about giving local contractors the opportunity. The offer I made to my colleagues on the right, my Republican colleagues, is put this amendment forward so that we have the opportunity in this legislation to work our way through this. We all understand there is a problem. We all want our local contractors, whatever that means, to have an opportunity at these jobs.

There is a problem. The large national contractors are taking it all. They are coming into our communities and walking away with all of it. That's a problem for all of us who represent any military facility in this Nation. So let's move forward with this, put this amendment in, and then we will work it out. Maybe mileage isn't the best way. Local, maybe that needs to be defined. Forty percent, 39 percent, we can pick a number, or maybe no number at all. But we do know there is a problem, and we ought to be addressing it in this legislation this year. I would ask for your support. If you care about small businesses, then don't wait another year to solve the problem.

I ask for an ''aye'' vote.

The Acting CHAIR. The question is on the amendment offered by the gentleman from California (Mr. GARAMENDI).

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

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

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from California will be postponed.

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

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. THORNBERRY) having assumed the chair, Mr. MCCLINTOCK, Acting Chair 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. 1540) to authorize appropriations for fiscal year 2012 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for fiscal year 2012, and for other purposes, had come to no resolution thereon.

MAKING IN ORDER CONSIDERATION OF AMENDMENT NO. 26 TO H.R. 1540

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 1540 pursuant to House Resolution 276, amendment No. 26 printed in House Report 112–88 may be considered out of sequence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012

The SPEAKER pro tempore. Pursuant to House Resolution 112–88 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. 1540.

□ 1701

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. 1540) to authorize appropriations for fiscal year 2012 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for fiscal year 2012, and for other purposes, with Mr. MCCLINTOCK (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole rose earlier today, a request for a recorded vote on amendment No. 28 printed in House Report 112–88 by the gentleman from California (Mr. GARAMENDI) had been postponed.

AMENDMENT NO. 26 OFFERED BY MRS. MALONEY

The Acting CHAIR. Pursuant to the order of the House of today, it is now in order to consider amendment No. 26 printed in House Report 112–88.

Mrs. MALONEY. I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of subtitle E of title VIII, add the following new section:

SEC. 845. PUBLIC DISCLOSURE OF SENIOR DEPARTMENT OF DEFENSE OFFICIALS EMPLOYED WITH DEFENSE CONTRACTORS.

(a) AMENDMENT.—Section 847 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181; 122 Stat. 243; 10 U.S.C. 1701 note) is amended by adding at the end the following new subsection:

''(e) PUBLIC AVAILABILITY.—Not later than 30 days after the provision of the written opinion under subsection (a)(3), the Secretary of Defense shall publish on a publicly available website the information submitted under this section, including the names of each official or former official described in subsection (a)(1) and the contractor from whom such official or former official expects to receive compensation.''.

(b) PREVIOUSLY SUBMITTED INFORMATION.—With respect to the publication of information required by subsection (e) of section 847 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181; 122 Stat. 243; 10 U.S.C. 1701 note), as added by subsection (a), for information that was submitted before the date of the enactment of this Act, the Secretary of Defense shall publish such information on a publicly available website not later than 30 days after the date of the enactment of this Act.

The Acting CHAIR. Pursuant to House Resolution 276, the gentlewoman from New York (Mrs. MALONEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, this amendment would require public disclosure of information submitted under section 847 of this act.

This amendment is about bringing more accountability and sunshine to the $379 billion average annual defense contracting business by making a revolving door database, which already exists, publicly available. It would allow the public access to important ethics information about some DOD employees who leave to go through the resolving door to jobs in the defense contracting industry, often with companies with whom they have been negotiating billions of dollars in contracts.

Current and former public servants should not be able to use their positions for private gain, and powerful defense contractors should not be able to rig the system.

But, unfortunately, this relationship is not uncommon. One way contractors gain influence in the government is to hire away civil servants and political appointees with access to inside people and information from their government positions. In some cases, highly skilled and well-connected former senior government officials enter the private sector as executives or officers or lobbyists or on the boards of directors of government contractors, a practice known as the revolving door.

It is also widely acknowledged that there are inherent conflicts of interest in the revolving door, potential ethical problems that can lead to the wasteful spending of taxpayers' dollars and worse.

For this reason, DOD currently collects ethics opinions on certain acquisition employees who go to work for contractors within 2 years of leaving DOD. This amendment would simply require this database to be publicly available online.

This amendment would not add any requirements or change the current post-employment restrictions. The law already requires DOD employees who hold a key acquisition position to obtain a written ethics opinion from a DOD ethics counselor before taking a job with a contractor in the 2 years after leaving DOD.

The National Defense Authorization Act for fiscal year 2008 mandated that covered DOD acquisition officials, that would be certain executive schedule, Senior Executive Service, and general or flag officer positions, must obtain a post-employment ethics opinion before accepting a paid position from a DOD contractor within 2 years after they leave DOD service. It also requires that DOD contractors ensure that new hires have an ethics opinion.

The law also requires that each request for a written opinion made pursuant to this section, and each written opinion provided pursuant to such a request, shall be retained by the Department of Defense in a central database for not less than 5 years beginning on the date in which the written opinion was provided.

But these ethics opinions are not currently shared with the public. Why should this information be secret and hidden from public view?

At times the overly cozy relationships between DOD and contractors lead to cost overruns, loose ethical standards, and lack of accountability. This problem is compounded by the dramatic increase in DOD contract spending in recent years. The inability of DOD's acquisition workforce to effectively manage that dramatic growth and increasing industry consolidation have caused DOD to become too dependent on a handful of companies to provide essential goods and services.

It has become impractical or even outright impossible for DOD to bar any of these companies from contracting or impose punishment more severe than a mere slap on the wrist.

Mrs. MALONEY. Mr. Chair, the examples of lack of accountability are endless:

BAE Systems: Last year, BAE settled an international bribery case in the U.S. and UK for $450 million and pleaded guilty to criminal charges. But it was allowed to keep doing business with the federal government and has won billions of dollars in contracts since then. Even last week's run-in with the State Department, when BAE paid $79 million after State discovered they had withheld vital info while negotiating last year's settlement, hasn't hurt it.

BP: Last year, the EPA was considering debarring BP for its many environmental and workplace safety violations, but DoD pressured them to back off because BP supplies 80 percent of the fuel to U.S. forces.

KBR: Still a key DoD supplier despite a long history of misconduct, including incidents that put the lives of soldiers and employees at risk.

Charles Tiefer of the Commission on Wartime Contracting nicknamed five large companies that do business with DoD (KBR, Agility, Louis Berger Group, Tamimi, First Kuwaiti) the "Flagrant Five" for continuing to receive contracts despite claims of fraud, misconduct and poor performance.

At a time when the public is questioning the ethics and integrity of the federal government and its spending of taxpayer dollars, the very least we can do is to shine a little light on the revolving door between the government and large private contractors.

This amendment would do just that.

It would direct DoD to make the information they already collect publicly available online to increase accountability and improve the ethics in relationships between DoD acquisitions and defense contractors. Groups like the nonpartisan Project On Government Oversight have urged DoD to make the database public, to no avail. DoD is not prohibited from putting the information online, but clearly has resisted doing so.

There is no public interest in keeping this information secret or hidden from view. The only interest served by keeping this ethics information in the shadows are those of current and former public servants use their positions for private gain means powerful private corporations can rig the system in their favor. This costs taxpayers, limits or eliminates competition from businesses that may be the best for the job, and results in flawed policies and bad procurement decisions. It also harms the public trust.

Public access to the revolving door database represents the kind of open government that the public wants and deserves, especially at this time of ever-escalating spending of taxpayer dollars by the Pentagon. It will improve the integrity of the federal contracting system, shine light on the revolving door between the Pentagon and the defense industry, and act as a deterrent to overly-cozy relationship that could lead to wasted taxpayer dollars.

The Acting CHAIR. The time of the gentlewoman has expired.

Mr. MCKEON. I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from California is recognized for 5 minutes.

Mr. MCKEON. Mr. Chairman, I will just make three brief points.

Public disclosure of this personal information serves no purpose but to infringe on the rights and the privacy of civil servants.

The second point, the data required is already being reviewed by the DOD Inspector General. There's no oversight value in making it publicly available. This will only hamper the DOD's efforts to recruit talented acquisition personnel.

I yield such time as he may consume to the gentleman from Texas (Mr. THORNBERRY).

Mr. THORNBERRY. Mr. Chairman, in addition, I think it should be pointed out that in the FY 2010 National Defense Authorization Act, the Congress required that the Panel on Contracting Integrity review policies related to post-employment restrictions. Now that report is supposed to be delivered this summer.

□ 1710

It seems to me to be prudent that we listen to what we ordered them to tell us before we start making new restrictions and new requirements without even hearing what their report says.

So I appreciate the concerns that the gentlelady brings up on this issue. But as the chairman indicated, study after study related to our acquisition process talks about the difficulty of attracting top quality acquisition folks and yet the importance of having those very people.

I think it's very important, while we obviously must consider the ethical considerations, we also, just as obviously, have to consider whether we are attracting top quality talent or repelling top quality talent. And it would be very helpful for Congress to hold off and listen to the report that we have ordered them to give us before we start making additional legislation and additional requirements that could have severe adverse consequences in this area.

So, I think we should reject this amendment, listen to the report, see what it says, and see if and when additional action is needed after that.

Mr. MCKEON. How much time do I have remaining?

The Acting CHAIR. The gentleman from California has 2¾ minutes remaining.

Mr. MCKEON. Mr. Chair, I think one of the things that we do in this bill is look at redundancy and the things that we are trying to make simpler, not more complex. I think, as the gentleman said, we've already asked for a report on this. We will get that report back, and then there will be time to see if there is any reason to go further in this direction.

I would encourage my colleagues to oppose this amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from New York (Mrs. MALONEY).

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

Mrs. MALONEY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from New York will be postponed.

AMENDMENT NO. 30 OFFERED BY MR. HIMES

The Acting CHAIR. It is now in order to consider amendment No. 30 printed in House Report 112–88.

Mr. HIMES. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 414, line 4, strike "and".

Page 414, line 20, strike the period and insert "; and".

Page 414, after line 20, insert the following:

(5) by adding at the end the following:

"(h) DIRECTION OF FUNDS.—Any savings realized under this section shall be deposited into the general fund of the Treasury and used for deficit reduction.".

The Acting CHAIR. Pursuant to House Resolution 276, the gentleman from Connecticut (Mr. HIMES) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Connecticut.

Mr. HIMES. I yield myself such time as I may consume.

Mr. Chairman, I rise today to speak on behalf of my amendment to H.R. 1540. The underlying text of the National Defense Authorization Act calls for the shift of certain inherently governmental functions, currently being performed by contractors, to civilian employees within the Department of Defense.

My amendment is simple. It requires that any cost savings achieved by this transfer be used for deficit reduction. I'm going to say that again. Any cost savings associated with shifting work from contractors to civilian employees will get used for deficit reduction.

Reaching the debt limit last week was a stark reminder of the consequences of ballooning spending throughout the Federal Government, including defense spending. Committing cost savings to deficit reduction is the first step toward returning to a fiscally sustainable budget. By reducing

the deficit with identified savings from the Department of Defense, we will help to ensure that we have enough to invest in education, infrastructure, and job-creating priorities that we all share while cutting spending to reduce the deficit.

This is a smart and fiscally responsible amendment. I urge my colleagues to adopt it.

I reserve the balance of my time.

Mr. FORBES. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman from Virginia is recognized for 5 minutes.

Mr. FORBES. First of all, I want to thank the gentleman for bringing this amendment. I know he is sincere in talking about deficit reduction, and I certainly appreciate that. All of us on this side are equally sincere. In fact, I'm one of only 17 Members of this body who voted against every single one of the bailouts and stimulus bills because we realized what it was doing to the deficit in this country.

Secondly, I share the gentleman's concern when he talks about some of DOD's decisions to change from private contractors to civilians because some of those decisions haven't been based on business models. But just because they have not all been correct doesn't mean they have all been wrong. And the problem with this approach is that it's exactly the wrong approach because it will be a disincentive to the Department of Defense to try to reach these efficiencies.

The reason that DOD has an incentive to try to make these efficiencies is so that they can reprioritize and use these dollars for programs that are absolutely vital and important for the national defense of the country. To say that every time they make those savings we are going to take off of the top line of the Department of Defense will be a disincentive for the Department of Defense to make those savings.

And here are the effects that we have. If we don't have civilians doing these jobs, we have had testimony coming before our committee from our generals and our admirals that basically what that means is they have to take military personnel to do that work, which means they don't have the time to do the training that they need to do to be prepared to fight and defend this country.

The other concern we have with some of the reductions that we would be taking out of DOD, in the budget submitted to us this year, they were actually pushing back on facility maintenance that we needed to keep our facilities updated to only 80 percent of the maintenance that was required.

So, Mr. Chairman, I think it's vitally important that we do a lot for deficit reduction. I think it's vitally important that we look at the fact, for example, that on some of our stimulus bills we're talking about $800 billion. In this, we're talking about several million dollars.

But I think the most important thing, Mr. Chairman, is that we make sure we are giving DOD the incentives they need to make sure they are prioritizing correctly the dollars that they have and that we not take money off of the top line of the defense budget, which I think would be detrimental to us at this time.

With that, Mr. Chairman, I hope we will oppose the amendment, and I reserve the balance of my time.

Mr. HIMES. Mr. Chairman, if I understand the argument of my colleague from Virginia, he is saying that by taking away money for the purposes of debt reduction from the DOD that we will be disincentivizing action, which we all know to be the right thing to do here.

So let me just toss out a couple of facts.

Fact No. 1, Admiral Mullen, Chairman of the Joint Chiefs of Staff, has identified the debt of this country as perhaps the single largest strategic threat to the security of the country.

Fact No. 2, in DOD, we are talking about people who, if anywhere in the government are dedicated to doing the right thing by all of us, sacrificing for the good of this Nation, and their leader said that the single largest strategic threat to this country is our debt, how can you make an argument against this amendment? Think about the words of Admiral Mullen.

The argument seems to me to be an insider Washington argument, which is if you take away their cheese, they're going to be angry. They won't do the right thing because you're taking away their cheese.

I will stop speaking, but I will just ask my colleague from Virginia whether he believes in the context of what Admiral Mullen said about deficit reduction and the debt and whether he really believes that the DOD will do the wrong thing here.

I reserve the balance of my time.

The Acting CHAIR. The gentleman from Virginia has 2 minutes remaining.

Mr. FORBES. Mr. Chairman, I would be glad to answer my good friend's question by saying I absolutely believe what Admiral Mullen said. When you look at the efficiencies that the Department of Defense has been talking about, we're talking about roughly $179 million. But I would suggest my friend look at comparing that to the $800 billion that we spent on a stimulus package which I voted against because I realized what it was doing to the deficit in this country, exactly what the admiral mentioned.

The other thing, Mr. Chairman, that I would suggest to the gentleman is, quite honestly, I will tell him I do not know if the Constitution mandates or gives us the authority to bail out the auto industry or the insurance industry or the banking industry or the mortgage industry or whatever else we've been bailing out, but one thing I do know is this. When some of the smartest people this Nation has ever birthed came together and agreed on one thing in our Constitution, the thing they mandated that this Congress do is to maintain strong armies and navies and to defend this country. And one of the things I unabashedly will say is that we need to stand firm and make sure the Department of Defense has the dollars that they need to defend and protect freedom and to pass it on to our children and our grandchildren. And I believe this amendment goes a step towards taking that ability away from them.

With that, Mr. Chairman, I hope we will reject the amendment, and I yield back the balance of my time.

The Acting CHAIR. The gentleman from Connecticut has 2¼ minutes remaining.

Mr. HIMES. Mr. Chairman, all I've got to say about that is, wow. Here we are talking about the DOD and what we should do with savings found in the DOD, and the gentleman from Virginia is bringing up stimulus and TARP and $800 billion, which has absolutely nothing to do with the question at hand, a mechanism that is used all too often by the other side.

The gentleman mentions the Constitution. Nobody in this room is saying that we shouldn't adequately fund the Department of Defense. That's not what this is about any more than this is about TARP or stimulus or any of the other things that my colleague spoke about.

The Constitution also says that it is this body—this body—that will determine how funds are spent. My colleague from Virginia is saying that extra money at the DOD that is saved in a mechanism that we all agree makes sense, that it should be a slush fund, if you will, that the DOD should decide how they use that. The Constitution of the United States is very clear. That's our job.

□ 1720

Nobody is saying that we should underfund defense; that is not what this is about. And I am delighted that the gentleman takes such great pride in having voted against the stimulus and the TARP, which by the way, I would say the day after Chrysler has repaid its government loan 6 years early, the gentleman might revisit his point on that, but that is not what this is about.

This is about good government and deficit reduction and abiding by the spirit of the Constitution that says we decide how money is used, not the agencies.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Connecticut (Mr. HIMES).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

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

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by

the gentleman from Connecticut will be postponed.

AMENDMENT NO. 31 OFFERED BY MS. JACKSON LEE OF TEXAS

The Acting CHAIR. It is now in order to consider amendment No. 31 printed in House Report 112–88.

Ms. JACKSON LEE of Texas. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 417, after line 7, insert the following:

SEC. 941. ASSESSMENT OF CONTRACTOR PERFORMANCE OF CERTAIN FUNCTIONS ON SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY WOMEN AND MINORITIES.

No Department of Defense function that is performed by Department of Defense civilian employees and is tied to a certain military base may be converted to performance by a contractor until the Secretary of Defense conducts an outreach program to benefit small business concerns owned and controlled by women (as such term is defined in section 8(d)(3)(D) of the Small Business Act) and small business concerns owned and controlled by socially and economically disadvantaged individuals (as such term is defined in section 8(d)(3)(C) of the Small Business Act) that are located in the geographic area near the military base.

The Acting CHAIR. Pursuant to House Resolution 276, the gentlewoman from Texas (Ms. JACKSON LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Texas.

Ms. JACKSON LEE of Texas. Mr. Chairman, I thank you very much. I see my good friend from Pennsylvania is on his feet, and I know that he is going to help me help small businesses because that is the simplicity of this amendment.

It is simple. It is engaging, embracing. It is recognizing that all of us have our good neighbors back in our district. It is also an affirmation of the importance of the work of the United States military, and the many, many small businesses who desire to be of service. And so this amendment is simply informational, but it has a basis in success; outreach, to make sure that our small businesses around the Nation have a sense of what available opportunities are there for them.

It calls for renewed vigor in advocating and constructing effective policies that will make the United States the most talented, diverse, effective, and powerful workforce in the increasingly globalized economy.

We also realize, and I always say to my small businesses that they are the job creators of the 21st Century, and they do so in conjunction with the United States military. It may be janitorial services, painting buildings, mowing lawns, and related activities. Our small businesses can do that.

So this amendment simply asks the Department of Defense, as it outsources its work, to make sure that it reaches out to the small business community so that they will be, if I might use the vernacular, in the mix. They will have the understanding and the opportunity to get jobs, to get business based on their qualifications and based upon their ability to do work.

In addition, might I say that many of us have come across situations where our base leadership is trying to be fiscally responsible and has taken in business that they had heretofore outsourced. My point is that it is important to assess that impact on small businesses.

I heard a discussion earlier on the floor that we want to equalize the playing field for our small businesses. We know that the larger companies, they have got the roadmap. This is simply an opportunity to say to Americans, all of you are taxpayers, all of you have the opportunity to do something for the United States military, and that may be using your talents as a small business to have the opportunity.

Let's outreach so they have the information. Let's make sure that we are engaged. Let's make sure that we create jobs.

Mr. Chair, I rise today in support of my amendment #31 to H.R. 1540, "National Defense Authorization Act For Fiscal Year 2011," which requires the Secretary of Defense to utilize an outreach program to attract small and minority owned businesses prior to the outsourcing of military contracts related to local military bases.

Throughout my tenure in Congress, I have sponsored legislation that promotes diversity. I stand proudly before you today to call for renewed vigor in advocating and constructing effective policies that will make the United States the most talented, diverse, effective, and powerful workforce in an increasingly globalized economy. This amendment will require the Department of Defense to consider the impact that changes to current outsourcing guidelines will have on small minority and women owned business by requiring them to engage with these businesses. Promoting diversity is more than just an idea it requires an understanding that there is a need to have a process that will ensure the inclusion of minorities and women in all areas of American life.

As a practical matter the Department of Defense has the discretion to choose whether a contract should be in-sourced or out-source. Since March of 2009 it is understood that certain federal contracts that were formerly completed by civilian employees would be returned to federal employees. It is important to find balance between contracts that should be conducted by the federal government versus civilian contractors. As it stands the policies implemented by the DOD has the unintended consequence of harming small minority and women owned businesses by taking away civilian contracts that are not inherently serving a federal government purpose such as janitorial services, painting building, mowing lawns and related activities. These service contracts which tend to be the bread and butter for minority and women owned business are slowly being withdrawn and returned to the federal government.

JOHN FREEMAN, PRESIDENT OF HALLMARK

Take for example my constituent John Freeman.

Mr. Freeman operates Hallmark Capitol group, a Houston based small women and veteran owned business which specializes in providing transportation services, vehicle repair, and preventive vehicle maintenance.

Mr. Freeman currently has 14 Department of Defense contracts across the US.

One of Mr. Freeman's contracts is at Patrick Air force base in Florida. The Department of Defense decided to in- source VOM (Vehicle Operation Maintenance). The value of this contract is approximately $4 million a year and Hallmark employees nearly 40 people on this contract. The government has decided to insource this contract effective which will result in the loss of nearly 40 jobs. They will be out of a job by the end of the year and will not receive any preferential hiring treatment from the federal government.

Hallmark filed a lawsuit in the court of federal claims to prevent the Air Force from insourcing this federal contract. The Court of Federal claims ruled on May 15th that contractors lack any standing or jurisdiction to question the government's decision to in source contracts. Shortly thereafter, Hallmark filed an Appeal of the Court of Federal claims decision. They are currently awaiting the outcome of the appeal.

We must take a closer look at the impact changes in the new Department of Defense out sourcing and in-sourcing policies are having on small minority, veteran and women owned businesses. The Department of Defense must review their policies to fairly balance the need to return inherently federal operations from those that can be done by civilian contractors.

Frankly, we can all agree that painting the side of a building is not an inherently government function. These service type contracts are mainly conducted by small business who will be at a distinct disadvantage if their contracts are suspended.

Small businesses represent more than the American dream—they represent the American economy. Small businesses account for 95 percent of all employers, create half of our gross domestic product, and provide three out of four new jobs in this country.

Small business growth means economic growth for the nation. But to keep this segment of our economy thriving, entrepreneurs need access to loans. Through loans, small business owners can expand their businesses, hire more workers and provide more goods and services. The Small Business Administration (SBA), a federal organization that aids small businesses with loan and development programs, is a key provider of support to small businesses. The SBA's main loan program accounts for 30 percent of all long-term small business borrowing in America.

I have worked hard to help small business owners to fully realize their potential. That is why I support entrepreneurial development programs, including the Small Business Development Center and Women's Business Center programs. These initiatives provide counseling in a variety of critical areas, including business plan development, finance, and marketing. My amendment would require the Department of Defense to utilize a similar outreach program prior to outsourcing. The Department of Defense should investigate what impact changes

to current outsourcing guidelines will have on minority and women owned small businesses. Outreach is key to developing healthy and diverse small businesses.

There are 5.8 million minority owned businesses in the United States, representing a significant aspect of our economy. In 2007, minority owned businesses employed nearly 6 million Americans and generated $1 trillion dollars in economic output.

Women owned businesses have increased 20% since 2002, and currently total close to 8 million. These organizations make up more than half of all businesses in health care and social assistance.

My home city of Houston, Texas is home to more than 60,000 women owned businesses, and more than 60,000 African American owned businesses.

According to the Council on Foreign Relations, there has been an average of between 15,000 and 20,000 private contractors working in Iraq providing a variety of services for the military. These private contractors are hired for everything, from supplying translators, and maintaining surveillance systems to preparing meals and washing uniforms.

The Department of Defense (DOD) estimates that during the Vietnam War, the ratio of contractors to soldiers was 1 in 10. This rate increases to about 1 contractor for every soldier during Operation Iraqi Freedom. These contracts generate billions of dollars in revenue for the companies to which they are awarded.

Women owned businesses were awarded 3.4% of DOD prime contracts in Fiscal Year 2009. Small Disadvantaged Businesses were awarded 7.2%, while Historically Underutilized Businesses got 3.3%.

According to a 2009 report published by the Economic Policy Institute, ''Starting in 2004, the Small Business Administration (SBA) set goals for small business participation in federal contracts.

It encouraged agencies to award contracts to companies owned by women, veterans, and minorities or those located in economically challenged areas and gave them benchmarks to work toward. The targets are specific: 23% of contracts to small business, 5% to woman-owned small businesses, and 3% to disabled veteran-owned and HUBZone small businesses.''

Women and minority owned businesses generate billions of dollars and employ millions of people. They are certainly qualified to receive these contracts. A mandatory DOD outreach program would make women and minority owned businesses aware of all of the contract opportunities available to them.

I offered two additional amendments that were not made in order that would have required the Department of Defense to conduct an assessment on the impact changes in their outsource guidelines would have on small minority owned business. The Department of Defense must consider the potential negative impact proposed outsourcing changes would have on small and minority owned businesses.

We need to help small businesses keep up with their big business competition. Right now, the federal marketplace favors big businesses and corporations. Small businesses have lost an estimated $13.8 billion in business opportunity because they could not fairly compete for federal contracts because larger companies are allowed to bundle contracts—the practice of accepting ''mega-contracts'' for large jobs that only they have the resources to handle on the condition that they receive smaller contracts that could have been given out to small businesses. For every 100 bundled contracts, 106 individual contracts are no longer available to small businesses. For every $100 awarded on a ''bundled'' contract, there is a $33 decrease to small businesses.

Small businesses deserve a fair shot at federal contracts. They have a chance to compete for overseas contracts with the Department of Defense as well as access to international contracts with the United States Agency for International Development. In addition, I believe that work needs to be done to modernize key contracting developmental programs designed to increase opportunities for women, minorities and low-income individuals. Programs like the Outreach Program that I support through my amendment. These actions will reduce the current barriers and ensure small businesses have access to perform federal contracts. This can save taxpayer dollars, because the increased competition for government contracts will lead to better prices and better quality.

Currently companies that ship jobs to other countries receive federal tax breaks to give them an edge against foreign competition. This means that the current tax code encourages companies to move their production centers out of the U.S. to save money. It also gives them an unfair advantage in competing against small businesses that employ American workers and make their goods here.

I am committed to providing the technical assistance and necessary tools small businesses need to break into new markets and sell their products abroad. By pursuing fair trade strategies that open markets we will ensure a level playing field for American workers and businesses, and strengthen critical domestic industries, such as our manufacturing, intellectual property, and technology sectors. We want fair trade policies that keep jobs here and provide opportunities for American small businesses and their employees.

The vibrancy of our economic prosperity depends on the ability of our nation's small business community to adapt to opportunities at home and abroad. The skill required to navigate the many regulations imposed by the Federal government is essential to maximize any business plan. Alliances made between the private sector and government allows small business owners to be empowered by the Federal regulatory process and not the victim of it. The hearing today will allow for the constructive dialogue needed to ensure that all Americans continue to prosper in the age of low unemployment and Federal budget surpluses.

Out Reach programs that are properly designed and implemented, strengthen the national community, promote its economic well being, and maximize the benefits of our great diversity. The Department of Defense should be required to reach out to small minority and women owned business to hear their concern and to recognize the important role they play in revitalizing our economy.

I reserve the balance of my time.

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

The Acting CHAIR. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. SHUSTER. I appreciate the gentlelady from Texas offering this amendment, and I want to restate what it attempts to do.

It will prohibit outsourcing of DOD functions until the Secretary of Defense conducts an outreach program to benefit women- and minority-owned small businesses. Well, in fact, it is a duplication of what is already in the law. It duplicates section 891 of the fiscal year 2011 National Defense Authorization Act which requires the establishment of an outreach program to firms near DOD installations. This act simply delays allowing for outsourcing to come back in and be part of the benefits that it provides to this Nation, reducing cost, streamlining the process.

So again, this is already in law. As I said, this is nothing more than a delay tactic to stop outsourcing. We need to use outsourcing where it makes sense, to utilize the benefits of reducing cost, which has the potential to help our small businesses, which I think we all support. Whether they are women-owned or minority-owned businesses, small businesses are important, and I think outsourcing does that.

In fact, in my district, Letterkenny Army Depot has public-private partnerships today through outsourcing with small businesses and large alike. The Heritage Foundation did a study commending what is going on at Letterkenny Army Depot utilizing DOD civilians as well as the private sector, coming together where it makes sense, where we can have a tremendously positive impact on the work that goes there. So there is a model out there, and outsourcing is important.

Again, I urge my colleagues to vote ''no'' on this amendment because again, it already is established in last year's defense authorization bill exactly what the gentlelady from Texas wants to be established.

With that, I reserve the balance of my time.

Ms. JACKSON LEE of Texas. How much time do I have remaining?

The Acting CHAIR. The gentlewoman has 2½ minutes remaining.

Ms. JACKSON LEE of Texas. Mr. Chairman, I would like to yield 1 minute to the distinguished ranking member.

Mr. SMITH of Washington. Mr. Chairman, I rise in support of this amendment. I think it is a very reasonable request. I think making sure that minority-and women-owned businesses are protected is an important part of building a strong economy and a strong country, and it is reflected in many different aspects of Federal law, to try and make sure that opportunities are made available for women- and minority-owned businesses.

I will also add that this amendment does not presume that outsourcing is harmful to women and minority-owned businesses; it simply wants to gauge the effect. It is quite possible the effect is positive, and it is going to create an opportunity for them that would not

otherwise be created. But in making those decisions, the impact on women- and minority-owned businesses is an important part of that decision, and I believe should be reflected.

So this amendment is not meant in any way to restrict outsourcing. There are a lot of different decisions that have to be made in doing that. It just says that when you do that, keep this important consideration in mind.

I urge support for the amendment. I thank the gentlelady from Texas for bringing it to the committee's attention.

Mr. SHUSTER. I agree with the distinguished ranking member, and I believe that he supported last year in the National Defense Authorization Act section 891, which in fact does what the gentlelady from Texas wants to do.

So again, this is a delay tactic to put outsourcing back on the table, back in play, back in part of our toolbox.

Again, I urge all of my colleagues to vote ''no'' on this amendment.

I yield back the balance of my time.

Ms. JACKSON LEE of Texas. Mr. Chairman, I hope my good friend from Pennsylvania listens to both the distinguished ranking member and myself. This is not an amendment that opposes outsourcing. In fact, it is an amendment that affirms that outsourcing occurs, and to ask that that playing field be even more even by attention being given to our small, minority- and women-owned businesses.

It has been documented that small businesses have lost an estimated $13.8 billion in business opportunity because they cannot fairly compete for Federal contracts because larger companies are allowed to bundle the contracts, the practice of accepting mega-contracts for large jobs that only they have the resources to handle—under the condition that they receive smaller contracts that could have been given out to small businesses.

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I want our small businesses and minority-owned businesses and women-owned businesses to be in the mix, have an outreach program. There's nothing wrong with added leverage of outreach for all our small businesses.

And let me say something else, Mr. Chairman. It is also to say that if a small business has a contract and it's hauled back in, it's pulled back in, let us assess how that is impacting the loss of jobs. Forty jobs, a constituent that came to our attention, Hallmark, lost by bringing in the business.

So by no means is this an opportunity to block outsourcing, and I call it contracting out. It is the business of supporting our small businesses.

Mr. Chairman, I ask my colleagues to support this very evenhanded, very vigorous amendment to support the hard-working Americans—small, women-owned, and minority-owned businesses. I ask my colleagues to support the amendment.

The Acting CHAIR. The time of the gentlewoman has expired.

The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON LEE).

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

Ms. JACKSON LEE of Texas. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Texas will be postponed.

AMENDMENT NO. 32 OFFERED BY MR. ANDREWS

The Acting CHAIR. It is now in order to consider amendment No. 32 printed in House Report 112–88.

Mr. ANDREWS. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 417, after line 7, insert the following (and conform the table of contents accordingly):

SEC. 941. TEMPORARY SUSPENSION OF IMPLEMENTATION AND ENFORCEMENT OF WORKFORCE MANAGEMENT AND SOURCING POLICES PURSUANT TO "EFFICIENCY INITIATIVE".

(a) TEMPORARY SUSPENSION.—During the period beginning on the date of enactment of this Act and ending on the date that is 60 days after the first date on which the Secretary of Defense has submitted to the congressional defense committees both the report required in subsection (b) and the certification required under subsection (c), no workforce management and sourcing policies, directives, guidance, or memoranda issued pursuant to the Department of Defense's ''Efficiency Initiative'' may be announced, carried out, continued, implemented, or enforced.

(b) REPORT REQUIRED.—The Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness, shall undertake a comprehensive review of the workforce management and sourcing policies announced by the Department of Defense pursuant to the ''Efficiency Initiative'' and submit to the congressional defense committees a report that describes alternative policies that—

(1) ensure performance decisions are based on law, risk, policy, and cost;

(2) reflect a total force policy that takes into account the strengths and capacities of active and reserve components, civil servants, contractors, and retired military personnel in achieving national security objectives and missions; and

(3) are consistent with the statutory framework for workforce management and sourcing, including sections 129 and 129a of title 10, United States Code.

(c) CERTIFICATION REQUIRED.—The Secretary of Defense shall publish in the Federal Register and submit to the congressional defense committees a certification that—

(1) the Secretary of Defense has completed and submitted to the congressional defense committees a complete inventory of contracts for services for or on behalf of the Department in compliance with the requirements of subsection (c) of section 2330a of title 10, United States Code; and

(2) the Secretary of each military department and the head of each Defense Agency responsible for activities in the inventory has initiated the review and planning activities of subsection (e) of such section.

(d) COMPTROLLER GENERAL REVIEW.—Not later than 30 days after the first date on which both the report required under subsection (b) and the certification required under subsection (c) have been submitted to the congressional defense committees, the Comptroller General shall conduct an assessment of the report required under subsection (b), determine whether the Department of Defense is compliant with the certification requirement in subsection (c), and submit to the congressional defense committees a report on the findings resulting from those activities.

The Acting CHAIR. Pursuant to House Resolution 276, the gentleman from New Jersey (Mr. ANDREWS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey.

Mr. ANDREWS. I yield myself such time as I may consume.

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

Mr. ANDREWS. One of the questions, Mr. Chairman, that this body and the administration often face is whether a certain task is best performed by employees of the Department of Defense or whether that task is best performed by those working for contractors competing for the right to do that business.

There are two things I know about this issue. The first is that it is one we always debate because it's a very difficult one to resolve. And the second is that I don't think either answer is always the right one. I think any strategy that presupposes that having employees do a job isn't right and a strategy that presupposes having contractors do a job isn't right.

I think we've built a bipartisan consensus around the proposition that, on a case-by-case basis over time, we should collect evidence and decide whether or not a certain function is best performed by employees of the Department of Defense or whether it is best performed on a competitive contracted-out basis.

The purpose of my amendment is to address what I believe is an imbalance in this evidence-gathering process that goes under the name of an efficiency initiative.

I don't think there's a Member on this floor who would oppose an efficiency initiative. But efficiency is not something that presupposes that one answer is always better than the others. And I think the record shows that we're presently living under an initiative that presupposes that contracting out is better than having Federal employees perform that function.

Here's the evidence:

Between fiscal year 2001 and fiscal year 2010, Department of Defense services performed by contracting agencies—that is to say companies—increased from $73 billion in fiscal 2001 to $181 billion in fiscal 2010. This is an increase of 147 percent, or about 15 percent per year. During the same period of time, the cost of compensating Department of Defense civilian employees

grew from $41 billion in fiscal 2001 to $69 billion in fiscal 2010, a 68 percent increase, or just under 7 percent per year.

Now, I am not prejudging as to whether the decisions that make up those aggregate numbers were all right or all wrong. That would be certainly beyond anyone's capability to do. But I think that kind of imbalance shows that we're not conducting the kind of careful, fact-driven, merit-driven evidentiary process that we ought to be following.

So here's what my amendment does. It says that when our bill is signed by the President, that there will be a 60-day period where there will just be a timeout, where we will stop the contracting-out process. We'll ask the Department of Defense, we'll direct the Department of Defense to do two things: to answer the question of whether the decisions it has been taking are truly based on the merits and cost benefit or whether there are other factors involved. It will then ask the Department of Defense to certify that the laws and procedures that we set up in the past to make such decisions have, in fact, been followed. At the conclusion of that 60-day period, reports will be given to the Armed Services Committee and the other defense committees of the Congress, and we will collectively review those reports and make a decision, in time for next year's bill, what to do.

So this is an amendment that does not favor contracting out or keeping work in the hands of Federal employees. This is an amendment that says that we should reflect on the fact that we've had a 147 percent increase in contracted-out services at the time we've had a 68 percent increase in the compensation of civilian employees. We should pause for 60 days after the bill is enacted, reflect the accuracy of that record, and then collectively make a decision for the future as to what's best for the country.

I think this is a reasonable approach to this issue. I would urge a ''yes'' vote from both Republicans and Democrats.

The Acting CHAIR. The time of the gentleman has expired.

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

The Acting CHAIR. The gentleman from Virginia is recognized for 5 minutes.

Mr. FORBES. Mr. Chairman, first of all, I appreciate the gentleman's amendment and I appreciate his work on the Armed Services Committee. He's always very thoughtful and always committed to the national defense of our country.

As I listened to him over and over again, I was agreeing with many of the things that he said. I think oftentimes the decisions that the Department of Defense has made under the guise of efficiencies have not been efficiencies at all. They could have actually cost us more. I think, secondly, they have been made without being well thought out. I think sometimes they have backfilled their analyses after they made those decisions.

But as I read the gentleman's amendment, basically it would suspend all the sourcing and workforce management policies based on all of DOD's efficiency initiatives, which is a wide gamut. Mr. Chairman, I think that, even though, as I mentioned before, I think oftentimes the Department of Defense has been wrong in some of its efficiencies, that doesn't mean they've been wrong in every situation. And one of the things that I think is a vital flaw in the gentleman's amendment is that there's no offset for the amendment to cover the reverse on the planned savings. In fact, according to the information I have been given, the cost of not implementing these efficiencies could be as much as $3 billion. That is off of the top line of the Defense budget. And I know the gentleman would agree with me that, at this particular point in time, such a huge hit to the Department of Defense would not be in the best interest of the national defense of the country.

So, with that, Mr. Chairman, I hope we will oppose the amendment. I hope that I can work with the gentleman and other members of the committee so we can make sure DOD gets this right as they move down the road. But certainly we don't want to put this kind of impact on our men and women in uniform at this time.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS).

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

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

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New Jersey will be postponed.

AMENDMENT NO. 33 OFFERED BY MS. LEE

The Acting CHAIR. It is now in order to consider amendment No. 33 printed in House Report 112–88.

Ms. LEE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of subtitle A of title X of division A, add the following new section:

SEC. 10____. LIMITATION IN FUNDING LEVEL TO FISCAL YEAR 2008 FUNDING LEVEL.

(a) IN GENERAL.—Notwithstanding any other provision of law, no funds are authorized to be made available under this division for any account of the Department of Defense (other than accounts listed in subsection (b)) in excess of the amount made available for such account for fiscal year 2008.

(b) EXEMPTED ACCOUNTS.—The accounts exempted pursuant to this subsection are the following accounts:

(1) Military personnel, reserve personnel, and National Guard personnel accounts of the Department of Defense.

(2) The Defense Health Program account.

The Acting CHAIR. Pursuant to House Resolution 276, the gentlewoman from California (Ms. LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. LEE. Mr. Chairman, I do intend to withdraw this amendment, but I'd like to just say why I offered it and why I think this debate is so important.

We're talking about now trying to address a deficit, which we all want to address. We do not want to leave this debt to our children and our grandchildren. That's a given. The big issue I think for many of us is how do we get there and what do we do? And how do we ensure that we have a budget that reflects, yes, our national security priorities, but also a budget that protects the most vulnerable in our country and a budget that ensures that we have priorities to create jobs and to turn this economy around?

And so I believe that we have to talk about not only discretionary spending and entitlement cuts, which the other side is talking about and making such an issue of. We have not really talked about the Pentagon budget. We have not talked about looking at what it would mean if we cut the defense budget back to 2008 as the Republicans want to do with regard to our domestic discretionary spending.

And so what this amendment basically does is just say that if we are going to do this, we need to engage in a debate that is honest and we need to put everything on the table, and that includes the Pentagon. And in fact, we need to begin to look at how we cut back to 2008 levels.

We all know that there is waste, fraud and abuse in the Pentagon. We still haven't been able to come up with a way to audit the Pentagon funds, and so we need to do that. I think we should actually put a freeze on defense spending until we know where our tax dollars are going and until we know that our tax dollars are being spent in a prudent way. We don't even know that because we can't even get an audit of the Pentagon.

We also need to recognize that there are weapons systems that do not need to be built because they have nothing to do with our national security interests now. I mean, we are out of the Cold War. We are looking at asymmetrical warfare. We need to have a research and development program and a defense budget that reflects this new world that we're in, rather than going back to the Cold War and developing these Cold War-era weapons systems. So there are billions of dollars in those accounts.

And so it is just prudent, I think, upon us to really begin to look at why, if we're going to start cutting food stamps and Community Development Block Grants and housing, and if we start cutting workforce training and

Head Start and health care and all of the areas which the majority of the American people rely on as taxpayers, then we need to really look at where a huge portion of our budget falls, and that's within the Pentagon's budget.

Also, we again want to talk about reducing the deficit, cutting the deficit. There is no way we will even touch this unless we begin to look at the defense budget and the Pentagon's budget.

And so basically, once again, this amendment, what it does is it forces us to pause; it forces us to look at what type of savings there would be if we go back to 2008 as we want to do with domestic discretionary spending.

Again, I hope that we can discuss this amendment, have this debate. I know there are not enough votes to get this passed, but I do know that we need to begin this process of looking at and examining the defense budget so that the American people can know where their tax dollars are going and to recognize that there are billions of dollars in waste, fraud and abuse that we need to look at in the Pentagon budget.

And we need to put all of this on hold and go back to 2008 levels, be honest with the American people, and begin to have some real debate about deficit reduction, job creation, and the reduction of spending.

With that, Mr. Chairman, I will withdraw my amendment. Thank you for the time, and let's hope that we can have a debate on the Pentagon budget at some point, a real debate.

The Acting CHAIR. The gentlewoman from California begs leave to withdraw her amendment.

Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 37 OFFERED BY MR. RICHMOND

The Acting CHAIR. It is now in order to consider amendment No. 37 printed in House Report 112–88.

Mr. RICHMOND. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 438, after the matter after line 2, insert the following:

SEC. 1022. PROHIBITION ON PAYMENT OF FUNDS RELATED TO CLOSURE OF CERTAIN SHIPYARD FACILITY.

The Secretary of Defense may not make any payments pursuant to section 2325 of title 10, United States Code, to a contractor related to the restructuring or closure of the shipyard manufacturing complex located in Avondale, Louisiana.

The Acting CHAIR. Pursuant to House Resolution 276, the gentleman from Louisiana (Mr. RICHMOND) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Louisiana.

Mr. RICHMOND. I yield myself such time as I may consume.

Mr. Chairman, I rise to ask my colleagues to support an amendment and restore fiscal common sense back to government.

This amendment would save the U.S. taxpayers up to $310 million, which would be paid to a private company in Avondale, Louisiana for what? For closing. And before we get too far into policy and other things, I want to actually read the language of the amendment so that the American people can understand exactly what we're doing, Mr. Chairman.

The amendment simply says that the Secretary of Defense may not make any payments pursuant to section 2325 of title 10, United States Code, to a contractor related to the restructuring or closure of a shipyard manufacturing complex located in Avondale, Louisiana.

Now, many people may say, well, what am I attempting to stop? Let me just take a minute and say what's going on here. We have a business in Avondale, Louisiana that employs almost 5,000 shipbuilders. They were spun off this year. Northrop Grumman received $1.4 billion for this company. By the way, Northrop Grumman made $530 million this quarter. So the new company, Huntington Ingalls, is closing the shipyard. And because they're closing the shipyard, the U.S. Government—the taxpayers of this country—will pay them up to $310 million for closing.

That's insanity, Mr. Chairman. And as I met with those employees last week, they said, Congressman, we don't know if you can stop it, but the offensive part, the part that makes this very hard for us, is the fact that our tax dollars are being used to pay our employer who is giving us all pink slips.

So I would just implore my colleagues to save the Federal Government $310 million in a time when we're cutting Medicare, in a time when we're cutting our children's future, cutting their education, and we're not feeding the hungry. So this is an attempt to save $310 million.

And I would also add to all of my colleagues who have great ideas and are looking for a pay-for, I am volunteering $310 million out of my district so that we can put back into the Federal Government so that we can pay down the debt and do other things. But we do not need this $310 million going to a private company who made $45 million just this quarter for closing.

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

Mr. AKIN. I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from Missouri is recognized for 5 minutes.

Mr. AKIN. Mr. Chairman, the question involves the Avondale shipyard—which used to be Northrop Grumman, it is now a part of Huntington—and there are essentially three possibilities of what might happen to the shipyard. One possibility is that we leave the shipyard there to build ships for the Navy. The trouble is that we don't have enough demand or we don't have enough money to buy the ships that we would need to keep that shipyard busy, which then means that we are trying to build ships at a lot of locations where we don't have enough ships to get any economic benefits.

The result of that is it is going to cost the taxpayer and the Navy a whole lot more money to keep a shipyard open when we don't really have work for the shipyard. So that's one possibility. You could force it to stay open; it's going to cost the most to the taxpayer.

Another possibility is that the shipyard, because of the many people that work there, could be retooled and redesigned to use it for building other kinds of things other than Navy ships. That would preserve the jobs. And the Navy is willing to invest some money—as long as it is less than what it would cost to keep the thing open. They're willing to invest some money to help with that transition so those people won't be unemployed.

The other thing that could be done is you could just close the shipyard down. Now, what this amendment does is it says, well, we're not going to allow the Navy to invest in retooling. So it's sort of like a dare because it's really begging to have the whole shipyard close down and not used for anything else. So it's kind of a gamble to try to say, well, we're going to save $310 million and gamble that that shipyard is going to stay open. Because the possibility is if you say the Navy is not going to invest the money, they may just say, well, close it down. Then you would lose all those jobs. So this amendment may do the exact opposite of what you are trying to do.

I would now yield 1½ minutes to the gentleman from Virginia (Mr. WITTMAN).

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Mr. WITTMAN. Thank you, Mr. Chairman, and I want to also rise in opposition to this amendment.

Passage of this amendment may result in the government being liable for the costs of maintaining these idle facilities. If we're looking at the total picture here, we want to make sure we are making the most efficient decision in right-sizing this industry. And after a thorough review and endorsement by the Department of Defense, the contractor's plans to wind down ship construction were approved back in 2010.

This amendment seeks to prohibit payments under existing Federal law for restructuring costs associated with the transition of the Avondale shipyard. And I want to emphasize ''transition'' is the key word here because as the law is currently written, it allows the facility in Louisiana to potentially be reconfigured to an alternate use in the future.

So if we want to transition, make sure we are using that yard, using the employees there, if we don't have the capacity needed to build ships, we want to make sure we can transition.

If this amendment were to become law, there is no chance of transitioning the Avondale facility to something other than shipbuilding, and the government may be held liable for the costs of maintaining an idle shipyard. We don't want that. We want to make sure that capacity is used in a productive way.

So simply put, this amendment will not prevent the closure of Avondale. And I urge my colleagues to oppose the amendment.

Mr. AKIN. How much time do I have remaining?

The Acting CHAIR. The gentleman from Missouri has 1½ minutes remaining.

Mr. AKIN. The basic point is that the fact that this is going to save $310 million is not true. What this in fact is going to do is to force a solution that will be more expensive for the government and not very good for the employees down at Avondale either.

So I have to say along with the Navy and the leadership on the committee that we cannot really support this amendment. I think that the gentleman had very good intentions of what he's trying to accomplish, but I don't believe it's going to work the way he thinks it's going to. It's going to probably force a closure and a whole lot of layoffs that unnecessarily would not have to happen if we don't pass this amendment. So I'm going to oppose it.

I yield back the balance of my time.

The Acting CHAIR. The gentleman from Louisiana has 2½ minutes remaining.

Mr. RICHMOND. Thank you, Mr. Chairman.

I just want to clear up some things.

I don't want this shipyard to close, but I want to be crystal clear about this. The Huntington Eagles just christened a ship a couple of weeks ago; and while they christened the ship with all of their employees there, they took the time to announce to their employees that we are closing. The 3,000 employees that are here, you will no longer be here. We are shutting down. We're closing. It's not personal. It's business.

As much as I don't like it, this is a private business that has decided that they are going to close. What I don't want to do is take those taxpayer dollars and reward them for closing in the process.

So when you talk about they can retool or do something in the future, Mr. Chairman, I don't want to pretend or mislead the American people. They have yet to bid on a shipbuilding contract since they have acquired the yard. They have no intentions to build ships there in the future.

As we talk about what they could do with the yard and this may force a closure, they have decided that they are going to close. They made $45 million in the first quarter of this year. They announced that they're not going to bid on ships, they're not going to do anything. They're not going to stay open. Why would we give them $310 million of taxpayer dollars and then pretend that we're fiscally responsible? It's not fiscally responsible.

The good thing for me is I don't have to go back to my district, whether it's Virginia or Missouri, and explain to my constituents why I'm fighting to give a company in Louisiana $310 million while I'm cutting Medicare, Medicaid, Social Security and all of these other things.

I just wanted to clear up the fact that it's not an assumption that they're going to close. They already have informed their employees that we're closing. Hey, it's been a good ride. Thirty-five hundred employees. See you later. Six thousand indirect jobs. We wish we could stay, but we've made another decision.

It is a private company's right to decide when they want to close. And I disagree with their decision, but I respect that this is America and they have a right to do that. But I have a right to be upset and to try to block Federal dollars going to them, and that's $310 million going to a company for quitting. That's not the American way, Mr. Chairman.

And I would just ask my colleagues to support the amendment and not give $310 million to a company who just made $45 million in 3 months that's quitting on the American people.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Louisiana (Mr. RICHMOND).

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

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

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Louisiana will be postponed.

AMENDMENT NO. 38 OFFERED BY MR. MICA

The Acting CHAIR. It is now in order to consider amendment No. 38 printed in House Report 112–88.

Mr. MICA. I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of subtitle H of title X, add the following new section:

SEC. 1085. RULES OF ENGAGEMENT FOR MEMBERS OF THE ARMED FORCES DEPLOYED IN DESIGNATED HOSTILE FIRE AREAS.

The Secretary of Defense shall ensure that the rules of engagement applicable to members of the Armed Forces assigned to duty in any hostile fire area designated for purposes of section 310 or 351(a)(1) of title 37, United States Code—

(1) fully protect the members' right to bear arms; and

(2) authorize the members to fully defend themselves from hostile actions.

The Acting CHAIR. Pursuant to House Resolution 276, the gentleman from Florida (Mr. MICA) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. MICA. Thank you, Mr. Chairman.

First I want to thank the members of the committee for allowing me to bring forth this amendment, also the Rules Committee for allowing me to have it considered by the House.

This is a simple amendment, and this is an amendment that I almost think I'm offering not on behalf of myself but on behalf of our troops. I usually don't get involved in armed services matters, but I did have the opportunity to visit our troops in Afghanistan in March of some weeks past. And I was out in some of the forward operating positions in Afghanistan, and I asked the troops a question—you know, sometimes you get a few minutes of quiet time with our troops that are serving us out there in those dangerous areas out there. And I said, When I return to Congress, what could I do to help you do a better job? What would assist you?

And every one of them said to me, Mr. MICA, could you change the rules of engagement?

So I'm offering this amendment on their behalf and on behalf of all the servicemen and -women who should be able to defend themselves in hostile areas. I'm not trying to micromanage the military, but I have just a basic provision that says—and let me read it: ''The Secretary of Defense shall ensure that the rules of engagement applicable to members of the armed services assigned to duty in any hostile fire area''—and we have a definition for that—''shall,'' and then ''one, fully protect the members' rights to bear arms; and, two, to authorize the members to fully defend themselves from hostile actions.'' The Secretary would set those parameters.

This is my amendment. I believe that implementing a successful calendar insurgency strategy should not come at the cost of needlessly increasing American or coalition military casualties.

If we ask members of our Armed Forces to risk their lives to protect the home front, we must do all we can to help them with the material and the options and the ability to preserve their lives to fight on our behalf in hostile areas.

Please help me in arming our Armed Forces and also providing them with what I believe is the opportunity to adequately defend themselves in hostile theaters.

I reserve the balance of my time.

Mr. SMITH of Washington. I claim the time in opposition.

The Acting CHAIR. The gentleman from Washington is recognized for 5 minutes.

Mr. SMITH of Washington. I will begin by yielding 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. I thank my friend for yielding.

My objection, respectfully, to this amendment is it supplants the decision of the commander in the field with the judgment of the Congress. I frankly agree that there are very, very few circumstances I could imagine where we would not want our troops in the field to be fully armed to their complete comfort and satisfaction level. And so it's hard for me to imagine a circumstance where that's not the case.

But it's easy for me to understand a circumstance where the person in the field who is charged with the responsibility of achieving the mission and achieving maximum protection of his or her troops should have the authority to make that decision.

So my objection to this is not the intent. I think we share it. My objection is the fact that the amendment supplants the judgment of that commander in the field and replaces it with the judgment we are making here thousands of miles away based on facts that we could not possibly foresee.

So although I share the gentleman's intent, for that reason I would respectfully encourage the Members to vote ''no'' on the amendment.

□ 1800

The Acting CHAIR. The gentleman from Florida has 2½ minutes remaining.

Mr. MICA. I reserve the balance of my time.

Mr. SMITH of Washington. I yield myself the balance of my time.

Mr. Chair, I rise in opposition for a very simple reason.

As the gentleman said in his opening remarks in favor of the amendment, he does not wish to micromanage what goes on in the field. I think there can be no more blatant micromanaging than this. Having Congress insert itself into the debate about what the rules of engagement should be in the field of operations for the military is micromanaging in the absolute worst way. We should trust our commanders in the field to make those decisions, and those decisions are and always will be controversial, both ways, in terms of what the rules of engagement should be.

I will simply make the very clear statement that I want our trained commanders in the field to make the decision on what the rules of engagement should be in any given environment, not the United States Congress. This is not a debate that we should insert ourselves into, and I believe that we should defeat this amendment and leave the authority with the commanders, where it belongs.

I yield back the balance of my time.

Mr. MICA. Let me say that the United States Congress does set the policy for engaging in war and hostile actions. The Secretary of Defense has clearly given the authority here to provide, again, applicable provisions for how this would apply.

In closing, our troops, our servicemen and -women, should not be used at target practice in any hostile theater. They should be given the basic right to bear arms and defend themselves.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. MICA).

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

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

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida will be postponed.

The Acting CHAIR. The Committee will rise informally.

The Speaker pro tempore (Mr. BISHOP of Utah) assumed the chair.

ENROLLED BILL SIGNED

Karen L. Haas, Clerk of the House, repoted and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1893. An Act to amend the Internal Revenue Code of 1986 to extend the the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend the airport improvement program, and for other purposes.

The SPEAKER pro tempore. The Committee will resume its sitting.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012

The Committee resumed its sitting.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 112–88 on which further proceedings were postponed, in the following order:

Amendment No. 2 by Ms. WOOLSEY of California.

Amendment No. 12 by Mr. HUNTER of California.

Amendment No. 24 by Mr. SARBANES of Maryland.

Amendment No. 25 by Mr. MURPHY of Connecticut.

Amendment No. 27 by Mr. COLE of Oklahoma.

Amendment No. 28 by Mr. GARAMENDI of California.

Amendment No. 26 by Mrs. MALONEY of New York.

Amendment No. 30 by Mr. HIMES of Connecticut.

Amendment No. 31 by Ms. JACKSON LEE of Texas.

Amendment No. 32 by Mr. ANDREWS of New Jersey.

Amendment No. 37 by Mr. RICHMOND of Louisiana.

The Chair will reduce to 2 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 2 OFFERED BY MS. WOOLSEY

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentlewoman from California (Ms. WOOLSEY) 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 Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 83, noes 334, not voting 14, as follows:

[Roll No. 343]

AYES—83

Amash
Baldwin
Bass (CA)
Becerra
Berman
Blumenauer
Campbell
Capuano
Clarke (MI)
Clarke (NY)
Cohen
Conyers
Cooper
DeGette
Deutch
Dingell
Duncan (TN)
Edwards
Ellison
Eshoo
Farr
Frank (MA)
Garamendi
Gutierrez
Hastings (FL)
Hirono
Holt
Honda
Keating
Kind
Kucinich
Larson (CT)
Lee (CA)
Lewis (GA)
Lofgren, Zoe
Lynch
Maloney
Markey
Matsui
McCollum
McGovern
Michaud
Miller, George
Moore
Nadler
Neal
Olver
Pallone
Paul
Payne
Pingree (ME)
Polis
Quigley
Rangel
Ribble
Richmond
Roybal-Allard
Royce
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schrader
Serrano
Slaughter
Speier
Stark
Thompson (CA)
Tierney
Tonko
Towns
Upton
Velázquez
Walden
Walz (MN)
Watt
Waxman
Weiner
Welch
Wilson (FL)
Woolsey
Wu
Yarmuth

NOES—334

Ackerman
Adams
Aderholt
Akin
Alexander
Altmire
Andrews
Austria
Baca
Bachmann
Bachus
Barletta
Barrow
Bartlett
Barton (TX)
Bass (NH)
Benishek
Berg
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Black
Blackburn
Bonner
Bono Mack
Boren
Boswell
Boustany
Brady (PA)
Brady (TX)
Brooks
Broun (GA)
Brown (FL)
Buchanan
Bucshon
Buerkle
Burgess
Burton (IN)
Butterfield
Calvert
Camp
Canseco
Cantor
Capito
Capps
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castor (FL)
Chabot
Chaffetz
Chandler
Chu
Cicilline
Clay
Cleaver
Clyburn
Coble
Coffman (CO)
Cole
Conaway
Connolly (VA)
Costello
Courtney
Cravaack
Crawford
Crenshaw
Critz
Crowley
Cuellar
Culberson
Cummings
Davis (CA)
Davis (IL)
Davis (KY)
DeFazio
DeLauro
Denham
Dent
DesJarlais
Diaz-Balart
Dicks
Doggett
Dold
Donnelly (IN)
Doyle
Dreier
Duffy
Duncan (SC)
Ellmers
Emerson
Engel
Farenthold
Fattah
Fincher
Fitzpatrick
Flake
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Fudge
Gallegly
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (MO)
Green, Al
Green, Gene
Griffin (AR)
Griffith (VA)
Grimm
Guinta
Guthrie
Hall
Hanabusa