H.R. 860. THE SURFACE TRANSPORTATION RESEARCH AND DEVELOPMENT ACT OF 1997

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 27, 1997

Mrs. MORELLA. Mr. Speaker, today I am introducing the Surface Transportation Research and Development Act of 1997 with Congressman GEORGE BROWN, the ranking member of the Science Committee. The legislation authorizes appropriations to the Department of Transportation to carryout surface transportation research and development programs for the next 6 years.

During the 102nd Congress, the Science Committee worked in a bipartisan fashion to lay the ground-work for most current surface transportation research, development, and technology transfer programs by drafting the research section of the Intermodal Surface Transportation Efficiency Act of 1991, commonly referred to as ISTEA. Today, the legislation that I am introducing will serve simply as a starting point as we begin the reauthorization process for these important programs.

To accommodate our future transportation infrastructure needs and minimize congestion, we need to continue the research and development work that was authorized in 1991 by the Science Committee through ISTEA. These programs seek to develop and deploy new technologies and innovative solutions that improve our current infrastructure's performance and capacity. Research and development is our best chance to address our burgeoning transportation needs in a cost effective and environmentally responsible manner.

INTRODUCTION OF FOUR BILLS TO IMPROVE FEDERAL CONTRACTING PRACTICES

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 27, 1997

Ms. NORTON. Mr. Speaker, in a season that will be dominated by deficit reduction, all Federal spending must be scrutinized and made accountable. Today I am introducing four bills to bring accountability for the first time to the shadow government. While the Federal agency work force is being cut each year, we are continuing to support a growing and largely unmonitored private contract service sector and work force from which the Federal Government procures services. The huge $114 billion service contracting portion of the Federal budget has avoided reductions while deficit reduction has spared few others. Members who favor contracting out and privatization and those who prefer that the work be done by Federal agencies can all agree that both must be held accountable, because both are funded by taxpayer dollars.

Service contracting constitutes the fastest growing area of Federal procurement, accounting for over $114 billion of the $200 billion spent each year on outside contracts. In only 3 years, between fiscal year 1989 and fiscal year 1992, the number of contractors doing business with the Government rose from 62,819 to 82,472.

Just a few years ago, the OMB itself indicated that contracting is out of control. Yet this large Federal expenditure has remained hidden in the shadows, unlike Federal agencies and employees. There is no way to know whether this sector has contributed a single dollar to deficit reduction. It is remarkable that despite a governmentwide effort to promote efficiency, we have not considered the inefficiency of guaranteeing contractors an invulnerable chunk of tax dollars.

The Clinton administration, to its credit, has worked hard to make service contractors more responsive—for example, by proposing new performance-based standards for existing service contracts. However, the budget that Congress is now considering proposes no cuts in funds allocated specifically to service contracts—thus leaving untouched a huge source of potential savings—while demanding continuing sacrifices from the career work force that makes up the visible government.

The time is long past due for overhauling the contracting practices of the Federal Government. With the four bills I am introducing today, I hope to help begin the process of reinventing Federal contracting just as the rest of the Federal Government is being re-invented.

FULL FEDERAL PAY RAISE

My first bill would cut $5.7 billion in Federal agency funds for service contracts and make this money available for pay raises that are due Federal employees in 1998. Federal employees are again being required to give up part of their statutory pay increases while contract employees paid from the same Federal budget again remain untouched. The intent of this bill is to eliminate the discrimination that allows the Government to extract sacrifices from civil servants without considering ways to seek some savings from contractors. The process of competitive bidding does not insure savings and efficiency, but only that the Government may get the best deal among those who are competing. The 5 percent cut would compel contractors to scrutinize themselves for efficiency in the same way as we are now requiring of Federal agencies. Especially when compared with the sizable reductions agencies have experienced, this cut is so small that it should be beyond debate.

BUYOUT REFORM

My second bill would plug a hole in the buyout legislation reauthorized last year. When enacting the initial legislation in 1994, Congress went to extraordinary lengths to ensure that civil servants who were bought out with cash, could not be replaced with new hires and that the resulting 272,900 planned reductions in the Federal work force would be permanent. However, as it stands now, the buyout law would allow untold numbers of contract employees to replace bought-out Federal employees. Congress did not intend for buyouts to result in a simple substitution of contract employees for career employees. Rather, Congress made the judgment that the Government should be smaller and that considerable saving should result. The anticipated savings will not be made if one set of FTE's—Full-time equivalent employees—are substituted for another.

COST COMPARISONS

The reason most often advanced for contracting out work is that it is cheaper. However, a 1994 GAO study contradicts this assumption, and a 1994 OMB study revealed that cost-savings comparisons often are not always done. Federal agencies routinely do not compare the cost of contracting with the cost of doing work in-house. Thus, my third bill would require agencies to make these cost comparisons and would prohibit them from entering into an outside service contract if the services could be performed at a lower cost by agency employees.

Beyond the discrimination against career employees who are denied work regardless of efficiency and costs, current contracting practices are fundamentally bad business. According to the GAO report, issuing service contracts and hiring consultants can very often actually cost Federal agencies more than using Federal employees. In several of the cases analyzed by GAO, agencies could have saved more than 50 percent by keeping the work in-house.

SIZE OF CONTRACTING WORK FORCE

The absence of basic information, beginning with the size of the contracting work force, makes it impossible to make intelligent decisions about contracting out. To its credit, Congress in 1988 passed legislation requiring agencies to significantly cut service contracts. However, a subsequent GAO report found that there was no way to know if the agencies had actually complied with the legislation. Therefore, my fourth bill requires the OMB to develop a governmentwide system for determining and reporting the number of non-Federal employees engaged in service contracts.

All four of these bills would provide more systematic ways for monitoring and constraining the expenses associated with contracting out of services—just as we have insisted for Federal agencies and employees. Efficiency and deficit reduction must not stop at the door of the Federal agency. We need to bring the shadow government into the full light of day so that the sacrifices demanded in the name of re-inventing government may be shared by all employees and by every area of Government.

REGIONAL COOPERATION ACT

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 27, 1997

Mr. TRAFICANT. Mr. Speaker, today I am introducing the Regional Cooperation Act [RCA], a significant first step in the effort to discourage fractionalization and encourage cooperation among America's communities. I urge my colleagues to cosponsor this important measure.

The Federal Government has always been a powerful force in funding economic development opportunities. From the voyages of Christopher Columbus to the establishment of the New York and Virginia colonies, nations have invested in the efforts of their people in order to build stronger national economies.

Unfortunately, while Federal support is an important undertaking in general, it has in many circumstances led to infighting and fractionalization. In the quest for limited Federal resources, communities have battled their neighbors and, as a result, undercut their regional economies. Dr. Gil Peterson, an expert in urban studies at Youngstown State University, noted: ''All too often, political decisions