

(1) Section 11(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking out the second comma after "Community Service".

(2) Section 908(e) of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2326 note) is amended by striking out "section 2325(g)" and inserting in lieu thereof "section 2326(g)".

(3) Effective as of August 9, 1989, and as if included therein as enacted, Public Law 101-73 is amended in section 501(b)(1)(A) (103 Stat. 393) by striking out "be," and inserting in lieu thereof "be;" in the second quoted matter therein.

(4) Section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)) is amended by striking out the second comma after "quarters".

(5) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended in paragraphs (3), (5), (6), and (7), by striking out "The" and inserting in lieu thereof "the".

(6) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(A) in subsection (a), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code"; and

(B) in subsection (c), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code."

#### SEC. 1107. MISCELLANEOUS AMENDMENTS TO OTHER LAWS.

(a) OFFICER PERSONNEL ACT OF 1947.—Section 437 of the Officer Personnel Act of 1947 is repealed.

(b) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 8171—

(A) in subsection (a), by striking out "903(3)" and inserting in lieu thereof "903(a)";

(B) in subsection (c)(1), by inserting "section" before "39(b)"; and

(C) in subsection (d), by striking out "(33 U.S.C. 18 and 21, respectively)" and inserting in lieu thereof "(33 U.S.C. 918 and 921)";

(2) in sections 8172 and 8173, by striking out "(33 U.S.C. 2(2))" and inserting in lieu thereof "(33 U.S.C. 902(2))"; and

(3) in section 8339(d)(7), by striking out "Court of Military Appeals" and inserting in lieu thereof "Court of Appeals for the Armed Forces".

(c) PUBLIC LAW 90-485.—Effective as of August 13, 1968, and as if included therein as originally enacted, section 1(6) of Public Law 90-485 (82 Stat. 753) is amended—

(1) by striking out the close quotation marks after the end of clause (4) of the matter inserted by the amendment made by that section; and

(2) by adding close quotation marks at the end.

(d) TITLE 37, UNITED STATES CODE.—Section 406(b)(1)(E) of title 37, United States Code, is amended by striking out "of this paragraph".

(e) BASE CLOSURE ACT.—Section 2910 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating the second paragraph (10), as added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103-421; 108 Stat. 4352), as paragraph (11); and

(2) in paragraph (11), as so redesignated, by striking out "section 501(h)(4)" and "11411(h)(4)" and inserting in lieu thereof "501(i)(4)" and "11411(i)(4)", respectively.

(f) PUBLIC LAW 103-421.—Section 2(e)(5) of Public Law 103-421 (108 Stat. 4354) is amended—

(1) by striking out "(A)" after "(5)"; and

(2) by striking out "clause" in subparagraph (B)(iv) and inserting in lieu thereof "clauses".

#### SEC. 1108. COORDINATION WITH OTHER AMENDMENTS.

For purposes of applying amendments made by provisions of this Act other than provisions of this title, this title shall be treated as having been enacted immediately before the other provisions of this Act.

### AUTHORITY FOR COMMITTEES TO MEET

#### SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information for the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, September 6, 1995, at 10 a.m. in SH216 to hold a hearing on the Ruby Ridge incident.

The PRESIDING OFFICER. Without objection, it is so ordered.

### ADDITIONAL STATEMENTS

#### THE 8(a) PROGRAM

• Mr. BOND. Mr. President, earlier this summer the Clinton administration released its report on affirmation action. The President's report devotes considerable attention to the Small Business Administration's 8(a) Minority Contracting Program. The report details the 8(a) program's failings and abuses, but in the end the President concludes that the program should be saved in the name of affirmative action.

As the chairman of the Committee on Small Business, I have first hand familiarity with the 8(a) program. It is a program that gives a very valuable government contracting preference to members of certain minority groups without requiring proof of specific discrimination or social disadvantage.

The 8(a) statute requires proof of economic disadvantage. But in practice, even those who have accumulated substantial wealth are still welcomed into this program. An applicant to the 8(a) program is deemed economically disadvantaged if the applicant has a net worth less than \$250,000, excluding the value of his or her home and the value of the small business owned by the applicant.

Let's focus for just a minute on what this economic disadvantage test really means. According to data provided to me by the Administrator of the Small Business Administration, 81.6 percent of all small businesses owners in the United States have a net worth under \$250,000.

But the 8(a) limit for economic disadvantage doesn't stop at \$250,000. Once you are in the program, net worth can grow to \$750,000 without jeopardizing participation in the 8(a) program. The SBA Administrator has informed me that 91.6 percent of all small business owners have a net worth below this

level. And President Clinton's affirmative action report correctly notes that business owners with excessive wealth even above these levels have managed to avoid detection and wrongfully remain in the 8(a) program.

So let's review where we are on the 8(a) program. We have a program supposedly for small business owners who are socially and economically disadvantaged. But an applicant is eligible for the 8(a) program without an individual showing of specific discrimination. Then, under the economic disadvantage test, over 80 percent of all small business owners in the United States would be small enough to be eligible. And on top of that, an 8(a) participant's wealth can triple in size once in the program and still remain eligible for special government contract preferences.

It doesn't surprise me that participants in the 8(a) program are fighting to save it. It is a good deal for anyone who can get in.

In April 1995, I chaired a hearing before the Committee on Small Business, and we heard a great deal of passionate testimony about the 8(a) program—both in favor of and opposed to the program. One of the witnesses was Josh Smith, founder of Maxima Corp., one of the best known companies to have participated in the 8(a) program. Mr. Smith discussed how the 8(a) program fails to benefit low-income communities and low-income minorities.

Mr. Smith testified that 8(a) companies were not locating in and hiring people from needy neighborhoods and distressed inner cities with large numbers of unemployed members of minority groups. To the contrary, too often 8(a) firms can be found in northern Virginia or suburban Maryland. I think it's wrong that the important objective of this program—bringing economic opportunity and jobs to historically disadvantaged areas and small businesses—has been lost.

Today, the 8(a) program builds wealth among a small group of individuals who own small businesses and who gain acceptance into the program. The program makes no effort to encourage hiring of minorities or residents of distressed areas, nor is there any requirement that the 8(a) company assist community redevelopment effort by locating in or performing work in distressed areas. The social disadvantage requirement of the 8(a) program is satisfied merely if the owner, who controls 51 percent of the company, is a member of a prescribed racial or ethnic group.

I believe the 8(a) program as we know it today should be replaced with a race neutral program specifically designed to use Federal contracting expenditures to help attract small businesses and employment to distressed areas with low income and high unemployment. Such areas might be located in the inner city, on an Indian reservation, or in Appalachia.

I suggest we call these areas historically underutilized business zones or