taken part, that the majority of these plants, even of the 73 that took part, there are only 28 that even applied for permits, only 19 received them and only five of these volunteers with permits that actually required reductions. So there are actually only five out of 760 plants that are actually producing any result and it is something like 0.3 percent.

Mr. GEORGE MILLER of California. That is the exact point. When you say to these companies, there is going to be voluntary compliance, if you can do it, do it, we would all appreciate it. You are also sending the same signal that says, "And if by the way you continue to pollute, that's okay, too. If you choose to clean up, that would be nice, but if you choose not to clean up, it's the same."

Before we had the Clean Air Act and I know the gentleman is very interested in the Clean Water Act, before we had the Clean Air and the Clean Water Act, I do not remember companies walking in and saying, "I'm going to voluntarily clean up the arsenic in the water," or "I'm going to voluntarily clean up the benzene in the air, the lead in the air or the pollution in the Hudson River." I do not remember that happening. It was only because of the Clean Air Act, the Clean Water Act that these companies stepped forward. They did it because it was the law of the land. What we have seen for 6 years in this Congress under a Republican majority and what we have seen in the State of Texas is continued efforts by corporate entities to lean on the political system so it is not the law of the land. And if it is not the law of the land, you will not clean up the Hudson River, you will not clean up the Sacramento River, you will not clean up the Mississippi River, you will not clean up these areas that America holds as treasures.

And so as the gentleman points out, when Governor Bush got all done with his volunteer stepping forward, this is like a bad film of the Army: I need these volunteers, now everybody take one step forward and everybody steps back and one guy is left there as the volunteer. This is like a bad movie. If we work at this rate on cleaning up pollution in America that they are in

Texas, we will all be choking to death. It is not happening. The figures point it out. The Governor could sit there last night and say, "We have a plan and it's working." Well, if this is his definition of "working," there is a horror story in store for the American public, because that does not address the needs of the cities and others who have air pollution problems and toxic problems. That is just unacceptable.

We have struggled in this Congress to try to get entities to step forward and be responsible for Superfund sites, for water pollution and air pollution. I think the gentleman makes a very important point about the so-called voluntary program in Texas. You voluntarily get not to obey the law is what you do. That is what you get to volunteer to do.

Mr. HINCHEY. The gentleman from California, I think, makes very important points about it as well. It is even true that after you require it in the law, if you do not have proper enforcement of the law, even then you will find some of these corporations that were responsible for the pollution in the first instance resisting taking the appropriate and responsible action to clean up the mess that they made.

The gentleman mentioned the Hudson River. That is one clear example where you have had PCB contamination now for decades and the responsible parties have not done anything to address that pollution. In fact, what they have done is they have come here to the Congress, they have gotten Members of the Congress to introduce amendments to pieces of legislation which will, in fact, delay any act of responsibility on their part. So not only do voluntary actions not work but in addition to the law we have found in our experience that you also have to have effective enforcement. No, absolutely not, they are not going to do any of these things voluntarily because it costs them money, and it should cost them money because they made enormous profits in creating that pollution in the first place in most instances. But in addition to having good, decent, powerful laws, you also have to have consistent and effective and honest enforcement.

Mr. BLUMENAUER. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. MARKEY) who has been a leader on a whole host of environmental and energy issues.

Mr. MARKEY. I thank the gentleman very much, and I thank him for holding this very important special order.

Mr. Speaker, on September 29 of this year, Governor Bush of Texas, attempting to reassure the public that there was no choice to make between oil production and preserving wilderness waxed eloquent on the subject of the Arctic Refuge.

"We should open up a small fraction of the Arctic National Wildlife Refuge for responsible oil and gas exploration. The Vice President says he would rather protect this refuge than gain the en-

ergy. But this is a false choice. We can do both," said Mr. Bush, "taking out the energy and leaving only footprints." Leaving only footprints. A wonderful image, is it not, leaving only footprints in the Arctic Refuge? Like Robert Frost and his little cat's feet or Robinson Crusoe discovering he was not alone when he spied the telltale footprints of Friday on the shore of sand before the high tide washed them away.

An image of footprints in the Arctic Refuge that the petroleum industry would leave and would love to have linger in our minds, these footprints of Friday or cat's paws in the sand, children walking along the beach. Footprints.

It is against the law, of course, as we know, to drill for oil in the Arctic Refuge and the only way that will ever change is if the industry manages to get Congress to change the law. They are very resourceful, this industry. They have put together a dream ticket in the person of an oilman for President and an oilman for Vice President. And now they are engaging in industrial strength poetry as they try to win a license to destroy the wilderness of one of the last places on God-created Earth that man has yet to try to improve.

So Governor Bush says his plans would only impact about 8 percent of the refuge. Well, it turns out that what they want to drill is in the biological heart of the refuge, where polar bears den and caribou give birth. Imagine your doctor telling you, "This won't hurt. We're only going to drill in a small fraction of your body, only about 8 percent, only around the region of your heart, only that 8 percent of your body. That is the only place we're going to operate. Don't worry, we won't touch the rest of you. Only that 8 percent. The heart." The heart of this refuge.

Now, let us take a look at the industrial footprints that have already been left on the North Slope by environmentally sensitive oil companies which want to drill in the heart of the refuge. These pictures are from Dead Horse and from Prudhoe Bay. They are part of a vast industrial complex that generates on average one toxic spill a day of oil or chemicals or industrial waste of some kind. It seeps into the tundra and becomes part of a new and improved North Slope as it is viewed by the oil industry. This energy sacrifice zone already spews more nitrogen oxide pollution into the Arctic each year than the city of Washington, D.C.

□ 1830

That is all of the pollution created in Washington, D.C. is not as great as the pollution created by these sites already in this Arctic North Slope area. As we can see, the drilling for oil takes a huge amount of equipment for roads, for pipes, for wells, for pumping. All the trappings of a massive industrial undertaking have been hauled or flown

or barged to the North Slope around Deadhorse and Prudhoe Bay. The companies have been able to afford to bring everything in to such a remote location because today they are making money. But guess what? Tomorrow it will still be there, and tomorrow and tomorrow and tomorrow. All this stuff never leaves. The roads, the pipes, the dry holes, the bulldozers, the spent wells, the gravel pits, it all stays. And together, it makes up a footprint that can only be described as a world-class mess, and it is going to stay that way because once the industry starts making money up there, the last thing they are going to do is to go into debt in order to clean it up.

The industrial footprint extends for miles. When it is overlaid on the refuge, we can see that it would end any notion of this treasured corner of God Almighty's earth remaining wild, untrammelled, and untouched.

Let me finish by noting that this is Federal land that has been set aside for all of the people of the United States. It does not belong to the oil companies. It does not belong to just one State. It is a public wilderness treasure. We are all the trustees. As far as I am concerned, we are going to have to work as hard as we can in order to make sure that this incomparable wilderness is not touched. There are plenty of other places that can be explored in Alaska; and as Joe LIEBERMAN said in his debate, if we just increase fuel efficiency of an automobile three miles a gallon, it would produce more oil than all of this Arctic wilderness.

Let me conclude and compliment the gentleman from Oregon (Mr. BLUMENAUER) for holding this important special order. I think all of these issues have to be discussed.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman from Colorado (Mr. UDALL) joining us, and I yield 2 minutes to the gentleman from Colorado (Mr. UDALL), who has been active in these issues since long before he came to this Chamber.

Mr. UDALL of Colorado. Mr. Speaker, I thank the gentleman from Oregon (Mr. BLUMENAUER) for yielding.

Mr. Speaker, I wanted to associate myself with the comments of my colleagues and in particular acknowledge the articulate and eloquent comments from the gentleman from Massachusetts (Mr. MARKEY) about the Arctic National Wildlife Refuge. As I think he pointed out, the geologists tell us we have probably something along the order of 6 months' supply in this area, and to me it would be a big mistake for that short-term supply of oil to trample an area that was described in such fashion. It is a trade-off that is not really acceptable, I think.

What is acceptable? Well, if we look at what Vice President Gore has been talking about, what is acceptable is to throw ourselves into all of these opportunities that we have to develop different types of energy production methods that are really exciting tech-

nologies out there. One hundred years ago, when petroleum was discovered, there were only two or three obvious uses for it. What did we do as a country? What did we do as a society? We said let us invest in research and development.

The Federal Government stepped in, and now we have almost countless uses for petroleum. In fact, some historians, I think, will tell us that we wasted it in our automobiles in the latter half of the 20th century.

We have very promising technologies in solar, as demonstrated by phototechnologies. We have wind technologies where the price of kilowatts is coming down dramatically. Biogas. We ought to be throwing all of those kinds of technologies into the mix at this time. I think we are going to see some enormously exciting things happen.

It is a false choice: it is going to hurt our economy, or it is going to hurt our environment. It is truly a false choice and the Vice President is saying, look, we have incredible opportunities in the developing world to take these technologies to places like China and Indonesia and India, and in the process do right by our economy, do right by the economic development opportunities. So the Vice President looking ahead, oil is going to be a thing of the past; the geologists tell us that those supplies are limited, that in the next 100 years oil as we know it will not be available to us. Let us look ahead, follow the leadership and the vision of the Vice President.

The SPEAKER pro tempore (Mr. HANSEN). The time of the gentleman has expired.

Mr. BLUMENAUER. I am sorry, Mr. Speaker?

The SPEAKER pro tempore. All time has expired.

Mr. BLUMENAUER. Mr. Speaker, I had yielded the gentleman 2 of 3 of my minutes.

The SPEAKER pro tempore. Apparently he used more than the 2 minutes. I am sorry if there is a misunderstanding, but the hour is up.

Mr. BLUMENAUER. Mr. Speaker, I would ask unanimous consent for 30 seconds.

The SPEAKER pro tempore. I would advise the gentleman that a unanimous consent is not acceptable under a special order for additional time.

#### TAXATION

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

Mr. SHERMAN. Mr. Speaker, I yield to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the courtesy of the gentleman from California (Mr. SHERMAN). I am sorry, but I thought the Chair would notify me when the time had expired. I apologize.

Mr. Speaker, the Vice President has sometimes been accused of being sort

of robotic and wooden. In fact, he has joked about it himself. But there is one thing that that man is passionate about. It is the environment. When I look at the dismal record in the State of Texas with the air quality deteriorating, I look for the passion and the commitment from the governor of that State, but I do not see it. I think there is a huge difference between the two, and I hope that the American public will have the opportunity in the remaining 3½ weeks to focus on this.

Mr. SHERMAN. Mr. Speaker, I would like to address yesterday's debate and focus on taxation. Why such a dry topic as taxation? After all, one of the candidates seems like a much nicer, more likeable guy. Why do we not just make him President by acclamation? Well, it seems that running the Federal Government is a little bit more complicated than just being a nice and congenial individual.

First, let us talk about the cause for our prosperity. We have the longest expansion in this country's history. It has lasted so long some people take it for granted, but we should not because it arises from the combination of two very important causes; one of which is the ingenuity, the hard work and the inventiveness of the American people working in the private sector. But let us remember, Americans worked hard in the early 1980s, the late 1980s, and the early 1990s; but not until the mid-1990s did our prosperity begin to bear fruit.

Why is that? Because only then was it combined with the other essential element: Federal fiscal responsibility. Responsibility at the Federal level is something this administration achieved when most of us thought it was impossible, and in doing so they have given us lower interest rates, available capital for the private sector, and a lower inflation rate.

The governor of Texas would have us put this all at risk for \$1.5 trillion of tax cuts, nearly half of which goes to the richest 1 percent of Americans; plus another \$1 trillion in unstated costs as the cost of shifting from our present Social Security system to this new Social Security system he promises with individual accounts funded by a trillion dollars that no one mentions.

Let us talk about taxes. There are basically three taxes that support the Federal Government: the estate tax, which falls chiefly on the richest 1.5 percent of Americans; the income tax which is paid by everyone except the poor; and the FICA tax, the payroll tax that is borne by the poor and the middle class and has only a tiny effect on the rich.

The governor said last night, I believe everyone who pays taxes ought to get relief; but what he did not mention was that there are over 15 million Americans who pay that FICA tax, that payroll tax, and do not pay an income tax and do not get a penny of relief under his program. There are, in fact, 30 million Americans who pay a