

Does it say the maximum amount the Government could spend?

Mrs. BOXER. The estimated face value.

Mr. LAUTENBERG. So if \$7 billion became \$10 billion—is there any limitation?

Mrs. BOXER. Legally, as I look at it, it says estimated face value.

Here it says “bids received: One.”

“Bids solicited, sole source.”

This is stunning.

I ask the President how much time remains on my side?

The PRESIDING OFFICER. Eight minutes twenty seconds.

Mrs. BOXER. I yield 5 minutes to my friend from New Jersey and retain the remainder of my time.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. I thank my friend and colleague from California. I support Senator BOXER’s amendment regarding the questionable—and it is questionable; friends here know I spent a lot of my time, most of my life, in business, more than I have in the Senate. No-bid contracts are practically nonexistent when they have significant value to either the company, the government, or otherwise.

The contract given to Halliburton in early March regarding Iraq’s oil infrastructure, this no-bid contract, has raised serious concern. There is good cause. There is no accusation here. It is just a question of what is a good, sensible business practice.

I ask every Senator in this body to take a look and ask if they would give out a contract to cut the lawn at their house or cut down trees or paint the house without getting some formal response as to what it might cost. We have a strange happening: no-bid contract. It could be as much as \$7 billion, with no ceiling on it. That is the interesting aspect. For whatever reason, the administration has attempted to conceal the scope and the terms of the contract. This attempt to hide information has generated plenty of suspicion.

Initially, it was announced that the contract with Halliburton was for the specific and limited purpose of extinguishing Iraqi oil fires. That could be described as emergency and repairing equipment. The initial value of the contract, the initial value, was \$50 million. We are now talking about approximately \$7 billion, give or take \$2 billion or \$3 billion—mostly take; I guarantee there is no give, in the hope that no one would ask any questions.

This was a no-bid contract given to a company that has strong ties to the administration. Then the details began to change. Six weeks after the contract was originally disclosed, the Army admitted that the contract was not only for putting out the fires and making some repairs—repairs, \$7 billion?—suddenly the Army Corps revealed that the contract called for Halliburton to operate the oil wells and distribute Iraqi oil. That is a huge difference.

There is the issue of the no-bid process. Perhaps we ought to have a Senate resolution to see how our friends would vote if we said let’s go to all no-bid contracts for Government purchases. Sound like a good idea? I doubt it.

Asked why the Halliburton contract was awarded in a no-bid fashion, the Army Corps asserted that there was no time for a competitive process and this contract would be of short duration. You can spend \$7 billion in a hurry, I guess.

We now learn the contract could be worth up to \$7 billion. For the past 6 weeks, each time the Army Corps has been questioned about the contract, we hear a different story.

I recently have written a letter to Senator COLLINS and Senator LIEBERMAN, the chairman and the ranking member of the Governmental Affairs Committee of which I sit, asking them to hold a hearing to investigate this contract. I believe the hearing will allow us to finally determine the true scope of this contract and why the administration chose not to have a bidding process and why the information was withheld.

Something here is not right. Not only do we need to investigate the process under which this contract was awarded, but we also need to put a competitive contracting process in place for this work in Iraq. We need to ensure for the American people that the Government is not engaged in sweetheart deals for its corporate friends.

The amendment of Senator BOXER encourages that the current no-bid Halliburton contract be replaced shortly through a competitive process, and I congratulate the Senator from California for that thought. That is the way it ought to work.

The reconstruction of Iraq, particularly the rebuilding of the Iraqi oil industry, is an extremely sensitive endeavor. I believe it is vitally important for the Pentagon to divulge information as to how it awards contracts in a public and systematic fashion. The Halliburton contract and the cloak of secrecy around it must not set a precedent for future contracts in the reconstruction process.

In this time of budget difficulties, with our inability to finance programs that have been an important part of the structure of the United States—whether it is education, whether it is prescription drugs or otherwise—for us to go ahead and spend \$7 billion without knowing how, why, and when this work is going to be performed is an outrage. I don’t think the American public ought to stand still for it.

I hope my colleagues on the other side will agree. Many of them are good business-people who have been out there and understand what has been appropriate process in business.

I urge my colleagues to support the Boxer amendment.

I yield the floor.

Mrs. BOXER. Mr. President, I reserve the remainder of my time.

Mr. WARNER. Mr. President, I ask unanimous consent to modify my amendment. I will send the modification to the desk.

Mrs. BOXER. Reserving the right to object, I don’t know whether I will object. I would like a chance to look at it. I just got a chance to look at it a minute ago. So if you could put the unanimous consent off for a couple of minutes so I can take a look at it?

Mr. WARNER. Fine. Let me just explain to the Senator what it is. The Senator, in the course of her comments, more or less criticized the amendment by the Senator from Virginia as not having in it the full force and effect of law. So, acting upon the suggestion of the good Senator from California, I have now provided that this amendment will have the full force of law. Let me read it to you.

Mrs. BOXER. If the Senator wants to give me 2 minutes, I am just looking at it now. You can read it to me or I can get a copy and read it myself. Either way is fine. I do not have it in front of me.

Mr. WARNER. Let me read it.

The Department of Defense shall fully comply with the Competition in Contracting Act (10 U.S.C. 2304 et seq) for any contracts awarded for reconstruction activity in Iraq and shall conduct a full and open competition for performing work needed for the reconstruction of the Iraqi oil industry. . . .

It is straightforward.

Mrs. BOXER. Mr. President, I suggest the absence of a quorum. I am just going to chat with my friend for a minute.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I ask unanimous consent that we proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTION IN THE ENROLLMENT OF H.R. 1298

Mr. WARNER. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on the concurrent resolution (S. Con. Res. 46) to correct the enrollment of H.R. 1298.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S. Con. Res. 46) entitled “Concurrent resolution to correct the enrollment of H.R. 1298”, do pass with the following

Amendment:

On page 1, line 2, strike “Secretary of the Senate” and insert “Clerk of the House of Representatives”,

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate agree to the amendment of the House.

Mr. REID. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004—Continued

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate return to the underlying bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 826, AS MODIFIED

Mr. WARNER. Mr. President, as is so often the case here in the Senate during the course of deliberations, colleagues find a mutual ground by which they can resolve such differences as exist. And in this instance, the distinguished Senator from California, myself, and the distinguished Senator from New Jersey have joined together.

The amendment in the first degree of the Senator from Virginia remains in a document that I will shortly send to the desk. And the basic report language required in the amendment of the Senators from California and New Jersey is, likewise, in this document. They are coupled together.

So I ask unanimous consent that the amendment by the Senator from Virginia be modified. And I send the modified amendment to the desk.

The PRESIDING OFFICER. Is there objection to the modification?

Mrs. BOXER. Reserving the right to object, I would like to say, I am very supportive of this. I just want to ask if it is the right thing for me to withdraw my amendment, or is that not necessary?

Mr. WARNER. Mr. President, I would so make that request. That was my understanding. I was going to do that after this amendment had been amended.

So if the Chair would rule on the modification of the amendment.

The PRESIDING OFFICER. Is there objection to the modification?

Hearing none, it is so ordered.

The amendment (No. 826), as modified, is as follows:

At the appropriate place, insert the following:

SEC. . COMPETITIVE AWARD OF CONTRACTS FOR IRAQI RECONSTRUCTION.

(a) REQUIREMENT.—The Department of Defense shall fully comply with the Competition in Contracting Act (10 U.S.C. 2304 et seq) for any contract awarded for reconstruction activities in Iraq and shall conduct a full and open competition for performing work needed for the reconstruction of the Iraqi oil industry.

(b) REPORT TO CONGRESS.—If the Department of Defense does not have a fully competitive contract in place to replace the March 8, 2003 contract for the reconstruction of the Iraqi oil industry by August 31, 2003, the Secretary of Defense shall submit a report to Congress by September 30, 2003, detailing the reasons for allowing this sole-source contract to continue. A follow-up report shall be submitted to Congress each 60 days thereafter until a competitive contract is in place.

AMENDMENT NO. 825 WITHDRAWN

Mr. WARNER. Mr. President, at this time I respectfully ask the Chair to withdraw the amendment by the Senator from California.

Mrs. BOXER. I have no objection to withdrawing my amendment because it has, in fact, been made a part of the Warner amendment.

Mr. WARNER. That is correct.

Mr. REID. Mr. President, I also ask that this amendment have the name of the Senator from California on it, also.

Mr. WARNER. It is to be known as the Warner-Boxer—and also for the Senator from New Jersey, my friend, Mr. LAUTENBERG. The two of us go back many years.

Mr. LAUTENBERG. Further than we can remember.

Mr. WARNER. Yes, further back than we can remember.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from California is withdrawn.

Mr. WARNER. And the amendment of the Senator from Virginia is now known as the Warner-Boxer-Lautenberg amendment?

The PRESIDING OFFICER. That is correct. Without objection, it is so ordered.

Mr. WARNER. Briefly, to explain to the Senate, basically what we have done is we have put into law the requirement that the Department of Defense shall fully comply with the Competition in Contracting Act for any contract awarded for reconstruction activities in Iraq and shall conduct a full and open competition for performing work needed for the reconstruction of the Iraqi oil industry.

Second, a report to Congress. If the Department of Defense does not have a fully competitive contract in place to replace the March 8, 2003 contract for the reconstruction of the Iraqi oil industry by August 31, 2003, the Secretary of Defense shall submit a report to Congress by September 30, 2003, detailing the reasons for allowing the sole-source contract to continue. A followup report shall be submitted to Congress each 60 days thereafter until a competitive contract is in place.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I thank my colleague from Virginia.

I think when the Senate can work together, when we can cross over, one side to the other, we do good work. What we did is literally take one half of the amendment of the Senator from Virginia and one half of mine. What is

important to me is, if the Senate will speak in one voice, we will have a vote. I trust it will pass with a very wide margin, if not unanimously. The Senate will go on record, if we pass the Warner-Boxer amendment, as saying the following: We don't approve of this sole-source contract continuing, that we want to make sure the Army Corps, which says it is going to end this contract, is held accountable; that they are going to have to let us know if by August 30 they don't end the sole-source contract, and every 60 days thereafter they are going to have to let us know why they are continuing a \$7 billion sole-source contract.

That is all I wanted when I stood up a couple hours ago. That is all I want now. I am grateful to my friend for being openminded. It was a good debate.

I also say to my leader on the Armed Services Committee, Senator LEVIN, the ranking member, how helpful he has been to me. When I started, I had a proposal that might never have seen the light of day. He worked with me to make it relevant, make it work. Again, to Senators GRAHAM and LIEBERMAN and CLINTON and DURBIN and LAUTENBERG, before we looked like we had a winner here, they were with me. This is really very nostalgic for me. In my time in the House, I worked on the Armed Services Committee on military procurement before. I had hoped I wouldn't have to be standing here worried about military procurement, but it looks like it comes back like a bad dream.

I am hopeful the action we take this afternoon, just to let the Army Corps know we are all watching, Republicans and Democrats, will have a salutary effect on the termination of the sole-source contract and fair and open bidding. The taxpayers deserve no less. The business community deserves no less. Consumers deserve no less. Frankly, the people of Iraq deserve no less because we are trying to rebuild their country in the most efficient way we can.

I thank my friend again, Senator WARNER. I urge a yea vote on the Warner-Boxer amendment.

Mr. LAUTENBERG. Mr. President, will the manager yield a moment?

Mr. WARNER. Take such time as you need.

Mr. LAUTENBERG. Just a minute, because I want to second what we just heard from the Senator from California about my friend and colleague from Virginia. We have our policy differences. But when there is something that strikes the right note, I know for the many years we have served together, now about 20, including a 2-year lapse, we were able to agree on things here and there that meant a lot in terms of the process of our functioning.

I commend the Senator from Virginia for coming to a negotiated settlement and consensus view that accomplishes what we all wanted. I thank him for his