

Mr. SOUDER. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Indiana.

Mr. SOUDER. Mr. Chairman, there are a couple of more Members who did not realize that we were going to go to that procedure as fast. However we do that, we can either debate further tomorrow morning or have some of the debate tonight, but there is an intention to not have long debate on this necessarily, but there will be one more amendment on this title.

Mr. OBEY. Mr. Chairman, reclaiming my time, I will strike the last word tomorrow and make my arguments then.

Mr. PORTER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. SHADEGG] having assumed the chair, Mr. GOODLATTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2264) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

#### SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SHADEGG). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

#### THE IRS IMPROVEMENT ACT OF 1997

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. COYNE] is recognized for 5 minutes.

Mr. COYNE. Mr. Speaker, today, Congressmen RANGEL, MATSUI, HOYER, WAXMAN, and I are introducing the Internal Revenue Service Improvement Act of 1997. This legislation will address the fundamental problem areas currently facing administration of the tax laws by the IRS.

This legislation will codify recent actions taken by the administration to ensure effective oversight of the Internal Revenue Service by the Department of Treasury. The legislation also ensures effective use of the expertise of individuals from the private sector.

The bill will allow the IRS to improve its customer service through more taxpayer-friendly IRS telephone assistance, clearer notices, quality reviews, taxpayer surveys, and increased access to the Taxpayer Advocate offices.

The legislation will also provide the IRS with increased employee training and education, a reform that IRS employees have asked the Congress for so that they can better do their jobs.

The bill will give the IRS Commissioner a 5-year term to run the agency which will result in continuity of management. The Commis-

sioner would be given the authority to hire a top-notch IRS management team and be able to recruit and pay experts, as needed, throughout the agency. IRS employees would be able to work under performance-based and retention arrangements, and the IRS would be able to conduct demonstration projects to test the use of successful private-sector methods of efficiency and customer satisfaction.

The bill will provide for the development of state-of-the-art technology at the IRS. The IRS would be allowed to better integrate its technology with strategic objectives, and develop intellectual capital. Electronic filing of tax returns would be promoted and streamlined to facilitate taxpayers' ability to file error-free, quick refund returns.

Before any of this can be accomplished, however, governance, management, and oversight of the IRS must be improved.

As a member of the National Commission on Restructuring the IRS, I opposed the Commission's recommendation to allow individual taxpayers from the private sector to have final decisionmaking authority over the operation of the IRS, including the appointment of the IRS Commissioner. I think that such an approach raises questions of accountability.

Further, while the Commission proposed that its independent board would only be responsible for running the IRS, and would not have authority over tax policy, tax enforcement, or other taxpayer-sensitive areas, it is not clear to me that these issues can be adequately separated from its proposed role of managing the IRS.

The administration has recognized that the IRS needs to be reformed, and is moving to address the problem with aggressive oversight headed by the Department of the Treasury. As an alternative to having the private sector run the IRS, the administration has proposed institutionalizing the Department of the Treasury's oversight of major strategic, personnel, and procurement decisions of the IRS with an Executive order creating an IRS Management Board, consisting of Treasury and other Federal officials. Also, the administration has proposed an IRS Advisory Board—consisting of private-sector experts—to enhance oversight of the IRS through systematic analysis and advice to the Treasury Secretary on critical IRS matters. The administration currently is implementing this oversight management plan for the IRS.

To further strengthen and make permanent this oversight initiative, I propose that the Congress enact, by statute, the administration's "Plan for IRS Governance." I think this would serve to institutionalize the management responsibilities of the administration's Oversight Management Board, and the role and functions to be performed by the private-sector advisory board. I encourage the Department of the Treasury to work closely with the Taxpayer Advocate, in overseeing the IRS. I also recommend that the Department of the Treasury be allowed to hire needed private-sector experts, on a full-time basis, paid at competitive pay levels, to insure stable and effective oversight of the IRS. The administration wholeheartedly supported these views, which are reflected in the legislation.

In conclusion, I want to state that I look forward to continuing to work with all Members of Congress to make the IRS the first-class Federal agency the public expects it to be.

#### THE INTERNAL REVENUE SERVICE IMPROVEMENT ACT OF 1997

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. RANGEL] is recognized for 5 minutes.

Mr. RANGEL. Mr. Speaker, today, I, along with Congressman BILL COYNE, Congressman STENY HOYER, Congressman HENRY WAXMAN, and Congressman BOB MATSUI, have introduced legislation to reform the Internal Revenue Service.

My cosponsors have worked long and hard on this legislation, as has our Treasury Secretary, Bob Rubin. It is with the administration's strong commitment to the IRS Improvement Act of 1997 that I am honored to be the lead sponsor of the bill.

My personal thanks go to BILL COYNE and BOB MATSUI for their successive roles in representing the House Democrats on the National Commission on Restructuring the IRS.

I also look forward to continuing to work with my colleagues from the Government Operation and Reform and Appropriations Committees who have jurisdiction over important titles of this bill.

The Internal Revenue Service Improvement Act of 1997 will make many very significant changes both to the way the IRS operates and the Department of the Treasury oversees the IRS.

The beneficiaries of this bill should and will be the American public. Taxpayers expect and deserve a tax administration system that is efficient and well-managed, fair and responsive in its dealings with the public, and staffed by employees who are well-trained and accountable for their actions.

The IRS Improvement Act of 1997 is designed to achieve these goals. The bill institutionalizes the Administration's newly established IRS Management Board and planned IRS Advisory Board as permanent features of the tax law. The Management Board will provide for continued, high-level Government oversight of the IRS, under the direction of the Treasury Department. The Advisory Board will provide for timely and expert advice from the private sector on the fundamental strategic and management direction of the IRS.

Under the bill, the IRS Commissioner would be given a fixed, 5-year term. This will provide not only continuity of direction for the IRS, but also require a long-term commitment from the person charged with administering our tax laws. The President, as required by the Constitution, would continue to appoint the Commissioner as the head of the IRS.

The bill makes major improvements in the area of electronic tax return filing. The time has come for the IRS to promote aggressively the benefits of electronic filing, and for the Congress to eliminate statutory obstacles to making electronic filing the norm rather than the exception.

The bill provides the Treasury Department and the IRS with the ability to put together and hire at the IRS one of the best management teams in the country. Highly skilled, top talent would be able to join the IRS at pay levels commensurate with experience and expertise. Performance-based incentive pay arrangements and a new demonstration management systems could be set up at the IRS, as ways to insure that management goals are met, to hold employees accountable, and to reward quality service.