of trade with nations engulfed in civil war, must also take responsibility in assisting these nations to heal the wounds of war and creating a just and lasting peace in those countries. While there have been a number of groups within the gemstone industry that have been responsive, others have not yet chosen to acknowledge the humanitarian emergency that the trade in conflict diamonds has produced.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

Mr. Speaker, before I speak on the bill, I want to congratulate Members on both sides of the aisle, especially the gentleman from New York (Mr. HOUGHTON) for the gentleman's work on behalf of getting this bill introduced. I also thank the gentleman from Virginia (Mr. WOLF) and the gentleman from California (Mr. LANTOS) and the gentleman from New York (Mr. RANGEL) on the other side of the aisle.

This is a very important bill that has nothing to do with partisan politics whatsoever. When it was introduced in 2001, it passed this body by a vote of 408 to six. I think the six Members that voted against it at the time are probably reconsidering it because there is no basis for anyone to find any objections to it.

I hope that the bill we have before us this evening, based on H.R. 2722 from the 107th Congress, which passed by that 408 to six vote, and since that time the administration has worked with the international community to finalize the structure of the Kimberly Process Certification Scheme which controls the trade in rough diamonds, that it is to all countries, and it prevents trade in conflict diamonds and the bill reflects the new structure. I thank the administration for its hard work and dedication to the effort on this important issue, too.

The funds derived from the sale of rough diamonds have been used by rebels and state actors to finance military activities and to overthrow legitimate governments, subvert international efforts to promote peace and stability, and commit horrifying atrocities against unarmed citizens.

During the past decade, more than 6.5 million people from Sierra Leone, Angola, and the Democratic Republic of the Congo have been driven from their homes by wars waged in large part for control of diamond mining areas. The United Nations Security Council has issued resolutions urging nations to take actions against conflict diamonds. In response, the United States has issued various Presidential executive orders to ban direct imports from nations subject to the United Nations resolution. The United States has also led international negotiations to reach an agreement that set standards for diamond extracting and trading nations to meet.

These international negotiations, the Kimberly Process it is called, came after the name of the city in which they were initiated. It creates a system of checks and balances for rough diamonds throughout the world. This system tracks through governmentally verifiable certificates that trade in diamonds between countries and individuals. Since its January 1 implementation date, over 40 countries are participating in this system. The United States requires this system to ensure that its leadership position in this critical matter continues. Finally, this bill is consistent with our WTO obligations.

Mr. Speaker, I strongly urge my colleagues to support this bipartisan bill and to pass this important legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 1584—To implement effective measures to stop trade in conflict diamonds, and for other purposes. The Clean Diamonds Act prohibits the import of diamonds into the United States unless the exporting country is implementing a system of controls on the export or import of rough diamonds that meets specified requirements, consistent with United Nations General Assembly Resolution 55/56 adopted on December 1, 2000, or a future international agreement which implements such controls and to which the United States is a signatory. Additionally, this legislation sets forth both civil and criminal penalties for violations of the bill's requirements. It prohibits the Overseas Private Investment Corporation and the Export-Import Bank from engaging in certain transactions in connection with projects or exports to countries violating the requirements of this Act. If further expresses the sense of Congress that the President should take steps to negotiate an international agreement to eliminate the trade in diamonds used to support conflict in the country or regions in which such diamonds are mined.

Mr. Speaker, to many people, diamonds symbolize love, happiness, or wealth. But for others, they mean conflict, misery and poverty. In African countries such as Angola, Democratic Republic of Congo, and Sierra Leone, the profits from unregulated diamond trade allows rebel forces to obtain weapons and fund armed conflicts. Also, this practice spills over into neighboring countries that can be used as trading and transit grounds for illicit diamonds, and once the diamonds are brought to market, their origin is difficult to trace and once polished, they can no longer be identified. As a result of the complex nature of this process, tens of thousands of civilians have been killed, raped, mutilated or abducted.

In an amputee camp in the capital of Freetown, one will find a three-year-old girl whose right arm was chopped off with a machete. One might also not be shocked to find her or himself opposite a 14-year-old girl, pregnant by rape, who will never be able to hold her child because the rebels who raped her also hacked off both of her arms. Other amputees describe the horror of being forced to select at random a piece of paper out of a bag, and losing the body part written on the scrap—arm, leg, ear, or nose.

The enactment of this legislation will not only eliminate the degree to which human lives are negatively impacted by the brutal practices of these rebel forces, but also it would do much to increase consumer confidence with respect to the purchase of diamonds by allowing American jewelers and jewelry store to tell their consumers the diamonds in their store are clean diamonds. Currently, no jeweler knows where their diamonds come from, and they cannot assure their customers their diamond purchases are not unwittingly subsidizing a cruel and abusive rebel force in one of these nations. Nonetheless, once the ''Clean Diamonds Act'' is passed, jewelers will at last have a ''clean stream'' of diamonds to sell. They can be confident the United States government is evaluating every diamond supplying country and excluding those that fail to conform to internal standards.

In a statement by Ambassador Juan Larrain, Chairman of the Monitoring Mechanism on sanctions against UNITA, he stated ''It has been said that war is the price of peace. . . [These nations] have already paid too much. Let them live a better life.''

Mr. Speaker, I urge my colleagues to join in this momentous effort to end the devastation that is occurring as a result of these conflicts. Now is the time to act on behalf of the many lives being sacrificed and those that are calling for our help and our immediate attention to their pain and suffering. for this reason, we must remain vigilant and not allow ourselves to ignore the blood of the blameless.

However, it is imperative that we not penalize African countries like Ghana, that have been diligent in certifying their diamonds and standing up against the rebel, terrorist, and violent use of such diamonds. This is an important economic resource of such countries and the legislature must acknowledge that.

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

The SPEAKER pro tempore (Mr. LINDER). The question is on the motion offered by the gentleman from Illinois (Mr. CRANE) that the House suspend the rules and pass the bill, H.R. 1584, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1615

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of H.R. 1584, the bill just passed.

The SPEAKER pro tempore (Mr. LINDER). Is there objection to the request of the gentleman from Illinois?

There was no objection.

POSTAL CIVIL SERVICE RETIREMENT SYSTEM FUNDING REFORM ACT OF 2003

Mr. TOM DAVIS of Virginia. Mr. Speaker, pursuant to the order of the

House of April 7, 2003, I call up the Senate bill (S. 380) to amend chapter 83 of title 5, United States Code, to reform the funding of benefits under the Civil Service Retirement System for employees of the United States Postal Service, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the order of the House of April 7, 2003, the bill is considered read for amendment.

The text of S. 380 is as follows:

S. 380

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 ''Postal Civil Service Retirement System Funding Reform Act of 2003''.

SEC. 2. CIVIL SERVICE RETIREMENT SYSTEM.

(a) DEFINITIONS.—Section 8331 of title 5, United States Code, is amended—

(1) in paragraph (17)—

(A) by striking '''normal cost''' and inserting '''normal-cost percentage'''; and

(B) by inserting ''and standards (using dynamic assumptions)'' after ''practice'';

(2) by amending paragraph (18) to read as follows:

''(18) 'Fund balance' means the current net assets of the Fund available for payment of benefits, as determined by the Office in accordance with appropriate accounting standards, but does not include any amount attributable to—

''(A) the Federal Employees' Retirement System; or

''(B) contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 by or on behalf of any individual who became subject to the Federal Employees' Retirement System;''; and

(3) by striking ''and'' at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting ''; and'', and by adding at the end the following:

''(29) 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

''(A) investment yields;

''(B) increases in rates of basic pay; and

''(C) rates of price inflation.''.

(b) DEDUCTIONS AND CONTRIBUTIONS.—

(1) IN GENERAL.—Section 8334(a)(1) of title 5, United States Code, is amended—

(A) by striking ''(a)(1)'' and inserting ''(a)(1)(A)'';

(B) by designating the matter following the first sentence as subparagraph (B)(i) and aligning the text accordingly;

(C) in subparagraph (B)(i) (as so designated by subparagraph (B)), by striking ''An equal'' and inserting ''Except as provided in clause (ii), an equal''; and

(D) by adding at the end the following:

''(ii) In the case of an employee of the United States Postal Service, the amount to be contributed under this subparagraph shall (instead of the amount described in clause (i)) be equal to the product derived by multiplying the employee's basic pay by the percentage equal to—

''(I) the normal-cost percentage for the applicable employee category listed in subparagraph (A), minus

''(II) the percentage deduction rate that applies with respect to such employee under subparagraph (A).''.

(2) CONFORMING AMENDMENTS.—Section 8334(k) of title 5, United States Code, is amended—

(A) in paragraph (1)(A), by striking ''the first sentence of subsection (a)(1) of this section'' and inserting ''subsection (a)(1)(A)'';

(B) in paragraph (1)(B)—

(i) by striking ''the second sentence of subsection (a)(1) of this section'' and inserting ''subparagraph (B) of subsection (a)(1)''; and

(ii) by striking ''such sentence'' and inserting ''such subparagraph''; and

(C) in paragraph (2)(C)(iii), by striking ''the first sentence of subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''.

(c) POSTAL SUPPLEMENTAL LIABILITY.—Subsection (h) of section 8348 of title 5, United States Code, is amended to read as follows:

''(h)(1)(A) For purposes of this subsection, 'Postal supplemental liability' means the estimated excess, as determined by the Office, of—

''(i) the actuarial present value of all future benefits payable from the Fund under this subchapter attributable to the service of current or former employees of the United States Postal Service, over

''(ii) the sum of—

''(I) the actuarial present value of deductions to be withheld from the future basic pay of employees of the United States Postal Service currently subject to this subchapter pursuant to section 8334;

''(II) the actuarial present value of the future contributions to be made pursuant to section 8334 with respect to employees of the United States Postal Service currently subject to this subchapter;

''(III) that portion of the Fund balance, as of the date the Postal supplemental liability is determined, attributable to payments to the Fund by the United States Postal Service and its employees, including earnings on those payments; and

''(IV) any other appropriate amount, as determined by the Office in accordance with generally accepted actuarial practices and principles.

''(B)(i) In computing the actuarial present value of future benefits, the Office shall include the full value of benefits attributable to military and volunteer service for United States Postal Service employees first employed after June 30, 1971, and a prorated share of the value of benefits attributable to military and volunteer service for United States Postal Service employees first employed before July 1, 1971.

''(ii) Military service so included shall not be included in the computation of any amount under subsection (g)(2).

''(2)(A) Not later than June 30, 2004, the Office shall determine the Postal supplemental liability as of September 30, 2003. The Office shall establish an amortization schedule, including a series of equal annual installments commencing September 30, 2004, which provides for the liquidation of such liability by September 30, 2043.

''(B) The Office shall redetermine the Postal supplemental liability as of the close of the fiscal year, for each fiscal year beginning after September 30, 2003, through the fiscal year ending September 30, 2038, and shall establish a new amortization schedule, including a series of equal annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by September 30, 2043.

''(C) The Office shall redetermine the Postal supplemental liability as of the close of the fiscal year for each fiscal year beginning after September 30, 2038, and shall establish a new amortization schedule, including a series of equal annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability over 5 years.

''(D) Amortization schedules established under this paragraph shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent dynamic actuarial valuation of the Civil Service Retirement System.

''(E) The United States Postal Service shall pay the amounts so determined to the Office, with payments due not later than the date scheduled by the Office.

''(F) An amortization schedule established under subparagraph (B) or (C) shall supersede any amortization schedule previously established under this paragraph.

''(3) Notwithstanding any other provision of law, in computing the amount of any payment under any other subsection of this section that is based upon the amount of the unfunded liability, such payment shall be computed disregarding that portion of the unfunded liability that the Office determines will be liquidated by payments under this subsection.

''(4) Notwithstanding any other provision of this subsection, any determination or redetermination made by the Office under this subsection shall, upon request of the Postal Service, be subject to reconsideration and review (including adjustment by the Board of Actuaries of the Civil Service Retirement System) to the same extent and in the same manner as provided under section 8423(c).''.

(d) REPEALS.—

(1) IN GENERAL.—The following provisions of law are repealed:

(A) Subsection (m) of section 8348 of title 5, United States Code.

(B) Subsection (c) of section 7101 of the Omnibus Budget Reconciliation Act of 1990 (5 U.S.C. 8348 note).

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be considered to affect any payments made before the date of the enactment of this Act under either of the provisions of law repealed by paragraph (1).

(e) MILITARY SERVICE PROPOSALS.—

(1) PROPOSALS.—The United States Postal Service, the Department of the Treasury, and the Office of Personnel Management shall, by September 30, 2003, each prepare and submit to the President, the Congress, and the General Accounting Office proposals detailing whether and to what extent the Department of the Treasury or the Postal Service should be responsible for the funding of benefits attributable to the military service of current and former employees of the Postal Service that, prior to the date of the enactment of this Act, were provided for under section 8348(g)(2) of title 5, United States Code.

(2) GAO REVIEW AND REPORT.—Not later than 60 days after the Postal Service, the Department of the Treasury, and the Office of Personnel Management have submitted their proposals under paragraph (1), the General Accounting Office shall prepare and submit a written evaluation of each such proposal to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate.

SEC. 3. DISPOSITION OF SAVINGS ACCRUING TO THE UNITED STATES POSTAL SERVICE.

(a) IN GENERAL.—Savings accruing to the United States Postal Service as a result of the enactment of this Act—

(1) shall, to the extent that such savings are attributable to fiscal year 2003 or 2004, be used to reduce the postal debt (in consultation with the Secretary of the Treasury), and the Postal Service shall not incur additional debt to offset the use of the savings to reduce the postal debt in fiscal years 2003 and 2004;

(2) shall, to the extent that such savings are attributable to fiscal year 2005, be used

to continue holding postage rates unchanged and to reduce the postal debt, to such extent and in such manner as the Postal Service shall specify (in consultation with the Secretary of the Treasury); and

(3) to the extent that such savings are attributable to any fiscal year after fiscal year 2005, shall be considered to be operating expenses of the Postal Service and, until otherwise provided for by law, shall be held in escrow and may not be obligated or expended.

(b) AMOUNTS SAVED.—

(1) IN GENERAL.—The amounts representing any savings accruing to the Postal Service in any fiscal year as a result of the enactment of this Act shall be computed by the Office of Personnel Management for each such fiscal year in accordance with paragraph (2).

(2) METHODOLOGY.—Not later than July 31, 2003, the Office of Personnel Management shall—

(A) formulate a plan specifically enumerating the actuarial methods and assumptions by which the Office shall make its computations under paragraph (1); and

(B) submit such plan to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(3) REQUIREMENTS.—The plan shall be formulated in consultation with the Postal Service and shall include the opportunity for the Postal Service to request reconsideration of computations under this subsection, and for the Board of Actuaries of the Civil Service Retirement System to review and make adjustments to such computations, to the same extent and in the same manner as provided under section 8423(c) of title 5, United States Code.

(c) REPORTING REQUIREMENT.—The Postal Service shall include in each report rendered under section 2402 of title 39, United States Code, the amount applied toward reducing the postal debt, and the size of the postal debt before and after the application of subsection (a), during the period covered by such report.

(d) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the savings accruing to the Postal Service as a result of the enactment of this Act will be sufficient to allow the Postal Service to fulfill its commitment to hold postage rates unchanged until at least 2006;

(2) because the Postal Service still faces substantial obligations related to postretirement health benefits for its current and former employees, some portion of the savings referred to in paragraph (1) should be used to address those unfunded obligations; and

(3) none of the savings referred to in paragraph (1) should be used in the computation of any bonuses for Postal Service executives.

(e) POSTAL SERVICE PROPOSAL.—

(1) IN GENERAL.—The United States Postal Service shall, by September 30, 2003, prepare and submit to the President, the Congress, and the General Accounting Office its proposal detailing how any savings accruing to the Postal Service as a result of the enactment of this Act, which are attributable to any fiscal year after fiscal year 2005, should be expended.

(2) MATTERS TO CONSIDER.—In preparing its proposal under this subsection, the Postal Service shall consider—

(A) whether, and to what extent, those future savings should be used to address—

(i) debt repayment;

(ii) prefunding of postretirement healthcare benefits for current and former postal employees;

(iii) productivity and cost saving capital investments;

(iv) delaying or moderating increases in postal rates; and

(v) any other matter; and

(B) the work of the President's Commission on the United States Postal Service under section 5 of Executive Order 13278 (67 Fed. Reg. 76672).

(3) GAO REVIEW AND REPORT.—Not later than 60 days after the Postal Service submits its proposal pursuant to paragraph (1), the General Accounting Office shall prepare and submit a written evaluation of such proposal to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(4) LEGISLATIVE ACTION.—Not later than 180 days after it has received both the proposal of the Postal Service and the evaluation of such proposal by the General Accounting Office under this subsection, Congress shall revisit the question of how the savings accruing to the Postal Service as a result of the enactment of this Act should be used.

(f) DETERMINATION AND DISPOSITION OF SURPLUS.—

(1) IN GENERAL.—If, as of the date under paragraph (2), the Office of Personnel Management determines (after consultation with the Postmaster General) that the computation under section 8348(h)(1)(A) of title 5, United States Code, yields a negative amount (hereinafter referred to as a ''surplus'')—

(A) the Office shall inform the Postmaster General of its determination, including the size of the surplus so determined; and

(B) the Postmaster General shall submit to the Congress a report describing how the Postal Service proposes that such surplus be used, including a draft of any legislation that might be necessary.

(2) DETERMINATION DATE.—The date to be used for purposes of paragraph (1) shall be September 30, 2025, or such earlier date as, in the judgment of the Office, is the date by which all postal employees under the Civil Service Retirement System will have retired.

(g) DEFINITIONS.—For purposes of this section—

(1) the savings accruing to the Postal Service as a result of the enactment of this Act shall, for any fiscal year, be equal to the amount (if any) by which—

(A) the contributions that the Postal Service would otherwise have been required to make to the Civil Service Retirement and Disability Fund for such fiscal year if this Act had not been enacted, exceed

(B) the contributions made by the Postal Service to such Fund for such fiscal year; and

(2) the term ''postal debt'' means the outstanding obligations of the Postal Service, as determined under chapter 20 of title 39, United States Code.

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on the date of the enactment of this Act, except that the amendments made by section 2(b) shall apply with respect to pay periods beginning on or after such date.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider the amendment printed in the CONGRESSIONAL RECORD, if offered by the gentleman from California (Mr. WAXMAN), or his designee, which shall be considered read, shall be debatable for 10 minutes, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment or to a demand for a division of the question.

The gentleman from Virginia (Mr. TOM DAVIS) and the gentleman from California (Mr. WAXMAN) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Virginia (Mr. TOM DAVIS).

GENERAL LEAVE

Mr. TOM DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate bill under consideration.

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

There was no objection.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 380, the Postal Civil Service Retirement System Funding Reform Act of 2003, is a bipartisan bill in the Senate. Its House counterpart is sponsored by the gentleman from New York (Mr. MCHUGH), the gentleman from California (Mr. WAXMAN), the gentleman from Illinois (Mr. DAVIS), myself and others. It reforms the way the Postal Service funds its obligations to the Civil Service Retirement System. It prevents the Postal Service from overfunding its obligations to CSRS and postpones a rate increase for the American people and postal ratepayers.

Last year the Office of Personnel Management, at the request of GAO, reviewed the status of the Postal Service's funding of its CSRS benefits. OPM found that based on payments currently required by law, the Postal Service would overfund its CSRS benefits by more than $70 billion. OPM proposed a legislative solution modeling the Postal Service's payments to CSRS after its payments to the current Federal Employee Retirement System. This would result in a reduction in the Postal Service's annual obligation to CSRS, allowing the Postal Service to delay its next rate increase beyond 2004 to at least fiscal year 2006.

The bill we are considering today, S. 380, differs from OPM's proposal in that it places tight restrictions on how the Postal Service uses the savings. The bill requires the Postal Service to work with the Department of the Treasury to apply the funds saved to pay down its debt to Treasury in fiscal years 2003 and 2004 and directs the Postal Service to use the savings in 2005 to delay an anticipated rate increase. Subsequently, the Postal Service and OPM are to calculate the difference between the cost to fund CSRS under the bill and under the current law.

The Postal Service will develop a proposal for the use of the funds. Without congressional action on the Postal Service proposal, the funds would be placed in escrow.

This legislation will also require the Postal Service to fund the portion of retirement benefits attributable to the prior military service of postal employees which, again, models the Postal Service's payments to CSRS after the current Federal Employee Retirement System, or FERS.

I think this is an issue that demands further study because no other agency in the Federal Government that I am aware of funds its CSRS military obligations within the department. It may ultimately be unfair to make postal customers and ratepayers fund military retirement benefits.

Working with the gentleman from California (Mr. WAXMAN), my ranking member, I prepared an amendment to the House version of the bill, H.R. 735, requiring the Department of the Treasury, the Office of Personnel Management, and the Postal Service to develop proposals on this issue. So this is an issue that will be revisited.

The Committee on Government Reform and the Senate Committee on Government Affairs will look at those proposals and revisit the issue. This amendment was incorporated in S. 380, so we do not need to offer it today. I also understand the gentleman from California (Mr. WAXMAN) will be offering and withdrawing an amendment on this subject in a few moments in order to further highlight its importance, and I thank and congratulate him for his leadership in highlighting this issue and pledge to him that we will continue to work on this; and this is, in my judgment, not the end of the matter.

Many people do not know this, but the Postal industry, including ancillary businesses, represents approximately 9 percent of the gross domestic product, the GDP. The industry has been hit hard in the last several years, first by the economic slowdown and then by events of September 11, 2001 and subsequent anthrax attacks. During this same period, postal rates increased three times within 18 months. The Postal industry needs relief.

The Postal Service will be able to hold off on a rate increase if this legislation passes. This gives money back to the Postal customer and allows us all to hold on to our 37-cent stamps for 2 more years. It also stabilizes the Postal Service financially, securing the jobs of nearly 9 million people in the postal industry.

Postal consumers have implored us to address this problem before it is too late. The United States Postal Service, all four postal unions, the postal management associations, and a very broad coalition of postal customers support this bill. I hope that we can pass it expeditiously and put off the next rate increase until at least 2006.

Mr. Speaker I urge adoption of S. 380.

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

Mr. WAXMAN. Mr. Speaker, I yield myself such time that I may consume.

I rise in support of the legislation before us. As the ranking member of the Committee on Government Reform, I support this bill, S. 380, and before I begin my remarks on the bill, I would like to commend my colleagues, the gentleman from Virginia (Chairman TOM DAVIS) and the gentleman from Illinois (Mr. DAVIS) and the gentleman from New York (Mr. MCHUGH) for the time and effort they have spent in refining this proposal. The bill in S. 380, is identical to the version of the bill we reported out of committee with the exception of a provision requiring a new study on military pensions that I worked out with the gentleman from Virginia (Chairman TOM DAVIS). This is a very positive bipartisan start for our committee.

I would also like to commend our Senate colleagues, Senators SUSAN COLLINS and JOSEPH LIEBERMAN, for their work on this issue.

The bill we are considering today corrects the calculation of the Postal Service's contributions to its pension fund and provides immediate and needed financial relief to the Postal Service. The legislation would credit the Postal Service for the real value of Civil Service Retirement System contributions it made in the past and change how contributions will be computed in the future. Under S. 380, the Postal Service will save $9 billion over the next 3 years and $36 billion over the next 10 years. S. 380 divides the money saved by the Postal Service into two parts. For the savings received in fiscal years 2003, 2004, and 2005, the bill provides that the Postal Service will use the money to pay down the debt and hold postage rates stable. This will allow the Postmaster General to keep his commitment to hold off on any rate increases through the year 2006.

For fiscal years beyond 2005, the bill requires the Postal Service to submit to Congress a plan for using the savings. This plan must then be reviewed by the General Accounting Office and approved or modified by Congress. The planning provisions contained in the bill provide an opportunity for Congress to review how the Postal Service will use the savings to address a number of long-term challenges facing the service such as its debt load, underfunded capital projects, and unfunded liabilities for post-retirement health care.

This legislation is being acted upon quickly because without it, the Postal Service faces an increasing financial crises. In fact, the Postmaster General and the Postal Board of Governors have indicated that in the absence of such a change, the Postal Service will be forced to apply for a rate increase later this year.

S. 380 has broad support among the postal community and it deserves our passage today.

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

Mr. TOM DAVIS of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. MCHUGH) who has been the former chairman of the Subcommittee on the Postal Service and one of the real experts on this issue to address this issue and put his stamp of approval.

Mr. MCHUGH. Mr. Speaker, I thank the gentleman for yielding me this time.

The puns notwithstanding, I deeply appreciate his very kind comments, and, Mr. Speaker, I certainly welcome this chance in the next 5 minutes to add my words of great appreciation and approval to I think a very important piece of legislation and certainly one that I hope bodes well for the future, because we have before us here today a bipartisan agreement, as the ranking member so correctly stated, one that sets and bodes very well a brighter future for this full committee, and, I am hopeful, as someone who has had the honor and opportunity to delve into postal issues over the past several years, a fine start to continued bipartisan cooperation in terms of our continuing efforts to modernize the Postal Service in even broader measures. And I, too, deeply appreciate the great leadership, the very hard work of the gentleman from Virginia (Mr. TOM DAVIS), the chairman of the standing committee; the gentleman from California (Mr. WAXMAN), the ranking member; and my long partner in these postal issues, the gentleman from Illinois (Mr. DAVIS) for their very concerted effort to bring this very necessary and, as the ranking member and the chairman both said, very timely piece of legislation to the floor at this moment.

Both the chairman and the ranking member, I think, have struck on the major points of importance her, very eloquently and very appropriately. But let me just highlight for a moment the very critical nature of what we are doing. Certainly to the Postal Service's future viability, its ability, as the gentleman from California (Mr. WAXMAN) said, to dedicate these savings that will accrue from what I hope the House is about to do here today toward all of those issues to ensure even better mail delivery service, to ensure their continued viability, to say to those some 800,000 dedicated Postal employees that we understand the great challenges that they face, that where the opportunities present themselves we are not just willing, but here through this bill apparently able to assist in that very worthy effort.

But this is an important piece of economic development legislation as well, Mr. Speaker. Just as way of illustration, the Postal Service, the entire postal delivery sector today represents some $635 billion annually in direct economic activity in the production of mail and delivery services. Mail advertising alone generates some $725 billion in economic activity each and every year. And the parcels handled by the Postal industry, including all postal and parcel carriers, have a value exceeding $850 billion.

A lot of us spend a lot of time, understandably and rightfully so, delving into the issue of what we can do to stimulate this economy, and this bill today in supporting those significant segments of our economic activity and our economic sector certainly would go a long way towards boosting the economic activities of this Nation as a

whole into the future, and they certainly speak of the absolutely essential nature of this bill, S. 380. And my compliments to Ms. COLLINS and to Mr. LIEBERMAN, our colleagues in the Senate, for their leadership and their great work.

The gentleman from California (Mr. WAXMAN) said it, and he is absolutely right. Time is of the essence. Without this initiative it is likely, in fact absolutely certain, the Postal Service would be forced to impose a potential rate increase in postage rates within a matter of weeks, and through this action we can forestall that, as has been said here repeatedly on the floor, until at least the fiscal year 2006 to help the Postal Service expand its declining mail volumes, to help it become even more viable into the future.

And as the gentleman from California (Mr. WAXMAN) and others have said, rarely do we have a chance on this floor to support a piece of legislation so uniformly supported by all the affected parties. The Postal Service, the administration, the postal unions, the very vital mail industry throughout this Nation all see this as the proper thing to do.

□ 1630

I want to just say for the record, I understand and in large measure support what both the ranking member and the chairman have said with respect to the treatment of military pay. I think we do have to take a look at that.

I commend the gentleman from California (Mr. WAXMAN) for not clouding the issue at this particular moment, but there are others who have differing opinions, and I think we need to have a full discussion on that. So I urge the full support of the House on this bill.

Mr. WAXMAN. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Illinois (Mr. DAVIS), the ranking Democrat on the Postal Task Force of the Committee on Government Reform.

Mr. DAVIS of Illinois. Mr. Speaker, I thank the gentleman from California for yielding me time.

Mr. Speaker, as the ranking minority member of the Committee on Government Reform's Special Panel on Postal Reform and Oversight, I rise in support of S. 380, the Postal Civil Service Retirement System Funding Reform Act of 2003. As an original cosponsor of the House version, H.R. 735, I am pleased to join my colleagues in the consideration of S. 380, legislation which will correct the way payments are made to the Civil Service Retirement System.

At this time, Mr. Speaker, I want to thank especially the chairman of this committee, the gentleman from Virginia (Mr. TOM DAVIS), and the ranking member, the gentleman from California (Mr. WAXMAN), for their ability to come together in a unified, bipartisan way, to reach agreement and bring to the floor this legislation in a very timely manner.

I also want to thank the gentleman from New York (Mr. MCHUGH), who has provided leadership on postal issues for a number of years, and all of their staffs, as well as my staff, for the enormous time and effort spent in crafting H.R. 735.

I am particularly proud of the fact that we have worked together in a productive, constructive, and bipartisan manner. We have begun the 108th Congress on a very positive note, and we look forward to the continuation of that in our committee.

I would also like to thank the Senate for striking their language and substituting the language from our bill, H.R. 735, and including the military study language of the gentleman from Virginia (Mr. TOM DAVIS).

Since the introduction of the House postal pension bill and throughout the committee's markup process, I received hundreds of letters from members of the business mailing community expressing support of the legislation and urging quick action. I was pleased to have been contacted by so many businesses in the Chicago area and within the State of Illinois.

In the face of a depressing economy and a swift and steady decline in mail volume, businesses and consumers are in no mood for postage rate increases. To that end, I am pleased that the bill before us not only corrects the calculation of the postal service's contributions to the CSRS fund, it will also allow the postal service to hold off on rate increases for at least 2 years, while allowing the postal service to reduce its $11.9 billion debt.

Mr. Speaker, I appreciate the opportunity to express my support for this important legislation. Although this is a good bill, it is not a perfect bill. At the appropriate time, I certainly expect to express support for the military amendment of the gentleman from California (Mr. WAXMAN), an amendment which would retain current law with respect to Treasury paying the costs related to the military service of employees in the Civil Service Retirement System.

Practically all of the postal service's stakeholders are in support of this legislation: printers, mailers, the unions, and the consuming public. It is a good bill. I urge its passage.

Again, I commend the chairman and ranking member for their leadership.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. BURTON), the former chairman of the full committee and a leader in postal reform.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding me time.

I agree with what my colleague with the great voice, the gentleman from Illinois (Mr. DAVIS), just said; and I rise in support of the Postal Civil Service Retirement System Funding Reform Act of 2003. I commend the gentleman from Virginia (Chairman TOM DAVIS) on our side of the aisle for guiding this bill through this legislative body at this time.

It is very important that we have a strong and viable postal service, and that is why during the last Congress I was disappointed when we did not pass the Postal Accountability and Enhancement Act. The gentleman from New York (Mr. MCHUGH) and others worked very hard on that legislation, and it would have helped a great deal.

As the gentleman from Virginia (Mr. TOM DAVIS) just said a few minutes ago, there are a lot of problems with the postal service that need to be addressed, but this is a very important one; and that is why I am happy to see this bill before us today.

Why is immediate action needed? Because, if we do not do anything, that simply is not an option. If Congress does not correct the retirement benefit formula in current law, postal rates will probably increase in the not-too-distant future, and everybody who deals with the postal service and has businesses understands how important that is. Such an increase in postal rates in the current economic environment threatens the postal service, its employees and the entire country, as well as the mailing industry.

Congress has a duty to ensure that the U.S. Postal Service is on a sound fiscal footing and to protect the American postal customers from unstable rates. Changing the way the U.S. Postal Service retirement payments are made is going to go a long way toward accomplishing that goal. Without this change, businesses throughout the country will continue to be unfairly taxed by having postal rate increases.

This bill is very, very needed and will ensure stable postal rates into the foreseeable future, and I think will help facilitate an economic recovery in many sectors of the economy.

Once again I want to thank the gentleman from Virginia (Chairman TOM DAVIS) for his hard work on this. He is doing a great job as a new chairman, and I appreciate that.

Mr. WAXMAN. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Maryland (Mr. CUMMINGS), a very important member of our committee.

Mr. CUMMINGS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I would like to recognize the gentleman from Virginia (Mr. TOM DAVIS) and certainly the gentleman from California (Mr. WAXMAN), the gentleman from New York (Mr. MCHUGH) and the gentleman from Illinois (Mr. DAVIS) for their fine work on this bill.

The gentleman from New York (Mr. MCHUGH) has worked tirelessly on postal issues for several years. S. 380 contains the same language as H.R. 735. As such, I am pleased to support S. 380, a bill that goes a long way to ensure the viability of the postal service.

This bill provides financial relief to the postal service by reducing the

amount that the postal service has to pay into the Civil Service Retirement System. The postal service will save $9.1 billion over the next 3 years and $35.6 billion over the next 10 years.

I am also pleased that S. 380 contains language that calls on the postal service and other Federal agencies to study the military pensions and report back to the Congress. Currently, the postal service is paying billions of dollars more into CSRS each year than is needed to fully fund its pension obligations. The Office of Personnel and Management determined that by changing the funding formula the postal service could reduce the amount of money needed to pay into the fund. The funding formula would be more like the one used in the Federal Employees Retirement System.

This bill requires the postal service to work with the Treasury Department, applying the saved funding to pay down its debt in the first 2 years. In fiscal year 2005, the bill allows for the money saved to be used to keep postal rates stable through 2006.

Mr. Speaker, this bill enjoys broad support from the postal service, postal labor unions, mailing industry representatives, and postal consumers. Passage of this legislation will ensure that the postal service pays down its debts and will forestall the need for another postage rate increase until 2006. This legislation strengthens the postal service, lowers the postal service's debts, and protects postal consumers. I urge all of my friends in the Congress to vote in favor of S. 380.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Florida (Mr. PUTNAM), a member on the Committee on Government Reform.

Mr. PUTNAM. Mr. Speaker, I rise today in strong support of S. 380, which contains the same language as H.R. 735. This legislation, as has been said earlier, is critically important to our Nation's economy, especially in these uncertain times.

S. 380 is good for the American consumers because it means that we will be able to hold the line on postal rate increases for at least 2 more years. It also relieves pressure on those who rely heavily on the postal service to deliver their products, allowing them to reinvest that savings into their local communities and provide more jobs. Most importantly, by freezing rates for 2 years, the postal service and its customers are afforded great stability in their mailing and long-term planning budgets.

As has been said earlier, this involved the support of all of the postal service customers, the unions, the administration; and it involved a great deal of compromise for those folks to come on board, setting the tone for long-term structural reform of the postal service.

The bill buys everyone valuable time to develop a comprehensive long-term solution to the post office's solvency, while avoiding the temptation to micromanage post offices.

Mr. Speaker, I would like to thank my good friend, the gentleman from New York (Mr. MCHUGH), a congressional leader on postal issues, and my chairman, the gentleman from Virginia (Mr. TOM DAVIS), for his hard work bringing the bill so swiftly to the floor. The gentleman from Virginia (Chairman TOM DAVIS) has demonstrated his leadership in legislative capabilities as chairman of the Committee on Government Reform in a very short period of time, and I appreciate his work on this issue.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. WAXMAN. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding me time, and I thank him for his leadership on this issue and so many others, and, of course, thank the gentleman from Virginia (Mr. TOM DAVIS) and subcommittee minority member, the gentleman from Illinois (Mr. DAVIS), for their work on this important bill.

I rise in strong support of S. 380, the Postal Civil Service Retirement System Funding Program. As a member of the Committee on Government Reform's Special Panel on Postal Reform and Oversight and a cosponsor of H.R. 735, the House companion, I am very pleased that the House is taking up this very important legislation today that is important to the postal service and important to the American consumer.

With the postal service facing $11 billion in debt over the next few years and the General Accounting Office listing the postal service on their high-risk list, S. 380 and its stabilizing effects on the postal service is very good news for our country.

S. 380 corrects the formula used to determine the amount of annual lump-sum payments the postal service makes to the Civil Service Retirement System. If current law remains unchanged, the postal service-required share of this Federal Government retirement fund will result in a very significant long-term overpayment of more than $70 billion.

S. 380 will credit the postal service for its past payments, which is only fair, to seed SRS, and change how contributions will be made in the future. The bottom line is that the postal service will get some very needed fiscal relief, a cash inflow of money, and the American people get a promise of stable postal rates until 2006. The American public and all postal customers will enjoy a 3-year rate freeze on the cost of postage because of this fix.

I would like to thank my colleague, the gentleman from New York (Mr. MCHUGH), along with others, the gentleman from Illinois (Mr. DAVIS) and, of course, the chairman and ranking member, as well as the postal service and the very diverse coalition of postal, labor unions, management groups, business and industry and other postal consumers, all of whom support this legislation.

The mailing industry is tremendously important to the economy of our Nation. The United States Postal Service is the second largest civilian employer in the Nation, employing over 770,000 talented and dedicated workers, workers who lately have had to do their job under tremendous pressure with the threat of anthrax attacks and terrorist attacks.

□ 1645

The mail industry is 8 percent of our GNP, a $900 billion industry that includes not only the Postal Service, but also 9 million Americans in the private sector who work in this industry. I represent many businesses that rely greatly on the Postal Service, and this bill will not only benefit the Postal Service directly, but because this will stabilize the rates, and this is very important, because it will help struggling and ailing businesses like the magazine industry, which happens to be headquartered in the district that I represent. And they have seen many longtime popular magazines fail, like Mademoiselle, Mode, and Brill's Content shut down operations because of the tough economy and also because of the escalating postal rates. All USPS customers need the best service possible from the Postal Service, and certainly a healthy Postal Service is vital to a healthy economy.

Mr. Speaker, I am very pleased that the House is taking action today to help strengthen the Postal Service.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I am happy to yield 4 minutes to the gentlewoman from Macomb County, Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. Mr. Speaker, I certainly thank the gentleman for yielding me this time.

The Postal Civil Service Retirement System Funding Reform Act of 2003 is a very, very long name, but appropriately so, because it addresses reform that is certainly very long overdue. The Postal Service, in fact, has not seen any real reform since 1971 when the Congress passed the Postal Reorganization Act. Since then, of course, the Postal Service has dramatically expanded.

Consider some rather startling numbers. Today, the mailing industry accounts for 9 million jobs, $900 billion in commerce, and 9 percent of the United States gross domestic product. S. 380, as approved by the Senate, is really nearly identical to H.R. 735 which was passed by the Committee on Government Reform under the extraordinary leadership of our great chairman, the gentleman from Virginia (Mr. DAVIS).

The purpose of this legislation is to change the manner in which the Postal Service pays into the Civil Service Retirement System.

This legislation is so very necessary because under current law, the Postal

Service will overpay its obligations to the Civil Service Retirement System by more than $70 billion. In effect, the Postal Service would be forced to subsidize the retirement obligations of other Federal agencies.

The net result is that the Postal Service has to continually implement rate increases which would otherwise be unnecessary.

S. 380 does not affect the payment of retiree benefits. It has no negative impact on retirees. It simply addresses how those benefits are funded.

The anticipated savings from this bill would be utilized in two ways: first of all, to pay down the total debt that the Postal Service currently has with the Department of the Treasury; and secondly, to delay any rate increases on consumer and commercial mailings until fiscal year 2006.

Certainly, for most of us if one has a postal rate increase, it might just be a nuisance, just 1 cent or 2 cents. That kind of an increase might not mean too much if you send only a few letters per month. However, if you are a business who is sending literally millions of pieces of mail, this is a tremendous increase in your costs, and we can just think about the impact that a postal rate increase has on the mail order catalog businesses or on magazine businesses or so many businesses that rely on the United States Postal Service to conduct their business.

If the 108th Congress does not act on this legislation, it will necessitate a postal rate increase, and we will, in effect, be levying an unfair tax increase on the American consumer.

Passage of this bill would be very much the first stage of substantial postal reform that will bring the service into the 21st century. I think it is important that this Congress demonstrate to the citizens of our Nation that it will be committed to improving the cost-effectiveness and the efficiency certainly of government, and this legislation is an excellent first step in that direction.

No other governmental entity serves its customers more directly than the Postal Service. Almost every citizen of our Nation is impacted at varying degrees by the Postal Service. Customer service should not be a novel concept within the Federal Government. It should be an operative phrase for us.

S. 380 will allow post offices to better serve their customers and, by voting in favor of this legislation, Congress will be voting to fix a wrong that has hampered the Postal Service for years. I certainly urge my colleagues to vote in favor of S. 380.

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

Mr. TOM DAVIS of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota (Mr. JANKLOW), former Governor.

Mr. JANKLOW. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank the gentleman from California (Mr. WAXMAN) and clearly the gentleman from New York (Mr. MCHUGH) for taking the leadership to move forward on this.

Mr. Speaker, it is an unusual day in America when people can look to the Congress and understand that we may really solve a problem. If we can agree on something being a problem, it should not be hard to fix it. The debate ought to be around what does it take to bring about a solution, but we have to agree there is a problem.

There is no question but that when one charges more for a monopoly like the Postal Service, when one charges more money for something than one is supposed to, then that is an unfair tax on the people, just as if the Congress had passed the tax. Two, it has a stifling effect on the economy and all of those businesses, but just as importantly, all of those individual human beings that use the Postal Service for everything from mailing their monthly bills to mailing out anniversary and Christmas cards. Three, they have not been able to figure out in the past how to take care of funding the Civil Service Retirement System adequately.

It is a red letter day when the Republicans and Democrats can come together on a bill that they agree solves a problem.

Mr. Speaker, that is what we have here today. We have had anthrax in the Postal Service, we have had the situation of rate increases in the Postal Service, we have had the situation in the Postal Service where we are dealing with a down economy, but this is a real shot in the arm for this organization. One, we are going to be able to use the excess monies to go into funding the operational aspects for fiscal years 03, 04 and 05. The second thing we are going to be able to do is to fix the Civil Service Retirement System. And the third thing we are going to be able to do is to move the Postal Service more towards a sound financial setting.

I have heard from the mail carriers, I have heard from the postmasters, I have heard from the newspaper organizations and the magazine organizations. The one group that I have not heard from are the consumers of America, the individual people, because they have not been aware that this problem has been going forward.

So, Mr. Speaker, it is really an exciting day, truly an exciting day when people can come together in this Congress, in this House, and solve problems.

Now, having said that, I think we all have to recognize that this gives the Postal Service a couple additional years of opportunity to look at their organization, to look at the things they have to do, to make this a more efficient, more effective service. It is the largest single business in this country. There is no business bigger. We always talk about the Fortune 500 or the top 100 or whatever. There is no business in this Nation that is as large as the U.S. Postal Service in terms of its economic impact, its economic might, and its economic power. It can also be an economic drag, because this Nation cannot run without that service.

So to the extent that we are able to find billions of dollars and move them into the operational side, move them into the side to reduce the capital expenditure demands for increased funding, there is no question but what that does is give us the ability to be able to more effectively deal with the economy of this country.

This is a couple billion dollars a year, but the cumulative effect would have been $70 billion, 7 followed by 0, 0, 0, 0, 0, 0, 0, 0, 0. As Senator Dirksen once said, If you take a billion here and a billion there, pretty soon it adds up to real money.

So what we are doing today is taking the first giant step towards solving a real money problem for the American people. What we are doing today is starting the long-range fix of the problem in the Postal Service to the benefit of the employees, to the benefit of the consumers, to the benefit of the users, and to the benefit of the economy of America.

I say to the gentleman from Virginia (Mr. DAVIS), I sincerely applaud you as the chairman of the committee that has drafted this in the first couple of months in the Congress. The gentleman from California (Mr. WAXMAN) has done the same thing. They have come together in a committee that had historically a lot of contention. They have come together to move forward on something that is for the good of all of the people of this great country, and so I thank the gentleman from New York (Mr. MCHUGH) for having planted the seed and kept the tree nurtured until the others could seize upon it.

This is a red letter day for the people of America, and I urge my colleagues to support it unanimously.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for his comments. I thank everybody involved with this legislation for their efforts. I think this is a bill that we can all look at with pride.

Mr. Speaker, we have no further requests for time on our side, so I yield back the balance of my time.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I have no other requests at this time. I would urge adoption of this measure.

Mr. UDALL of New Mexico. Mr. Speaker, I rise today in support of S. 380, the Postal Civil Service Retirement System Funding Reform Act of 2003. This legislation provides financial relief to the Postal Service in a time of great need. By enacting this legislation, we will help the Postal Service carry out its stated mission of providing universal service—the idea that mail service in our rural areas should be as speedy, efficient, and inexpensive as mail service in our largest cities. In my district in New Mexico where there are numerous rural communities, this mission is especially important. Additionally, by providing relief for the Postal Service, we can keep postal rates stable until 2006.

Mr. Speaker, I am pleased with the steps this Congress has taken toward helping the

Postal Service to carry out their vital services. I thank my colleagues for showing their support not only for the Postal Service and its many employees, but for all communities throughout the country.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LINDER). All time having been yielded, it is now in order to consider Amendment No. 1 printed in the CONGRESSIONAL RECORD by the gentleman from California (Mr. WAXMAN).

AMENDMENT NO. 1 OFFERED BY MR. WAXMAN

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. WAXMAN:

In section 8348(h)(1)(B)(i) of title 5, United States Code (as proposed to be amended by section 2(c) of the bill), strike ''include'' and insert ''exclude''.

In section 8348(h)(1)(B)(ii) of title 5, United States Code (as proposed to be amended by section 2(c) of the bill), strike ''included shall not'' and insert ''excluded shall''.

The SPEAKER pro tempore. Pursuant to the order of the House of April 7, 2003, the gentleman from California (Mr. WAXMAN) and a Member opposed each will control 5 minutes.

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

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

Mr. Speaker, I support S. 380. The bill strengthens the Postal Service, lowers their debt, and protects postal consumers. The legislation, however, is not perfect. In particular, I do not believe that requiring the Postal Service to pay the pension costs associated with the military service, the previous military service of their employees, is a good idea.

Under current law, the Department of the Treasury pays the costs of retirement benefits related to military service for employees who are part of the Civil Service Retirement System. My amendment would maintain the status quo, keeping the responsibility for paying these costs with the Federal Treasury where they have always been, and where they belong.

In contrast, S. 380 shifts the burden of paying these costs from Treasury to the Postal Service. The legislation even has the effect of requiring the Postal Service to reimburse the Treasury for payments that have already been made. This shift will require the Postal Service to pay billions more than it otherwise would have to pay.

I believe it is wrong and unfair to require the Postal Service to shoulder this burden.

Many believe that the Postal Service should run more like a private business, yet no private business, including the Postal Service's competitors, is required to pay benefits for military service. S. 380 would also make the Postal Service the only entity in the Civil Service Retirement System that has to pay for military benefits.

I will not seek a vote on this amendment because, for reasons that I do not understand, the White House has signaled that it would oppose this legislation if my amendment were included. Thus, the result of adopting the amendment would be to bring down a bill that has many other worthwhile components.

Instead of pursuing this amendment, S. 380 contains language that we worked out with the gentleman from Virginia (Chairman DAVIS) that calls for a study of whether the Department of the Treasury or the Postal Service should be responsible for pension costs associated with military service with reports to the Congress. I do not believe this study language is as good as my amendment, yet at least it preserves this issue for further consideration.

Under the language of the study provision, the submission and evaluation of the proposals regarding military pension are timed to coincide with our review of the Postal Service's proposed use of the savings resulting from this legislation. I hope that at that point in time, we will reconsider our approach toward military costs.

□ 1700

At the appropriate time, Mr. Speaker, I will seek to withdraw this amendment.

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

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise in opposition to the amendment.

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

Mr. Speaker, as I stated before, I agree in principle with the concept behind the gentleman's amendment. This bill, which adopts the administration's approach on the treatment of military funding, would make the postal service the only agency responsible for the military costs of the CSRS retirees. I do not think it is right. I do not think it is fair to postal rate payers. Unlike other agencies in government, this is an enterprise fund that is paid for by the rate payers who should not have to bear this burden. I think it puts strains on the post office that should not be there.

The postal service's mandate is to charge rate payers for its operating and overhead expenses and to break even over time. While the postal service does pay for military benefits for its FERS employees, it has never been required to for its CSRS employees, and neither is any other agency in government.

However, the administration is categorically opposed to any treatment of military funding other than the FERS model that they propose. The bill's principle sponsor, the gentleman from New York (Mr. MCHUGH), is going to speak on this more fully in just a moment. But with so much at stake in this legislation, I think we have to move forward on what we can agree on and follow the administration's approach at this time.

We will carefully consider the results of the studies that we have mandated in this bill. But still, I want to thank my colleague from California (Mr. WAXMAN) for highlighting this important issue.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. MCHUGH).

Mr. MCHUGH. Mr. Speaker, I thank the gentleman for yielding me time.

Let me express my appreciation, as well, to the ranking member, the gentleman from California (Mr. WAXMAN), for raising this issue. I think it is a very appropriate question, and it needs full and total debate, and also for having the diplomatic position of withdrawing it because of the problems.

And I am certainly one who would support any measure that brings an added $18 billion or even more to the postal service and all the good that that could accrue. But I think it is important for the House to know as we set the stage here for future debate that, as the chairman said, the administration has serious concerns about this. And their argument is simply that if we are going to use the FERS model, which is indeed what applies here and accrues the nearly over-$70 billion in savings, that the FERS modeling should indeed be applied across the board, which under FERS does require military retirement to be paid by the agency instead of by the Federal Treasury.

I should note as well, whether or not we agree with them, the OPM has, in meetings that all of us sat in on, our staffs, that if this provision were to be included, they would strongly recommend a veto which I think underscores again the gentleman from California's (Mr. WAXMAN) willingness to deal with this particular issue of the funding question and then get on to the equally important debate with respect to the military obligation.

Mr. Speaker, I want to thank again the chairman and the ranking member for working this out. And certainly I am hopeful we can work with the administration to try to bring about an agreement that accrues to the most possible good for the postal service and its customers.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I simply rise in support of the Waxman amendment. But I also rise in support of the agreement that the gentleman from Virginia (Mr. TOM DAVIS) and the gentleman from California (Mr. WAXMAN) have been able to arrive at.

I think once again this is an indication of the manner in which the chairman and ranking member of the Committee on Government Reform have been able to provide leadership that moves us from the discussion point to

the position of being able to actually do something. And so I commend both of the gentlemen for their diplomacy, for their leadership, and for their legislative skill.

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

Mr. Speaker, I think we have made our point on this amendment. We will have this issue out there for further consideration at another time; but in the interest of moving this legislation forward and getting a good bill enacted into law, I will withdraw my amendment.

Mr. Speaker, I withdraw my amendment.

The SPEAKER pro tempore (Mr. LINDER). The amendment is withdrawn.

Pursuant to the order of the House of April 7, 2003, the previous question is ordered on the Senate bill.

The question is on the third reading of the Senate bill.

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

The SPEAKER pro tempore. The question on the passage of the Senate bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. TOM DAVIS of Virginia. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The Chair announces that further proceedings on motions to suspend the rules and agree to House Resolution 170 and House Resolution 149, postponed earlier today, will resume tomorrow.

The SPEAKER pro tempore. The Chair announces that this vote will be followed by three 5-minute votes on the motion to suspend the rules related to H.R. 205, House Resolution 179, and H.R. 1584, as amended.

This is a 15-minute vote on passage of S. 380.

The vote was taken by electronic device, and there were—yeas 424, nays 0, not voting 10, as follows:

[Roll No. 115]

YEAS—424

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—10

Combest
Gephardt
Gordon
Hyde
Jenkins
Lucas (OK)
McCarthy (MO)
Payne
Smith (MI)
Stupak

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LINDER) (during the vote). There are 2 minutes left in this vote.

□ 1724

So the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to the order of the House of April 7, H.R. 735 is laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed. Votes will be taken in the following order:

H.R. 205, by the yeas and nays;

H. Res. 179, by the yeas and nays;

H.R. 1584, as amended, by the yeas and nays.

NATIONAL SMALL BUSINESS REGULATORY ASSISTANCE ACT OF 2003

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 205.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. MANZULLO) that the House suspend the rules and pass the bill, H.R. 205, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 417, nays 4, not voting 13, as follows:

[Roll No. 116]

YEAS—417

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)