Thank you, Mr. President.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SESSIONS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ABRAHAM. Mr. President, I ask unanimous consent that I be permitted to speak as in morning business for the purpose of introducing a piece of legislation in conjunction with Senator ALLARD, who will be soon joining me to speak.

The PRESIDING OFFICER. Does the Senator have a time limit on that?

Mr. ABRAHAM. I would like to speak for up to 10 minutes, to be followed by Senator ALLARD for up to 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ABRAHAM. Mr. President, I also seek unanimous consent that at the conclusion of Senator ALLARD's remarks the Senate stand in recess for purposes of conducting the weekly policy luncheons.

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

The Senator from Michigan is recognized.

Mr. ABRAHAM. I thank the Chair.

(The remarks of Mr. ABRAHAM and Mr. ALLARD pertaining to the introduction of S. 2033 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

RECESS UNTIL 2:15

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:49 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. THOMAS].

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

UNANIMOUS CONSENT AGREEMENT

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate resume consideration of H.R. 2676 for debate only until 3 p.m.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent that I may talk about an amendment I plan on offering after the debate time has expired. I would like to explain a little about the amendment, if I may have the time.

Mr. ROTH. Mr. President, I didn't hear the distinguished Senator's request.

Mr. GRAMS. I was asking unanimous consent to speak about an amendment. I am going to offer an amendment this afternoon following the time set aside for the debate.

Mr. ROTH. It is the hope of the manager that upon the passage of 3 p.m., we will move ahead with the managers' amendment.

The PRESIDING OFFICER. The Senator has a right to discuss his amendment at this time.

Mr. GRAMS. Mr. President, I just wanted to inform the Senate of my intentions today—later on, after this time for debate—to offer an amendment that would permanently exempt interest payments owed by disaster victims to the Internal Revenue Service.

This is a very simple and straightforward amendment. The amendment is actually derived from the ''Disaster Victim Tax Extension Act,'' legislation I introduced on April 29, 1998 with Senators COVERDELL, FRIST, MCCAIN, HUTCHINSON, SMITH of Oregon, GRAHAM of Florida, and D'AMATO.

As I stated in a Dear Colleague letter circulated on April 22, this amendment permanently exempts interest payments for disaster victims who reside in presidentially declared disaster areas and have been granted an extension for their tax filing.

The reason for this amendment is very clear:

Each year, our country is hit by natural disasters of all kinds—such as hurricanes, tornadoes, earthquakes, floods, and ice storms—causing extreme hardship for hundreds of thousands of Americans.

This year, 15 states have already been hit by deadly disasters:

Starting March 7, severe storms and flooding struck the state of Alabama, damaging nearly 1,200 homes, and the city of Elba in Coffee County was evacuated as a result of a levee failure. Three deaths were attributed to the floods and one person was reported missing.

On February 9, twenty-seven California counties were wracked by severe storms.

During the period of January 28 through February 6, a series of severe winter storms hit communities in Sussex County in Delaware.

Also in February, three southern Florida counties were victimized by tornadoes and other violent weather.

In February, six counties in Georgia were struck by tornadoes. On March 20, amid flood recovery efforts, tornadoes and windstorms tore through northeast Georgia, adding to the overall devastation. Tornadoes again touched down in west Georgia, metro Atlanta, and southeast Georgia on April 9.

In February, Atlantic and Cape May counties in southern New Jersey were hit by the coastal storm that lashed the area.

On April 16, six Tennessee counties were ravaged by deadly tornadoes and other violent weather.

And, Mr. President, on March 29, seven counties in my own state of Minnesota were hit by deadly tornadoes, damaging thousands of homes and businesses along an 86-mile path carved through the communities of St. Peter, Comfrey, and Le Center.

Just days after the March storm, I traveled to the disaster site in south-central Minnesota to witness the destruction and meet with the Minnesotans—families, farmers, and other business owners—forced to cope with this tragedy. Mr. President, I've never witnessed devastation on such a scale. I have heard of tornado-damaged areas being compared to ''war zones,'' but had no idea how close that was to the truth. This was indeed a war zone, and the Minnesotans I met with that Friday and Saturday were very much its innocent victims.

Two of those victims tragically lost their lives.

The property damage was widespread. Grain storage bins were leveled, the fronts of homes were sheared off, farm fields were choked with debris, making it impossible to plant, rows of telephone poles snapped, brick houses leveled, countless trees were downed at Gustavus Adolphus College, and the spire of its church was torn off, vehicles were scattered by the winds, some landing in farm fields, the historic Bell Tower of the courthouse in downtown Saint Peter was destroyed.

I am told the March tornadoes were some of the largest and longest in Minnesota's history. It's hard to imagine, but the Comfrey and Saint Peter tornadoes were a mile and a quarter wide—2,200 yards. That is nearly twice as wide as any previous tornado to hit my state, and far larger than the average tornado, which is only 100 yards wide. The tornado that destroyed Comfrey created a damage zone of 77 square miles. Just how large is that? Larger than the entire city of San Francisco, which is contained within 75.2 square miles.

The estimated total dollar value of insured losses caused by the south-central Minnesota tornadoes has reached $175 million, exceeding insured losses incurred in my state during the floods one year ago. Minnesotans have come together to clean up and begin the rebuilding, as we always do when our neighbors need help, and I'm impressed with their spirit in facing this disaster. Still, it's going to take many months, perhaps years, before life returns to normal in those towns caught in the tornadoes' paths.

Minnesota's experience is, unfortunately, not unique. Deadly natural disasters occur every year. Lives are lost, homes are demolished, property is destroyed, businesses are ruined, and

crops are wiped out. The survivors of these disasters need our help to get their feet back on the ground.

Federal disaster assistance has been effective. In fact, almost all of the major disaster sites have been subsequently designated as presidentially declared disaster areas and are eligible to receive federal disaster assistance.

However, there is one hurdle Congress must remove. Residents in presidentially declared disaster areas can often get an extension to file their tax returns. However, interest owed cannot be exempted by the IRS. The IRS charges an 8 percent interest rate for taxes owed, even if disaster victims get an extension for tax filing. So this is adding insult to injury.

Exempting interest payments owed to the IRS requires congressional action. Many states, like Minnesota, immediately grant exemptions for interest payments on state taxes when disaster areas are declared. Although Congress has granted such federal waivers in the past, they must be done legislatively each time a disaster occurs, and appropriate vehicles are not always available. This creates one more uncertainty for disaster victims.

My amendment would once and for all remove this barrier and give residents of presidentially declared disaster areas an interest payment exemption on any federal taxes owed. Under my amendment, the exemption is effective retroactively to tax year 1997, so that all of this year's disaster victims will be covered for their late filing.

Mr. President, this may seem like a small matter, but for disaster survivors in Minnesota, Georgia, Alabama, California, Delaware, Florida, New Jersey, Tennessee, and every state devastated by events entirely and utterly out of their control, every dollar counts in their efforts to begin to repair and to rebuild their lives. I urge my colleagues to support this amendment to make sure that we put in place permanently an exemption so the IRS will not charge interest on taxes that are due and that are not paid on time because of extensions due to disasters.

Again, it may seem like a small matter, but to those people who have experienced these disasters, it is a lot.

I urge my colleagues to support this amendment. I will be sending this to the desk as soon as the chairman's time on his debate has been concluded.

I thank you very much.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, let me speak about the same issue which my colleague has spoken about. As I talk to other Senators, I think we are going to hear the same thing that Senator CLELAND from Georgia, I say to the chairman of the Finance Committee, was saying—that in his State it is the same issue. In my State of Minnesota, it is the same issue. I have essentially the same amendment that Senator GRAMS has. I think we can all join in one effort. That is the way it should be. What we are saying—and what my colleague said happened in St. Peter really put it best—I make this appeal to colleagues. This is just a matter of, I guess, just trying to help people out. People have enough on their minds. There has been such devastation.

The last time around when we dealt with the devastation of the flooding in Minnesota and a number of other States, we were able to get not only an extension on the filings of the IRS tax forms but also, in addition, an extension on the actual payment. Along with that, we had congressional action which led to a forgiveness on the interest for late payments. But that did not automatically exempt. So this effort that a number of us have been working on is a terribly important amendment.

I think both Senators from Minnesota and other Senators from other States who have been hit with these disasters just in the last several months this year would provide some help to people. That is what it is all about—providing help to people. It is my hope—in talking with other Senators and we had a discussion in the caucus at lunch as we look at whether or not it is a relevant amendment—it is certainly my belief this meets that test. This deals with a specific provision already in this bill that deals with the forbearance on interest payments and, therefore, I think it would meet the test of relevant amendments. I know that will be one of the questions that will be raised by my colleagues.

I join in with Senator GRAMS and with Senators from other States, all of whom really feel we want to try to get this done, and we want to try to get this done on this bill. We will have a chance later on to come out here and speak about our amendments, although I think the floor amendments will essentially merge into one amendment. I make an appeal to colleagues—Democrats and Republicans, Republicans and Democrats alike—to please give us your support. This is very important to the people in our State.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BOND. Mr. President, I will be offering, after the 3 o'clock timeframe, an amendment to the Internal Revenue Service Restructuring and Reform Act. I commend the chairman of the committee and the members of the committee who have done so much good work in crafting a measure that I think is a strong measure that will do much to resolve the questions many citizens of America have about whether the IRS is treating them fairly, whether they are getting a fair shake.

I have talked with a lot of people in my State, and I can tell you that there are a very large number of people in the IRS who have the confidence of the private sector folks, the taxpayers, and their representatives who work with them.

Coming from Missouri, we can say that the overwhelming number of IRS agents who are dealing with the public are dealing on a fair, evenhanded basis. But we have had examples brought forth in the Finance Committee of abuses that are clearly outrageous. Something needs to be done to shape up the system so that a rogue agent cannot give the entire agency a bad name and that a rogue agent cannot impose or inflict upon a taxpayer burdens and penalties and requirements that are nowhere in the statutes.

I will be offering an amendment which changes the proposed structure for the advisory board. I believe if you are going to have an advisory board, if you are going to put the IRS into some kind of board, then you need to do the job all the way. It is clear from the hearings and from the testimony that there is significant support for saying the IRS ought to be run by a board, it ought to have an insulation from political influence—it should be kept free from direct interference by the White House or even guidance out of the Treasury in terms of enforcement of the laws. Not tax policy. Tax policy is rightly one in which we expect the Secretary of the Treasury and the President to offer advice, counsel, and work with the Congress on carrying out the policy.

But given the example of audits which at least raise the question of whether they have been conducted or directed by political influence, I think the only safeguard for the American people is to make the board a full-time professional board composed of five members—four from the private sector plus the Commissioner of IRS—and give it the full authority to run the day-to-day operations of the IRS. It would have a consultative role in developing tax policy. But let's take a look at it. We have full-time boards that conduct some agencies with very sensitive responsibilities—the Securities and Exchange Commission, the Federal Communications Commission. These are boards which run agencies with very important economic powers over the economy and over citizens in the economy. To the extent that we have entrusted powers to them, we see that they are able to provide a buffer between political influence and the work of the agency.

On the other hand, if you are concerned about reforming an agency and you find that the agency is out of control, as the committee has found the IRS to be, then how can you expect a

part-time advisory board to get the job done? Nobody has been able to cite me an example where a part-time advisory board came in and got control of the agency. The purpose of a part-time advisory board is to give advice which can be accepted or ignored, and, from the hearings, we have seen that a part-time advisory board type of advice is not what the IRS needs.

I think the time has come, if we are going to fulfill the mandate given to us by our constituents to do something about the IRS, to reform it, then we ought to set up a full-time board so the members do not have to split their time between private activities—between their own jobs and their own responsibilities—and looking over the IRS on a day-or-two-a-month basis. It just does not make any sense.

As a former chief executive of my State, I know that agencies can run a unit of Government and they can do so without political interference. In my experience, sometimes agencies of State government were too immune to interference or guidance or leadership from the Governor. But if the question here is to make sure that there is not improper influence on tax audits and tax investigation targets, the only way to do the job and to do it properly is to put the management and the authority over the work of the IRS in the control of a board with full-time members on an equal footing with the Commissioner so that they can insulate the IRS from any political influence. I believe this is a very logical step to ensure that the reformed IRS meets the standards we would all expect to see for this agency. If we are going to go for a board, let's go big time. Either go for an independent, full-time board with executive authority or get back up on the porch and let the existing agency run itself.

Mr. President, I look forward to discussing this amendment when the time ripens for its consideration in the Chamber. I appreciate the chairman and the manager on the other side bringing to the floor a very good bill. I believe this provision will make it an even better bill, and I look forward to debating it, I hope this afternoon.

I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Mr. President, I assume that we are on the IRS restructuring legislation; is that right?

The PRESIDING OFFICER. That is correct.

Mr. GRASSLEY. Mr. President, we are here today in the second day of debate on this legislation to discuss a very important issue, and that is the restructuring of the Internal Revenue Service. As my colleagues know, I have worked very hard on this issue—serving on the National Commission on Restructuring of the IRS and joining Senator KERREY of Nebraska in introducing the first piece of comprehensive legislation that would comprehensively restructure the IRS. In addition, Senators REID, KERREY and I introduced the Taxpayers' Bill of Rights III earlier this year.

There are real problems in dealing with the IRS, and there are real problems at that agency, as shown in the Senate Finance Committee hearings—which were so ably chaired by Senator ROTH from Delaware, the chairman of that committee—and not only the recent ones which were probably the most shocking, but also starting last September with hearings that brought out horror stories.

These hearings about the horror stories were about our Government's treatment of taxpayers. Every time I go home I hear from constituents who tell me about their firsthand experiences with the IRS. Rarely are they good. For this reason, it is not good enough to just try. We have to succeed in this reform.

I would like to tell you what I learned about this issue in the Restructuring Commission's hearings and deliberations that took place during the fall of 1996 carrying over to the first 9 months of 1997, at these hearings and our deliberations there—but also, as I have already alluded to, the Finance Committee hearings which also were a very good basis for this legislation. Then we have all had some of our own studies of this issue as well. This is what I have learned: The IRS routinely abuses taxpayers, and the rules the IRS lives by are unfair to the taxpayers and not according to the rule of law.

The structure of the IRS was not set up with its consumer, the taxpayer, in mind. The IRS functions without accountability. The IRS agents are not held accountable for their acts. This breeds a culture of abuse and a culture of coverup, and this is where we stand today. We have a chance to fix this culture. We have one chance to enact real, solid, IRS reform. We in the Senate are supposed to be in the business of improving people's lives. We must pass real, solid and lasting IRS reform. We must set up a system that makes the IRS accountable for its actions, and then we in the Congress, who have constitutional responsibilities of oversight, have, over the next several months, with intensity, but on an ongoing basis, a responsibility to make sure that we continue the oversight work that has been done. We bear some responsibility in the Congress for an out-of-control agency. But I think with proper congressional oversight we will make sure that this does not happen again.

This legislation before us now makes many strides towards fixing the IRS. For starters, it strengthens oversight of the IRS. It creates an IRS Oversight Board. This Board will be made up of nine individuals who will oversee the administration, the management, the conduct, the direction and even the budget of the IRS. The IRS Commissioner and a representative of the National Taxpayers Employees Union will also serve on this Board. The union representative is especially important. Our IRS Restructuring Commission had a union representative on it. Bob Tobias, the president of the NTEU, was instrumental in the Commission's work. The Commission would not have made recommendations for such strong reforms and made them by such a strong majority if it were not for his involvement. Working with him, I learned that the union also wants strong reforms within the IRS.

Another important provision of this bill that increases IRS oversight is the creation of a new Treasury Inspector General who will be devoted exclusively to IRS matters. This office will have all the powers and authority granted under the Inspector General Act, resources dedicated specifically and only to the IRS oversight, and independence from being in the Treasury Department rather than being at the IRS.

This bill also takes an important step in helping Congress' oversight efforts and in making sure that the public and press can assist us in these efforts. This bill requires a new Inspector General for Tax Administration to randomly audit 1 percent of all IRS documents that the IRS redacts before it releases those documents. In our Restructuring Commission hearings we learned that the IRS uses its privacy privilege to hide its own wrongdoing from us in the Congress and, hence, from the public and also from the press. This is illegal, but more important it is deceitful. This bill requires that a small percentage of documents be audited to ensure that the IRS can't hide behind laws designed to protect the taxpayers.

These provisions, although great, are still not enough. In addition, Congress must continue its diligent oversight efforts. The IRS is important to us now, but will it be important to us even 5 years from now? Or will we be focused on another issue of the day then? We need to commit to have strong, thorough oversight hearings on an ongoing basis.

This bill also gives taxpayers important new rights. It helps taxpayers know their rights and to navigate the tax collection system. I believe that Americans are smart people. If you give Americans enough information, and if you treat Americans fairly, they can usually take care of themselves.

This bill empowers taxpayers with important new rights and puts the taxpayers on a more equal footing with the IRS. I say a more equal footing. I think it would be intellectually dishonest for me to say with the passage of this legislation that we have totally leveled the playing field, which the

taxpayers ought to expect and which I hope I am surprised some day and I can say that we have, but I don't want to categorically say that today.

This bill also has innocent spouse reforms so that innocent spouses are treated exactly as they are, and that is they are innocent.

This bill limits the seizure authority of the IRS. It allows taxpayers to sue the IRS if its agents are negligent in violating the code and the constitutional rights of our citizens. It prohibits the IRS from contacting third parties without prior notification to the taxpayer. It requires that the IRS exhaust all collection options, including installment agreements, before seizing a business or a principal place of residence.

I could go on and on, but the point is that the bill before us is strong, comprehensive reform. This bill is stronger than its House-passed companion, and we can all thank Chairman ROTH and the Finance Committee generally—but without his leadership, it would not have happened—for making this strong, because we do need to pass this legislation. We need to insist that the conference report be equally as strong. And then we need to get it on the President's desk as soon as possible.

The American people deserve to be treated with respect, especially by their own Government. The American people deserve this bill, and the American people deserve to be represented by Senators who have the courage and foresight to not only enact this legislation, but after it is enacted, to see, through the constitutional responsibilities of oversight, that it is actually carried out.

When this legislation is passed, I want to be able to say to the American people, ''We're on the road to eliminating the culture of intimidation within that agency.'' I want to be able to say to the American people, ''On April 15th next that you're treated by the IRS with the same courtesy, with the same accurate information and with the same timely response that they expect out of you, the taxpayer, on April the 15th.''

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, Senator GRASSLEY not only was on the National Commission on Restructuring the IRS, along with myself and Congressman PORTMAN and Congressman CARDIN on the House side, but long before I ever became interested in this issue, Senator GRASSLEY, along with Senator Pryor—indeed, Senator GRASSLEY may want to offer some historical reflections on this—has been involved with trying to change the law and put the law on the side of the taxpayers, to give them more rights.

I believe, I say to the Senator, the first taxpayers' bill of rights legislation was enacted, was it 1994? I ask the Senator from Iowa, the first taxpayers' bill of rights—I know Taxpayers' Bill of Rights II was 1996.

Mr. GRASSLEY. I think the first one would have been in 1988 or 1989.

Mr. KERREY. The Senator from Iowa and Senator Pryor were partners in developing that legislation. Did the two of you work together on the Taxpayers' Bill of Rights II?

Mr. GRASSLEY. Yes.

Mr. KERREY. Both of those pieces of legislation were landmark bills. The reason they were landmark bills is they laid a foundation upon which we are building this legislation. All of title III, which adds additional powers to what the taxpayers will be granted, was added as a consequence of evaluating whether or not the Taxpayers' Bill of Rights II has gone as far as we want to go.

I say that because a lot of colleagues have come up and said, ''Well, does this legislation go too far; does it give taxpayers so many new rights that the IRS will not be able to do their job?'' which is to collect taxes? ''Is there any power left in the IRS?'' And the answer is yes.

All through this we have been conscious of the need to balance, and what we have been able to do is look at the impact of Taxpayers' Bill of Rights II. We can see additional authority needs to be granted to taxpayers. I think it is an admirable balance, and it would not have been possible to get it done without Senator GRASSLEY's longstanding interest and understanding and leadership on this issue. I publicly thank him for making certain that we extend additional rights without undercutting the authority of the IRS to do what we have asked it to do.

Mr. GRASSLEY. Mr. President, I thank the Senator from Nebraska very much for his kind remarks and for the background of the Taxpayers' Bill of Rights I and II, but most importantly for his thoughtful leadership on the Commission, because that was 1 year of very hard work for Senator KERREY. He gave it the attention that this problem deserves. The strong piece of legislation that has gone through the House of Representatives and now strengthened by the Senate Finance Committee under Senator ROTH's leadership would not have been possible without the digging and leadership that Senator KERREY has shown.

Mr. KERREY. Now let's do trade.

Mr. GRASSLEY. We will do trade. I yield the floor.

Mr. KERREY. Likewise, Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate continue H.R. 2676 for debate only until 3:30 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. KEMPTHORNE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate continue the debate on H.R. 2676 for debate only.

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

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Mr. President, I ask permission to speak as in morning business.

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

PAY AND CHASE

Mr. GRASSLEY. Mr. President, I would like to talk about ''pay and chase'' today. ''Pay and chase'' is a Pentagon term used to describe another misguided policy. With pay and chase, the Pentagon pays the bills first and then tries to track down the receipts later on. Sometimes they find them; sometimes they don't And sometimes, they don't even bother to look. This is not a good policy. It is un-businesslike, and it's dangerous.

Under current law, payment is not due until a valid receipt is in hand. A certified receipt tells you that the goods and services have in fact been delivered.

So, to me, pay and chase is a mystery. Why, Mr. President, would anyone—in or out of government—want to pay a bill without a receipt? That defies understanding. It makes no sense. Unfortunately, this is exactly what the Pentagon bureaucrats are urging Secretary of Defense Cohen to do.

Today, pay and chase is unofficial policy. It's practiced but not authorized by the law. But the Pentagon bureaucrats want Secretary of Defense Cohen to change that and make it O.K.—with the law.

Secretary Cohen made his request in a letter to the Senate dated February 2, 1998.

Mr. President, I ask unanimous consent to have his letter printed in the RECORD.