

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

ENVIRONMENTAL REGULATIONS  
FOR SMALL BUSINESSES

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

Mr. PENCE. Mr. Speaker, I had two countervailing experiences today. One was to travel to the botanical gardens here on the Capitol Mall and meet with the extraordinary personnel of the Environmental Protection Agency that are overseeing the decontamination at the Hart Senate Office Building and in the offices of the three Members of Congress who have been affected by anthrax contamination.

I witnessed then, as I have witnessed in days past, extraordinary professionalism and a deep commitment to creating an environment that is safe for us and for our staff. The EPA has earned a special place in my heart in the last week. But then I traveled just moments later, Mr. Speaker, across the street where I chaired the Subcommittee on Regulatory Reform and Oversight where I serve as chairman on the Committee on Small Business.

It was there that we took a hard look at the inadequacy of regulatory analyses that agencies use to support rule-making. And the special emphasis regrettably, Mr. Speaker, was on one agency in particular that was singled out by witness after witness for its poor regulatory analyses, and that agency was the Environmental Protection Agency.

The hearing that we convened today was all about the way that the EPA goes about evaluating the cost and benefit of regulations on small businesses. Small business owners are very familiar with the burdens that Federal regulations place on them. Many studies including those sponsored by the Office of Advocacy of the United States Small Business Administration have shown that small businesses face disproportionately higher costs to comply with Federal regulations, including those issued by the EPA than their larger business counterparts. Thus, accurate estimates of costs, if derived from the experiences of large businesses often, Mr. Speaker, paint a false picture of the impact of regulations or the impact of an EPA regulation on a small business. And if the EPA misjudges the economic impact, it often produces an irrational rule that wages war on the vitality of small business America.

It seems to me, Mr. Speaker, that the polestar of the rule-making process is that regulations should be rational. When Congress passed the Administrative Procedure Act of 1946, it believed

that the process of notice, comment, and agency response to the public comment would be sufficient conditions to ensure rational outcome. After the regulatory onslaught in the 1970's which saw the creation of the EPA, and the enactment of many statutes that EPA implements by rule-making, Congress and the executive branch determined that further refinements were necessary.

Congress imposed new analytical requirements to assess the impacts on small business and other entities. Presidents Reagan, Bush, and Clinton produced executive orders all in different ways mandating the analysis of cost and benefits. And even my own predecessor, Congressman David McIntosh, led the charge here on Capitol Hill to create a rational process whereby the regulatory state would analyze the cost of the regulations versus the benefit to the environment or the health and safety of employees.

In 1980 Congress enacted the Regulatory Flexibility Act as well. The RFA represents another tool in the decisional calculus designed to develop rational rules. The Reg Flex Act, as it is affectionately known by many in small business circles, requires Federal agencies to consider whether their proposal for final regulations will have a significant economic impact on a substantial number of small businesses.

Despite this legacy since 1946 of demanding a rational foundation for government regulations, Mr. Speaker, sadly, today at our hearing we heard of a very very different tale, indeed. What I heard from one witness after another is that not only the EPA but many Federal and administrative agencies pay very little regard to the difference between the size of businesses when they impose paperwork requirements. And their estimates of the cost of compliance are often far afield of the reality of many small businesses like the one that I started in my basement or like the one my late father ran throughout his lifetime in Columbus, Indiana.

There is a great Biblical tale of the pharisee, Mr. Speaker, who heaps burden upon burden on the traveler but never lifts a finger to help them carry that burden. At our hearing today for the Subcommittee on Regulatory Reform and Oversight of the Committee on Small Business, we heard the need for the EPA and other elements of the administration in the regulatory state to cease adding burdens to travelers but now to begin to think about the size and scope of those enterprises, to lift that burden and let us begin an era of unburdening American small business of Federal and regulatory red tape.

## HATE CRIMES LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

woman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, the savage attacks of September 11 resulted in the deaths of more than 5,000 innocent victims. To add to this horror, the horror of terrorist strikes, acts of violence against Muslims and Arab-Americans increased dramatically throughout the United States since September 11.

The Council of American Islamic relations has received more than 300 reports of harassment and abuse committed against innocent Sikhs, Arabs, Indians, and people of Muslim faith.

Communities across the Nation are horrified by these brutal crimes: a threat to a turban-wearing Sikh in Connecticut, an attack of a woman on a Maryland college campus, rocks thrown through an open bedroom window in Roanoke, Virginia.

Hate crimes are not new to our country, but these are different. The victims of these hate crimes were children. The victim in Connecticut was a second grader. The woman was a teenager attacked by fellow young adults. And the child who barely missed being hit by a rock was only two years old.

Throughout the country, Muslim and other Arab-American children are fearful of attacks on the street, in their homes, and at their schools in reprisal for the terrorist strikes of September 11.

Muslim private schools have canceled classes. Parents are being asked to help patrol school yards, and according to the American-Arab Anti-Discrimination Committee, many parents have kept their children home from both public and private schools.

Although hate crimes have been on the decline recently, law enforcement officials and leaders in Arab-American and Muslim communities are preparing for more trouble because children are still being attacked by fellow classmates and schools are still being vandalized.

□ 1500

In the past week, two Malaysian students at Indiana University were assaulted and an Afghan student in New York was attacked by fellow students. Only last month a threatening note found by a Palmdale, California, high school forced five Muslim-American students to stay home for their own safety.

No one in America should live in fear because of his or her ethnic background or religious affiliation. This is especially true for children. That is why it is clearer than ever before just how important it is to pass meaningful hate crimes legislation.

Children and their families are suffering as a result of the ignorance, fear and hate of others. We need to strengthen our existing laws to protect them against all hate crimes. We must send a message, especially to our children, that hateful behavior is wrong and will not be tolerated.