TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2003

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 488 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5120.

□ 1059

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5120) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2003, and for other purposes, with Mr. DREIER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 23, 2002, amendment No. 5 offered by the gentleman from New York (Mr. RANGEL) had been disposed of and the bill was open from page 75, line 11, through page 103, line 10.

Pursuant to the order of the House of that day, no further amendment to the bill may be offered except:

Pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate;

Amendments numbered 2, 8, 12, and 18 printed in the CONGRESSIONAL RECORD, debatable for 5 minutes each;

An amendment offered by the gentleman from Georgia (Mr. BARR) regarding a national media campaign, and an amendment by the gentleman from California (Mr. GEORGE MILLER) regarding Federal acquisition regulation, debatable for 20 minutes each;

Amendment No. 16, printed in the CONGRESSIONAL RECORD, an amendment offered by the gentleman from Maryland (Mr. HOYER) regarding high sea repairs, and the amendment at the desk offered by the gentleman from Colorado (Mr. HEFLEY) debatable for 10 minutes each;

Amendment No. 21 printed in the CONGRESSIONAL RECORD, debatable for 40 minutes; and

An amendment offered by the gentleman from Vermont (Mr. SANDERS) regarding taxation of pension plans, debatable for 30 minutes.

Each amendment may be offered only by the Member designated in the order of the House, or a designee, or the Member who caused it to be printed, or a designee, shall be considered read, shall be debatable for the time specified, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment and shall not be subject to a demand for a division of the question.

AMENDMENT NO. 21 OFFERED BY MR. MORAN OF VIRGINIA

Mr. MORAN of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Mr. MORAN of Virginia:

At the end of title VI (page ____, line ____), insert the following:

SEC. ____. None of the funds made available in this Act may be used by an executive agency to establish, apply, or enforce any numerical goal, target, or quota for subjecting the employees of the agency to public–private competitions or converting such employees or the work performed by such employees to private contractor performance under Office of Management and Budget Circular A–76 or any other administrative regulation, directive, or policy.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 2002, the gentleman from Virginia (Mr. MORAN) and a Member opposed each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

This amendment is necesary because the Office of Management and Budget has issued an arbitrary requirement on all of the Federal agencies to privatize 127,500 Federal jobs by the end of this fiscal year, and as many as 425,000 Federal jobs by the end of fiscal year 2004. That is nearly a quarter of the entire Federal workforce.

OMB's one-size-fits-all arbitrary privatization quotas do not consider the unique needs of different Federal agencies, and we believe will harm the ability of those Federal agencies to most effectively carry out their missions. My amendment today is wholly consistent with what is called the FAIR Act. This is an act that requires the Federal agencies to identify what jobs could possibly be performed by the private sector. In other words, what jobs could be subject to outsourcing.

This amendment does not put a halt to any agency's ability to contract out a single Federal job, and I am not opposed to privatization where it works. There is $120 billion being contracted out now. In fact, there are more people working for the private sector doing Federal work than actual Federal employees. What this amendment is all about is imposing arbitrary one-size-fits-all quotas on all of the Federal agencies.

They are not all alike. The Internal Revenue Service is different from the Department of Defense; the Department of Defense is different from the Department of Justice; and on and on. We think managers should be able to exercise their own individual judgment and knowledge of their agency's mission. I supported the FAIR Act, I still do, but the FAIR Act intentionally left those decisions on how many or how few jobs to contract out to Federal executives.

Now, there was a Commercial Activities Panel, controversial because many of the Federal employee union organizations felt that they were not adequately represented, but they stated, as one of their principles, that the Federal Government should avoid arbitrary numerical goals. That is what this amendment does. It simply says that OMB cannot issue these arbitrary quotas across all the Federal agencies.

The Commercial Activities Panel said the success of government programs should be measured by the results achieved in terms of providing value to the taxpayer, not the size of the in-house or the contractor workforce. The use of arbitrary percentages, and I am quoting, ''the use of arbitrary percentages or numerical targets can be counterproductive.'' That is the purpose of this amendment.

On that panel was Kay Coles James, who is Director of the Office of Personnel Management, and Angela Styles, the Administrator of the Office of Federal Procurement Policy.

The Federal workforce has been reduced by 600,000 Federal jobs for functions carried out by private contractors. That trend is going to continue, but it should continue in a logical, intelligent, responsible way. This quota approach is not responsible, Mr. Chairman.

Now, as I said, there is over $120 billion for services being contracted out. That does not include any of the submarines ships, planes, tanks, et cetera. This is an effort that is going to continue, but it should continue in a responsible manner.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Oklahoma (Mr. ISTOOK) seek time in opposition to the amendment?

Mr. ISTOOK. Yes, Mr. Chairman, I seek to manage the time in opposition.

The CHAIRMAN. The gentleman is recognized for 20 minutes.

Mr. ISTOOK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I believe this is an amendment that is a wolf in sheep's clothing. We heard from its sponsor that this is supposedly to stop people from being arbitrary; to stop people from setting some arbitrary quota, as they call it. The amendment has nothing to do with whether things are being done in an arbitrary fashion. The amendment has as its goal stopping the Federal Government from privatizing or outsourcing, or even trying to, anything that involves work that is currently being done by Federal workers.

It has as its goal stopping the Bush administration's management initiative that is trying to save taxpayers significant dollars. Indeed, they project that typically, when it is proper to do so, outsourcing work can save the taxpayers 30 to 50 percent of normal cost for doing certain functions.

There is a process that is established by prior legislation of this Congress, what is called the FAIR Act, what is

known as the A76 process, and through this there has already been underway for months an effort to identify work that is done by Federal workers that is considered competitive in nature, where it is competing with the private sector. It may involve data processing, it may involve food services.

The Marine Corps, for example, Mr. Chairman, has just contracted out hiring people to feed our Marines. Rather than having to hire them at the wage rates and the benefit rates and the built-in bureaucracy of Federal employees, they hire people who are experienced in handling food; in ordering it, in preparing it, in keeping the inventories on hand, in managing the right numbers, seeking to save the taxpayers tens, if not hundreds, of millions of dollars a year.

We have already had a process that has identified, through the process that the gentleman from Virginia (Mr. MORAN) claims he supports, it has already identified 850,000 people that are on the Federal payroll, doing work that could be done by the private sector, saving the taxpayers potentially 25 to 50 percent of what we are paying now. However, the Federal employees unions, which are perhaps the strongest labor unions in the country, say we do not want that to happen. We do not care if it saves taxpayers money, we want to make sure that these are union jobs.

That is what is really behind the amendment. The amendment does not say what we have been told it says. I want to read to you, Mr. Chairman, and to the other Members, what the amendment actually says. The amendment states: ''None of the funds made available in this act may be used by an executive agency to establish, apply, or enforce any numerical goal, target, or quota for subjecting the employees of the agency to public-private competitions or converting such employees or the work performed by such employees to private contractor performance under Office of Management and Budget Circular A–76 or any other administrative regulation, directive, or policy.''

What it does is to try to stop cold the process of identifying government jobs that are commercial in nature that could be performed by the private sector. It is not about stopping some supposed arbitrary quota. The term arbitrary is not in the amendment. It says you cannot set any goal that involves a number. You cannot set any target that involves a number.

If the goal was to save the taxpayers $1, that is a numerical goal that is outlawed by this outrageous amendment. It is so overreaching. It is not trying to stop people from being arbitrary in having private-public competition, to see who can do the job, who can do it best and who can do it at the best cost for the taxpayers, it is trying to stop the very concept. It is not trying to stop quotas.

If the measure offered by the gentleman from Virginia only said we are going to stop arbitrary quotas and then defined what arbitrary quotas were, then perhaps he might have a case. But his amendment says we are outlawing any numerical goal, any numerical target. And what the Bush administration has done, through the Office of Management and Budget, after going through this process, mandated by statute, mandated by laws passed by this Congress, the process has identified 850,000 jobs currently held by Federal workers that could be done by the private sector and possibly done for as much as 50 percent less than we are paying, they have said, okay, let us try in the next year to compete 15 percent of those. That is 127,500.

It does not say we are going to award those to the private sector. It is saying that 15 percent of these Federal jobs that are commercial in nature, in the next year, are going to have to justify whether they should be Federal jobs or whether they should be outsourced potentially to the private sector, and let the private sector come in and compete and tell us this is what we say we can do and how much we say we can do it for and how we can save the taxpayers money. No guarantee of who is going to win that competition.

But the Moran amendment, by saying we outlaw any goal or any target that has a number, the number may be one employee, the number may be trying to save $1, or the number could be saying we are trying to save the taxpayers $100 million, it does not matter. Any goal, any target that involves a number under this outrageous, overreaching amendment could not happen. We would be locked into the current rate of spending.

Now, right now I am very concerned about how much of the taxpayers' money we are spending and the Moran amendment would guarantee that we could not accomplish savings for the taxpayers. We could not try to hold the line on the size of the Federal Government. We could not try to make things more efficient. We could not let the private sector save us money when they say they can. No. By using language that I believe is deceptive to people, we are told that we cannot have any sort of numerical target because they want to say, oh, that is a quota or that is not a quota.

There is no guarantee of results under the process that is underway, but there is a guarantee of results if we adopt the Moran amendment. The guarantee is taxpayers will lose money. That is the guarantee of adopting the Moran amendment. It denies opportunity to those who want to be able to perform services, whether it be data processing, delivery services, food handling, you name it. If they want to try to provide a service for less to taxpayers, the Moran amendment says ''no.''

□ 1115

Mr. Chairman, we ought to say ''no'' to the Moran amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, to respond to the gentleman from Oklahoma (Mr. ISTOOK), I have a letter that I would like to share with the gentleman from the Federal Managers Association, which represents 200,000 executives, managers, and supervisors in the Federal Government. They say: ''This amendment would simply allow agencies to have the flexibility to make the best decisions for the use of taxpayer dollars without being forced to comply with target percentages.'' That is all they want to be able to do, to be able to exercise their executive judgment. The FAIR Act, which we supported, intentionally left the decision to the agencies on how many or how few jobs to contract out, so those agencies would have the discretion to determine how best to balance their work loads with their budgets.

I do not understand why it would jeopardize the Federal taxpayers' money when private contractors are now receiving $120 billion just for services and Federal payroll is $108 billion.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland (Mrs. MORELLA), who is a valued member on the Subcommittee on Civil Service, Census and Agency Organization.

Mrs. MORELLA. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I am proud to be a cosponsor and strong supporter of the amendment. The attempt to set quotas to contract out an arbitrary number achieves nothing. It is bad policy, and I would like to point out some of the misconceptions with regard to the plan: one, that the Federal employee workforce is enormous; and, two, that contracting out immediately makes the government a more efficient, cost-effective workforce. Those are both patently untrue.

Do Members know what the size of the Federal Government was in 1964? It was roughly 1.8 million workers. Do Members know what the size of the Federal work force is today? It is roughly 1.8 million employees. Those individuals railing against big government do not know the facts. If there is a big government problem, it certainly is not due to number of employees. The real growth of government has come through expansion of grants, contracts and entitlements.

Each year the Federal Government doles out $120 billion to contractors compared to $108 billion in salaries and benefits for the Federal workforce. So given this reality, I am puzzled by the recent OMB directive telling agencies to develop plans for competing at least 5 percent of positions listed on their FAIR Act inventories in the next fiscal year. OMB also says all agencies will eventually be required to compete 50 percent of their commercial jobs. That

decision is even more puzzling when studies comparing public servants with private contractors have shown that keeping work in-house is a better deal for taxpayers.

In 1994, GAO studied nine contracting-out situations, finding out that in each case tax dollars would have been saved if the work had been done by public servants. A 1998 Army study, the most comprehensive ever done, found that it was paying 46 percent more for each private contractor employee than for each Army public servant.

So the facts are in. Federal employees are a good deal for taxpayers. They do great work for the American people. Really, it is about time that we recognize that situation and stop supporting measures that undermine their efforts. It is clear that setting an arbitrary number of positions that should be outsourced compounds the problems that we have in many agencies.

To meet OMB's quotas, the Department of the Interior can contract out 97 percent of its FAIR Act jobs without public-private competition, and HHS is contracting out 70 percent of its jobs without public-private competition.

This amendment deserves to be passed, and that is why the Moran-Wolf-Morella amendment is so important and so logical.

Mr. MORAN of Virginia. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. TOM DAVIS).

Mr. TOM DAVIS of Virginia. Mr. Chairman, I rise to speak in favor of the amendment. The question has always been do we take a matter in-house or outsource it. The overriding goal of procurement policy should always be, how did we get the best value for the American taxpayer, period; how do we pay the least cost for the best service.

Sometimes this can best be done in-house with trained Federal workers who have done something over a long period of time. Sometimes it can be done more efficiently by taking it out to the private sector. Sometimes it can be done because the private sector has a certain expertise and experience level we just cannot get through the Federal employees.

Now, the previous administration had numerous initiatives whereby they would eliminate Federal jobs, and they defined their success by how few Federal employees they had. This was a mistake. What we should have been asking was how much money do we save the American taxpayer, not how many employees we have, how much we are outsourcing and the like.

In some cases the jobs eliminated did not save anything because these jobs were off-budget. They were fee paid for, and they were not costing the taxpayers or the general fund a nickel. In some cases we found out we eliminated Federal jobs, but it ended up costing us more money by going outside. But it was driven by quotas, it was driven by numbers, and I submit that is the wrong approach; and that is the problem with the current legislation, which is why I support the Moran amendment because the current legislation looks at arbitrary percentages and says when it comes to outsourcing and competing things in-house, we are going to look at certain percentages in certain agencies, and we are going to define it by this rather than where do we think we can get the best value for the American taxpayer, not how much money will it save.

There is precious little evidence that the elimination of Federal employees by itself saved money during the previous administration. In some cases, as I noted before, these were fee-based employees, and whatever happened was not going to cost the taxpayers or fee payers a penny, but it was arbitrary.

Competitive sourcing is a good thing; but arbitrary quotas, numerical targets, are a bad thing. I would say to this body that the Moran amendment eliminates the arbitrary numbers. This will still allow discretion within Federal agencies to go and compete things. We should encourage them to do that where it makes sense and where we can bring savings to the American taxpayers.

Our goal should not be to preserve jobs at the Federal level, nor should it be to get a certain percentage to get outsourced. Our number one priority that should drive procurement policy, how do we get the best value to the American taxpayer, this amendment furthers that goal. That is why I urge my colleagues to support it.

Mr. MORAN of Virginia. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Chairman, I rise in strong support of the Moran amendment, and also acknowledge the gentlewoman from Maryland (Mrs. MORELLA) for her work on this amendment and all of the hard work she does for Federal employees.

To meet OMB's quotas, agencies can contract out these Federal employee jobs without even conducting a public-private competition to determine what the best deal is for the American taxpayer. These targets have absolutely no demonstrated managerial, scientific, or economic justification.

The gentleman from Virginia (Mr. MORAN) is exactly right, they were picked to meet an arbitrary quota. That is not the way to run the government. Under these quotas, the IRS and the Department of Commerce and the Department of Justice, which includes the FBI which is in the forefront of the battle with regard to terrorism, will all be required to meet the same targets.

With the current response effort with the war on terrorism, that does not make any sense. This one-size-fits-all mandate does not consider the unique needs of different agencies and certainly harms the ability of Federal agencies to effectively carry out their mission. For instance, Customs Service, working under heightened levels of security, so much so that the President wants to put it into the new Department of Homeland Security, has no flexibility under these arbitrary quotas.

The Moran amendment would give Federal agencies the flexibility to contract out as much or as little of government work as they feel is necessary to meet the mission requirements. I urge Members to join us in supporting the amendment of the gentleman from Virginia (Mr. MORAN), which recognizes that decisions about how best to deliver government services at the lowest cost to taxpayers should be driven by unique agency mission requirements and not some arbitrary, numerical target or quota that no one understands.

Mr. ISTOOK. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I think part of the problem with this as part of not being what it is said to be, is that this amendment seeks to outlaw math. It says we cannot adopt a target or a goal for outsourcing jobs if there is a number involved in the goal. We cannot set a numerical target.

Each agency has identified under law what they have that are jobs being done by Federal workers that are actually commercial in nature. It could be cleaning, data processing, payroll services, construction. This says the administration's goal for each agency, take whatever they have identified, and do not try to compete them all, just compete 15 percent. They say because it is a number, they outlaw it.

If they are serious about this, they should say we should not try to compete more than this percentage of each agency's jobs; but they are trying to say we cannot set a goal that involves a number, which means we cannot set a goal. This effort to save taxpayers money will not do anything because they will stop that effort.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Chairman, today what we are talking about is the effectiveness of the United States Government. Today is yet another attempt by those who wish to place handcuffs and arbitrarily stop the government from making sure that the best available worker is available to do a job that is very important for the American people. This administration understands what this amendment is about, and they said the following: ''The administration understands that an amendment may be offered on the floor that would effectively shut down the administration's competitive sourcing initiatives to fundamentally improve the performance of the government's many commercial activities. If the final version of the bill would contain such a provision, the President's senior advisors would recommend that he veto the bill.''

Mr. Chairman, it is very plain what this is about. This is about an opportunity to hamper the President of the

United States, the OMB, from their ability to manage what is a dynamic workforce today on behalf of the United States Government, a workforce that is not just someone who is concerned about inherently governmental activities that the government performs, but about tens of millions of other jobs, tens of thousands of other jobs, that the government can no longer effectively manage and be able to properly make sure that the American taxpayer gets their dollar in return.

I am in favor of this government having every single penny that they need, but not more than that. We need to make sure that this government has the ability to manage its resources, whether we are talking about cooks, or people who take care of lawns, or whether we are talking about people who provide secretarial services or administrative services. What this will do today is to say directly to the OMB, who falls underneath this bill, that they cannot manage outsourcing activities to make sure that the government is properly organized and run.

□ 1130

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

Mr. SESSIONS. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would like to say to the gentleman that one of the major concerns on our side for people who represent thousands of government employees, is that there is supposed to be a competition under A76 in order to let the civilian employees try to maintain their jobs. Sometimes they reorganize into a smaller unit and then they try to compete. Part of our concern is that OMB is saying do not do competition in order to achieve these quotas, and I think that is wrong. I think that violates the existing law. That is why we are so concerned about it. We do not object to the A76 competition if the civilians have an opportunity to compete for their jobs. I thank the gentleman for yielding.

Mr. SESSIONS. Mr. Chairman, I do appreciate that. The gentleman is a friend of mine. This is an honest discussion. The fact of the matter is that it stops dead in its tracks the Bush Administration for reform to make sure that every single government job that is performed on behalf of a grateful Nation is reviewed and looked at in terms of its ability to be price competitive and efficient, and that is what this is all about. And I believe that even those people who stand up today who are offering this amendment would argue with me. We want a more efficient Government. But this is a process that will be stopped dead in its tracks. It is not something that would maybe balance out a circumstance.

The Bush Administration, now more than ever, in dealing with the events of September 11, has had to employ many, many people outside of the Government because the Government is busy doing the things they do. The Government is having to provide all sorts of things to help people even in New York City today that would not come from a Government organization but would come from the Government. The Government simply needs the help, they need the ability, and they need the flexibility.

This is about stopping the Bush Administration from providing efficiency and the flexibility to Government. Not on a balanced measure, but on a total stopping basis because they did it right. The people who do not want this went right to OMB and where they are funded.

I urge my colleagues, I urge Members, please do not do this when now more than ever this Government needs the flexibility to address people's issues, to do it effectively and efficiently.

Mr. MORAN of Virginia. Mr. Chairman, I yield 1½ minutes to the very distinguished gentlewoman from the District of Columbia (Ms. NORTON), our foremost advocate for civil rights and civil service.

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding me this time and for this amendment that I hope brings us to our senses. I am bemused to hear some Republicans on this floor arguing for quotas. I thought the administration and the Republican Congress stood against quotas. I want to make it clear I do not support quotas in any context, and I certainly do not support or believe Government can tolerate deciding who gets to perform Government work by the numbers. Let us be clear. The Moran amendment leaves in place total ability to contract out work. It is contracting out without competition that assures a fair deal for the taxpayers that is at issue here on this floor. Contracting by the quotas is arbitrary on its face.

Here is an example. In 1 year, they are supposed to go from 15 percent quota to 50 percent quota in certain job categories. That does not exactly lead to careful analysis. And the DOD has decided that the way to meet such an escalated quota is to simply contract out all of the work without any competition. The other agencies are sure to follow when they see that that is how DOD is going to do it. Why not let civil servants compete to do this work? They have been doing it. Let us see who does it best. I thought that is what the other side stood for.

Another reason that makes no sense is that we need to retain workers for 3 years. We on the Subcommittee on Civil Service and Agency Organization, the House and Senate, have been working to keep workers in this Government. When they hear their work is going to be contracted out, they are going to be out of here.

PARLIAMENTARY INQUIRY

Mr. ISTOOK. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ISTOOK. Is it correct that as the advocate of the committee's position, I have the right to close?

The CHAIRMAN. The gentleman is correct.

Mr. ISTOOK. Mr. Chairman, I yield myself 1 minute and 20 seconds.

Mr. Chairman, I noticed the gentleman from Washington (Mr. DICKS) said that the intent is to make sure that, under the laws that we have passed, there is competition for jobs that are commercial in nature so that Federal employees have the right to compete against the private employees and they are not automatically outsourced. I think that is a very valid position. It is not, however, what the amendment advocates, because the amendment by its express terms prevents public-private competitions.

Any time that you set a goal, if you say we are going to have one competition between the public and private sector, it is outlawed. If you say that 1 percent of the commercial jobs in the Federal sector is going to be competed, it is outlawed. The amendment does not do what many people claim it does. The amendment stops all efforts to have public-private competitions to see if we can save taxpayers' money which typically those competitions save the taxpayers 30 to 50 percent.

The Department of Defense reports that during the Clinton administration years, they outsourced some 550 different initiatives that will be saving taxpayers about $1.5 billion each year. Those efforts could not be pursued by the administration under the language proposed by the gentleman from Virginia.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

The gentleman is absolutely wrong. The Federal executives will be able to contract out all the jobs they want based upon their judgment of what is in the best taxpayers' interest.

Mr. Chairman, I yield 1½ minutes to the gentleman from Washington (Mr. DICKS), the ranking member on Interior appropriations.

Mr. DICKS. Mr. Chairman, I strongly support this amendment. The FAIR Act was created to list these commercial jobs. It said nothing about quotas or forcing these jobs to be contracted out. That is all we are asking for. Do not set quotas. Let them go in and have a competition under A–76 for these jobs.

I would say to the gentleman, I have served on the Defense Subcommittee, and I know for a fact that once we contract these jobs out, then the cost of the work goes up. OMB fought against us. We used to have postcontracting audits to make certain that once the thing was contracted out, that we actually saved money and did not pay all these contractors more money than we were paying the civil servants. This is ridiculous. This Moran amendment is needed. We do not need quotas. We need A76 competition. Let us have

competition between the public employees and the private employees and let us see who can do the best job and let us do it on an agency by agency basis. Let us support the Moran amendment.

Mr. MORAN of Virginia. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. STRICKLAND).

(Mr. STRICKLAND asked and was given permission to revise and extend his remarks.)

Mr. STRICKLAND. Mr. Chairman, as the founder and cochairman of the Correctional Officers Caucus, I rise in support of this amendment.

I rise today in support of the Moran-Wolf-Morella amendment. As a co-chairman of the Congressional Correctional Officers Caucus, I am acutely aware of the placement of thousands of correctional jobs in our Federal prisons on the FAIR Act inventory. Here's a list from the Department of Justice—it lists 10,260 DOJ jobs that are quote-unquote ''commercial activities.'' Of those ten thousand jobs that the OMB would have us turn over to the private sector, 7,670 are from the Federal Bureau of Prisons. Quite frankly, anyone who says that a job in a prison is ''not inherently governmental'' has not spent enough time in a prison. I worked in a state correctional facility in Ohio for eight years and I will not accept that OMB should be able to force a prison to replace its trained correctional workers with untrained, private-sector cooks or night-shift janitors just because the cost is cheaper. Prisons can be dangerous, and workers cannot switch between private-sector jobs and prison jobs without risking their own safety and that of others. Now, more than ever, with our increased focus on terrorism, we need trained, Federal, correctional workers in our Federal prisons. These prisons often serve as administrative holding pens for the INS and Federal courts for terrorists. For example, in 1998, two defendants on trial for the 1993 World Trade Center bombing assaulted an employees of a facility in Lower Manhattan, immobilizing him for life. This amendment would prevent OMB from setting prison policy. It would ensure that our Federal correctional workers are just that: Federal. For this House to vote to federalize all baggage screeners at airports, and then to allow OMB to force ill-prepared workers into the ranks of our Federal prisons is abominable. Let's let the agencies manage their own personnel, and let OMB manage itself. Vote ''Yes'' on the Moran-Wolf-Morella amendment.

Mr. MORAN of Virginia. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Chairman, this amendment recognizes the principle that competition should drive decisions about work management. We all know that over the years, there has been some sentiment that somehow or another government work is inferior, that the private sector can do it more effectively, more efficiently and save the taxpayers money. But that is a flawed notion. It is a flawed argument. There is a cadre, a corps of competent, hard-working Federal employees who have the expertise and skill to do the job. We need to provide for them the opportunity to compete, to display their skills and talent. That means the only way we can do it is to support the Moran amendment. I urge its support.

Mr. ISTOOK. Mr. Chairman, I yield myself 2½ minutes.

I think the most important thing that anybody can do, Mr. Chairman, in this particular debate, or any debate when people say, well, this amendment does one thing and someone says, no, it does not, it does something else, the most important thing people can do is read the amendment. Look for yourself.

The gentleman from Virginia would have people believe that this amendment is just about outlawing quotas, that it is about outlawing arbitrariness.

Not at all. Nothing in the amendment says anything about arbitrary decisions. And although, yes, it does mention outlawing quotas, it goes far, far beyond that. It outlaws setting goals. It outlaws the very first steps in the process of trying to determine whether taxpayers are best served by having certain work done by government workers or by workers in the private sector.

We spent a lot of time in this Congress setting up this process to compete public and private jobs, but the amendment states, you cannot establish, and I quote, any numerical goal, target or quota. It does not say we are outlawing quotas. It says we are outlawing numerical goals. We are outlawing targets. We are outlawing things in the very first stage of the process, the goal-setting stage. If you say our goal is to save the taxpayers $10 million, oh, no, can't do it under the Moran amendment. If you say our goal is to compete 1 percent of the jobs that have already been identified by the agencies as being commercial in nature and we just want to have a competition to see can it best be done in the public sector or can it best be done in the private sector, no, because you said we want to compete 1 percent.

If the Bush administration or its Office of Management and Budget, should they contact an agency and say we want you to try to at least compete 1 percent of the jobs you have, or just one job, under the gentleman from Virginia's amendment, that is illegal. Nobody has any control over the Federal bureaucracy under the gentleman from Virginia's amendment except, of course, the Federal employees labor unions. That is not right.

Let people set goals and have the competition. Let us see who wins the competition. Which is best for the taxpayer in each specific instance: Is it best that this work be done by the public sector or best to be done by the private sector? Do not be afraid of finding out. Vote against the Moran amendment. When in doubt, read the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. MORAN of Virginia. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey (Mr. ROTHMAN).

Mr. ROTHMAN. Mr. Chairman, let us make no mistake about what this debate is all about. It is about privatization, not about whether we should save taxpayers' money.

Did you know that today, any Federal manager who wants to outsource or privatize any or all of his or her Federal workforce's jobs can do so? Today they can outsource or privatize any or all of their work if they can demonstrate it saves taxpayers' money. So why has the Bush administration and so many of my Republican colleagues said we need a quota where by the end of fiscal year 2003, 85,000 Federal jobs must be privatized when they can do so now if the managers feel it is important and will save taxpayers' money?

□ 1145

Why do they want that privatization quota? Because my friends on the Republican side of the aisle, most of them, and this President, believe in privatization. That is why they still want to privatize Social Security. That is why when we talked about prescription drugs for seniors, Democrats said put it under Medicare where it will be safe and all seniors can get it. My Republican friends said, no, prescription drugs for seniors, give it to private insurance companies to manage. Privatize it, just like the Medigap coverage. They believe in privatization.

They hate big government. That is why they wanted to privatize Social Security, that is why they voted against Medicare when it first came up, and they want to do this now with prescription drugs and these employees.

Support the Moran amendment, and let competition be the rule of the day, not quotas and privatization.

Mr. ISTOOK. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Chairman, you have heard the truth today. This is all about employee labor unions, government labor unions, versus the White House. But there is so much more that needs to be said. We have talked about government efficiency. The fact of the matter is that this United States Congress is going to provide the most money we have ever provided, ever, to the United States Government to perform its tasks and duties that need to be done. The Bush White House believes that government will and should get every dollar it needs, but not a penny more that might go to waste.

What this Bush Administration is asking for is the ability that they have to manage the workforce with the dollars that have been given to them. There are things that happen every day, not just September 11, but disasters across this country. The Bush administration may want to do the right

thing by outsourcing things that might be done to where people can be helped.

The bottom line is this is about whether we are going to stop the Bush Administration from doing those things that are oriented to reform, about whether the Bush administration is not going to be able to manage its resources and assets out of the OMB. It is real simple. I understand it, and I get it.

I think this body should respond by saying we need to give this President the opportunity to not only reform government, but to make sure that efficiency and correctness is done with the efficiency and assets that are given to the government.

George Bush is honest and sincere about taking care of people's problems and needs, but he needs the ability to manage that in a dynamic workplace and in a dynamic country where the needs pop up every day.

If you say all the work only has to be done by government employees, then I think that the American people are missing out. I support what we are doing today to say no to the Moran amendment, because it is wrong and does not help government efficiency.

Mr. MORAN of Virginia. Mr. Chairman, how much time is left?

The CHAIRMAN. The gentleman from Virginia (Mr. MORAN) has 1½ minutes remaining, and the time of the gentleman from Oklahoma (Mr. ISTOOK) has expired.

Mr. ISTOOK. Mr. Chairman, my time has expired? Would you double-check that, please?

The CHAIRMAN. Two minutes was yielded to the gentleman from Texas (Mr. SESSIONS), and that expired all the time for the gentleman from Oklahoma.

Mr. MORAN of Virginia. Mr. Chairman, I reserve the balance of my time.

Mr. HOYER. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman cannot move to strike the last word until the time for debate has expired.

Mr. HOYER. Mr. Chairman, under the rule, I am the ranking member.

The CHAIRMAN. The amendment is pending. There are 1½ minutes remaining for debate under the amendment offered by the gentleman from Virginia (Mr. MORAN), and until that time has been completed, the Member cannot strike the last word.

Mr. MORAN of Virginia. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. WAXMAN).

(Mr. WAXMAN asked and was given permission to revise and extend his remarks.)

Mr. WAXMAN. Mr. Chairman, I rise in favor of the Moran amendment. It is an important amendment, and I urge all Members to vote for it.

Mr. Chairman, this amendment is simple. It would prohibit federal agencies from using arbitrary quotas to subject federal employees to either public-private competitions or direct conversions.

This Administration has directed agencies to review for outsourcing 425,000 jobs by the end of 2004. In March 2001, OMB directed all agencies to contract out at least 5 percent of the jobs capable of being outsourced. That's 42,500 jobs. That quota increases to 10 percent in FY 03—another 85,000 jobs.

The use of these quotas has been roundly criticized for their one-size-fits-all approach to improving efficiency in the federal government. Arbitrarily assigning quotas is poor management practice. It demoralizes the workforce and forces reductions where none may be warranted.

These quotas will also encourage agencies to contract out the jobs of federal employees through direct conversions, without the often time-consuming public-private competitions. This unfairly denies Federal employees the opportunity to defend their jobs and denies the taxpayer the benefits of such competition.

I know that Representative TOM DAVIS from the Government Reform Committee agrees with these concerns. At a hearing last year he said he was ''alarmed'' by OMB's use of quotas and that ''No justification for these percentages has been offered to date.''

So this amendment should not be controversial. It would not prevent agencies from competing, converting, or contracting out Federal jobs. However, agencies would no longer be forced to comply with arbitrary quotas.

When debating this issue, we used to hear the argument that we needed to wait for GAO's Commercial Activities Panel to issue its report before prohibiting the use of quotas. Well that report was issued in April and one of its principle recommendations was to ''Avoid arbitrary full-time equivalent or other arbitrary numerical goals.'' It goes on to say that ''the success of government programs should be measured by the results achieved in terms of providing value to the taxpayer, not the size of the in-house or contractor workforce. . . . The use of percentage or numerical targets can be counterproductive.''

OMB has generally endorsed the results of the GAO Panel report. It should endorse the recommendation on quotas. They are generally recognized to be bad management technique and we should eliminate them. I urge members to vote for the Moran amendment.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the point I want to make is that we are not opposing privatization, we are not opposing outsourcing, and the point that the gentleman from Oklahoma was trying to make simply is not consistent at all with this amendment.

We are opposed to arbitrary quotas. They are arbitrary because they apply to every single Federal agency. The Department of Defense is different from the IRS. More than 225,000 jobs in the Department of Defense are supposed to be privatized by the end of 2004. The managers at DOD said that is not going to work. But at the IRS, do we really want to apply the same arbitrary quotas? Do we really want private accounting firms reviewing income tax returns, private collection agencies enforcing income tax receipts? I do not think so.

Every agency is different, and every Federal manager understands their agency. We do not want arbitrary quotas, but we certainly want the best use of the Federal taxpayers' money. It is only managers that can identify what jobs should be privatized by function.

Mr. Chairman, OMB's directive is so burdensome that the result is direct conversion of jobs to the private sector against the wishes of the managers, because the managers know that the only way they are going to get a green light, which is the system that OMB is imposing, is to meet these targets. But they also know they are arbitrary. They know they are not in the best interests of the taxpayer.

The CHAIRMAN. All time has expired on this amendment.

Mr. HOYER. Mr. Chairman, I ask unanimous consent that there be an additional 5 minutes of debate on this amendment, and that that time be equally divided, 2½ minutes to the chairman of the committee and 2½ minutes to the gentleman from Virginia (Mr. MORAN).

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The gentleman from Virginia (Mr. MORAN) is recognized for 2½ minutes.

Mr. MORAN. Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I rise in very strong support of this amendment.

The gentleman from Texas (Mr. SESSIONS) makes a good point. All of us want the government managed so that we save taxpayers' dollars and we effect the ends that this Congress wants effected on behalf of the American people. This is not a partisan amendment. This is not a union amendment, let me say. I want to read you two quotes that I hope Members listen to.

One is from David Walker, the Comptroller General of the United States. By the way, he is not a Democrat, as you probably know. In considering this issue, and the issue is simply whether or not you set numerical, and that is the key, ''numerical,'' that is the word in this amendment, and, yes, I have read the amendment, numerical, because once you set the numerical, then you in effect say either you have to or you in fact have an expectation that you will get to X percentage, irrespective of whether the competition and the analysis shows you save money. Irrespective of that. That is the problem with the policy that the President is pursuing through OMB.

Now, what does the Comptroller General, a Republican, the head of GAO, the head of overlooking efficiency and effectiveness in government, say? ''It is inappropriate to have quantitative targets in the area of competitive sourcing.'' The Comptroller General. He disagrees with your proposition, therefore. He disagrees with the President's proposition. Why? Because it is

not an effective and efficient way to accomplish the objective that all of us share.

Secondly, not a partisan politician, Paul Light, respected overseer of the Brookings Institution view of public employment, says this: ''The Bush administration should show that it means business by imposing a moratorium on its competition initiative which has a,'' listen to this, ''ready-fire-aim quality, and think more systemically about what the Federal Government needs to do its job.''

That is what the Moran amendment says.

Support the Moran amendment. Reject arbitrary and capricious management by numbers.

The CHAIRMAN. The gentleman from Oklahoma (Mr. ISTOOK) is recognized for 2½ minutes.

Mr. ISTOOK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I continue to be amazed by the difference between the rhetoric and the reality. The amendment that we are asked to approve does not outlaw just results, it outlaws the competition. The amendment states you cannot set a goal for what percentage of jobs or how many or what dollar targets. You cannot set a goal for how many jobs you will compete.

We are not talking about a guarantee of the results of the public-private competition. They want to stop the competition from ever happening.

A couple of years ago, Mr. Chairman, we in Oklahoma were so proud that the Oklahoma Sooners had a chance to play for the national championship game in football against Florida State in the Orange Bowl. But under their scenario each side could say, ''You know, we have got the better team,'' but you could never play the game.

They outlaw the competition under this amendment. They say you cannot play the game. So it does not matter what else they may say about it or what else they may include in the amendment. The killer in their amendment is you cannot set a goal for what you are going to subject to competition.

The Bush administration is not setting a goal saying you must transfer so many jobs from the public sector to the private sector. They are saying of the jobs that you have already identified as being commercial in nature, take 15 percent of the jobs that you identified and find out. Have the competition between the public sector and the private sector, but do not outlaw the game from being played.

You cannot set a goal, you cannot set a target, without including a number. They say any goal, any target that has a number in it, is illegal. That is wrong. That undercuts the reforms that this Congress has adopted trying to save the taxpayers money.

The Department of Defense says they are already saving about $1.5 billion each year because they have followed this process. We have the potential for hundreds of millions or billions of dollars of savings to Federal taxpayers by saying, Federal employees, compete against the private sector for activities that are inherently commercial in nature.

Let it happen. Play the game. Find out who is right or wrong. Do not stifle competition. Do not outlaw competition, like the Moran amendment does. Vote no.

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the amendment offered by my colleague Mr. MORAN of Virginia, which affords flexibility to Federal agencies in decisions concerning contracting out of government work.

There has been a growing sentiment over the years that government work is inherently inferior to that offered by the private sector—that somehow the private sector has a monopoly on brains, diligence, and professionalism. As a result, there has been a thrust towards establishing across-the-board quotas to privatize more and more of the work traditionally done by the government.

However, these assumptions are flawed. We have certainly learned a lot in the last year. First, there is a core of extremely competent Federal employees dedicated to serving the American public. Second, there is an undercurrent of greed and abuse in the private business world that is not worthy of emulation.

Representative Moran's amendment recognizes that decisions about how best to deliver government services in a quality manner at the lowest cost should depend on unique agency mission requirements, and not on arbitrary across-the-board quotas for privatization. I urge my colleagues to vote in support of this amendment.

Mr. KIND. Mr. Chairman, I rise today to support the Moran-Wolf-Morella amendment that would prohibit the use of arbitrary outsourcing quotas for federal jobs. The Office of Management and Budget (OMB) issued a requirement that every federal agency open up 15 percent of the federal jobs listed on its Federal Activities Inventory Reform (FAIR) Act inventory to outsourcing by the end of FY 2003. OMB has also stated its ultimate desire to establish a final quota to outsource 50 percent of these inventoried positions, roughly a quarter of the entire federal workforce.

This one-size-fits all mandate does not consider the unique need of different agencies and could harm the ability of federal agencies to effectively carry out their mission. Some agencies have more experience with outsourcing than others. At present, the Department of Defense (DOD) is a leader in outsourcing federal jobs. However, the Government Accounting Office (GAO) has found that DOD has had difficulty determining the actual costs of contracting out services and these problems call into question the purported savings incurred.

Currently, I am experiencing this issue first hand in western Wisconsin where the employees at Ft. McCoy lost a contract bid to provide administrative services at the Fort. This decision threatens over 400 jobs. I, along with other members of the Wisconsin delegation, have asked DOD to review the decision to determine if outsourcing, in this instance, is the best way to optimize Ft. McCoy's mission and achieve real savings.

Opponents claim that the Moran-Wolf-Morella amendment would end the contracting out program. This is simply false. The amendment would provide the agencies with the flexibility to outsource as they see fit. It just would prohibit OMB or another agency from using numerical quotas, targets or goals for opening up federal employment jobs to private contractors.

Decisions regarding how to best deliver government services at the lowest cost should be driven by unique agency mission requirements, not arbitrary numerical requirements for privatization. I urge my colleagues to support the Moran-Wolf-Morella amendment.

The CHAIRMAN. All time for debate has expired.

The question is on the amendment offered by the gentleman from Virginia (Mr. MORAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MORAN of Virginia. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Virginia (Mr. MORAN) will be postponed.

AMENDMENT OFFERED BY MR. HEFLEY

Mr. HEFLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HEFLEY:

Page 103, after line 10, insert the following new section:

SEC. ____. The amount otherwise provided by this act under the heading ''Allowances and Office Staff for Former Presidents'' is hereby reduced by $339,000.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 2002, the gentleman from Colorado (Mr. HEFLEY) and a Member opposed each will control 5 minutes.

Mr. HOYER. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN. The gentleman from Maryland (Mr. HOYER) will control 5 minutes in opposition.

The Chair recognizes the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for the first time in our Nation's history, we have five former presidents alive at the same time. We are also in the process of recovering from an economic downturn and all Americans are being asked to tighten their budgets to make ends meet.

□ 1200

That should include all government employees and agencies, even our former Presidents. We should make a strong effort to use cost-effective methods of operating our offices.

The trend of drastically increasing the amount of money we give our former Presidents to operate their offices is a trend that we have the ability to control. We have a situation where former President Clinton's rental expenses will end up costing taxpayers at

least $436,000 next year, whereas the expense of Ford, Carter, Reagan and Bush's offices combined would only cost $528,000.

We are also seeing a drastic increase in miscellaneous services. Former President Clinton received $80,000 for what is called ''other services'' in fiscal year 2002. That is roughly five times the amount that former President Reagan used, six times the amount that former President Bush used, and eight times the amount that former President Ford used in fiscal year 2002.

Now, I am not picking on President Clinton. What I am trying to do here is simply show a trend. After all, there are more Republican former Presidents than there are Democrat former Presidents, and may it always be the case; but there is a trend there.

Many of the allowances for former Presidents are necessary; no question about that. However, numerous costs leave room to be reduced.

I am asking for a reduction in these budgets, as they have seen strong growth in the past few years. I want to take care of our past Presidents, but enough is enough. I am merely asking for a slight reduction in allotting these funds. We cannot continue to increase the allowance at the rate of more than 10 percent every year.

What I am asking for, Mr. Chairman, is that in the time of impending budget deficits, we tighten our belts where we can. What we are talking about is a little over $300,000 worth of reduction here, not a monumental amount as our budgets go; but at least it would reverse this trend of ever increasing these particular accounts.

Mr. Chairman, I reserve the balance of my time.

Mr. HOYER. Mr. Chairman, I rise in opposition to the gentleman's amendment, and I yield myself such time as I may consume.

Mr. Chairman, we passed on suspension a bill that passed overwhelmingly that allocated $10 billion. It was subjected to 40 minutes of debate on this floor last night. We voted. There were hardly any votes in opposition.

This issue is so de minimis in terms of its dollars, any dollar is important, I understand that, but that it must be interpreted simply as either symbolic or annoying.

The gentleman from Colorado projects this as a small amount of dollars but, relatively speaking, I will tell my friend, they are a relatively large number of dollars. In fact, they are 41 percent of the discretionary dollars from which this cut would have to be made, almost half.

Now, why do I say that? Because pensions are given, salaries of those currently on board working for President Ford, President Clinton, President Bush, President Carter are not going to be cut, so that the remaining money will simply be cut from the $880,000 for all five Presidents, and Mrs. Johnson, the widow, who gets a very, very small sum and, therefore, the sum that the gentleman suggests, while yes, presumably a smaller sum of the whole, but because so much of the whole is already committed, that which remains, the discretionary dollars from which it is cut, it is a 41 percent cut.

Now, Mr. Chairman, there are more Republican former Presidents, but let me tell my colleagues one that I speak to most frequently, interestingly enough, not a Democrat, but a Republican, for whom I have great respect and unlimited affection, and that is President Gerald Ford, who has used his resources, his position, his experience, his wisdom in a very positive way, as has President Carter, and as have all of the other Presidents. I will tell my colleagues that President Ford believes these kinds of amendments are, in effect, simply scratching former Presidents, as if somehow they are a problem fiscally for the country. Indeed, I look at them as just the opposite: a great resource for this country, that we spend some $3.3 million on, to allow them to be effective in their role, unique role, as former Presidents.

So I would ask my colleagues to review this amendment in the terms of, A, it is a relatively small amount of money in the context of the dollars that we are talking about, even in this relatively small bill, but a significant sum in undermining the ability of former Presidents to travel and, frankly, when they travel on the private sector, my colleagues must understand, they travel at private sector expense, not a public expense, not at taxpayer expense.

Mr. Chairman, I reserve the balance of my time.

Mr. HEFLEY. Mr. Chairman I yield myself such time as I may consume.

I think the gentleman from Maryland has a good point, this is a small amount, and it is somewhat symbolic. It is saying, when we are trying to get our budget back in balance, we need to cut wherever we can cut. But even though I would say to the gentleman from Maryland (Mr. HOYER) that it is a small amount, it amounts to all of the taxes, Federal income taxes paid by 60 American taxpayers, average taxpayers. That is a lot of money for them. That is all their taxes.

What we are saying is, for those 60 taxpayers, we are going to use your money in a more effective way. We are going to use it for things that maybe are a little more important.

I tell my colleagues, when we are in this kind of a situation, when we are in great times, we do not seem to worry about it much; but when we are in these kinds of tight times, we really do need to put value judgments on where we spend our money and where we do not spend our money and where we save money wherever we can.

So I would again encourage the adoption of this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. HOYER. Mr. Chairman, I yield 50 seconds to the gentleman from Oklahoma (Mr. ISTOOK).

Mr. ISTOOK. Mr. Chairman, although I have, frankly, a great amount of sympathy for the amendment offered by the gentleman from Colorado (Mr. HEFLEY) and I think there is a need for us to do something regarding the accounts of former Presidents, I do not believe this amendment is the way to do it, because I believe we need to lay a groundwork and to do whatever we might accomplish through an understanding between the Congress and the offices of the former Presidents.

These accounts were established, of course, back in the years when former Presidents did not have a stipend, did not have very huge speaking fees and other sources of revenue, and played a very different role than they do today. I think there are some things that we can accomplish in having some savings, but I believe that comity between the executive and the legislative branches requires that we try to do that in an orderly fashion and lay a groundwork with former Presidents, rather than try to change the ground rules that we have followed for many years arbitrarily.

So, therefore, despite my sympathy for it, I do urge a ''no'' vote on the amendment by the gentleman from Colorado (Mr. HEFLEY).

Mr. HOYER. Mr. Chairman, I yield myself such time as I may consume.

I would hope that not only the respect for these five former Presidents, unique Americans, but also an understanding of the important role they play in our country, would lead to Members opposing this amendment, and I urge them to do so.

Mr. HEFLEY. Mr. Chairman, I yield myself such time as I may consume.

I respect our former Presidents, and I think they have a unique role to play; and I want them to play that role, and I want us to provide for them so that they can play that role. But do we really need half a million dollars to support them playing that role each year? Ford, Carter, Reagan, about a half a million dollars, a little more, a little less, about a half a million dollars.

By the way, President Carter, who I have great respect for as a former President, a tremendous former President, I think, he asked for no increase whatsoever this year. President Bush, former President Bush, he is moving up towards three-quarters of a million dollars, and, of course, President Clinton is $1.1, a little over $1.1 million. Do we really need, for instance, in Clinton's case, to spend $436,000 for rent? Do we really need that? Now, he chose New York City. He could have chosen Arkansas, where he is from; but he chose New York City. Do we really need to spend half a million dollars on his rent? Do we need to spend $174,000 for the rent of President Bush in Houston? Mr. Chairman, I question these things. I think this symbolically does send a message that we are trying to get a grip on spending up here. It does not make a great impact on the total budget of the United States Government, but it does send a message.

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

Mr. HEFLEY. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, does the gentleman agree with me that the items he has mentioned and, obviously, they go down the further the President is a past President; does the gentleman agree with me that the dollars he seeks to cut would not and could not be cut from those items?

Mr. HEFLEY. Mr. Chairman, no, I do not.

Mr. HEFLEY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. HEFLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HEFLEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment of the gentleman from Colorado (Mr. HEFLEY) will be postponed.

AMENDMENT NO. 18 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 18 offered by Mr. KUCINICH:

At the end of the bill (before the short title), add the following new section:

SEC. ____. None of the funds provided in this Act shall be used to enforce or implement discounts for the statistical value of a human life estimated during regulatory reviews through implementation of OMB Circular A-94 Guidelines and Discount Rates for Benefit Cost Analysis of Federal Programs or any guidance having the same substance.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 2002, the gentleman from Ohio (Mr. KUCINICH) and a Member opposed each will control 2½ minutes.

Mr. ISTOOK. Mr. Chairman, I reserve a point of order.

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

(Mr. KUCINICH asked and was given permission to revise and extend his remarks.)

Mr. KUCINICH. Mr. Chairman, I would like to offer the Value of Human Life Amendment. I believe that all human lives are equal. Our founders said as much when the Declaration of Independence was drafted: ''All men are created equal.'' Whether young or old, born last year or next year, no one person is worth more money than the other intrinsically. I think that nearly all of my colleagues in the House would agree with me on this point. Unfortunately, the Office of Management and Budget has been acting in a way contrary to this deeply held principle of human equality.

When the Office of Management and Budget goes through a regulatory review, it expects that an agency has completed a cost-benefit analysis. As part of the cost-benefit analysis, sometimes, human lives are included.

For example, the arsenic rule that was accepted by the EPA last year will result in a savings of many human lives that otherwise, if exposed to a higher exposure to arsenic, would have been lost. For the cost-benefit analysis for that rule, all of the lives that would have been saved were added up in dollars at a rate of about $6.1 million per person. In the cost-benefit analysis, EPA included the total figure, in dollars, as part of the total benefits of lowering arsenic levels in the drinking water.

Now, what if, instead of being worth all the same, many lives were valued at a much lower level, say $1.1 million. This is exactly what an outside group, the AEI-Brookings Joint Center for Regulatory Studies did in its study. It did not want to see arsenic levels in drinking water lowered, so it employed the tactic of human discounting. Human discounting is when a discount rate is applied over a time period to reduce the dollar value of the human lives that are saved. So instead of calculating the number of lives saved at the same value, human discounting artificially reduces the dollar value of human lives. By reducing the value, it makes the benefit appear smaller.

AEI-Brookings assumed that the cancers caused by arsenic would not apply for 30 years, so it applied a discount rate over 30 years. Applying these calculations, it estimated the value of a life at $1.1 million instead of the EPA's estimate of $6.1 million.

The impact of using discounting on the value of human life was enormous.

Relying upon the AEI-Brookings study, the Washington Post ran a series criticizing EPA, and the Administration held off on the rule for 8 months, accepting it only after enormous public outcry.

The use of human discounting is a tactic used to distort the benefits of a policy. Instead of having a discussion of saving lives, it allows opponents to reduces lives to dollars, and then reduce the dollar value. Human discounting is literally, a discount on life. It places a reduced value on a human life. Human discounting cheapens life. Human discounting says, a person is not worth as much next year as he is today, and the dollar value or his or her head is less next year than it is today.

For tangible objects, like buildings or machines, the concept of discounting makes sense. We employ depreciation rates all the time. Capital things depreciate, and that can be reasonably measured. But is it just to or even reasonable to employ depreciation rates for people? Congress has never allowed it before.

Since 1992, when the OMB presented Circular A–94 that specifically advised agencies to use a 7 percent discount rate, it has continued to issue guidance and communications to agencies to apply this discount rate to human lives. However, there is no statute that Congress has passed that tells agencies to sue a discount on human lives. There is no statute that even permits it. Yet OMB has advised agencies that discounts should be applied to human lives when cost-benefit analyses are completed.

Ending human discounting is the ethical thing to do by refusing to put different dollar values on different people. If OMB advises agencies to discriminate between different ages of people, what is to stop it from putting different values on people based on income, race or gender?

I urge OMB and other agencies to stop this practice and use the same value for all human lives.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. KUCINICH) has expired.

Mr. ISTOOK. Mr. Chairman, before taking time or pressing a point of order, I would ask the gentleman if he would be willing to withdraw his amendment.

The CHAIRMAN. Let me just state that each Member was recognized for 2½ minutes, a total of 5 minutes debate under the unanimous consent agreement on this amendment.

Mr. ISTOOK. Mr. Chairman, rather than my consuming the time and pressing the point of order, I would inquire of the gentleman from Ohio if he is willing to withdraw his amendment.

Mr. KUCINICH. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

□ 1215

AMENDMENT NO. 16 OFFERED BY MR. HEFLEY

Mr. HEFLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. HEFLEY:

At the end of the bill (before the short title), insert the following:

SEC. . Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1 percent.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 2002, the gentleman from Colorado (Mr. HEFLEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am asking we make a 1 percent reduction in our spending for the Treasury and Postal Services appropriations. With a discretionary budget of roughly $18.5 million, a 1 percent reduction with amount to $185 million, which is a lot of money to most of us but not a lot compared to the overall budget. When dealing with these billions and billions of dollars of spending, this is a figure that the agencies can easily work around.

I am not criticizing, Mr. Chairman, the work of the committee. I know the dynamics of getting a bill through the committee and getting it to the floor, and I think they have done a good job on this bill. But the last estimate for

this year's budget deficit would amount to roughly $150 billion dollars.

In order to balance this budget, Mr. Chairman, I am asking that every agency make a minor decrease in its rate of spending. I am not asking for any agency to take a big cut. I am requesting that they reduce their spending. If every agency complies with this request, we can actually come close to offering a balanced budget this year. We would the excuse that. We are at war and we are at a time of economic downturn. And, by gosh, that is a good excuse. It is not only an excuse, it is a reason. And if we want a reason to not balance the budget this year, we have got reasons for not balancing the budget this year. But I think we need to adopt the philosophy that if we do not have it, we do not spend it. We tighten our belts and we figure a way to maintain that balanced budget.

Mr. Chairman, I reserve the balance of my time.

Mr. ISTOOK. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. ISTOOK. Mr. Chairman, I yield myself such time as I may consume.

Despite my great sympathy for the amendment offered by the gentleman from Colorado (Mr. HEFLEY), I cannot support it. This particular bill, were it subjected to across-the-board cuts, would find that we have significant cuts and reduction in homeland security efforts which are the major focus of the bill.

We have already identified in the subcommittee and the committee several places where we have applied significant cuts, for example, the Bureau of Public Debt, some $23 million. Bureaucracy within the Office of Narcotics and Dangerous Drugs in excess of $10 million. The First Accounts Program with the Treasury Department, approximately $6 million say from what we had last year and yet improve the program, I believe. These are certain examples and there will be others.

We have what we have done, Mr. Chairman, in this bill is to try to accomplish savings every place we can and plow those into the front lines of homeland security. Border security, in particular with the Customs Service, where we have significant increases in the air and marine program, the investment and information technology, in the research and developments to use better levels of technology to secure our borders, the Container Security Initiative, trying to protect us from having something brought in within the $8 billion daily of commodities that come into the country as part of the international trade. I do not think we could accomplish an across-the-board cut without jeopardizing those.

I do agree with the gentleman about the need for significant cuts overall in Federal spending. Unfortunately, because of the extreme needs of homeland security and national defense and the as yet unwillingness of people to make some sacrifices in some other places in the government, I do not think it is a practical amendment at least certainly not in this particular bill. I do want to work with the gentleman and everyone else in this body to try to identify more specific cuts that can be made in all of our bills, but I cannot support this particular amendment.

Mr. Chairman, I yield the balance of my time to the ranking member, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I rise in opposition to this amendment. A one percent across-the-board cut, small number.

First of all, let me say to the gentleman something he did not say, the committee has already adopted the President's administrative cuts of $50 million across the agencies with the exception of the law enforcement agencies, with the exception of the law enforcement agencies because as the gentleman has pointed out, we are confronting terrorism here at home and around the world.

But let me speak to the larger question that the gentleman, I think, probably does not know, and too many of our Members do not know this fact, the public probably does not know this fact either.

In 1962, 40 years ago, this country spent 3.4 percent of its gross domestic products on domestic discretionary spending. That is what this is all about, spending on the Treasury Department, GSA building, the President's salary, expenses that we are talking about, 3.4 percent. The last year for which we have record, we are in 2002, for 2001, I tell the gentleman, notwithstanding all the rhetoric about exploding expenses, we spent 3.4 percent of GDP on domestic discretionary spending.

Only one year I tell my friend, from 1981 through 1993, the presidencies of Ronald Reagan and George Bush, only one of those years did we spend as little as 3.4 percent of GDP. All the rest of the years were either in the 3.5's or above or in the 4 percent of GDP.

So I tell my friend, the Committee on Appropriations, which all the authorizers think is spending money willy nilly, is spending less money today as a percentage of GDP than we did in the Reagan and Bush years. So the belt has been tightened. That is important that the public understand that.

I speak in strong opposition to this bill. It is so easy to come to the floor and say do 1 percent across-the-boards, or 2 percent or 5 percent or 10 percent. That is easy. What is tough is to come to this floor and say cut X or Y or Z because it is not as effective and efficient.

Mr. HEFLEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the gentleman from Idaho (Mr. OTTER) is not here, so I guess I will go ahead and close. I do not want to hold things up.

Both the gentleman from Oklahoma (Mr. ISTOOK) and the gentleman from Maryland (Mr. HOYER) mentioned the law enforcement portions of this thing. I am not going into any accounts and picking out and saying cut that except for the presidential thing that I did earlier. You have to make choices. If law enforcement is the important thing now, we need to put the emphasis on law enforcement.

I think the gentleman from Maryland (Mr. HOYER) had very good figures there about the percentage we were spending before and now, the point is we have had a history of spending far, far too much money at the Federal level over the years, and we continue this history. Now, we have tightened our belts.

I have listened to the gentleman from Maryland (Mr. HOYER) but I have to close this thing out. We have spent too much money traditionally. It is the habit here and as I said in my statement, I am not criticizing the committee for their work.

By golly, the gentlemen here do a good job on this committee. They do the best they can. I understand too it is very tough to get a bill with any cuts out of it out of committee because everybody has something they are particularly interested in. Everybody has at least one thing that is the most important thing in their life, and in committee those dynamics work. On the floor, it may be those dynamics do not work as well. It might be easier for us to pass something like this on the floor than it is in committee.

Mr. Chairman, I yield to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I understand the gentleman's point. The point I was going to make is when the gentleman says we spend too much money, I agree with him. I am one of Democrats that voted on the balanced budget amendment. I agree that we need to live within our means. The point I want to make to my friends who are not on the Committee on Appropriations, is this is an OMB figure I read, it is not because we are spending more discretionary dollars. That is what we focus on because those are the bills on the floor.

In the tax bills, it is not entitlement bills, et cetera, et cetera, where we are spending the real money and when we look at those figures, that is where the additional expenditures are occurring that the gentleman is concerned about, not in the appropriations process.

I know it is difficult for Members who only get a chance to make their point only when we come to the appropriations process. So it is frustrating to say this is not the problem, but this is not the problem.

Mr. HEFLEY. Reclaiming my time, I will say to the gentleman, we have to try to save the money wherever we can save it, and there is where we have a chance to save it.

Mr. OTTER. Mr. Chairman, I rise today in strong support of the amendment offered by

my friend and colleague from Colorado, Mr. HEFLEY. Our simple amendment is a sensible response to the more than $109 billion deficit we will run next year. Reducing spending by one percent in the bill, we lower that number by $185 million and speed the return of balanced budgets.

This amendment does not defund critical programs, but rather encourages federal bureaucrats to become more efficient. Asking federal agencies to get by with 99 cents on the dollar is fair when the American people will be stuck with more than $100 billion of debt to burden their children. Every family cuts back on expenditure when their budget is cut. If federal bureaucrats cannot do the same then they do not deserve the tax dollars of those families.

This bill, as written, is $537 million over the President's request and more than 8 percent higher than last year. Passing the Hefley/Otter Amendment will still leave this bill more than 6.9 percent larger than last years bill and $352 million above the President's request. I appreciate the efforts of Chairman ISTOOK and the entire Appropriations Committee in crafting this bill. They have worked diligently and responsibly under difficult circumstances. I urge them to join with me in supporting this Amendment.

Mr. HEFLEY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on amendment offered by the gentleman from Colorado (Mr. HEFLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HEFLEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Colorado (Mr. HEFLEY) will be postponed.

AMENDMENT NO. 12 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Ms. JACKSON-LEE of Texas:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available in this Act may be used to prevent the rehabilitation of urban and rural post offices.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 2002, the gentlewoman from Texas (Ms. JACKSON-LEE) will be recognized for 2½ minutes, and a Member opposed to the amendment will be recognized for 2½ minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, so many of us come to this floor with frustrations that we would hope that our colleagues would join us in fixing.

This amendment deals with the urban and rural post offices so many of us have in our respective districts that go unattended, with dilapidated leaking roofs, and not lighted. This amendment in particular deals with that concept of not preventing resources to be used for fixing those post offices that so many of us use.

Mr. Chairman, I would like to be able to enter into a colloquy on this issue with the distinguished ranking member and the distinguished chairman of this committee. They brought forth an excellent bill, but I have a problem and so many of us have a problem. Mine in particular deals with the Jensen Drive Postal Station in my district where, so many times, I have been promised that it would be repaired for the seniors who use it. First go to Washington, then go back to Houston.

I am concerned that the U.S. Postal Service is not doing enough to improve this facility to serve its customers better. Right now it has only 8 available parking slots of which one is for disabled parking and only 2 are for senior citizens. This is an area dominated by senior citizen residents. This causes traffic jams and creates an unsafe environment.

As this bill moves forward, I would ask the chairman and ranking member, who work so good together, to consider the inclusion of report language that would encourage the Postal Service to work with local officials and community leaders so the need of its facility and its customers are addressed, particularly our elderly and disabled.

Mr. ISTOOK. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Oklahoma.

Mr. ISTOOK. Mr. Chairman, I am pleased to engage in a colloquy with the gentlewoman, and I would be pleased to work with her to address this issue with report language as we go to conference on this bill.

Ms. JACKSON-LEE of Texas. Reclaiming my time, I thank the gentleman for yielding and for his commitment.

Mr. HOYER. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Maryland.

Mr. HOYER. I thank the gentlewoman for raising this issue. She has talked to me and I know she has talked to the chairman. She has been working tirelessly on this issue and has great concern about it. I would be happy to work with her and the Postal Service to address the facilities need of the Jensen Drive Postal Station in Houston.

As the gentlewoman knows, the committee is very concerned with the financial system the Postal Service is in. As the Postal Service continues to address their fiscal deficits, they should not lose sight of the local communities that they serve. That is the gentlewoman's point. She is absolutely right on that point. Her concerns for those with disabilities and the elderly in accessing the Postal Service is absolutely essential.

To that end, I think the gentlewoman will be successful in her efforts working with us.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

AMENDMENT NO. 2 OFFERED BY MR. FLAKE

Mr. FLAKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. FLAKE:

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available in this Act may be used to provide any grant, loan, loan guarantee, contract, or other assistance to any entity (including a State or locality, but excluding any Federal entity) identified specifically by name as the recipient in a report of the Committee on Appropriations of the House of Representatives or the Senate, or in a joint explanatory statement of the committee of conference, accompanying this Act unless the entity is also identified specifically by name as the recipient in this Act.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 2002, the gentleman from Arizona (Mr. FLAKE) will be recognized for 2½ minutes and a Member opposed will be recognized for 2½ minutes.

Mr. ISTOOK. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. FLAKE).

□ 1230

Mr. FLAKE. Mr. Chairman, I yield myself such time as I may consume. We just had a discussion about our ability to rein in spending by the Federal Government. The gentleman from Colorado (Mr. HEFLEY) is exactly right. We ought to save money where we can. We all know that entitlements are running out of control. There are other things that spend money, but we do have control over appropriation bills and discretionary spending that comes to this floor. The problem is we have far too little control. Those of us who do not serve on the Committee on Appropriations are forced to look at only the bill language when we amend on the floor. All we have is the bill. We can only amend what is in the bill. The problem is the bill here in this case for this bill that we are looking at is 103 pages. The committee report, on the other hand, is 135 pages. The bill contains what are called hard marks or directions for spending money. The committee report contains soft marks. We do not have any control. We cannot get at the soft marks here on the floor. Ordinary Members of Congress cannot go

in and cut out pork barrel spending because most of the pork barrel spending happens and is directed within the conference report.

When I brought this amendment on the last appropriation bill we did, I was ruled out of order because we cannot legislate on appropriation bills. My amendment would assume that those who spend the money in Federal agencies actually read our bills. Apparently we do not assume that. They are not directed to. But we know they do because in every case when they spend money they spend the soft marks. If they do not, they are punished the next year by the Committee on Appropriations.

All my amendment says is that unless it is appropriated in a bill, not in a report, in a bill that Members have the ability to amend, then Federal agencies cannot spend it. That is not unreasonable. It is not saying that we not have earmarks. The House, the Congress, has a prerogative to earmark. It simply is saying do it in a bill where we have sunlight, where everybody can see it, we are where we have an open process, not hidden away in some committee language or conference language or a report that nobody can get at. So I think that is a reasonable request. However, I realize that I will be ruled out of order again. I will commit to work on the language to make sure that we can get around the problem.

Mr. Chairman, I ask unanimous consent that the amendment be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT NO. 7 OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. SANDERS:

At the end of the bill before the short title, insert the following new section:

SEC. . None of the funds appropriated by this Act may be used by the Internal Revenue Service for any activity that is in contravention of Internal Revenue Service Notice 96–8 issued on January 18, 1996, section 411(b)(1)(H)(i) or section 411(d)(6) of the Internal Revenue Code of 1986, section 204(b)(1)(G) or 204(b)(1)(H)(i) of the Employee Retirement Income Security Act of 1974, or section 4(i)(1)(A) of the Age Discrimination in Employment Act of 1967.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, the gentleman from Vermont (Mr. SANDERS) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

This tripartisan amendment is cosponsored by the gentleman from Minnesota (Mr. GUTKNECHT), the gentleman from New York (Mr. HINCHEY), and the gentleman from California (Mr. GEORGE MILLER). This amendment has the strong support of the AARP, the largest senior citizen group in America, and the 13 million members of the AFL–CIO. It has the support of the Pension Rights Center and many other groups.

Mr. Chairman, this amendment is about corporate accountability. Today corporation after corporation has been caught misleading their investors. Many of these same companies are doing exactly the same thing with respect to employees' pensions. Mr. Chairman, enough is enough.

This amendment addresses two issues. First it tells companies they must stop discriminating against workers based on age by shifting to the so-called cash balance scheme. Secondly, it tells companies that they must not cheat their employees out of their hard-earned pension benefits. Specifically this amendment would prohibit the Internal Revenue Service from using any funds for activities that violate current pension age discrimination laws, laws that have been on the books since 1986. A similar amendment was passed by voice vote during the consideration of the Fiscal Year 2001 Treasury Postal Appropriations bill but was stripped from the conference report.

Mr. Chairman, age discrimination in general and age discrimination with regard to pensions is unacceptable and must not be allowed to happen. Unfortunately, hundreds of profitable companies across the country, including IBM, AT&T, CBS, and Bell Atlantic, have converted their traditional defined benefit pension plans to the controversial cash balance approach. Cash balance schemes typically reduce the future pension benefits of older workers by as much as 50 percent. Not only is this immoral, it is also illegal because reductions in benefits are directly tied to an employee's age which is in violation of Federal age discrimination law.

What makes these conversions even more indefensible is the fact that many of the companies that make these conversions have pension fund surpluses in the billions of dollars. It is simply unacceptable that during the time of large corporate profits, pension fund surpluses, massive compensation for CEOs including, by the way, very generous retirement benefits, that corporate America reneges on the commitments they have made to workers by slashing their benefits and their pensions.

Mr. Chairman, Congress must stand with older workers and insist that anti-age discrimination statutes are enforced.

Mr. Chairman, let me quote from the letter from the AARP written to me. ''AARP believes that cash balance plans violate current law prohibitions on age discrimination. We commend you,'' me, ''for offering this timely and important amendment. AARP hopes that this amendment will send a strong message that we value older workers and that we reaffirm that older workers should not be subject to age discrimination in their pension plans.'' End of quote from the letter that AARP wrote to me.

In addition, the Pension Rights Center writes in a letter to me, and I quote, ''The Center has long been concerned that cash balance conversions have deprived older workers of their hard-earned expected pension benefits. The Center has joined labor and retiree organizations in taking the position that cash balance conversions should be stopped because they violate age discrimination laws and deprive older employees of expected future benefits that they counted on earning in their traditional defined benefit plans. As a public policy matter, cash balance conversions rank high among abusive practices that corporations have instituted to surreptitiously cut employees' benefits. It is noteworthy that before the current calamities that befell Enron and WorldCom, both companies had converted their secure defined benefit plan to cash balance plans for the purpose of reducing their older employees' benefits and increasing the corporate balance sheet. Both companies then purported to ''improve'' the 401(k) plan only to lure employees into investing into employer stock that soon became worthless.'' Letter from the Pension Rights Center.

Mr. Chairman, through my involvement with the IBM cash balance conversion, I have heard from hundreds of workers throughout the country who have expressed their anger, their disappointment, and feelings of betrayal by cash balance conversions. These are employees who had often stuck with their company when times were tough, these were employees who had often stayed at their jobs precisely because of the pension program that the company offered, and these are the same employees who woke up one day to discover that all of the promises that their companies made to them were not worth the paper they were written on.

Mr. Chairman, this is not acceptable. We must provide protections for these workers who have been screaming out to Congress for help. We must pass this amendment. Large multinational corporations with defined benefit pension plans receive $100 billion a year in tax breaks alone, according to the Office of Management and Budget. Mr. Chairman, the IRS should not be giving tax breaks to companies that willfully violate the pension age discrimination statutes. To do so not only violates public law and policy, it also provides taxpayer subsidies for illegal pension conversions.

Mr. Chairman, there should be no tax breaks for companies that discriminate on the basis of age.

This amendment also has another very important component designed to

protect the pension benefits of American workers. This amendment would also prohibit any funding to the IRS to dilute the requirements of current law as articulated by IRS Notice 96–8. This notice simply tells companies what interest rate to use when calculating their employees' pension benefits. This notice has been upheld by two U.S. Court of Appeals and is vitally important to protecting American workers who have seen their pensions slashed as a result of cash balance conversions.

Mr. Chairman, I reserve the balance of my time.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I would like to claim the time in opposition.

The CHAIRMAN. The gentleman from Texas is recognized for 15 minutes.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield myself such time as I may consume.

I rise in opposition to the amendment offered by the gentleman from Vermont (Mr. SANDERS) and I rise as chairman of the Subcommittee on Employer/Employee Relations which has jurisdiction over ERISA, and a member of the Committee on Education and the Workforce with jurisdiction over age discrimination issues. I am also a member of the Committee on Ways and Means which also has jurisdiction on pension issues.

Despite some assertion made recently by the gentleman from Vermont (Mr. SANDERS) as ranking member of the Subcommittee on International Monetary Policy and Trade, he has no jurisdiction over any pension issues.

Congress should be in the business of encouraging, not discouraging, employer-sponsored pension plans. Currently less than half of the Americans who work in the private sector are covered by a retirement plan. The reason for this anemic number is that we have so overregulated these plans that many employers simply decide not to offer this important employee benefit.

The decline in the defined benefit pension plans has been particularly shocking. Earlier this year the Committee on Ways and Means held a hearing on defined benefit pension plans and we heard testimony on the decline of these plans that provide retirees guaranteed income for life. The number of defined benefit pension plans peaked in 1985 at 114,000 plans. In 2001 the number of these plans had fallen to 35,000, a staggering decline of almost 70 percent. The reason for this drop is that these plans were wrapped in so much red tape that employers chose to stop offering this benefit to their employees.

One type of defined benefit pension plan that provides some glimmer of hope that we will not see these plans become extinct is cash balance pension plans. The accrued benefits in these plans are guaranteed not to be reduced, a deal that many of us wish we could find for our shrinking 401(k) and TSP balances. I think that it is important that we maintain the employer's ability to do these things. The employer makes contributions and the employer bears the risk of market reductions, not the employee.

Finally, the United States Government insures cash balance plans through the Pension Benefit Guarantee Corporation in the event that the employer goes bankrupt. These traits are enough of an incentive to businesses that some have begun to offer cash balance defined benefit plans. However, the Sanders amendment would put an end to businesses implementing new cash balance plans. The amendment would prohibit any new guidance being issued by Treasury or the IRS regarding cash balance plans. The sponsors of this amendment claim that it is meant only to prevent the IRS from changing its position on a notice and to prevent them from violating age discrimination law. In reality the amendment attempts to establish new pension rules and is fully within the jurisdiction of the House Committee on Education and the Workforce and the House Committee on Ways and Means. The Department of Treasury is now in the process of issuing new cash balance regulations, some of which we mandated in a bill last year that passed with overwhelming support. Yet this amendment would undercut those regulations. This is not a shoot-from-the-hip type of an issue. It needs to go through a committee of jurisdiction and I urge a no vote on this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. SANDERS. Mr. Chairman, how much time is remaining, please?

The CHAIRMAN. The gentleman from Vermont (Mr. SANDERS) has 8 minutes remaining. The gentleman from Texas (Mr. SAM JOHNSON) has 11 minutes remaining.

Mr. SANDERS. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. GEORGE MILLER), ranking member of the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. Mr. Chairman, I thank the gentleman from Vermont for yielding me this time, and I thank him for bringing this amendment.

This amendment just addresses a very fundamental question: When will the corporations of America stop raiding the pensions of their workers? If one listens to the gentleman from Texas (Mr. SAM JOHNSON), the suggestion is that corporations will only go to a defined benefit plan or they will only go to a cash balance plan if they think they can continue to raid the cash balance of the pension plan. What they promise their workers they will give them is different than what they will give them. And how do they do that? Because they are down working with the Department of Labor, with the Department of Treasury trying to concoct a means by which they can have unrealistic assumptions about the rates of return and then use that to gyp the workers out of their money.

□ 1245

This is not just the gentleman from Vermont (Mr. SANDERS) who says this; this is not just me who says this. This is what the Inspector General found as they have audited these plans. We find out that the workers are underpaid.

Now, we have been through Enron, we have been through Dynergy, we have been through Merck, and we have been through one scandal after another. What is interesting is that these are many of the same companies that not only killed their workers' 401(k) plans, but now they are also in the process of looting the cash balance plans.

So the question is: Is this Congress going to put a stop to it? Is it going to tell the Treasury Department that they should be able to do as they have been doing and making realistic assumptions about rates of return on these plans, or are they going to engage in some kind of fiction and cooking of the books with the very corporations that have destroyed families across this country?

This is a moment of truth for the Congress. Because the Treasury and the IRS have been doing it one way, it has been upheld in court, it is determined to be fair to the workers, it is determined to return to them the value of the cash out of their pension plan; and now, in come the companies. In come the companies, who have destroyed the stock market, who have destroyed confidence in the American investment system, who have destroyed these people's lives, and now they want us to become their partner in depriving people of tens of millions of dollars that they are owed, that they worked for, and that they were promised.

Now maybe promising somebody something and keeping the promise was old-fashioned in the 1990s, but I have a sneaking suspicion that it is coming back into vogue; that it is going to be a basic value. These companies promised these workers this pension for the work that they did; and when they changed plans, they promised them that they would have a balance; that it was the equivalent of the cash balance of that. Now they want to cook the books.

The question for this Congress is: Are we going to be part of that? The Sanders amendment gives us an opportunity to say no; to say no to age discrimination and to say no to having this Congress and the Treasury Department and the Labor Department be partners in cooking the books. We must pass the Sanders amendment.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield myself such time as I may consume.

The complexity of cash balance plans has been the subject of study of both the Clinton and Bush administrations, and there is no Federal agency in any administration that found that cash

balance plans discriminate on the basis of age.

By its own admission, the Internal Revenue Service is trying to clarify some of the ambiguities under its own notice 96–8. The passage of this amendment, in our view, would prevent the IRS from modifying 96–8, a circumstance which could cause significant harm to many workers.

So I would say that this amendment simply bars the administration, which started under Clinton and now continues under Bush, from trying to fix some of the problems that occur with our pension system.

Mr. Chairman, I reserve the balance of my time.

Mr. SANDERS. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, I want to thank the gentleman for yielding me this time, and I rise in support of the Sanders amendment.

Mr. Chairman, I agree with some of the things the gentleman from Texas just said, and, that is, that the IRS has been studying this thing for about 5 years, 5 years, and during that time millions of Americans have seen their pensions change and the amount of money they expected to receive dramatically changed while the IRS has studied this.

This amendment is pretty straightforward. It just says it is time for the IRS to get off the dime and come to a clear conclusion, the conclusion that I think anyone who studies this issue objectively for more than 10 minutes will come to, and, that is, for older workers, when they convert from a defined benefit plan to a cash balance plan, the older workers lose. That is a fact.

Now, I am not on any of the committees of jurisdiction. I am not on the Committee on Ways and Means; but I did serve on the pension commission back in the State legislature, and I do come from a part of the country where a deal is a deal and a bargain is a bargain. And what happened many years ago, the Congress made a bargain with large employers. We called it ERISA. And the bargain was this: if you take good care of your workers, we will protect you from legislation in the 50 States. You will only have to deal with one set of regulations.

Now, my colleagues, we never broke that bargain; but major corporations have. They have changed the bargain on pensions. And when they make these conversions, the truth of the matter is a lot of that money is freed up and can be transferred to other parts of that company's budget. Now, you may not want to call it raiding the pension funds, but that has been the net practical effect, and millions of workers have lost.

This is a straightforward amendment. It makes sense. It sends a clear signal to the IRS that it is time to get off the dime and make it clear that when they make these conversions, older workers lose. That is wrong, and it is time for Congress to do something about it.

Mr. SAM JOHNSON of Texas. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from Texas has 10 minutes remaining.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. HOUGHTON), a member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Chairman, I thank the gentleman for yielding me this time, and I thank the gentleman from Vermont.

I happen to feel, and I have been around this pension business a long time, that the Sanders amendment is going to unfairly tie the hands of the Treasury Department. Now, that is not important to some people, but it is to the general public.

When it comes to writing new rules and issuing determination letters for defined benefit pension plans, the history is this: the Treasury and IRS issued a proposed ruling in 1996, and of course this is now in need of updating and improvement. The Sanders amendment, and I can understand where the gentleman from Vermont is coming from, but it really, I think, could have damaging effects if adopted.

The cash balance pension conversions have already been thoroughly addressed by this body right on this floor. A number of hearings in the 105th and 106th Congresses were held by the relevant committees of jurisdiction; and Congress included in the 2001 tax law a provision expanding the disclosure, the disclosure obligations of employers when they convert to a cash balance defined benefit plan. Congress concluded at that time that enhanced disclosure was the proper response to the issue surrounding cash balance conversions, not stopping action by the IRS to revise guidance on the proposed rules.

The Federal agencies, such as the IRS and the Treasury, responsible for jurisdiction over the pension age issues, are currently engaged in a thorough review of these age discrimination questions. The Subcommittee on Oversight of the Committee on Ways and Means, which I am a member of, held a hearing last month on defined benefit plans; and we would have the jurisdiction over any changes to the existing law. Unfortunately, this amendment that we are looking at today cuts into the legislative jurisdiction of the Committee on Ways and Means and also the work which it is trying to do.

So, Mr. Chairman, I really feel that this is an unfortunate amendment at this particular time, and I would hope people would oppose it.

Mr. SANDERS. Mr. Chairman, could I inquire about the time for both sides, please?

The CHAIRMAN. The gentleman from Vermont (Mr. SANDERS) has 3 minutes remaining, and the gentleman from Texas (Mr. SAM JOHNSON) has 7½ minutes remaining.

Mr. SANDERS. Mr. Chairman, I am proud to yield 1½ minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Chairman, beginning in 1995, this Congress began a process of reducing regulations and freeing up the activities of corporations across America. They also, during the beginning of that period of time, weakened the IRS. The result of that is the kind of corporate scandals, the kind of corporate crime wave we see sweeping across the country today.

One of the less noticed aspects of that corporate crime wave includes the way in which corporations have been robbing the pension systems of American workers. They have been doing that by shifting from a so-called defined benefit program, where the benefits are clear and well stated, to a cash balance program, which enables them to manipulate the pension program and, in fact, provide lesser benefits to the employees, to the workers, over periods of time as they retire.

That has got to stop. The only way it can be stopped is by requiring the IRS, which has been weakened by the leadership of this House, to step forward and enforce the laws as they were intended to be enforced. That is what this amendment would do. It would require the IRS to enforce the laws, and it would stop the pension abuse that is going on by corporations across this country that are costing American workers and their families hundreds of millions of dollars.

We have the obligation and the responsibility to stop it. The only way we can stop it is by passing this amendment. Therefore, I hope and trust that the majority of the people in this House will step forward and recognize their responsibilities and pass this amendment.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Chairman, I thank the gentleman for yielding me this time, and let me rise today in opposition to the amendment offered by the gentleman from Vermont (Mr. SANDERS) and others that really would be a back-door attempt at making substantive changes to our pension law.

The fact is that this issue has been debated in the Portman-Cardin bills from 1998, 1999, 2000, and 2001. We also dealt with it in the Pension Reform Act we had on the floor of this House this past spring. In every case, the Congress has decided not to discourage the conversion to cash balance plans.

Now, cash balance plans are a hybrid between traditional defined benefit plans and defined contribution plans like 401(k) plans. Companies that have traditional defined benefit plans were under pressure, under pressure from younger workers, who felt that they were not getting the benefit of their pension benefits until they had stayed

there for 20 or 30 years. These conversions to cash balance plans, these hybrids, are in the best interest of all employees of these companies.

Now, we should all know that there have been over 500 conversions from defined benefit plans to cash balance plans. In almost every single case, companies made all employees whole. Now, there is a case, and maybe a case and a half, where companies early on did not do this. And the gentleman who is the sponsor of the amendment, and his colleagues who are sponsoring amendments, all happen to represent various facilities of the one company who did not do a very good job in their conversion.

We do not want to make this huge change in pension laws on an appropriation bill. It is not the right venue. The gentleman, I am sure, is well aware of that. On top of that, the policy that is being proposed here is not the right policy for the interest of American workers.

Younger workers want to be able to see what kind of pension benefits they have accumulated. Cash balance plans are a way for traditional companies with defined benefit plans to in fact do that.

I think this is unwise. We should not go down this path today, and I would urge my colleagues to reject the amendment offered by the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Chairman, I thank the gentleman from Vermont for yielding me this time.

Mr. Chairman, the previous speaker made an indication that many companies have switched over or converted to cash balance plans and employees have been made whole. That simply is not the fact. It is not what is happening. A large number of older Americans, people 40 years and older, have in fact lost up to 50 percent of the value of their plans.

This is not some substantive change in the law that is being asked for here. The gentleman from Vermont, much to his credit, has come forward and said we will just make sure that the IRS is not adding insult to injury, and that in fact, when people stand that risk of having their pension that they worked long and hard to secure taken away from them by a conversion, the IRS will not allow any monies to go to doing that. They will in fact have to enforce the law.

□ 1300

The law says we cannot discriminate in such situations. The Inspector General at the Department of Labor has found out that discrimination is going on when you shift to a cash balance plan. Over 20 percent of the 60 plans that were audited resulted in those employees not getting what they were entitled to. If we extrapolate that number out, we find out the damage is $185 million to $190 million annually.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY), a member of the Committee on Ways and Means.

Mr. POMEROY. Mr. Chairman, I want to begin by congratulating the sponsors of this amendment for their tireless efforts, in particular on behalf of employees in their particular districts affected by a poorly executed conversion and their efforts thereafter to make sure that the concern realized in that particular instance is not realized again.

I also congratulate them for advancing this amendment because I believe it calls attention to a very important issue of pension conversion and our great concern that people be treated fairly and there not be age discrimination as their conversions move forward.

Having said that, I respectfully disagree with this amendment on this appropriations bill. This is a very substantive alteration of ERISA law. It is technical, it is complex, and there could be unintended consequences. The consequence I am most worried about is, rather than the conversion from defined benefit to cash balance, we are going to have something even more dramatic and disadvantageous to the employee, movement to defined contribution plans or gradual elimination of the pension benefit altogether.

We operate in an environment where employers are not mandated to provide these benefits, and 50 percent of the people in the workforce today have no at-work savings. Therefore, as we try to address these concerns, if we smack employers with perceived additional costs, we absolutely stop the efforts to get additional employers to offer retirement savings plans, and I believe we accelerate the conversion from defined benefit to defined contribution plans.

Reasonable minds may differ on this, and I do not question for one instance the absolute sincerity in the purpose behind this amendment. I just think strategically that this is not the way to go at this time. I think the fact that the amendment has been offered and is debated sends a very clear signal to the Department of Treasury that this is not the time for them to be altering that rule.

I think on the other hand their administrative processes should move forward, the committees of jurisdiction should carefully watch over those processes, and particularly interested Members of Congress should also watch this process; and if we, indeed, see the rule being altered in a way that has a discriminatory effect on elderly workers, we ought to act at that time.

But to react now changing ERISA by an amendment on an appropriations bill without a hearing, without careful deliberation about the full range of what the consequences might be, this is reckless stuff on very important business. There is not a worker in the workplace today with a retirement savings plan that is not darn scared about what is happening in the stock market and their security of income and retirement. We should not compound the confusion, the anxiety, or raise other questions by passing this amendment at this time.

Mr. SANDERS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the American people are outraged at the degree to which corporate America has ripped off investors and workers, and millions of American employees are equally outraged at the degree to which corporate America has ripped off their pension plans.

Let us pass this amendment. Let us join with the AARP, let us join with the AFL–CIO, let us join with the Pension Center and say ''yes'' to American workers that they deserve what they have been promised.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, both the Department of Labor and the Treasury Department are trying to examine the regulations and their effect on cash balance plans.

The recent DOL Inspector General's report indicates there is confusion on the part of employers as to the rules to be applied to distributions from cash balance plans. The two Departments need time to develop rules that are both understandable to employers and not harmful to workers' benefits under these plans.

Congress must not impede the normal regulatory process of the agencies by removing the flexibility they presently enjoy to craft rules in the pension area. The Congress should be trying to encourage the growth of employer-sponsored pension plans; and passage of the Sanders amendment will have a chilling effect on cash balance plans. The Federal Government should promote policies that will encourage employers, particularly small businesses, to sponsor pension plans. As the baby boomers age, we need increased pension plan coverage. Passage of this amendment will impede that growth. I recommend a vote against this amendment.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. SANDERS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SANDERS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Vermont (Mr. SANDERS) will be postponed.

AMENDMENT NO. 23 OFFERED BY MR. BARR OF GEORGIA

Mr. BARR of Georgia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 23 offered by Mr. BARR of Georgia:

Insert at the end before the short title the following:

SEC. . None of the funds made available in this Act under the heading ''Special Forfeiture Fund (Including transfer of funds)'' to support a national media campaign shall be used to pay any amount pursuant to contract number N00600-02-C-0123.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 2002, the gentleman from Georgia (Mr. BARR) and the gentleman from Maryland (Mr. HOYER) each will control 10 minutes.

The Chair recognizes the gentleman from Georgia (Mr. BARR).

Mr. BARR of Georgia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a very simple amendment. It is just as important for what it does not do as for what it does. This amendment, goes to an issue regarding funding for the antidrug media campaign, which is a very important part of our government's overall antidrug message, and whether or not that program shall continue to be administered by outside companies benefiting greatly, to the tune of hundreds of millions of dollars of taxpayers' money, should be limited to companies with a good, honorable, upstanding, noncorruptable track record in dealing with the government.

There is one company in particular which has benefited greatly from taxpayer dollars in putting together the ads and buying the ad time for the media antidrug campaign, and that is Ogilvy & Mather Corporation. This company has already entered into a civil settlement with the government well in excess of $1 million, almost $2 million, for fraud in connection with overbilling and other fraudulent contracting practices. The company is reportedly still under investigation by the Department of Justice, that is the FBI and the U.S. Attorney's Office for the Southern District of New York.

Insofar as there is a contract which has just been let which would go through the year 2003 or through fiscal year 2003 for many hundreds of millions of dollars, we think it is prudent right now here in the House, and the Senate is doing likewise, to say to the American people through this amendment on the House side that none of the funds made available under this act may be used right now for the continuation of this particular contract because of the very serious questions which have been raised about this company.

I would like to make very clear that this amendment, if adopted, and I do believe the gentleman from Oklahoma (Mr. ISTOOK) is prepared to accept this amendment, and I hope the other side will, too, this amendment will not and is not intended to stop in any way, shape, or form or slow down the antidrug media campaign. It is designed to strengthen it by ensuring that we have corporations involved in the delivery of that message and the buying of the time to get that message out that are reputable and do not themselves raise serious questions about the integrity of the program.

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

Mr. BARR of Georgia. I yield to the gentleman from Oklahoma.

Mr. ISTOOK. Mr. Chairman, we are both very supportive of the media campaign, and we wish for it to continue; but what I want to make sure that we clarify through the colloquy is that despite what may be the concerns that some may have with the language, the intent of this amendment is not to shut down the media campaign.

Mr. BARR of Georgia. Mr. Chairman, I thank the gentleman for that question. Like the gentleman, I support the antidrug media campaign. It delivers a powerful message to youth and families across the country about the dangers of illicit drugs. It is an important weapon aimed at reducing drug abuse.

I am not seeking to prevent that message from being delivered loud and clear. The message I also want to send loud and clear through this amendment is that this media campaign is too important to allow a company that has already admitted to defrauding the government and reportedly remains under criminal investigation to receive more taxpayer dollars at this time.

Mr. ISTOOK. Mr. Chairman, if the gentleman would continue to yield, I understand the intent of the amendment is to allow further competition to make sure that other capable media firms are able to compete for the public funds to buy time for this important antidrug campaign on different media outlets.

Mr. BARR of Georgia. Mr. Chairman, yes. Again, I seek to restore integrity to the media campaign to ensure its ongoing success, not to end it. It is time to draw a line in the sand and take a stand. It is shameful for the government to reward any company that has admitted to fraud and reportedly is subject to part of a criminal investigation for its action.

Mr. ISTOOK. Mr. Chairman, if the gentleman would continue to yield, I do understand and I sympathize with the concerns of the gentleman from Georgia (Mr. BARR). I want to make sure that the gentleman understands that the purpose of this is to ensure that this program continues in a proper fashion, that the ad campaign is not disrupted, and that only those who properly should be handling it are involved in contracts for this matter.

I ask the gentleman, will he be willing to work with us during conference to modify the language as I expect will probably be necessary to ensure that there are no unintended consequences from this amendment, and that there is no disruption of this very important national antidrug campaign?

Mr. BARR of Georgia. Mr. Chairman, I wish to assure the gentleman that is my intent. My intent is that we continue the campaign and spend taxpayer dollars appropriately. Should we find another approach to reach that goal, I would be happy to join with the chairman and others in refining the language appropriately.

Mr. Chairman, I reserve the balance of my time.

Mr. HOYER. Mr. Chairman, I yield 30 seconds to the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Mr. Chairman, I was pleased to hear the sponsor say that he wanted to see the program continue. One of the things I was interested in is that there have been defense contractors, like Halliburton, which have done things that were illegal; and I was just wondering whether the gentleman will take the same stand with regard to defense contractors who might have violated the law?

Mr. BARR of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. I yield to the gentleman from Georgia.

Mr. BARR of Georgia. Mr. Chairman, if the gentleman from Maryland looks at my record both as a United States Attorney and as a member of the Committee on the Judiciary, the Committee on Government Reform, and the Committee on Financial Services, he will see that I am very consistent in going after corruption, regardless of party, regardless of company.

Mr. HOYER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Chairman, I stand to support the Barr amendment, and to thank the chairman for agreeing to work with the gentleman from Georgia (Mr. BARR) and others as we go to conference to make sure that we do not stop this worthy program. Drugs in America is a cancer. We must do all we can to support our children.

□ 1315

At the same time, we must make sure that our Federal dollars that have been appropriated are spent wisely.

This company in question has padded their books, has been found guilty of $1.8 million overcharging the Federal Government. It is important that we monitor all of these contracts and that the moneys being used for advertising go to those communities where the most need is.

It is important that the gentleman from Georgia has introduced this amendment. I look forward to working with him and the chairman and our ranking member and just to reiterate how important it is that as we spend these advertising dollars, we select those companies who have the same mission that we have, which is to make sure the advertising gets out correctly, that they do not pad their bills and mischarge the Federal Government and come back for further business.

I stand in support of the gentleman's amendment barring payment of contracts to support a national media campaign to any

company that has entered into a settlement to pay claims against it by the Federal Government.

As far back as March of 1999, I began investigating the policies and procedures of awarding Federal advertising contracts. My investigation began with the advertising agency that had the ONDCP contract prior to the current agency that has settled with the government to pay 1.8 million dollars for padding vouchers.

The amendment is necessary not only to prohibit funds to the current agency (Ogilvy & Mather) who padded their invoices and overcharged the government, but also because there are several large Federal Government advertising contracts where the same allegations are being made.

The Army has an approximately $150 million annual advertising campaign to recruit and retain enlistees. The Center for Disease Control (CDC) has launched an annual $125 million advertising campaign to combat obesity to target kids.

Once awarded most government advertising contracts can be renewed for up to four additional years. Mr. Speaker, we must put a stop to the practice of blindly awarding government advertising contracts.

In this era of corporate irresponsibility we must make corporations more accountable for their actions. We cannot allow taxpayer dollars to go to corporations that shortchange the American People.

I urge a yes vote on the gentleman's amendment.

Mr. HOYER. Mr. Chairman, I thank the gentlewoman from Michigan (Ms. KILPATRICK) for her contribution to the debate.

Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Chairman, I rise as chairman of the authorizing subcommittee for the Office of National Drug Control Policy and the media campaign to raise a couple of points about this important matter. I believe the most important thing we need to do is protect the media campaign, and there is a big dispute about the best way to do that. I was hoping this could be worked out in conference and I am comforted by some of the words here in the debate, but I am reluctantly going to oppose the amendment.

I believe the media campaign is one of our only national programs that we have to try to reduce demand for illegal drugs, and I appreciate the efforts of the gentleman from Georgia as well as other members of our subcommittee to try to hold accountability and effectiveness in the media campaign, and we agree on that fundamental point. I am very disturbed about some of the process of the bidding. I am disturbed about the violations of the law that Ogilvy has committed.

I am concerned about the processes of how the creativity is done. But I also do not want the media campaign to go dark which the administration has maintained could happen depending on how this goes. I am concerned that if the Senate language and the House language are too similar, this could be conferenced and not give us the flexibility.

We have a hearing scheduled for Friday to look and see whether this would cause the media campaign to go dark. We need tougher answers from the administration to make sure that they are not being biased in the bidding process as opposed to real concerns that the media campaign can go dark. I believe this needs a more careful approach. Generally speaking, I totally agree with the gentleman from Georgia's point. When somebody has violated the confidence of the taxpayers, they should not be rebid unless there is compelling evidence, but in the Committee on Government Reform, we have seen other agencies where, for example, in long-term care, we have had to continue with some organizations, at least for a period of time, to make sure that the people are serviced as opposed to using an arbitrary one-size-fits-all standard.

I agree with the goals of this amendment. I believe that we need to carefully review the process. I would hope that whatever happens with this amendment, that the conference committee will continue to look through and make sure that the media campaign can stay up and on the air. We have a very effective antiterrorism message right now, but at this point, I reluctantly oppose the amendment.

Mr. BARR of Georgia. Mr. Chairman, I yield myself such time as I may consume.

The opposition by the distinguished chairman is completely mystifying. There is plenty of money in the pipeline, I would remind the distinguished chairman of the subcommittee. This amendment that we are looking at now, I would remind respectfully the chairman of the subcommittee, does not kick in even if it is adopted until the next fiscal year. There is absolutely nothing in this amendment, and I wish to again assure the chairman of the subcommittee as I assured in the colloquy with the chairman of the appropriations subcommittee, it is not our intent to cause any part of the antidrug program to go dark. It will not go dark. I do not know how much clearer we can make that. That is not our intent. This will not do it. This has to do with the next fiscal year. There is already money fully in the pipeline for whatever company the government contracts with, including Ogilvy & Mather, to continue their work. This simply gets a marker into the conference and that is what I wish to assure the chairman of the subcommittee and ask for his support on that basis.

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

Mr. BARR of Georgia. I yield to the gentleman from Indiana.

Mr. SOUDER. Mr. Chairman, does the drug czar of the administration agree that the campaign will not go dark?

Mr. BARR of Georgia. It does not matter whether they agree or not. There is nothing in this amendment, absolutely nothing, I assure the chairman, that will cause it to. And if, in fact, there is any problem that makes it apparent that this specific approach would cause a problem, as I stated in the colloquy and I state to the distinguished gentleman from Indiana, we will be glad to work, and I am sure that the other members of the conference committee would be glad to work to assure that that does not happen.

Mr. Chairman, I reserve the balance of my time.

Mr. HOYER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Chairman, as someone who, with the gentleman from Ohio (Mr. PORTMAN) and others has worked on this important program, I am glad to hear the assurances that this program will continue. We have to be careful about the integrity of the contracting process. I hope all of us agree on that. As we implement our care with the integrity of the process, we also have to be sure that this important program is not shut down. It has had some successes and it has had some lack of successes, but overall, it is critical that the media effort, the outreach on drugs, that this effort continue.

So we will take the assurances of the sponsor of the amendment and it will go over to the Senate and then into conference, and I assume that those assurances will be implemented in the final language. It is the next fiscal year, but if there has to be recontracting, there could be a hiatus if we are not careful and we have to make sure there is no hiatus in this effort to make sure that the message about the danger of drugs is carried throughout this country effectively.

Mr. HOYER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Maryland (Mr. CUMMINGS), the ranking member of the Subcommittee on Criminal Justice, Drug Policy and Human Resources.

Mr. CUMMINGS. Mr. Chairman, I thank the gentleman for yielding time. I just want to reiterate what the gentleman from Michigan (Mr. LEVIN) just said. I think that it is very important that at a time when so many of our young people are becoming addicted to drugs, and certainly I, along with the gentleman from Indiana (Mr. SOUDER) of our drug subcommittee, have traveled with our subcommittee all over this country, and we realize that drugs have no boundaries, that we keep the campaign intact. The campaign is not perfect. There are some things that we need to do to make it more effective, but we really do not want it to go dark. I understand the gentleman's concerns, but I want to make sure that we give every parent every tool that they can possibly have to help lift their children up so that they can be all that God meant for them to be.

Mr. Chairman, I rise in opposition to the amendment by Mr. BARR.

Mr. BARR's amendment would prohibit ONDCP from honoring a contract with advertising firm Ogilvy & Mather, under which Ogilvy would continue to provide advertising and advertising-related services that are central to the operation of ONDCP's Youth Anti-Drug Media Campaign.

If this provision is enacted, it will shut down the media campaign for at least the next year, and it will only make more difficult the task of reauthorizing and retooling this important program. Mr. BARR states that this is not his objective, but it will be the effect. So while the ostensible target is Ogilvy, the real victims of the Barr amendment will be American families who might benefit from the campaign's anti-drug messaging.

If this amendment passes, Mr. Chairman, it will effectively shut down the National Youth Anti-Drug Media Campaign—at least for the next year. If this amendment passes, the Media Campaign will go dark in most media markets by January 2003 and totally dark by March 2003. In fact, the consequences are even more far-reaching: (1) there would be no activity for nearly 75 percent of the program; (2) the Advertising Council would lose nearly 50 percent in pro bono match; and (3) the Partnership for a Drug Free America and ONDCP would lose an additional match of $23 million. These are irreversible consequences.

Additionally, the Campaign would be required to eliminate all local market and state-by-state media activity (local newspapers, local radio, local out-of-home media and local television media buys).

As Ranking Minority Member of the Government Reform Subcommittee on Criminal Justice and Drug Policy, I believe that the National Youth Anti-Drug Media Campaign is an important part of our national drug control strategy. Anti-drug messaging has worked in the past to reduce drug use among children and teens, and in many places across the country it appears to be working now.

Recent evaluations of the media campaign have not shown us the overall results we'd like to see in terms of reducing marijuana-usage among youth. But the same evaluations do show that anti-drug ads are being seen and remembered by parents and youth, and that ads targeting parents have been effective in getting parents to engage their children on the issue of drugs. Mr. Chairman, as a parent, one of the anti-drugs ads that I remember so vividly states this level of effectiveness most accurately—it reads and I paraphrase: Parents are the anti-drug. In my own 7th Congressional district in MD, there are 60,000 addicts in the City of Baltimore alone. Most of whom started using drugs in their early teens. I firmly believe that if their parents had talked to them about drugs and drugs use—there would be a lot fewer than 60,000 addicts. I think many of my colleagues would agree with this conclusion.

Mr. Chairman, the Barr amendment attempts to circumvent Federal contracting law in order to impose upon one company punishment that similarly-situated companies would not suffer.

Take, for example, Halliburton. This is a company that has profited, and continues to profit, enormously from multiple contracts with the Department of Defense. In February of this year, Halliburton subsidiary KBR reached a $2 million settlement with the government, amid criminal allegations of fraud, false claims, and false statements. KBR was subsequently awarded a ten-year unlimited-cost contract with the Army. Did we see a similar Barr amendment to the Defense Department Appropriations bill? No, Mr. Speaker, we didn't. And I think we have to ask why we are singling out one company and one program for special treatment—especially in view of the crippling effect this provision would have on the media campaign.

If we're going to set aside the duly enacted laws and regulations that the Congress and executive branch have devised to prevent abuse by Federal contractors, it seems to me we ought to be fair and consistent about it. Either it's good policy or it's not. If it's good for Ogilvy and ONDCP, then it ought to be good for Halliburton and the Army as well.

Can the campaign do better? I believe so. Will it do better? It will if we work together to make it better. For my part, I am committed to working with Mr. SOUDER, Mr. PORTMAN, members of the drug policy subcommittee, our counterparts in the Senate and ONDCP Director Walters to work through the problems with the campaign, with the single aim of making it as effective as it can be.

The amendment by Mr. BARR is simply not constructive toward this end. While it may make Members feel better to go after an easy political target in Ogilvy, the bottom line we should all be concerned with is this: passing this amendment will not improve the campaign. It will simply shut it down. I know that my colleagues want to avoid this result.

So I would say to my colleagues that if shutting down the media campaign is what Members want to accomplish, then they should vote for the Barr amendment. If they want to see the campaign live to do a better job of deterring our children from using drugs, then they should join Mr. SOUDER, Mr. PORTMAN and me in opposing this amendment. Let's not cut off our nose to spite or face.

DEFENSE CRIMINAL INVESTIGATIVE SERVICE PRESS RELEASE

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that on February 7, 2002, a settlement was reached with Brown and Root Services Corporation (BRSC), Houston, TX, regarding allegations of fraud, false claims and false statements. BRSC will pay $2 million in damages to the U.S. Government.

BRSC was the subject of a qui tam lawsuit filed by a former BRSC employee who alleged BRSC engaged in international false statements and misrepresentations to the Army Corps of Engineers during negotiations for individual delivery orders issued under a job order contract (JOC) for the former Fort Ord, CA, military installation. Over 200 individual delivery orders were issued under the Fort Ord JOC, valued in excess of $18.4 million. The alleged conduct resulted in the overvaluation of the cost of material and construction methods provided by the BRSC. The former BRSC employee who filed the qui tam lawsuit alleged that BRSC project general managers directed BRSC construction cost estimators to inflate the quantity and quality of higher cost materials and then present the inflated value of those materials to U.S. Army Corps of Engineers personnel during negotiations.

The settlement reached with the BRSC releases them from the civil claims addressed in the qui tam lawsuit. The qui tam relater will receive an undisclosed amount of the collected damages.

This investigation was conducted by the Defense Criminal Investigative Service (the criminal investigative arm of the OIG, DoD). Assistant United States Attorneys Michael Hirst, Chief of the Affirmative Civil Enforcement Unit, and Kandall Newman, Eastern District of California, Sacramento, CA, negotiated the global settlement.

[From the New York Times, July 13, 2002]

IN TOUGH TIMES, A COMPANY FINDS PROFITS IN TERROR WAR

(By Jeff Gerth and Don Van Natta, Jr.)

The Halliburton Company, the Dallas oil services company bedeviled lately by an array of accounting and business issues, is benefiting very directly from the United States efforts to combat terrorism.

From building cells for detainees at Guantanamo Bay in Cuba to feeding American troops in Uzbekistan, the Pentagon is increasingly relying on a unit of Halliburton called KBR, sometimes referred to as Kellogg Brown & Root. Although the unit has been building projects all over the world for the federal government for decades, the attacks of Sept. 11 have led to significant additional business. KBR is the exclusive logistics supplier for both the Navy and the Army, providing services like cooking, construction, power generation and fuel transportation. The contract recently won from the Army is for 10 years and has no lid on costs, the only logistical arrangement by the Army without an estimated cost.

The government business has been well timed for Halliburton, whose stock price has tumbled almost two-thirds in the last year because of concerns about its asbestos liabilities, sagging profits in its energy business and an investigation by the Securities and Exchange Commission into its accounting practices back when Vice President Dick Cheney ran the company. The government contracts, which the company said Mr. Cheney played no role in helping Halliburton win, either while he led the company or after he left, offer the prospect of a long and steady cash flow that impresses financial analysts.

Since the Sept. 11 attacks, Congress has appropriated $30 billion in emergency money to support the campaign against terrorism. About half has gone to the Pentagon, much of it to buy weapons, supplies, and services. Although KBR is probably not the largest recipient of all the government contracts related to terror efforts, few companies have longer or deeper ties to the Pentagon. And no company is better positioned to capitalize on this trend.

The value of the contracts to Halliburton is hard to quantify, but the company said government work generated less than 10 percent of its $13 billion in revenue last year.

The government business is ''very good, a relatively stable source of cash flow,'' said Alexandra S. Parker, senior vice president of Moody's Investors Service. ''We view it positively.''

By hiring an outside company to handle much of its logistics, the Pentagon may wind up spending more taxpayer money than if it did the work itself.

Under the new Army contract, KBR's work in Central Asia, at least for the next year, will cost 10 percent to 20 percent more than if military personnel were used, according to Army contract managers. In Uzbekistan, the Army failed to ascertain, as regulations require, whether its own units, which handled logistics there for the first six months, were available to work when it brought in the contractor, according to Army spokesmen.

The costs for KBR's current work in Central Asia could ''dramatically escalate'' without proper monitoring, but adequate cost control measures are in place, according to Lt. Col. Clay Cole, who oversees the contract.

The Army contract is a cost-plus arrangement and shrouded in secrecy. The contractor is reimbursed for its allowable costs and gets a bonus based on performance. In the past, KBR has usually received the maximum performance bonus, according to Pentagon officials. Though modest now, the Army contract could produce hundreds of millions of dollars for the company. In the Balkans, for instance, its contract with the Army started at less than $4 million and turned into a multibillion-dollar agreement.

Mr. Cheney played no role, either as vice president or as chief executive at Halliburton, in helping KBR win government contracts, company officials said.

In a written statement, the company said that Mr. Cheney ''steadfastly refused'' to market KBR's services to the United States government in the five years he served as chief executive. Mr. Cheney concentrated on the company's energy business, company officials said, though he was regularly briefed on the company's Pentagon contracts. Mr. Cheney sold Halliburton stock, worth more than $20 million, before he became vice president. After he took office, he donated his remaining stock options to charity.

Like other military contractors, KBR has numerous former Pentagon officials who know the government contracts system in its management ranks, including a former military aide to Mr. Cheney when he was defense secretary. The senior vice president responsible for KBR's Pentagon contracts is a retired four-star admiral, Joe Lopez, who was Mr. Cheney's military aide at the Pentagon in the early 1990's. Halliburton said Mr. Lopez was hired in 1999 after a suggestion from Mr. Cheney.

''Brown & Root had the upper hand with the Pentagon because they knew the process like the back of their hand,'' said T.C. McIntosh, a Pentagon criminal investigator who last year examined some of the company's Army contracts in the 1990's. He said he found that a contractor ''gets away with what they can get away with.''

For example, KBR got the Army to agree to pay about $750,000 for electrical repairs at a base in California that cost only about $125,000, according to Mr. McIntosh, an agent with the Defense Criminal Investigative Service.

KBR officials did not dispute the electrical cost figures, which were part of an $18 million contract. But they said government investigators tried to suggest wrongdoing when there was not any.

''The company happened to negotiate a couple of projects we made more money on that others,'' said one company lawyer, who insisted on anonymity. He added, ''On some projects the contractor may make a large or small profit, while on others it may lose money, as KBR sometimes did on this contract.''

Mr. McIntosh said he and an assistant United States attorney in Sacramento were inclined to indict the company last year after they developed evidence that a few KBR employees had ''lied to the government'' in pricing proposals for electrical repair work at Fort Ord. Mr. McIntosh said the Sacramento prosecutor said to him, ''Let's go for this, it's a winnable criminal case.''

A KBR lawyer said that the government's theory ''was novel and unfairly tried to criminalize what was only a preliminary proposal.''

The United States attorney's office in Sacramento declined to discuss its internal deliberations in the cast. But it dropped the criminal inquiry and reached a civil settlement in February, in part because of weak contract monitoring by the Army, according to Mr. McIntosh and a lawyer involved in the case.

As part of the settlement, KBR paid $2 million but denied any liability.

Last December the Army's Operations Support Command, unaware of the criminal investigation, found KBR's past contracting experiences to be exemplary as it awarded the company the 10-year logistical support contract, according to a command spokeswoman, Gale Smith.

The Army command's lengthy review of bidders did not discover that KBR was the target of a criminal investigation though it was disclosed in Halliburton's annual report submitted with the bid, according to Ms. Smith. She said that if the support command's managers had known of the criminal inquiry, they would have looked further at the matter but not changed the award.

KBR's ability to earn the Pentagon's trust dates back decades.

''It's standard operating procedure for the Department of Defense to haul in Brown & Root,'' said Gordon Adams, who helped oversee the military budget for President Bill Clinton.

The company's first military contract was in 1940, to build a Naval air station in Corpus Christi, Tex. In the 1960's, it built bases in Vietnam. By the 1990's, KBR was providing logistical support in Haiti, Somalia and the Balkans.

KBR's military logistics business began to escalate rapidly with its selection for a $3.9 million contract in 1992, Mr. Cheney's last year at the Pentagon. Over the last 10 years, the revenues have totaled $2.5 billion, mostly a result of widening American involvement in the Balkans after 1995.

''We did great things to support the U.S. military overseas—we did better than they could support themselves,'' said Charles J. Fiala, a former operations officer for KBR. ''I was in the Department of Defense for 35 years. We knew what the government was like.''

Robert E. Ayers, another former KBR executive who still consults for the company, said Mr. Cheney ''stayed fairly well informed'' on the Balkans contract.

Stan Solloway, a former top Pentagon procurement official who now heads an association of contractors, said the company ''understood the military mind-set'' and ''did a very good job in the Balkans.''

But reports in 1997 and 2000 by the General Accounting Office, the audit arm of Congress, found weak contract monitoring by the Army contributed to cost increases in the Balkan contract that benefited KBR.

The audit agency's 1997 report concluded that the Army allowed KBR to fly in plywood from the United States, at a cost of $85.98 a sheet, because it did not have time to procure it in Europe, where sheets costs $14.06.

Mr. Ayers, the former KBR executive, had worked on the Balkans contract. ''If the rules weren't stiff and specific,'' he said, ''the contractor could make money off of overspending by the government.''

The contract awarded last December by the Army's Operations Support Command, is ''open ended'' with ''no estimated value,'' said Ms. Smith, the command's spokeswoman. She said that was mainly ''because the various contingencies are beginning to unfold.''

KBR won this and most of its other Pentagon contracts in a competition with other contractors, but KBR is the sole source for the many tasks that fall under the umbrella contract.

Pentagon officials said the company had recently taken over a wide range of tasks at Khanabad Air Base in Uzbekistan, from running the dining operation to handling fuel and generating power for the airfield. The company employs Uzbeks, paying them in accordance with ''local laws and customs'' but operating under United States health and safety guidelines, according to Halliburton's statement.

For the first six months that American troops were at Khanabad, the logistical support was provided by the Army's First Corps Support Command. Mr. Cole, the contract manager for the joint command in Kuwait, said the contract would initially cost 10 to 20 percent more than if the Army had done the work itself. He said that he and his staff recommended using the contractor because ''they do a better job of maintaining the infrastructure.'' In addition, he said, the contractor should provide long-term flexibility, an asset in a war with many unknowns, and cost savings by avoiding Army troop transfers.

Ms. Smith said that the criticisms by the G.A.O. had led the Army to build additional controls into the contract.

At its base in Cuba, the Navy has followed the same pattern as the Army: use the military first and augment it with KBR. The Navy's construction brigade, the Seabees, built the first detention facility for battlefield detainees at Guantanamo Bay. Then the Navy activated a recently awarded $300 million, five-year logistic support contract with KBR to construct more permanent facilities, some 600 units, built mostly by workers from the Philippines and India, at a cost of $23 million.

John Peters, the Navy Facilities Engineering Command spokesman, said the permanent camp was ''bigger, more sophisticated than what Seabees do.'' But the Seabees built the facilities for the troops guarding the detainees, and in the 1990's the Seabees built two tent cities capable of housing 20,000 refugees in Guantanamo Bay.

''Seabees typically can perform the work at about half the cost of contractors, because labor costs are already sunk and paid for,'' said Daryl Smith, a Seabees spokesman.

Zelma Branch, a KBR spokeswoman, said the company relied on its excellent record rather than personal relationships to win its contracts. But hiring former military officers can help the company understand and anticipate the Pentagon's needs.

''The key to the company's success is good client relations and having somebody who could anticipate what the client's needs are going to be,'' Mr. Ayers, the former company executive, said.

Mr. HOYER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I took the time in opposition, but I am not going to oppose this amendment. Number one, it is my understanding with the chairman, pursuant to the colloquy, this amendment will not be affected as it now reads by the conference committee. Why? Because we want to make sure that the program does not go dark, I say tangentially, notwithstanding the fact that Mr. Walters says it is a program that has not worked, or recently has not worked, and he was, of course, an opponent of the program when it initially was adopted. That aside, let me say that one of the reasons I will not oppose it is because I believe the premise of the amendment is a premise that we all can share.

The distinguished gentleman from Maryland already mentioned this, but I think it bears mentioning again, not solely for political purposes, although obviously it is a high-visibility item, but also because this company is seeking to do business with the drug media

program. I mention Halliburton because it is a high-visibility company. Obviously the Vice President had some dealings with it. But it falls into the Ogilvy category. It is a company that has profited and continues to profit enormously from multiple contracts with the Department of Defense.

In February of this year, Halliburton subsidiary KBR reached a $2 million settlement, very similar to the Ogilvy settlement, with the government amid criminal allegations of fraud, false claims and false statements. KBR was subsequently, notwithstanding that, awarded a 10-year unlimited cost contract with the Army. There were no amendments to preclude that.

But the principle that the gentleman from Georgia puts before us is a very valid principle, and the principle is, if you want to do business with the government, play by the rules. We had an amendment on this floor that the gentleman from Virginia (Mr. MORAN) fought very strongly for that said if you want to abscond, if you want to dodge American taxes and dodge your responsibility and go overseas, to Bermuda or someplace else, then hey, we're not going to contract with you, we're not going to give you millions, tens of millions and hundreds of millions in contracts.

That is essentially the proposition that this amendment puts forward. I think it is a proposition frankly that the other body has sympathy with on both sides of the aisle. I do not think this is a partisan issue. I think the gentleman from Georgia is absolutely correct on that. Therefore, I have discussed this with the chairman, I think the chairman and I are in agreement, A, we are going to make sure that this program does not go dark. It may need to be made to operate more effectively and better so that it has the impact.

We have spent a lot of money on it although we have cut the money, as you know, that was originally asked for by the President by some $10 million, but this is an important program. But we want to make sure that this program is conducted in a fashion that all of us can have faith and trust and is not advantaging those who have undermined their responsibility to deal fairly with the government and deal fairly and legally with others.

In that context, Mr. Chairman, I will not object to this amendment, would hope that we could adopt it by a voice vote and then, working with the gentleman from Georgia and others, we will work in the conference to come to a conclusion that I think will stand for the proposition that this amendment stands for, and at the same time, protect the program that all of us feel is an important one.

Mr. BARR of Georgia. Mr. Chairman, the eloquence of the distinguished gentleman from Maryland cannot be added or subtracted to without doing it an injustice. I appreciate the words of the gentleman from Maryland in support of this amendment. I understand his concerns, which I share about making sure the program continues. We wish to strengthen it through this amendment and that is what I will work to do. I appreciate also the support of the distinguished gentleman from Oklahoma (Mr. ISTOOK) to whom I yield the balance of my time.

Mr. ISTOOK. How much time, may I inquire, remains, Mr. Chairman?

The CHAIRMAN pro tempore (Mr. LATOURETTE). The gentleman had 2½ minutes.

Mr. ISTOOK. Mr. Chairman, I appreciate the gentleman from Georgia's efforts to make sure that this contract that comes under the jurisdiction of our subcommittee for this national antidrug campaign is handled responsibly. The reason we have these questions is because there has been a GAO inquiry into the prior performance of this same contract by the Ogilvy firm and there has been a major fine assessed for improper charges and handling and abuses in their performance of that contract. That is why we have this language, to make sure that we can have it reviewed to make sure that that contract is handled properly.

However, Mr. Chairman, I do not believe that this was a proper occasion for people to try to bring up extraneous matters that have not been the subject of such investigation. We have not been here talking on the floor about, for example, Global Crossing and tens of millions of dollars—or was it hundreds of millions of dollars—obtained by insiders and obtained by Terry McAuliffe, the Democratic National Committee chairman; we have not been bringing up the allegations of abuses related to Enron and the possible involvement of Citibank chaired by the former Secretary of the Treasury Robert Rubin from the Clinton administration; and I do not think it was appropriate for people to try to bring this up as an opportunity to take shots at other people in the debate here.

We have plenty of time to focus on each misdeed as we learn of it and to make sure that we hold every person in America fully accountable under our laws. That is what we want to make sure that we do in this particular contract with the people that are involved in performing it. We do not need to go far afield as I heard some people do earlier and as I did myself only to point out that this is inappropriate. We are here talking about the drug contract. We are here talking about the firm that abused their position as a contractor with the taxpayers on this and to make sure that abuse does not happen but that correcting that abuse will not disrupt this important national drug effort.

□ 1330

The CHAIRMAN pro tempore (Mr. LATOURETTE). All time for debate has expired.

The question is on the amendment offered by the gentleman from Georgia (Mr. BARR).

The amendment was agreed to.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to clause 6, rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

Amendment No. 21, offered by the gentleman from Virginia (Mr. MORAN), the amendment offered by the gentleman from Colorado (Mr. HEFLEY); amendment No. 16, offered by the gentleman from Colorado (Mr. HEFLEY); and amendment No. 7, offered by the gentleman from Vermont (Mr. SANDERS).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 21 OFFERED BY MR. MORAN OF VIRGINIA

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia (Mr. MORAN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 261, noes 166, not voting 7, as follows:

[Roll No. 336]

AYES—261

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baker
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Boehlert
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Chambliss
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Filner
Fletcher
Forbes
Ford
Fossella
Frank
Frost
Ganske
Gekas
Gephardt
Gilman
Gonzalez
Gordon
Granger
Graves
Green (TX)
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hayes
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Hunter
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Kucinich
LaFalce
LaHood
Lampson

Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Petri
Phelps
Platts
Pomeroy
Price (NC)
Quinn
Rahall
Rangel
Reyes
Riley
Rivers
Rodriguez
Roemer
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Scott
Serrano
Sherman
Shimkus
Shows
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Walsh
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Wolf
Woolsey
Wu
Wynn

NOES—166

Aderholt
Akin
Armey
Bachus
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cantor
Castle
Chabot
Coble
Collins
Combest
Cooksey
Crane
Crenshaw
Cubin
Culberson
Cunningham
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Everett
Flake
Foley
Frelinghuysen
Gallegly
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goss
Graham
Green (WI)
Greenwood
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (IL)
Johnson, Sam
Keller
Kennedy (MN)
Kerns
Kirk
Knollenberg
Kolbe
Latham
Lewis (CA)
Linder
Lucas (OK)
Manzullo
McCrery
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Otter
Oxley
Paul
Pence
Peterson (PA)
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Rogers (KY)
Rogers (MI)
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shuster
Simmons
Simpson
Skeen
Smith (TX)
Souder
Stump
Sullivan
Sununu
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Young (AK)
Young (FL)

NOT VOTING—7

Bonior
Cannon
Cox
Delahunt
Stearns
Tancredo
Traficant

□ 1353

Messrs. COBLE, LEWIS of California, and COOKSEY changed their vote from ''aye'' to ''no.''

Messrs. CHAMBLISS, KINGSTON, LAHOOD, FORBES, OWENS, THOMPSON of Mississippi, JOHN, and STENHOLM changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HEFLEY

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Colorado (Mr. HEFLEY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 165, noes 265, not voting 4, as follows:

[Roll No. 337]

AYES—165

Akin
Armey
Bachus
Ballenger
Barcia
Barr
Barrett
Bartlett
Bass
Bereuter
Berry
Biggert
Bilirakis
Boozman
Boswell
Bryant
Burr
Burton
Buyer
Camp
Cannon
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Cooksey
Cramer
Crane
Cubin
Cunningham
Davis, Jo Ann
Deal
DeFazio
DeMint
Doggett
Doolittle
Duncan
Ehrlich
Evans
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Gallegly
Ganske
Gibbons
Gilman
Goode
Goodlatte
Gordon
Graham
Green (TX)
Green (WI)
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hoekstra
Hostettler
Hulshof
Hyde
Jenkins
John
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kind (WI)
Kingston
Kirk
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Luther
Manzullo
Matheson
McInnis
McIntyre
Mica
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Moore
Moran (KS)
Myrick
Nethercutt
Ney
Norwood
Osborne
Otter
Oxley
Paul
Pence
Petri
Phelps
Pickering
Pitts
Platts
Radanovich
Ramstad
Rehberg
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
Shimkus
Shows
Shuster
Simmons
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Stenholm
Stump
Sullivan
Sununu
Tanner
Taylor (MS)
Taylor (NC)
Terry
Thune
Tiahrt
Tiberi
Toomey
Turner
Upton
Vitter
Walden
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (SC)

NOES—265

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baca
Baird
Baker
Baldacci
Baldwin
Barton
Becerra
Bentsen
Berkley
Berman
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Callahan
Calvert
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Cox
Coyne
Crenshaw
Crowley
Culberson
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Farr
Fattah
Filner
Ford
Fossella
Frank
Frelinghuysen
Frost
Gekas
Gephardt
Gilchrest
Gillmor
Gonzalez
Goss
Granger
Graves
Greenwood
Grucci
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hunter
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kerns
Kildee
Kilpatrick
King (NY)
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Rangel
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Schrock
Scott
Serrano
Shaw
Shays
Sherman
Sherwood
Simpson
Skeen
Skelton
Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Sweeney
Tauscher
Tauzin
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Waxman

Weiner
Wexler
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—4

Bonior
Stearns
Tancredo
Traficant

□ 1402

Mrs. BIGGERT changed her vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 16 OFFERED BY MR. HEFLEY

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Colorado (Mr. HEFLEY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 147, noes 282, not voting 5, as follows:

[Roll No. 338]

AYES—147

Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bereuter
Berry
Bilirakis
Blunt
Boswell
Brady (TX)
Bryant
Burr
Burton
Buyer
Cannon
Cantor
Castle
Chabot
Chambliss
Clement
Coble
Collins
Cooksey
Costello
Cox
Crane
Cubin
Culberson
Cunningham
Davis, Jo Ann
Deal
DeMint
Diaz-Balart
Doggett
Duncan
Ehrlich
English
Everett
Flake
Foley
Forbes
Fossella
Gallegly
Gibbons
Goode
Goodlatte
Graham
Graves
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hoekstra
Hostettler
Hyde
Issa
Jenkins
Johnson, Sam
Jones (NC)
Keller
Kennedy (MN)
Kerns
Kirk
Linder
Lucas (KY)
Luther
Manzullo
Matheson
McInnis
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Myrick
Norwood
Nussle
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Ramstad
Rehberg
Reynolds
Riley
Roemer
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shows
Simmons
Smith (MI)
Smith (TX)
Smith (WA)
Stenholm
Stump
Sullivan
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thornberry
Tiahrt
Tiberi
Toomey
Turner
Upton
Vitter
Walden
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (SC)

NOES—282

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Bass
Becerra
Bentsen
Berkley
Berman
Biggert
Bishop
Blagojevich
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Brown (SC)
Callahan
Calvert
Camp
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Combest
Condit
Conyers
Coyne
Cramer
Crenshaw
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Dicks
Dingell
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Filner
Fletcher
Ford
Frank
Frelinghuysen
Frost
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Goss
Granger
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (OH)
Hastings (FL)
Hastings (WA)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Inslee
Isakson
Israel
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (OK)
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Rangel
Regula
Reyes
Rivers
Rodriguez
Rogers (KY)
Rogers (MI)
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Scott
Serrano
Shaw
Sherman
Sherwood
Shuster
Simpson
Skeen
Skelton
Smith (NJ)
Snyder
Solis
Souder
Spratt
Stark
Strickland
Stupak
Sununu
Sweeney
Tauscher
Thomas
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—5

Bonior
Slaughter
Stearns
Tancredo
Traficant

□ 1411

Mrs. CLAYTON changed her vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Ms. SLAUGHTER. Mr. Speaker, I missed rollcall No. 338, Hefley amendment #16.

Had I been present, I would have voted "no".

AMENDMENT NO. 7 OFFERED BY MR. SANDERS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Vermont (Mr. SANDERS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 308, noes 121, not voting 5, as follows:

[Roll No. 339]

AYES—308

Abercrombie
Ackerman
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Barcia
Barrett
Bartlett
Bass
Becerra
Bentsen
Berkley
Berman
Berry
Bilirakis
Bishop
Blagojevich
Blumenauer
Boehlert
Borski
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Clay
Clayton
Clement
Clyburn
Coble
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crowley
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Edwards
Ehrlich
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Green (TX)
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastings (FL)
Hayes
Hefley
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hoyer
Hunter
Inslee
Isakson
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Kucinich
LaFalce
LaHood
Lampson
Langevin

Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McInnis
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Platts
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Serrano
Shadegg
Shaw
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Strickland
Stupak
Sullivan
Sununu
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Walden
Walsh
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Weldon (PA)
Wexler
Whitfield
Wilson (NM)
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—121

Aderholt
Akin
Armey
Ballenger
Barr
Barton
Bereuter
Biggert
Blunt
Boehner
Bonilla
Bono
Boozman
Boswell
Brady (TX)
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Chabot
Chambliss
Collins
Combest
Crane
Crenshaw
Cubin
Culberson
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Flake
Gallegly
Gibbons
Granger
Graves
Green (WI)
Greenwood
Hart
Hastings (WA)
Hayworth
Herger
Hostettler
Houghton
Hulshof
Hyde
Issa
Istook
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kennedy (MN)
Kerns
Kirk
Kolbe
Linder
Lucas (KY)
Lucas (OK)
McCrery
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Myrick
Nethercutt
Northup
Norwood
Osborne
Otter
Oxley
Paul
Pence
Pitts
Pombo
Pomeroy
Portman
Putnam
Ramstad
Rehberg
Riley
Rogers (MI)
Ryan (WI)
Sensenbrenner
Sessions
Shays
Simpson
Skeen
Smith (TX)
Stenholm
Stump
Tauzin
Thomas
Thornberry
Tiahrt
Tiberi
Vitter
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weller
Wicker
Wilson (SC)
Wolf

NOT VOTING—5

Bonior
Knollenberg
Stearns
Tancredo
Traficant

□ 1420

Mr. MORAN of Kansas changed his vote from ''aye'' to ''no.''

Mrs. JO ANN DAVIS of Virginia and Mr. FORBES changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 8 OFFERED BY MR. WYNN

Mr. WYNN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. WYNN:

At the end of the bill (before the short title), insert the following new section:

SEC. ____. (a) CENTRALIZED REPORTING SYSTEM.—Not later than 180 days after the date of the enactment of this Act, each agency shall establish a centralized reporting system in accordance with guidance promulgated by the Office of Management and Budget that allows the agency to generate periodic reports on the contracting efforts of the agency. Such centralized reporting system shall be designed to enable the agency to generate reports on efforts regarding both contracting out and contracting in.

(b) REPORTS ON CONTRACTING EFFORTS.—(1) Not later than 180 days after the date of the enactment of this Act, every agency shall generate and submit to the Director of the Office of Management and Budget a report on the contracting efforts of the agency undertaken during the 2 fiscal years immediately preceding the fiscal year during which this Act is enacted. Such report shall comply with the requirements in paragraph (3).

(2) For the current fiscal year and every fiscal year thereafter, every agency shall complete and submit to the Director of the Office of Management and Budget a report on the contracting efforts undertaken by the agency during the current fiscal year. Such reports shall comply with the requirements in paragraph (3), and shall be completed and submitted not later than the end of the first fiscal quarter of the subsequent fiscal year.

(3) The reports referred to in this subsection shall include the following information with regard to each contracting effort undertaken by the agency:

(A) The contract number and the Federal supply class or service code.

(B) A statement of why the contracting effort was undertaken and an explanation of what alternatives to the contracting effort were considered and why such alternatives were ultimately rejected.

(C) The names, addresses, and telephone numbers of the officials who supervised the contracting effort.

(D) The competitive process used or the statutory or regulatory authority relied on to enter into the contract without public-private competition.

(E) The cost of Federal employee performance at the time the work was contracted out (if the work had previously been performed by Federal employees).

(F) The cost of Federal employee performance under a Most Efficient Organization plan (if the work was contracted out through OMB Circular A–76).

(G) The anticipated cost of contractor performance, based on the award.

(H) The current cost of contractor performance.

(I) The actual savings, expressed both as a dollar amount and as a percentage of the cost of performance by Federal employees, based on the current cost, and an explanation of the difference, if any.

(J) A description of the quality control process used by the agency in connection with monitoring the contracting effort, identification of the applicable quality control standards, the frequency of the preparation of quality control reports, and an assessment of whether the contractor met, exceeded, or failed to achieve the quality control standards.

(K) The number of employees performing the contracting effort under the contract and any related subcontracts.

(c) REPORT ON CONTRACTING EFFORTS.—(1) For the current fiscal year and every fiscal year thereafter, every agency shall complete and submit to the Director of the Office of Management and Budget a report on the contracting efforts undertaken by the agency during the current fiscal year. Such reports shall comply with the requirements in paragraph (2), and shall be completed and submitted not later than the end of the first fiscal quarter of the subsequent fiscal year.

(2) The reports referred to in paragraph (1) shall include the following information for each contracting in effort undertaken by the agency:

(A) A description of the type of work involved.

(B) A statement of why the contracting in effort was undertaken.

(C) The names, addresses, and telephone numbers of the officials who supervised the contracting in effort.

(D) The cost of performance at the time the work was contracted in.

(E) The current cost of performance by Federal employees or military personnel.

(d) REPORT ON EMPLOYEE POSITIONS.—Not later than 30 days after the end of the current fiscal year and every fiscal year thereafter, every agency shall report on the number of Federal employee positions and positions held by non-Federal employees under a contract between the agency and an individual or entity that has been subject to public-private competition.

(e) COMMITTEES TO WHICH REPORTS MUST BE SUBMITTED.—The reports referred to in this section shall be submitted to the Committee on Government Reform of the House of Representatives and to the Committee on Governmental Affairs of the Senate.

(f) PUBLICATION.—The Director of the Office of Management and Budget shall promptly publish in the Federal Register notices including a description of when the reports referred to in this section are available to the public and the names, addresses, and telephone numbers of the officials from whom the reports may be obtained.

(g) AVAILABILITY ON INTERNET.—After the excision of proprietary information, the reports referred to in this section shall be made available through the Internet.

(h) REVIEW.—The Director of the Office of Management and Budget shall review the reports referred to in this section and consult with the head of the agency regarding the content of such reports.

(i) DEFINITIONS..—As used in this section:

(1) The term ''employee'' means any individual employed—

(A) as a civilian in a military department (as defined in section 102 of title 5, United States Code);

(B) in an executive agency (as defined in section 105 of title 5, United States Code), including an employee who is paid from non-appropriated funds;

(C) in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service;

(D) in the Library of Congress;

(E) in the Government Printing Office; or

(F) by the Governors of the Federal Reserve System.

(2) The term ''agency'' means any department, agency, bureau, commission, activity, or organization of the United States, that employs an employee (as defined in paragraph (1)).

(3) The term ''non-Federal personnel'' means employed individuals who are not employees, as defined in paragraph (1).

(4) The term ''contractor'' means an individual or entity that performs a function for an agency under a contract with non-Federal personnel.

(5) The term ''privatization'' means the end result of the decision of an agency to exit a business line, terminate an activity, or sell Government owned assets or operational capabilities to the non-Federal sector.

(6) The term ''outsourcing'' means the end result of the decision of an agency to acquire services from external sources, either from a non-Federal source or through interservice support agreements, through a contract.

(7) The term ''contracting out'' means the conversion by an agency of the performance of a function to the performance by a non-Federal employee under a contract between an agency and an individual or other entity.

(8) The term ''contracting in'' is the conversion of the performance of a function by non-Federal employees under a contract between an agency and an individual or other entity to the performance by employees.

(9) The term ''contracting'' means the performance of a function by non-Federal employees under a contract between an agency and an individual or other entity. The term ''contracting'', as used throughout this Act, includes privatization, outsourcing, contracting out, and contracting, unless otherwise specifically provided.

(10)(A) Subject to subparagraph (B), the term ''critical for the provision of patient care'' means direct patient medical and hospital care that the Department of Veterans Affairs or other Federal hospitals or clinics are not capable of furnishing because of geographical inaccessibility, medical emergency, or the particularly unique type of care or service required.

(B) The term does not include support and administrative services for hospital and clinic operations, including food service, laundry services, grounds maintenance, transportation services, office operations, and supply processing and distribution services.

(j) APPROPRIATION.—There is appropriated $2,000,000 for fiscal year 2003 to carry out this section, to be derived by transfer from the amount appropriated in title I of this Act for ''Internal Revenue Service—Tax Law Enforcement''. The Director of the Office of Management and Budget shall allocate such amount among the appropriate accounts, and shall submit to the Congress a report setting forth such allocation.

(k) APPLICABILITY.—(1) The provisions of this section shall apply to fiscal year 2003 and each fiscal year thereafter.

(2) This section—

(A) does not apply with respect to the General Accounting Office;

(B) does not apply with respect to depot-level maintenance and repair of the Department of Defense (as defined in section 2460 of title 10, United States Code); and

(C) does not apply with respect to contracts for the construction of new structures or the remodeling of or additions to existing structures, but shall apply to all contracts for the repair and maintenance of any structures.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 2002, the gentleman from Maryland (Mr. WYNN) and a Member opposed each will control 2½ minutes.

Mr. ISTOOK. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Chairman, I yield myself such time as I may consume.

I do intend to withdraw this amendment, but I want to bring to the attention of the House, and more importantly, the American people a very important issue, and that is, contracting out and whether the American taxpayer is receiving best value. Some people have characterized this issue as private contractors versus Federal employees. It is not. The issue before us today is whether the American taxpayer is getting best value for the services we contract out.

The essence of this amendment is to ensure that there is transparency and scrutiny of government contractors to determine whether the American public is receiving best value, both quantitatively and qualitatively, by establishing a centralized reporting by each agency of its contracting efforts.

In recent years, the notion that outsourcing is the most cost-efficient approach to providing government services has gained considerable momentum. However, when we asked the Government Accounting Office to tell us how many contracts were being let by the Federal Government, who was involved and how much the savings were, they could not tell us, and they said they could not tell us because there was no centralized accounting so that they could identify how much each agency was doing.

In the absence of accountability and congressional oversight, indiscriminate outsourcing and privatization of government services will grow with no guarantee of actual cost savings.

My amendment is very simple. It will require that each agency establish a centralized reporting system on its contracting practices. The reports submitted to the director of the Office of Management and Budget would include the contract number and the Federal supply class of service code; a statement of why the contracting effort was undertaken; the name of the supervisors and officials involved; the cost of Federal employee performance at the time the work was contracted out, if the work had been previously performed by Federal employees.

It would also report the anticipated cost of contractor performance and the cost of, the anticipated cost and the actual cost of contract performance, and most importantly, the reports would include the actual savings, if any, compared with performance by Federal employees. The number of contract employees would also be listed.

This oversight responsibility would be accomplished by submitting these reports to the Committee on Government Reform in the House and the Committee on Government Affairs in the Senate.

The director of the Office of Management and Budget would publish in the Federal Register notices of when the reports would be available to the public so that the public could determine if they are getting best value.

Currently, agencies do not closely monitor the cost efficiency of the billions of dollars in contracting out and privatization. There is no oversight of contracts after they have been awarded to compare past costs with current costs or to consider the potential effects of cost overruns.

If outsourcing and privatization are to work, it must be transparent. It must be truthful. All the parties must be disclosed, identified and held responsible and accountable for their actions.

My amendment very simply would add basic safeguards such as reporting and oversight, two that are currently missing from the process. I believe this is a good amendment and an important issue for this Congress.

Mr. WYNN. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMENDMENT OFFERED BY MR. HOYER

Mr. HOYER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HOYER:

In the appropriate place at the end of the bill (before the short title), include the following:

SEC. . None of the funds provided to the Customs Service under this Act shall be used to require reports on repairs to U.S. flag vessels on the high seas.

Mr. CRANE. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. Pursuant to the order of the House Tuesday, July 23, 2002, the gentleman from Maryland (Mr. HOYER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I yield myself such time as I may consume.

I thank the distinguished gentleman from Illinois (Mr. CRANE) for reserving and giving me the opportunity to explain this amendment.

Mr. Chairman, this amendment frankly was brought to me just within the last 48 hours. It does, however, seem to raise an issue of significant importance and difficulty for a number of those in the shipping business.

The problem apparently is that if a person has a ship repaired while on the high seas, that is not within the territorial waters of any nation, and those repairs are effected using non-U.S.

parts, then they must fill out very substantial paperwork, and very substantial reporting requirements are implicated in that instance, so that we are causing a great burden to shipping companies that are U.S.-flagged. Obviously, we want shipping to be U.S.-flagged. We know that that is a difficulty.

I have introduced this amendment to try to address that issue. Because I introduced the amendment as a ''none of the funds'' and it is, therefore, a very blunt instrument, I agree with the gentleman from Illinois (Mr. CRANE) that this amendment should not pass in its present form. Even if it were added to the bill, I would be in favor of dropping it in conference. Its purpose was solely to protect our ability to address this issue.

It is, however, my understanding from the gentleman from Illinois (Mr. CRANE) and his staff that they share the view that this is a problem and that they are going to look at that and look at it closely. I do want to thank the gentleman from Illinois (Mr. CRANE) for his attention to this matter and for his staff working with us to see if we can come to a resolution of this matter.

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

Mr. HOYER. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I thank the gentleman for yielding and want to reassure him that his concerns are valid, legitimate concerns, and that we on the committee will look into this issue because it is something that needs to be resolved.

Mr. HOYER. Mr. Chairman, I thank the gentleman for his comments.

Mr. HOYER. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN pro tempore. Are there further amendments?

If not, the Clerk will read the last two lines.

The Clerk read as follows:

This Act may be cited as the ''Treasury and General Government Appropriations Act, 2003''.

Mr. BLUMENAUER. Mr. Chairman, today I voted for the fiscal year 2003 Appropriations Bill for Treasury, Postal Service, and General Government. This bill contains key provisions that I have supported in Congress.

The appropriations bill before us contains a measure that prohibits the use of funds in the bill to finalize, implement, administer or enforce the proposed Treasury Department rule declaring that real estate brokerage is ''an activity that is financial in nature or incidental to a financial activity.'' I agree with this prohibition and am a cosponsor of H.R. 3424, which would accomplish the same objective. The banking industry provides an invaluable function in our economy and the integrity of its operations and security of deposits is critical. The Gramm-Leach-Bliley Act is speeding ongoing changes in the United States financial services industry and allows banks flexibility in responding to economic trends. However, I do not believe the benefits of allowing banks to engage in real estate brokerage and property management activities outweigh the risks.

Regarding the Postal Service, the bill specifically requires that six-day delivery of mail be continued. It also requires that mail for overseas voting and for the blind continue to be free. I have always believed post offices play an integral role in the livability of our communities. They serve as business, social and often historical centers in our neighborhoods. It's for these reasons that I am a sponsor of legislation, H.R. 1861, which requires the Postal Service to engage local officials and the public it serves when opening, closing, relocating, or renovating facilities. I hope we continue to work to ensure the Postal Service is a good partner with our communities and follows local laws and regulations.

I am pleased that the final bill, for the second year in a row, ends the travel ban to Cuba and allows for private financing of agricultural sales to Cuba by U.S. farmers. In addition, the House approved an amendment to allow Cuban-Americans to send money to their relatives in Cuba without restrictions. Food and medicine should not be used as weapons. The Cuban people should not have to suffer because the United States does not agree with the Cuban government. These provisions show that there is growing momentum in favor of getting rid of the embargo against Cuba altogether. Only through engagement will we be able to effectively promote the ideals of human rights and democracy.

The CHAIRMAN pro tempore. There being no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SHIMKUS) having assumed the chair, Mr. LATOURETTE, Chairman pro tempore 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. 5120) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2003, and for other purposes, pursuant to House Resolution 488, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

□ 1430

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on passage of the bill.

Under clause 10 of rule XX, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4775) ''An Act making supplemental appropriations for further recovery from and response to terrorist attacks on the United States for the fiscal year ending September 30, 2002, and for other purposes.''.

PROVIDING FOR CONSIDERATION OF H.R. 4965, PARTIAL-BIRTH ABORTION BAN ACT OF 2002

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 498 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 498

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 4965) to prohibit the procedure commonly known as partial-birth abortion. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) two hours of debate on the bill equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary; and (2) one motion to recommit.

The SPEAKER pro tempore. The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, on Tuesday the Committee on Rules met and granted a closed rule for the Partial-Birth Abortion Ban of 2002. H.R. 4965 would ban performance of a partial-birth abortion except if it were necessary to save the mother's life. As an original cosponsor of this legislation, I am pleased to see the legislation reach the floor of the House. I also believe that President Bush deserves the opportunity to put an end to this horrific act of human violence by signing this legislation into law.

I must tell my colleagues, as a mother and a grandmother, it is still astonishing to me today that this is even remotely legal in America, but it is, and as we will no doubt hear on the floor today, it is practiced all too often in this country. The vast majority of partial-birth abortions are performed on