

other bills left by the death of a loved one. People can not control when they die, but, unfortunately, their bills and expenses remain.

Why punish those who pay their taxes, serve our country, and are law-abiding citizens? We should be going after the people who evade our tax system and the convicted felons who continue to receive Social Security benefits while in prison—not those people who contribute to society. This law is unfair and absurd.

That is why I am introducing the Social Security Benefits Fairness Act of 1996. My bill will return fairness to the Social Security System. The bill would amend the Social Security Act, allowing benefits to be paid for the month of death. A surviving spouse or family estate would receive one-half of a month's benefits if a person dies within the first 15 days of a month and full benefits if a person dies after the 15th. Making this fair and fundamental change will ensure that a surviving spouse or family will have the Social Security check to cover the expenses for the last month of life.

Please join me in this effort and cosponsor the Social Security Benefits Fairness Act of 1996.

CITIZENSHIP U.S.A.

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1996

Ms. ROS-LEHTINEN. Mr. Speaker, I rise in support of the Citizenship U.S.A. Program established by the Immigration and Naturalization Service.

Citizenship U.S.A. is the largest effort in the history of the Immigration and Naturalization Service to help eligible immigrants become U.S. citizens. This combined effort will allow the INS to be current with citizenship applications by the end of the summer. In order to achieve this goal, INS is focusing on updating three major components of the citizenship system—hiring of additional people, improving the process, and expanding INS's partnership with local officials and community organizations.

This program's necessity has been established by a dramatic rise of citizenship applications from an average of 300,000 annually before fiscal year 1994 to more than 1 million in fiscal year 1995, with more than 1 million additional applications expected for fiscal year 1996. The Miami district has been especially hard pressed, receiving nearly 107,000 N-400 applications in fiscal year 1995. This is easily a 174-percent increase over fiscal year 1994.

In order to meet the above challenge, INS has already approached several critical milestones as a result of this program. In February, INS opened the new Miami Citizenship Center. This serves as the new home for the entire Miami citizenship staff and is dedicated to the testing and interviewing of naturalization applicants. INS has also substantially increased its officer and clerical staff throughout the country, and has been able to extend its hours of operation significantly as a direct result. Citizenship U.S.A. has also contributed to completions of N-400 citizenship applications. As a result of this program, the Miami district completed 29,898 N-400 applications in the first 6 months of fiscal year 1996, more than the total number completed in all of fiscal year

1995. The Miami district expects to swear in an average of 24,000 new citizens each month during the peak period of this initiative.

I congratulate INS for this meritorious program.

LTC JAMES E. ROGERS ON HIS RECENT COMMAND APPOINTMENT

HON. DICK CHRYSLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1996

Mr. CHRYSLER Mr. Speaker, I rise today to commend LTC James E. Rogers on his appointment as the incoming commander of the U.S. Army's 82d Forward Support Battalion, 82d Airborne Division, stationed at Fort Bragg. LTC James Rogers has a long and distinguished military service record and has dedicated his life to protecting the freedom and liberty of our Nation.

Lieutenant Colonel Rogers was born and raised in Howell, MI, where his parents Joyce and John Rogers still reside and where he still serves as an example to hundreds of local youths in the community of what personal honor and leadership can achieve.

Lieutenant Colonel Rogers was commissioned in the Ordnance Corps on June 6, 1979, upon graduation from the U.S. Military Academy at West Point. Lieutenant Colonel Rogers was recommended for an appointment by my own former Congressman Bill Broomfield, and I only hope that I have the foresight he had in identifying the qualities needed for our future leaders.

Lieutenant Colonel Rogers military education includes Ordnance officer basic and advance courses, Combined Arms and Services Staff School, and the Army Command and General Staff College.

He has obtained further academic credentials in the course of his military service as well, earning a masters degree in industrial and operations engineering from the University of Michigan.

LTC James Rogers has served in several challenging assignments throughout the United States and Korea, ensuring that the military readiness of our troops is unmatched anywhere in the world. He has accelerated through the ranks and demonstrated an enormous capacity of responsibility and integrity as a military leader, earning him the respect of his superiors, his peers, and the men and women who serve under him.

He has earned personal awards and decorations that include the Meritorious Service Medal with three Oak Leaf Clusters, Army Commendation Medal with Oak Leaf Cluster, Army Achievement Medal, Senior Parachutist Badge, and the Air Assault Badge.

I have no doubt that in his newest assignment, Lieutenant Colonel Rogers will serve as an exemplary soldier, continuing the standard of excellence he has set for himself and living up to the 82d Forward Support Battalion's motto of Subsidium—Sine Qua Non, Support—Without Which There Is Nothing.

Congratulations to LTC James E. Rogers. Good luck to you, your wife Reba, and your two young children Jeffrey and Thomas.

JIM MASUCCI RETIRES

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1996

Mr. FIELDS of Texas. Mr. Speaker, after 41 years with Capital Cities/ABC, and after 26 years at KTRK-TV in Houston—the last 6 years as president and general manager—Jim Masucci has decided its time to retire. I want to take a moment to salute Jim—both for his successful career in the television industry, but also for his outstanding record of community service.

Jim is not just a highly talented television executive. He is a friend with whom I've consulted on a number of telecommunications issues over the years. He is also a respected member of his community who has devoted his time and talents to a variety of civic programs that have touched the lives of tens of thousands of Houston-area residents.

Jim began his television career in 1956 as a member of the production staff of the original Capital Cities Communications station—WTEN-TV in Albany, NY. He later served as the station's director-producer, production manager and then programming director. While working at WTEN, Jim was responsible for producing 10 cerebral palsy telethons and received the George Washington Medal of Freedom for Excellence in Children's Programming.

In 1970, Jim moved to Houston to become operations manager at KTRK-TV, another Capital Cities Communications station. While serving as channel 13's operations manager, he produced the first televised Vince Lombardi Awards program, and was instrumental in the development of the televised Jefferson Awards ceremony. Jim also played a key role in developing "Good Morning Houston," one of the Nation's most-watched local talk shows.

That kind of success caught the attention of corporate management. In 1983, while still serving as operations manager of channel 13, Jim was named divisional vice president for Capital Cities. In 1986, Capital Cities acquired the ABC television network and became Capital Cities-ABC. Following that merger, Jim was named vice president of the broadcast division at Capital Cities-ABC.

But Mr. Speaker, it is Jim's record of community service that has made him one of the most respected broadcast executives in Texas.

In 1983, Jim helped create the Houston Crime Stoppers program, which aids the police in locating, and apprehending, suspects in unsolved crimes. Jim has served on the board of the Houston Crime Stoppers program—as well as on the board of the Houston's Area Urban League and the Houston Symphony.

Jim also has been recognized for a number of innovative community service efforts, including the Jefferson Awards, the Vince Lombardi Awards, the 1986 Texas Sesquicentennial celebration, the 1988 Challenger Center gala, and the 1990 Night of the Thousand Lights: A Houston Crackdown Celebration.

It was his work with the Houston Metropolitan Area Youth Soccer League that best illustrates the energy—and the success—that Jim brings to any project in which he's involved. Initially, organizers hoped that 1,500 inner-city youths would participate in the program. Due

to Jim's hard work, and the publicity given the program by KTRK-TV, 7,000 young boys and girls signed up—making the program the most successful such effort in the country.

I am a dyed-in-the-wool Texan—whose great grandfather fought for Texas, and the Confederacy, in the War Between the States. Having said that, I want to add that Jim Masucci is the kind of Yankee that we Texans respect, admire and love—even if he does talk funny.

Mr. Speaker, I hope you will join with me in wishing Jim—and his lovely wife, Diane—the very best in the years ahead. We thank Jim for his work at KTRK-TV, as well as his long and distinguished record of community service. I know that even in retirement, Jim is the type of individual who will remain active, making a difference for many, many Houstonians.

MERGER MANIA

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1996

Mr. DUNCAN. Mr. Speaker, the U.S. Government should not be paying millions in taxpayers' funds to help defray the costs of corporate mergers in the defense industry. I would like to call to the attention of my colleagues and other readers of the RECORD the following article from the Brookings Review:

[From the Brookings Review, Summer 1996]

MERGER MANIA

(By Lawrence J. Korb)

McDonnell Douglas, Martin Marietta, Ling-Temco-Vaught (LTV). As the telltale compound names signal, mergers and acquisitions have long been a staple of the U.S. defense industry. But since the Clinton administration took office in 1992, the number of mergers has increased dramatically.

In 1991, military mergers were valued at some \$300 million. By 1993, the value had climbed to \$14.2 billion. It will top \$20 billion in 1996. In 1993 Martin Marietta purchased General Electric's defense division and General Dynamics' space division. At about the same time Lockheed purchased General Dynamics' aircraft division, while Loral purchased LTV, Ford Aerospace, and Unisys. Then in 1994 Lockheed merged with Martin to become Lockheed Martin, and a year later Lockheed Martin purchased Loral to produce a \$30 billion giant known as Lockheed Martin Loral, which now controls 40 percent of the Pentagon's procurement budget.

During this same period, Northrop outbid Martin for the Grumman aircraft company, and the new company in turn bought the defense division of Westinghouse. On a somewhat smaller scale, Hughes bought General Dynamics' missile division and Raytheon purchase E-Systems. Among the true defense giants, only McDonnell Douglas has not yet made a major purchase.

Spokesmen for the defense industry cite two reasons for this sudden rush of mergers. First, merger mania is sweeping U.S. industry generally. Second, with the end of the Cold War, defense spending has fallen so dramatically that excess capacity in the defense industry can be eliminated only through consolidation. As Norman Augustine of Lockheed Martin has observed, for the defense industry this is 1929.

Superficially these reasons seem quite plausible. Merger mania has certainly hit many areas of American industry, such as

banking and communications. In 1992 Chemical Bank merged with Manufacturers Hanover, and in 1995 they combined with Chase Manhattan to form a single company. In the past year, Time, which had merged with Warner Communications in 1990, purchased Turner Broadcasting; Capital Cities/ABC merged with Pacific Telesis; and Bell Atlantic merged with NYNEX.

And defense spending has indeed fallen since the end of the Cold War. In current dollars, projected defense spending for fiscal year 1997 is about 40 percent below that of a decade ago, and procurement spending is about one-third what it was at its peak in the 1980s.

But what industry spokesmen fail to note is that the decline in defense expenditures has been greatly exaggerated and that, unlike the private-sector restructuring, the government is subsidizing defense mergers.

Remember the \$600 toilet seats and the \$500 hammers that had taxpayers up in arms during the mid-1980s? Today's subsidized mergers are going to make them look like bargains. The outrageously priced toilet seats and hammers were the result of defense companies taking advantage of a loophole in acquisition regulations. This time, the taxpayers are being fleeced at the hands of the Pentagon's civilian leadership, whose secret reinterpretation of the regulations has rained hundreds of millions of dollars upon the defense industry. To date the Pentagon has received 30 requests for reimbursement for restructuring. Lockheed Martin alone expects to receive at least \$1 billion to complete its merger.

HOW DID IT HAPPEN?

In July 1993, John M. Deutch, then the undersecretary of defense for acquisition, responded to pressure on his boss, William Perry, from the chief executive officers of Martin Marietta, Lockheed, Loral, and Hughes by deciding to allow defense companies to bill the Pentagon for the costs of mergers and acquisitions. According to Deutch, who has since been promoted to deputy secretary of defense and then to director of Central Intelligence, the move was not a policy change but a clarification of existing policy. In Deutch's view, not only was the clarification necessary to promote the rational downsizing of the defense industry, it would also save taxpayers billions in the long run.

Deutch is wrong on all three counts. This is a major policy change. It is not necessary. And it will not save money.

A commonsense reading of the Federal Acquisition Regulations (FAR) would lead a reasonable person to conclude that organization costs are not allowable. The regulations state that since the government is not concerned with the form of the contractor's organization, such expenditures are not necessary for or allowable to government contracts. Indeed, during the Bush administration, the Defense Contract Management Agency (DCMA) rejected a request by the Hughes Aircraft Corporation to be reimbursed for \$112 million in costs resulting from its acquisition of General Dynamics' missile division. As far back as the Nixon administration, during the post-Vietnam drawdown of defense spending, which was as severe as the current drawdown, the Defense Department rejected a similar request from General Dynamics.

But on July 21, 1993, Deutch wrote a memorandum stating that restructuring costs are indeed allowable and thus reimbursable under federal procurement law. Because Deutch regarded the memo as merely a clarification of existing policy, he saw no need for a public announcement. Indeed, he did not discuss his "clarification" with the military

services or Congress or even inform them of it. Congress found out about it accidentally nine months after the memo was written when Martin Marietta tried to recoup from the Pentagon about \$60 million of the \$208 million it paid for General Dynamics' space division. A somewhat astonished Senator Sam Nunn (D-GA), then chairman of the Senate Armed Services Committee, remarked, "Why pay Martin Marietta [60] million?"

Deutch's position that he was merely clarifying rather than making policy is not supported by anyone, even those who favor the change. The procurement experts in his own department disagreed vehemently. On June 17, 1993, the career professionals at DCMA told him that the history of the FAR argues against making the nonrecurring organization costs associated with restructuring costs allowable and noted that they had disallowed these costs in the past.

The DCMA position was also supported by Don Yockey, the undersecretary of defense for acquisition in the Bush administration; the Aerospace Industries Association (AIA), the trade association for aerospace companies; the American Bar Association's Section on Public Contract Law; and the American Law Division of the Congressional Research Service.

Yockey, who was Deutch's immediate predecessor as procurement czar and who is both a retired military officer and former defense industry executive, argued in a July 13, 1994, letter to the professional staff of the House Armed Services Committee that by definition, structure means organization, and that the FAR does not allow the reimbursement of organization costs. Indeed, it was Yockey himself who told DCMA to reject Hughes' request for reimbursement for its purchase of General Dynamics' missile division.

In a September 28, 1993, letter to Eleanor Spector, the director of defense procurement, Leroy Haugh, vice president of procurement and finance of AIA, stated that the Deutch memo constituted a significant policy decision and an important policy change. Therefore, Haugh asked Spector to promptly publish notice of this policy change in the Federal Register and to consider amending the regulations. In a May 3, 1994, letter to Deutch, Donald J. Kinlin, the chair of the ABA Section on Public Contract law, urged Deutch to modify the FAR since at the time it did not reflect the changes made in Deutch's July 1993 memorandum. What is significant about the AIA and ABA positions is that both groups support Deutch's change.

Finally in a June 8, 1994, memorandum John R. Luckey, legislative attorney for the Congressional Research Service, stated that while former amendment of the FAR could make restructuring costs allowable, the argument that they are allowable under the current regulations appears to contradict their plain meaning. In Luckey's opinion, Deutch's position is based on semantics, not legality.

In short, the political leadership of the Clinton defense department made a significant policy change that as a minimum should have been published in the Federal Register and, as Secretary Perry later admitted, cleared in advance with Congress.

THE SUBSTANCE OF THE ISSUE

This end run around the administrative and legislative processes by the Pentagon is unprecedented, but even more important is whether the Defense Department and the taxpayers should be giving the defense industry a windfall by allowing a write-off of substantial parts of restructuring costs. For four reasons, the answer to that question should be an emphatic "No."

First, like Mark Twain's death, the decline of the defense industry in this country has