As I described, the legislation here protects the interest of the Coast Guard, it protects the interest of the Park Service, it calls on the town to make sure that it meets all the requirements that the GSA might put on the land when it is transferred. The Park Service has previously written a letter to the State that states, ''We have reviewed the preliminary information submitted by your office regarding these proposed conversions and have no objection.''

Now, that is not the be all and end all from the administration, but it is a clear example or clear point that the issues were raised by the town and the State as early as 1995; that they have tried to make sure that everyone has had the information that they need throughout the entire process.

I think what we have here is an opportunity to do the right thing for the town, to transfer 2 acres, not 200 acres as the legislation that the committee dealt with for California was done just a month ago, but just 2 acres so that the people in the town of New Castle can have peace of mind.

We have moved this legislation through the subcommittee. We have tried to address the concerns of the minority. We have had the opportunity to meet with minority and majority staff and other representatives from the administration.

I am disappointed that the administration sent over a fax today, October 5, saying that they have decided to oppose the bill. They could not send that a week ago apparently. They could not send it 2 weeks ago. They could not send it 2 years ago when the Park Service was saying that they have no objection. I am disappointed that we have received such a late response at such a late date, but I think in some ways that just points to the need for this body to do whatever it can to move the legislation forward on behalf of the people of the State of New Hampshire.

Mr. KUCINICH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and pass the bill, H.R. 4614, as amended.

The question was taken.

Mr. KUCINICH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

TRAVEL AND TRANSPORTATION REFORM ACT OF 1997

Mr. HORN. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 930) to require Federal employees to use Federal travel charge cards for all payments of expenses of official Government travel, to amend title 31, United States Code, to establish requirements for prepayment audits of Federal agency transportation expenses, to authorize reimbursement of Federal agency employees for taxes incurred on travel or transportation reimbursements, and to authorize test programs for the payment of Federal employee travel expenses and relocation expenses.

The Clerk read as follows:

Senate amendments:

Page 2, line 5, strike out ''1997'' and insert ''1998''.

Page 3, after line 4 insert:

(b) AGENCY EXEMPTION.—The head of a Federal agency or the designee of such head may exempt any payment, person, type or class of payments, or type or class of agency personnel from subsection (a) if the agency head or the designee determines the exemption to be necessary in the interest of the agency. Not later than 30 days after granting such an exemption, the head of such agency or the designee shall notify the Administrator of General Services in writing of such exemption stating the reasons for the exemption.

Page 3, line 5, strike out ''(b)'' and insert ''(c)''.

Page 3, line 22, strike out ''(c)'' and insert ''(d)''.

Page 5, line 9, strike out ''(d)'' and insert ''(e)''.

Page 5, line 20, strike out ''(c)'' and insert ''(d)''.

Page 6, line 2, strike out ''(c)'' and insert ''(d)''.

Page 6, line 11, strike out ''(e)'' and insert ''(f)''.

Page 7, after line 5 insert:

(g) REIMBURSEMENT OF TRAVEL EXPENSES.—In accordance with regulations prescribed by the Administrator of General Services, the head of an agency shall ensure that the agency reimburses an employee who submits a proper voucher for allowable travel expenses in accordance with applicable travel regulations within 30 days after submission of the voucher. If an agency fails to reimburse an employee who has submitted a proper voucher within 30 days after submission of the voucher, the agency shall pay the employee a late payment fee as prescribed by the Administrator.

Page 14, line 11, strike out ''1997'' and insert ''1998''.

Page 15, line 23, strike out ''1997'' and insert ''1998''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 930, the Travel and Transportation Reform Act, was passed by this House in April of 1997. According to the Congressional Budget Office, this legislation will save approximately $100 million in discretionary savings over 5 years by making agency travel and transportation systems more efficient.

One important change made by the bill deals with the taxes that are levied by State and local governments on Federal travelers. Such taxes can amount to hundreds of dollars per trip. Unofficial OMB estimates are that travelers pay perhaps $350 million in taxes.

Agencies should consider using centrally billed credit card accounts and other automated reservation billing and paying systems to avoid such charges. The solution would be best for both the employees and the Federal Government.

The Senate made a few changes in H.R. 930. The first change authorized additional exemptions from the requirement that agency personnel use the credit card when traveling on official government business. The other change authorized agencies to pay the interest charge to employees when the agency is late in reimbursing the travel expenses incurred by a particular employee. I think many of us have had that experience.

These changes are not controversial. I urge their support by my colleagues.

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

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

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

Mr. KUCINICH. Mr. Speaker, I rise in support of H.R. 930, as amended.

I would like to thank the gentleman from California (Mr. HORN) for working closely with the minority in drafting this bill and bringing it to this point. The other body has made some minor but common-sense changes to the House-passed legislation, and I support its current form and urge passage of the bill.

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

Mr. HORN. Mr. Speaker, I thank the gentleman from Ohio (Mr. KUCINICH) for his helpfulness on this matter, and I yield back the balance of my time.

Mr. KUCINICH. Mr. Speaker, I thank the gentleman from California (Mr. HORN) for the chance to work with him, and I, too, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 930.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FEDERAL ACTIVITIES INVENTORY REFORM ACT OF 1998

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 314) to provide a process for identifying the functions of the Federal Government that are not inherently governmental functions, and for other purposes.

The Clerk read as follows:

S. 314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Activities Inventory Reform Act of 1998''.

SEC. 2. ANNUAL LISTS OF GOVERNMENT ACTIVITIES NOT INHERENTLY GOVERNMENTAL IN NATURE.

(a) LISTS REQUIRED.—Not later than the end of the third quarter of each fiscal year, the head of each executive agency shall submit to the Director of the Office of Management and Budget a list of activities performed by Federal Government sources for the executive agency that, in the judgment of the head of the executive agency, are not inherently governmental functions. The entry for an activity on the list shall include the following:

(1) The fiscal year for which the activity first appeared on a list prepared under this section.

(2) The number of full-time employees (or its equivalent) that are necessary for the performance of the activity by a Federal Government source.

(3) The name of a Federal Government employee responsible for the activity from whom additional information about the activity may be obtained.

(b) OMB REVIEW AND CONSULTATION.—The Director of the Office of Management and Budget shall review the executive agency's list for a fiscal year and consult with the head of the executive agency regarding the content of the final list for that fiscal year.

(c) PUBLIC AVAILABILITY OF LISTS.—

(1) PUBLICATION.—Upon the completion of the review and consultation regarding a list of an executive agency—

(A) the head of the executive agency shall promptly transmit a copy of the list to Congress and make the list available to the public; and

(B) the Director of the Office of Management and Budget shall promptly publish in the Federal Register a notice that the list is available to the public.

(2) CHANGES.—If the list changes after the publication of the notice as a result of the resolution of a challenge under section 3, the head of the executive agency shall promptly—

(A) make each such change available to the public and transmit a copy of the change to Congress; and

(B) publish in the Federal Register a notice that the change is available to the public.

(d) COMPETITION REQUIRED.—Within a reasonable time after the date on which a notice of the public availability of a list is published under subsection (c), the head of the executive agency concerned shall review the activities on the list. Each time that the head of the executive agency considers contracting with a private sector source for the performance of such an activity, the head of the executive agency shall use a competitive process to select the source (except as may otherwise be provided in a law other than this Act, an Executive order, regulations, or any Executive branch circular setting forth requirements or guidance that is issued by competent executive authority). The Director of the Office of Management and Budget shall issue guidance for the administration of this subsection.

(e) REALISTIC AND FAIR COST COMPARISONS.—For the purpose of determining whether to contract with a source in the private sector for the performance of an executive agency activity on the list on the basis of a comparison of the costs of procuring services from such a source with the costs of performing that activity by the executive agency, the head of the executive agency shall ensure that all costs (including the costs of quality assurance, technical monitoring of the performance of such function, liability insurance, employee retirement and disability benefits, and all other overhead costs) are considered and that the costs considered are realistic and fair.

SEC. 3. CHALLENGES TO THE LIST.

(a) CHALLENGE AUTHORIZED.—An interested party may submit to an executive agency a challenge of an omission of a particular activity from, or an inclusion of a particular activity on, a list for which a notice of public availability has been published under section 2.

(b) INTERESTED PARTY DEFINED.—For the purposes of this section, the term ''interested party'', with respect to an activity referred to in subsection (a), means the following:

(1) A private sector source that—

(A) is an actual or prospective offeror for any contract, or other form of agreement, to perform the activity; and

(B) has a direct economic interest in performing the activity that would be adversely affected by a determination not to procure the performance of the activity from a private sector source.

(2) A representative of any business or professional association that includes within its membership private sector sources referred to in paragraph (1).

(3) An officer or employee of an organization within an executive agency that is an actual or prospective offeror to perform the activity.

(4) The head of any labor organization referred to in section 7103(a)(4) of title 5, United States Code, that includes within its membership officers or employees of an organization referred to in paragraph (3).

(c) TIME FOR SUBMISSION.—A challenge to a list shall be submitted to the executive agency concerned within 30 days after the publication of the notice of the public availability of the list under section 2.

(d) INITIAL DECISION.—Within 28 days after an executive agency receives a challenge, an official designated by the head of the executive agency shall—

(1) decide the challenge; and

(2) transmit to the party submitting the challenge a written notification of the decision together with a discussion of the rationale for the decision and an explanation of the party's right to appeal under subsection (e).

(e) APPEAL.—

(1) AUTHORIZATION OF APPEAL.—An interested party may appeal an adverse decision of the official to the head of the executive agency within 10 days after receiving a notification of the decision under subsection (d).

(2) DECISION ON APPEAL.—Within 10 days after the head of an executive agency receives an appeal of a decision under paragraph (1), the head of the executive agency shall decide the appeal and transmit to the party submitting the appeal a written notification of the decision together with a discussion of the rationale for the decision.

SEC. 4. APPLICABILITY.

(a) EXECUTIVE AGENCIES COVERED.—Except as provided in subsection (b), this Act applies to the following executive agencies:

(1) EXECUTIVE DEPARTMENT.—An executive department named in section 101 of title 5, United States Code.

(2) MILITARY DEPARTMENT.—A military department named in section 102 of title 5, United States Code.

(3) INDEPENDENT ESTABLISHMENT.—An independent establishment, as defined in section 104 of title 5, United States Code.

(b) EXCEPTIONS.—This Act does not apply to or with respect to the following:

(1) GENERAL ACCOUNTING OFFICE.—The General Accounting Office.

(2) GOVERNMENT CORPORATION.—A Government corporation or a Government controlled corporation, as those terms are defined in section 103 of title 5, United States Code.

(3) NONAPPROPRIATED FUNDS INSTRUMENTALITY.—A part of a department or agency if all of the employees of that part of the department or agency are employees referred to in section 2105(c) of title 5, United States Code.

(4) CERTAIN DEPOT-LEVEL MAINTENANCE AND REPAIR.—Depot-level maintenance and repair of the Department of Defense (as defined in section 2460 of title 10, United States Code).

SEC. 5. DEFINITIONS.

In this Act:

(1) FEDERAL GOVERNMENT SOURCE.—The term ''Federal Government source'', with respect to performance of an activity, means any organization within an executive agency that uses Federal Government employees to perform the activity.

(2) INHERENTLY GOVERNMENTAL FUNCTION.—

(A) DEFINITION.—The term ''inherently governmental function'' means a function that is so intimately related to the public interest as to require performance by Federal Government employees.

(B) FUNCTIONS INCLUDED.—The term includes activities that require either the exercise of discretion in applying Federal Government authority or the making of value judgments in making decisions for the Federal Government, including judgments relating to monetary transactions and entitlements. An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States so as—

(i) to bind the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;

(ii) to determine, protect, and advance United States economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;

(iii) to significantly affect the life, liberty, or property of private persons;

(iv) to commission, appoint, direct, or control officers or employees of the United States; or

(v) to exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriated and other Federal funds.

(C) FUNCTIONS EXCLUDED.—The term does not normally include—

(i) gathering information for or providing advice, opinions, recommendations, or ideas to Federal Government officials; or

(ii) any function that is primarily ministerial and internal in nature (such as building security, mail operations, operation of cafeterias, housekeeping, facilities operations and maintenance, warehouse operations, motor vehicle fleet management operations, or other routine electrical or mechanical services).

SEC. 6. EFFECTIVE DATE.

This Act shall take effect on October 1, 1998.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

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

Mr. SESSIONS. Mr. Speaker, this legislation will require agencies to identify their commercial activities and to review those activities. Current policy in these areas state, number one, that agencies ought to rely on private sources for commercial activities and on government sources for inherently governmental activities; number two, that agencies should not initiate new commercial activities if they can get a contractor to perform that activity; and number three, that agencies will subject their in-house commercial activities to competition.

The government should not be in the business of competition with private business. In the private sector, specialization in competition has reduced costs and improved performance and consumer choice. The most competitive sectors of the economy are also the most innovative. We need to bring home value to taxpayers. This legislation is a tool to do a favor for every U.S. taxpayer.

Mr. Speaker, I yield whatever time he may consume to the gentleman from Virginia (Mr. BATEMAN), for a colloquy.

Mr. BATEMAN. Mr. Speaker, I thank the very able gentleman from Texas (Mr. SESSIONS) for yielding time for this colloquy.

Mr. Speaker, although the Committee on National Security did not have the opportunity to formally review S. 314, it is my understanding that the bill in its final form attempts to address the committee's concerns in two areas. First, section 4(b)(4) of the bill would exclude all depot level repair and maintenance activities as defined in section 2460 of Title X, United States Code from the requirements of this legislation.

Secondly, the bill would not change or supersede existing statutory requirements regarding competitive procedures used by the Department of Defense, as provided by section 2461 of Title X, United States Code.

Mr. SESSIONS. Mr. Speaker, will the gentleman yield?

Mr. BATEMAN. I am happy to yield to the gentleman from Texas.

Mr. SESSIONS. Mr. Speaker, I would like to state to the honorable gentleman from Virginia, the subcommittee chairman, that he is correct, this is exactly as the language is and as stated. The Committee on Government Reform and Oversight is well aware of the extensive work by the Committee on National Security over the years in addressing the contracting out process within the Department of Defense.

I agree with the assertion of the gentleman from Virginia (Mr. BATEMAN) that this bill specifically excludes the Department of Defense's depot maintenance function from the new procedures established by the bill and does nothing to alter or supersede existing statutory requirements with regard to the contracting out of the Department of Defense commercial or industrial activities.

Mr. BATEMAN. Mr. Speaker, I thank my friend, the gentleman from Texas (Mr. SESSIONS), and also the gentleman from Ohio (Mr. KUCINICH).

Mr. SESSIONS. Mr. Speaker, I thank the gentleman from Virginia (Mr. BATEMAN) also.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to say that I have worked with the minority on this legislation, and I want to state very clearly that the gentleman from Ohio (Mr. KUCINICH) and I have not only worked on this, but have a good working relationship.

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

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

Mr. Speaker, I rise in opposition to the bill. I think that this is the time for some plain speaking. Everyone should be aware that S. 314, the Federal Activities Inventory Reform Act of 1998, is the first step down the road towards privatizing much of the Federal Government.

The goals of the sponsor of this bill are plain from the legislative history. S. 314, as originally introduced in both the House and the Senate, would have required the Federal Government to privatize all the activities it performed which could be done by the private sector. I believe it was a recipe for the wholesale dismantling of much of the Federal Government as it now exists.

The bill before us, much to the credit of the gentleman from Texas (Mr. SESSIONS), has been moderated from its inception, but the goals remain the same. The means are incremental, but the ends are unchanged. The purpose of the bill is to force the Federal Government to identify likely targets for privatization or contracting out. The Federal contractors would like the government to help them identify new business opportunities.

This legislation raises fundamental issues which have a profound and lasting impact on the structure of the Federal Government, on Federal employees, and on the American public. Unfortunately, the bill assumes that the debate on the proper role of government has already been settled. Its aim is to drive more and more of the services, the Federal Government provides to taxpayers, into the private sector by contracting out.

Supporters of this bill say that government should not be in competition with business. Well, that certainly sounds right in a free enterprise economy, but the fact of the matter is, from the beginning of this Nation, our Founders recognized an appropriate role for government. Our Founders thought that government would be here to form a more perfect union, to establish justice, to ensure domestic tranquility, to provide for the common defense, to promote the general welfare and to secure the blessings of liberty to ourselves and our posterity.

Based on those principles, we established and ordained a Constitution, Mr. Speaker. Based on those principles, the Government of the United States today provides for Social Security for tens of millions of Americans; for health care in the form of Medicare and Medicaid, a whole range of programs, for tens of millions of Americans; for education for our young people; and, yes, for the defense of our Nation.

There is a proper role for government in our society, and we have to be aware that in describing the role of government we are speaking of the commonwealth of this Nation; not only at a national level, but at a State and local level as well.

People across this country understand that government does play a vital role. In an area that I am personally familiar with, that of municipal electric systems, there are over 2,000 municipally-owned electric systems in the United States of America; part of a long legacy of public power.

□ 1615

We have public parks, we have public recreation centers, we have public sewer systems. We have all these things which belong to the people because they have paid for it with their money.

There is a proper role for the government in society. This is something that always comes up in the debate over privatization. The roles of the Federal Government and the private sector are distinct. The role of the government is to provide a service. The taxpayers of our Nation pay a lot of money to make sure they get those services. They also rightly expect that the people providing those services be held accountable to them through our system of democratically elected representatives.

That is another point about privatization. Who is accountable when we privatize government services? In a system where government provides the services, elected representatives must be accountable. But in a privatized system, accountability is obscured.

The words of James Madison inscribed on the Library of Congress are instructive: ''The safety and happiness of society are the objects at which all political institutions aim and to which all such institutions must be sacrificed.''

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

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. DUNCAN) who is the sponsor of this bill.

Mr. DUNCAN. Mr. Speaker, I rise in strong support of S. 314. I thank the gentleman from Texas (Mr. SESSIONS) for yielding me this time. This legislation is now called the Federal Activities Inventory Reform Act. It is, I think, a bipartisan and I believe a very noncontroversial bill. In fact, the administration issued a statement on

Friday saying, quote, this bill is consistent with administration efforts to reform Federal procurement and ensure that the taxpayers receive the best value.

This bill was introduced by my good friend Senator THOMAS in the Senate, and I introduced the companion, H.R. 716, which was cosponsored by 69 Members of this body. The legislation passed in the Senate unanimously. It passed by unanimous consent. I want to thank the gentleman from Texas (Mr. SESSIONS) for his very hard work on this legislation and the positive contributions he has made and also the contributions by the gentleman from California (Mr. HORN), the chairman.

S. 314 is supported, Mr. Speaker, by the Administration and by over 100 organizations, including the U.S. Chamber of Commerce, the National Federation of Independent Business, the Small Business Legislative Council and many, many others. This legislation will help eliminate some government competition with small businesses.

When the last White House Conference on Small Businesses met, it listed government competition as one of its very top concerns. S. 314 will address this problem. It requires that each Federal agency annually compile a list of commercial activities currently being performed by Federal employees and to submit this list to the Office of Management and Budget. It then gives Federal agencies the authority to contract out to private sector sources the commercial activities which are currently performed by Federal employees. This bill would not require the Federal Government to contract out everything. Let me repeat that, Mr. Speaker. It would not require or force the Federal Government to contract everything out, or anything, really. Only when the private sector can show it can provide a good or service more cost effectively and efficiently would a function be contracted out. This will ensure that the taxpayers receive the very best service from their government at the lowest possible cost.

For many years the Federal Government has been providing commercial goods and services which are available in the private sector. This is not a new problem. In fact, since the Eisenhower administration in 1955, it has been U.S. policy that ''the Federal Government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels.''

I think every administration since the Eisenhower administration has agreed with or issued statements similar to that issued in 1955 by the Eisenhower administration. Yet every day in almost every congressional district, big government agencies are competing with small businesses. It is difficult enough for small businesses to survive against ordinary competition. But when they have to take on the Federal Government, too, it is simply too much.

In 1987, the Congressional Budget Office estimated that 1.4 million Federal employees were engaged in so-called commercial activities. The Heritage Foundation has estimated that if we contracted out these commercial activities to private industry, we could save taxpayers at least $9 billion a year. I have seen other estimates that this legislation could result in saving as much as $40 billion a year.

This bill will require that Federal agencies get out of private industry and stick to performing those functions that only government can do well. At the same time it will allow our great private enterprise system to do those things it does best, providing commercial goods and services in a competitive environment.

S. 314 is a very modest proposal. It does not require the government to contract everything out. I realize that the government performs a number of functions that only the government should do. In fact, this legislation specifically exempts those functions which are inherently governmental in nature. If the government can do something cheaper and better than the private sector, then it will be allowed to continue to do it under this legislation.

This is a small step, Mr. Speaker, in the overall big picture. However, this legislation will be a significant step in helping our small businesses to survive.

Before I conclude, I would like to once again thank Senator CRAIG THOMAS, the gentleman from California (Mr. HORN) and the gentleman from Texas (Mr. SESSIONS). I want them to know that I appreciate their efforts on this legislation. I urge support for this noncontroversial legislation which will help shrink the size of the Federal Government, encourage growth in the private sector and save taxpayers potentially billions of dollars.

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California (Mr. HORN), the chairman of the subcommittee.

Mr. HORN. Mr. Speaker, I thank the gentleman from Texas, the vice chairman of the subcommittee, for yielding time. He has done an outstanding job just as the gentleman from Tennessee (Mr. DUNCAN) who is chairman of the House's Subcommittee on Aviation. This would not have happened without them and the fine staffs that support all of us.

Mr. Speaker, I am pleased that the House is poised to pass S. 314, the Federal Activities Inventory Reform, or FAIR Act. This legislation has become a consensus compromise bill. It is an important step in the process of ensuring that the component agencies of the Federal Government deliver performance to the taxpayers they serve. This legislation combined with the Government Performance and Results Act, the Chief Financial Officers Act and other procurement and fiscal management reforms will result in an improved Federal Government.

Mr. Speaker, it is high time we passed this legislation. It is long overdue. We can do a lot for our constituents and a real favor for them in the pocketbook by voting for S. 314.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume. As someone who stands about 5′6½″, I am not here to talk about being in defense of anything big, and particularly big government. As someone who has worked in local government, I can understand the difficulties which people can have in dealing with big bureaucracies and things like that.

I was struck by my good colleague the gentleman from Tennessee's remarks about the small business being attacked by big government. Back in Cleveland, Ohio, where I am from, the neighborhoods where I live, I do not think small business has been under attack by big government as much as they have been under attack by big business.

For example, to my good colleague, look at what is happening across this country with the old mom-and-pop drug stores. Do you know of any that exist in the country anymore in the face of the Rite-Aids and the CVS and all the other drug store chains that just come into neighborhoods and destroy them? Government never does anything like that. But big business does.

Look at the supermarkets. Remember the little mom-and-pop stores that you had in your neighborhood where you could go buy your milk and bread and whatever you needed for your family? Find those in America anymore. They have not been wiped out by government. They have been wiped out by the big supermarket chains.

Look at the gas stations. Remember the independent gas station owners? Find one today, anywhere. They were not wiped out by government. They were wiped out by big oil companies. Go to the five-and-dime, wiped out by the Wal-Marts of the world.

We have to stand here to debate a bill, but I also think that it is important to put it in its proper context. The difficulties that small businesses have today in this country are of concern to all of us. They have a problem with high utility rates, they have problems with taxes which we try to address, they certainly have some problems with regulations which we have talked about. But I do not think their problem is that they are under attack by the combined efforts of government to provide service for the people.

Now, the private sector has goals and the public sector has goals and sometimes their aims are mutually exclusive. The private sector is there to make a profit. I think that is all well and good, because, let us face it, money makes the world go around. People in business want to make money. That is

what America is all about. That is what capitalism is all about. We have been doing that in this country for many years and everybody ought to have a chance to take part of that American dream of being able to make something of themselves, make a good living, support their family, have the good things in life. But the goal of the private sector is to make a profit. It is not to transmit democratic values. We cannot go to the private sector and ask them to do what we want them to do because it is private business. That is what we are told. It is none of our business. It is private business. We respect that. That is the system. But government has a legitimate role in providing service. Government has to make sure that the safety and happiness of the society are considered. That does not have to be the aims of the private sector. Business generally operates on one motive, the profit motive. There may be a little role in some places for the private sector in participation with the government.

I remember back in Cleveland years ago we did not have enough snowplows to deal with a snowstorm. We could not wait to order the plows in order to serve the people. We had to contract it out. We contracted the snowplowing out so we could get the snow off the ground. That is common sense. That is an area where the private sector was able to help. There are areas where the private sector can help. But we must remember that the private sector is motivated by very different goals.

This bill seems to proceed from a number of assumptions that must be challenged. First of all, it proceeds from the assumption that the Federal workforce is too large. Yet the current administration has made great strides in making the Federal Government more efficient through the longest running reform effort in American history. These policies have already saved American taxpayers over $130 billion. The size of the Federal workforce has been reduced through attrition and buyouts by over 320,000 employees. We now have the smallest Federal workforce since John F. Kennedy was President. As a percentage of the total workforce, the Federal Government is the smallest, Mr. Speaker, since 1931.

Another false assumption this bill makes is that the Federal Government is not contracting out enough. Let us look at this. The fact is we spend more on the contracting of services, close to $120 billion in fiscal year 1997, than we spend on pay and retirement for the entire civilian workforce. In fact, some of the more recently created Federal agencies like the Department of Energy, the National Aeronautics and Space Administration and the EPA have relied from the start on contracting out services rather than performing them directly.

□ 1630

Those two are subjects for debate, but it is a fact that it is happening. A 1994 OMB report found contracting out for services to be the fastest growing area of federal procurement.

Now on one hand I do not agree with the administration's approach in contracting out. I have a difference of opinion on that. I believe there is a role for government in the society. On the other hand, we cannot say that contracting out does not exist because this administration has been a strong supporter of contracting out, and so, therefore, one has to wonder why we need a bill that lays the groundwork for contracting out even more.

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

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have great respect for the gentleman from Ohio and his arguments. I think that they have been brought forth not only in the discussions that we have had in subcommittee, but also in private, about not only the nature of is S. 314, but also the spirit of bipartisanship that we have worked out, and I would like to advise the gentleman from Ohio (Mr. KUCINICH) at this time that I do not have any further speakers.

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

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

Mr. Speaker, I want to also echo the comments of the gentleman from Texas (Mr. SESSIONS), because it has been very gratifying to have a chance to work with him on this. We do have a difference of opinion, but I have a great deal of respect for his political acumen and his dedication to people, and I want to thank him for the chance to work with him.

Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

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

Mr. VENTO. Mr. Speaker, I rise with some concerns about this measure, S. 314. I was not aware that it was scheduled for the suspension calendar. I am a little surprised to see it here because it takes on a profound policy. I know my colleague from Tennessee and others have been working on this matter, but it is not like the national government does not contract anything out in terms of enlisting the talents of the private sector and the free market in our economy to serve the functions and provide the services that the national government holds itself out to provide. In fact, we do $110 billion worth of contracting out annually.

As I see it, there are some concerns here, and one has to do with this would have an impact upon the OMB circular A–76 policy, the cost comparison study system. Currently Federal employees regularly lose the competitions conducted under this OMB circular 76. Only a few years ago Federal employees lost almost 70 percent of all those contracts. The various provisions that are inherent in A–76 which provides the ability to appeal and to challenge these types of contracting out are impacted by this measure regard the list anticipated by this measure.

Private competition of work and government tasks which are inherently governmental represent a serious problem. This measure would allow contractors to protest agency decisions through this listing process. In addition the bill would allow contractors and employee groups to challenge agency listing in Federal courts so we could end up with a lot of court challenges that are not meaningful.

The whole concept to require public private competitions under a policy with so called cost comparison studies regardless of how well Federal employees are actually performing these jobs is flawed.

The savings generated from such a disruptive system of competitions would surely be short lived and could very well disappear. Contracted out work is unlikely to ever be brought back ''in House'' because of the expense of recapitalizing in house capacity and re-assembling and retraining necessary staff.

This concept fails in a number of ways. I understand the administration favors this, but I am underwhelmed by that. Most administrations want all the flexibility in all the funds they can get. I think those of us in Congress have learned through experience that this is not a matter of personalities or party, it is a matter of sound practices.

Federal employees have already made significant positive efforts. They have experienced severe cut backs of employees and cooperated in much of the downsizing and many of the other activities that have gone on. As my colleague from Ohio pointed out, we have 320,000 fewer employees today than when President Clinton and AL GORE, our vice president, took office. I think that speaks to the fact that we have been making these decisions, and that these changes have been done in a cooperative way. I do not think that this legislation frankly at this time however reconfigured is needed.

Mr. Speaker, I rise with some concerns about this measure, S. 314. I am surprised to see this bill on the suspension calendar because it challenges and takes on a profound policy. I know my colleague from Tennessee and others have been working on this matter for some time. During this period, the bill's language has been streamlined down several times. However, it is not like the national government does not contract anything out in terms of soliciting the talents of the private sector and the free market in our economy that serve the functions and provide the services that the national government holds itself to provide. In fact, we contract out $110 billion annually. Federal employees across my state of Minnesota and our nation have already participated and contributed greatly in conjunction with the Vice President's reinventing government program. I am concerned that this bill further jeopardizes the role of federal employees in competing for jobs. We should provide

adequate resources and tools necessary our valued federal employees.

This bill simply requires federal agencies produce each year a list of all activities which are not inherently governmental, but which are performed by federal employees. The lists are to be submitted to the Office of Management and Budget (OMB), which would make the list publicly available. Furthermore, the bill requires agencies to review the activities on the list and whenever the agency head considers using a private sector company to perform an activity on the list, a competitive process must be used to select the firm to perform the activity.

I understand the Administration favors this bill. Most Administrations want all the flexibility in all the funds they can get. I think those of us in Congress have learned through experience that this is not a matter of personalities or party, it is a matter of sound practices of having and rewarding. Federal employees are already subjected to severe cuts and have cooperated in much of the downsizing and many of the other activities that have taken place. We have 320,000 fewer federal employees today than when President Clinton and Vice President GORE took office. I think that speaks the fact that they have been making these tries, and that has been done in a cooperative vantage. I do not think that this legislation frankly at this time is needed.

Mr. KUCINICH. Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would once again state that what we are attempting to do here is to completely discuss S. 314. I have been engaged in, involved in a lot of discussions with the gentleman from Ohio and would like to state that some of the things which I have just heard from the gentleman from Minnesota (Mr. VENTO) I do not believe are actually included in the actual bill that would be presented today for agreement.

Mr. Speaker, at this time I very respectfully reserve the balance of my time.

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

Mr. Speaker, this homily that we would make to privatization today deserves some closer inspection because the Federal Government is already spending vast amounts of money on service contracts. Unfortunately in many cases that money is not being well spent. According to both the Office of Management and Budget and the General Accounting Office contract administration is one of the highest risk activities which the government engages in.

Examples abound. Senate hearings uncovered 27 billion a year in Medicare fraud. In 1995 25 billion in payments to defense contractors could not be matched to invoices, and in many cases the Department of Defense relies on contractors themselves to identify overpayments. At one Department of Energy site a contractor poured toxic waste on radioactive wastes into the ground and stored more in leaky drums. Whether from outright theft, charges of unallowable costs, lack of top level management, attention to contract management or ineffective contract administration and auditing, the Federal Government is losing billions of dollars a year, and it seems to me that this bill puts the cart before the horse. If we are truly interested in more cost-effective management, we should drastically improve contract management before moving to contract out billions more in services. Yet unfortunately the legislation does not speak to this.

The legislation before us also seems to have a one-sided approach which favors contractors at the expense of Federal employees and the American public. Although it requires agencies to conduct inventories of services performed by Federal employees, no such inventory is required of work by contractors.

The intent of this bill is to identify activities which might be privatized, yet we have no idea how much of the Federal government's activities are already being performed by the private sector or how big the contractor work force is. Such an inventory would also be useful in helping agencies control waste, fraud and abuse.

Now, finally, Mr. Speaker, the bill will inevitably and inappropriately politicize the outsourcing process.

At the conclusion of a constitutional convention Benjamin Franklin was asked, ''What have you?''

And he answered:

''A republic, if you can keep it.''

And I say outsourcing and privatization is a piecemeal dismantling of our republic.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am grateful for the opportunity of this vote being scheduled today. I want to also openly thank my colleague, the gentleman from Ohio (Mr. KUCINICH) who most ably has not only represented a perspective of not only a perspective that he has but that many Americans have. I have great respect for that. Now more than ever there are dialogs and discussions that ensue all across our country, ones that Mr. KUCINICH and I and others in our subcommittee and all over Congress that we talk about. I believe today that we have a bill that is a strong balance, a balanced one that has not only been negotiated, but one that has been very carefully moved through, and I want to thank my colleague as well as the gentleman from Tennessee (Mr. DUNCAN) for their support in what we are doing today.

Mr. Speaker, I urge my colleagues to support S. 314.

Mr. HEFLEY. Mr. Speaker, as Chairman of the Subcommittee on Military Installation and Facilities for the National Security Committee, I would like to thank Chairman HORN and Mr. SESSIONS for their hard work and persistence on S. 314, the ''Federal Activities Inventory Reform Act of 1998'' or the ''FAIR Act''. It is legislation of the utmost importance to the taxpayers and commercial contractors of America.

I am very pleased that this Congress has passed legislation in which the Congress clearly states its policy toward commercial activities to augment the current and extensive OMB Circular A–76, already in place. This legislative initiative is an important step toward the promotion of public-private competition that will ultimately result in enhanced quality and performance, reductions in costs, and increased choices in the government contracting arena.

The FAIR Act rightfully and deliberately provides for the protection of those activities that are inherently governmental and that should be precluded from being contracted out at anytime or under any circumstances. However, it appears to me and other Members that this legislation's intent also is to promote competition to ensure that the American taxpayers get the biggest ''bang for their buck''. Where the private sector can show that they can do it better, quicker, and cheaper, the government must step aside.

Myself, Chairman HORN, Mr. SESSIONS, and other Members have heard from concerned American businesses who relay example after example of Federal agencies aggressively and proactively attempting to infringe upon their established market base when the agencies are not capable of performing the same commercial activities better, quicker, and cheaper.

One example of such unfair encroachment against the private sector by a Federal agency is occurring within the Department of Defense's (DoD) Defense Logistics Agency (DLA), specifically in its Defense Automated Printing Services (DAPS). It has come to my and other Members' attention that DAPS is embarking on a high-technology military specification collection and subscription service which is in direct competition with services currently offered by private, tax-paying businesses. These businesses have invested decades of capital in this highly technical area. They have a proven track record worldwide of successfully developing, updating, servicing, and marketing these subscription based military product offerings to their customers.

It is unclear to me why DAPS, an in-house government service should be attempting to replace services currently and successfully provided by the private sector. And in addition, targeting these businesses' markets with the very same tax dollars paid in by these businesses.

In this vein, I would like to document for the record what I believe is the intent of S. 314:

(1) To halt these unfair practices by the Federal agencies in the instances when they do not have the competitive edge over their commercial contractors and are not inherently governmental in nature.

(2) To prohibit funds appropriated to the Defense Logistics Agency or Defense Automated Printing Services to offer or sell technical document subscriptions delivered via online means such as internet delivery or provided on CD-Rom in Portable Document Form and including free Adobe software with a value added index/search engine (a/k/a the ASSIST database), such activities being flagrant examples of government aggressively competing with established private sector businesses currently in this market?

I would also like to document for the record my hope that since the House did not adopt the original version of this legislation, which

provided even tougher safeguards against unfair government practices toward the commercial sector, that Chairman HORN and his Subcommittee revisit this issue next year, hold hearings on this subject, and pursue passage of legislation that furthers these goals.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the Senate bill, S. 314.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3694, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. BILBRAY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, October 5, 1998, to file a conference report on the bill (H.R. 3694) to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

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

There was no objection.

TIM LEE CARTER POST OFFICE BUILDING

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3864) to designate the post office located at 203 West Paige Street, in Tompkinsville, Kentucky, and the ''Tim Lee Carter Post Office Building.''

The Clerk read as follows:

H.R. 3864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The post office located at 203 West Paige Street, in Tompkinsville, Kentucky, shall be known and designated as the ''Tim Lee Carter Post Office Building''.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the post office referred to in section 1 shall be deemed to be a reference to the ''Tim Lee Carter Post Office Building''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this matter.

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

There was no objection.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3864 was introduced on May 13, 1998, by the distinguished Member from Kentucky (Mr. WHITFIELD) and cosponsored by the entire House delegation from the State of Kentucky pursuant to the policy of the Committee on Government Reform and Oversight. The bill designates the post office located at 203 West Paige Street in Tompkinsville, Kentucky, as the Tim Lee Carter post office building.

Mr. Speaker, Mr. Tim Lee Carter was a true Kentuckian. He was born in Tompkinsville, Monroe County, in 1910 and attended public school there and graduated from Western Kentucky State College. He later earned his medical degree from the University of Tennessee but returned to Monroe County to practice medicine from 1940 to 1964. Dr. Carter volunteered for military service and was a combat medic for 3½ years during World War II, serving as a captain in the 38th infantry division. Dr. Carter was elected to serve his community as a Republican Member in the 89th Congress and to the seven succeeding terms from 1965 to 1981. He was not a candidate for the 98th Congress, and after his retirement from public service he went back home in Kentucky and resumed the practice of medicine.

Representative Carter was the first Republican Member of Congress to seek withdrawal of our troops from Vietnam, but he never wavered in his support for American troops. He was well known in Kentucky for his efforts to improve one of our Nation's poorest districts, working tirelessly for better schools, water systems, libraries, airports, roads and recreation. He was the only practicing physician in Congress during much of his time here in Washington.

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Much of his work during this time was on legislation affecting health care and hospitals. He considered his major legislative achievement the law that provided for preventative medical care for poor children. He was one of the earliest advocates of national insurance for catastrophic illnesses.

Representative Tim Lee Carter died in Kentucky in 1987 and is interred in Tompkinsville.

Mr. Speaker, it is appropriate that the post office building in Tompkinsville be named for our former colleague, the Honorable Tim Lee Carter.

I urge all of our colleagues to support this legislation that honors a gentleman who clearly had the vision to follow his conscience and serve all people without regard for their station in life.

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

Mr. FATTAH. Mr. Speaker, I yield myself as much time as I may consume.

As the ranking Democrat on the Subcommittee on the Postal Service, I am pleased to join my colleague the gentleman from Texas (Mr. SESSIONS) in bringing to the House floor, not only this piece of legislation, but two additional ones naming post offices after three distinguished and deserving individuals. But obviously it is a great pleasure that two of these will be named after colleagues who served with us here in the House.

As for our former colleague from Kentucky who has passed on, he represents one of a number of physicians who served here in the House, some who we get to serve with today, like the gentleman from Oklahoma (Mr. COBURN) and the gentlewoman from the Virgin Islands (Ms. CHRISTIAN-GREEN) and the gentleman from Iowa (Mr. GANSKE) and others.

His service, however, went far beyond the House. As has been indicated, he has had a decidedly extraordinary career as a public servant and has done a great deal. So it is with great pleasure that I join in the comments that have been made.

Mr. DUNCAN. Mr. Speaker, in January of 1965, my father was sworn into Congress. My brother and I and my mother's father, Jacob Swisher, got to stand on the Floor alongside him because there was so much room on the Republican side.

The 1964 elections had seen big Republican losses, and the Democrats ended up with a 295 to 140 majority in the House.

Among the very small band of freshmen Republicans elected to the 89th Congress were my father, John Duncan, and the man who was soon to become his best friend in the House, Dr. Tim Lee Carter.

Dr. Carter represented a Kentucky District that joined in part the Tennessee District represented by my father.

Early in their service, they went on a trip with Congressman Bill Stanton of Ohio to Vietnam, other parts of Southeast Asia, and India. They went at their own expense.

The were men from the same region, who represented similar kinds of people—people who were patriotic, particularly in times of war, but who did not believe in wasteful big government and who basically wanted the government to leave them alone.

Both my father and Dr. Carter attended the University of Tennessee, although not together. Dr. Carter graduated from the UT Medical School in Memphis, while my father was a lawyer who did his undergraduate work at UT in Knoxville.

I remember that Dr. Carter was very typical of most family doctors of that era—kind, helpful, dignified. But, he also was a no-nonsense man who received nationwide publicity at the 1972 Republican National Convention in Miami when he punched out a radical young hippie who was very arrogantly harassing Dr. Carter and the people with him.