

walk very close to the line of telling the whole truth, and if you choose not to do it and you are clever enough about the way you phrase things, maybe you will be able to escape punishment. Perhaps people who were punished for perjury in sexual discrimination cases ought to be no longer punished under those same circumstances.

That is what I am saying is our unfinished business. Every one of us who has something to say about it should say: No, this case does not stand for that. This was the President of the United States whom the Senate chose not to remove from office, the most severe thing that could occur to a President. And there were a lot of reasons for that. Some of our colleagues felt it would simply be too much of a disruption for our country. Some thought that the particular activity in this case was just not quite serious enough to warrant his removal.

Those of us who disagreed with that did so, among other reasons, because we believed that allowing the President to remain in office would subvert the rule of law; that this would be used as an excuse for people to lie in the future; that there would not be as much adherence to the precedents in the past, of ensuring that people who take the law into their own hands are appropriately punished. That is one of the reasons that many of us voted guilty in this case.

But I think even though we did not prevail and the President was not removed, that everyone in the Chamber would agree—all 100 of us would agree—that we do not want this case to stand for the proposition that you can subvert justice by impeding discovery or by lying, by giving false testimony; that you cannot do those things and expect that the rule of law in the future will be any less severe with respect to its consequences.

As I said, this case must be deemed the exception that proves the rule because of its unique circumstances. In every way that those of us who are permitted to do so, we must uphold the rule of law in the country.

Specifically, that means we must teach this to our young people. We must talk about it as lawmakers here, when we speak to the local Lions Club or local Rotary Club, wherever we may be speaking, that lawyers and judges in the country must strictly adhere to the law. Anyone who appears before a court as a litigant must themselves strictly adhere to these principles and never violate the law as it exists. And anyone who teaches with respect to what this means should take the position that it does not mean that one can take the law into one's own hands and succeed in subverting justice simply because of what did or did not happen to the President of the United States in this particular case.

The rule of law is important to this country because it distinguishes us from almost every other country in the world. There are certainly other coun-

tries in which one can expect to get relatively fair justice, but in the United States we consider ourselves unique. We have, for over 210 years, protected the rule of law in this country. We have ensured that even the least among us can get equal justice under law. And this country has done a great deal to ensure that principle is true, whether it is in the Federal courts or the local courts of the country; whether it is with respect to the rich and the powerful and the famous or, as I said, the least among us. In our system, the law applies equally to everyone.

We must ensure that remains the case. How many of us would want to submit our lives or our fortunes to the justice system—oh, let's just take one of the many countries south of us, for example—in the southern hemisphere? Or in Russia today, where one cannot even engage in commerce because there is not a rule of law which ensures that dispute resolution in commercial dealings will be done fairly? How many of us would want to be accused of a crime in one of those societies and have to defend ourselves or be sued in one of those societies and be assured that we would be dealt with in a fair way? In many of those countries today, unless you have the ability to bribe someone or to pay someone off, you cannot be assured of fair justice.

In the United States today, even though we do not want to go to court, every one of us knows that if we have to go to court, we can at least expect that we will be dealt with fairly because truth-telling is at the bottom of the judicial process and truth-telling will be enforced.

It will be maintained because it will be enforced, and we can point to many cases in which people who lied are now serving in jail because of their perjury.

That is why it is important to maintain the rule of law in our country. That is what the rule of law is all about. That is why it is important, and that is why we have to sustain it.

So, Mr. President, as I reflected on what my constituents were asking me, as I talked to them over the course of this last Presidents' Day recess in Arizona, and I thought about the importance of the rule of law in the United States to each one of us, and the questions that had been raised as a result of the fact that the President was not removed from office, I dedicated myself to talking about this, to writing about it, and to ensuring my constituents back home and, hopefully, people around the country will understand how important it is for all of us over the next weeks, months, and years to ensure that the rule of law is not diminished, is not subverted as a result of the Senate's action with respect to the impeachment of President Clinton.

One could draw that conclusion, but we must not permit that conclusion to be drawn. It is up to us to maintain the rule of law in the United States, and I believe that because of the dedication

to the principle of the rule of law and the fact that everyone in this country wishes it to remain strong, and the fact that all 100 of us in this Chamber, I am certain, and the Members in the House of Representatives as well, are dedicated to that proposition and do not want to see the result of this case diminish the rule of law; that all of us will rededicate ourselves to that principle and will do everything we can over the course, as I said, of the ensuing months and years to ensure the rule of law in this country remains strong and we will continue to provide in this country, as we have in the past over 200 years, equal justice for all.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. COLLINS. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

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

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine, Ms. COLLINS, is recognized.

(The remarks of Ms. COLLINS pertaining to the introduction of S. Con. Res. 12 are located in today's RECORD under "Submission of concurrent and Senate resolutions.")

Ms. COLLINS. Mr. President, seeing no one seeking the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

SOLDIERS', SAILORS', AIRMEN'S AND MARINES' BILL OF RIGHTS ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 4 for debate only.

The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 4) to improve pay and retirement equity for members of the Armed Forces, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Armed Services, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Soldiers', Sailors', Airmen's, and Marines' Bill of Rights Act of 1999".

TITLE I—PAY AND ALLOWANCES

SEC. 101. FISCAL YEAR 2000 INCREASE AND RESTRUCTURING OF BASIC PAY.

(a) **WAIVER OF SECTION 1009 ADJUSTMENT.**—Any adjustment required by section 1009 of title 37, United States Code, in the rates of monthly

basic pay authorized members of the uniformed services by section 203(a) of such title to become effective during fiscal year 2000 shall not be made.

(b) **JANUARY 1, INCREASE IN BASIC PAY.**—Effective on January 1, 2000, the rates of monthly

basic pay for members of the uniformed services shall be increased by 4.8 percent.

(c) **BASIC PAY REFORM.**—(1) Effective on July 1, 2000, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS¹
Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-10 ² ...	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9	0.00	0.00	0.00	0.00	0.00
O-8	6,594.30	6,810.30	6,953.10	6,993.30	7,171.80
O-7	5,479.50	5,851.80	5,851.50	5,894.40	6,114.60
O-6	4,061.10	4,461.60	4,754.40	4,754.40	4,772.40
O-5	3,248.40	3,813.90	4,077.90	4,127.70	4,291.80
O-4	2,737.80	3,333.90	3,556.20	3,606.04	3,812.40
O-3 ³	2,544.00	2,884.20	3,112.80	3,364.80	3,525.90
O-2 ³	2,218.80	2,527.20	2,910.90	3,000.00	3,071.10
O-1 ³	1,926.30	2,004.90	2,423.10	2,423.10	2,423.10
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 ² ...	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9	0.00	0.00	0.00	0.00	0.00
O-8	7,471.50	7,540.80	7,824.60	7,906.20	8,150.10
O-7	6,282.00	6,475.80	6,669.00	6,863.10	7,471.50
O-6	4,976.70	5,004.00	5,004.00	5,169.30	5,791.20
O-5	4,291.80	4,420.80	4,659.30	4,971.90	5,286.00
O-4	3,980.40	4,251.50	4,464.00	4,611.00	4,758.90
O-3 ³	3,702.60	3,850.20	4,040.40	4,139.10	4,139.10
O-2 ³	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10
O-1 ³	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ² ...	\$0.00	\$10,655.10	\$10,707.60	\$10,930.20	\$11,318.40
O-9	0.00	9,319.50	9,453.60	9,647.70	9,986.40
O-8	8,503.80	8,830.20	9,048.00	9,048.00	9,048.00
O-7	7,985.40	7,985.40	7,985.40	7,985.40	8,025.60
O-6	6,086.10	6,381.30	6,549.00	6,719.10	7,049.10
O-5	5,436.00	5,583.60	5,751.90	5,751.90	5,751.90
O-4	4,808.70	4,808.70	4,808.70	4,808.70	4,808.70
O-3 ³	4,139.10	4,139.10	4,139.10	4,139.10	4,139.10
O-2 ³	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10
O-1 ³	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10

¹ Basic pay for these officers is limited to the rate of basic pay for level V of the Executive Schedule.

² While serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, basic pay for this grade is calculated to be \$12,441.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code. Nevertheless, basic pay for these officers is limited to the rate of basic pay for level V of the Executive Schedule.

³ Does not apply to commissioned officers who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-3E ⁴ ..	\$0.00	\$0.00	\$0.00	\$3,364.80	\$3,525.90
O-2E ⁴ ..	0.00	0.00	0.00	3,009.00	3,071.10
O-1E ⁴ ..	0.00	0.00	0.00	2,423.10	2,588.40
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E ⁴ ..	\$3,702.60	\$3,850.20	\$4,040.40	\$4,200.30	\$4,291.80
O-2E ⁴ ..	3,168.60	3,333.90	3,461.40	3,556.20	3,556.20
O-1E ⁴ ..	2,683.80	2,781.30	2,877.60	3,009.00	3,009.00
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	\$4,416.90	\$4,416.90	\$4,416.90	\$4,416.90	\$4,416.90
O-2E	3,556.20	3,556.20	3,556.20	3,556.20	3,556.20
O-1E	3,009.00	3,009.00	3,009.00	3,009.00	3,009.00

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W-5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4	2,592.00	2,788.50	2,868.60	2,947.50	3,083.40
W-3	2,355.90	2,555.40	2,555.40	2,588.40	2,694.30
W-2	2,063.40	2,232.60	2,232.60	2,305.80	2,423.10
W-1	1,719.00	1,971.00	1,971.00	2,135.70	2,232.60
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4	3,217.20	3,352.80	3,485.10	3,622.20	3,753.60
W-3	2,814.90	2,974.20	3,071.10	3,177.00	3,298.20
W-2	2,555.40	2,852.60	2,749.80	2,844.30	2,949.00
W-1	2,332.80	2,433.30	2,533.20	2,634.00	2,734.80
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5	\$0.00	\$4,475.10	\$4,628.70	\$4,782.90	\$4,937.40

WARRANT OFFICERS
Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W-4	3,888.00	4,019.00	4,155.60	4,289.70	4,427.10
W-3	3,418.50	3,539.10	3,659.40	3,780.00	3,900.90
W-2	3,058.40	3,163.80	3,270.90	3,378.30	3,378.30
W-1	2,835.00	2,910.90	2,910.90	2,910.90	2,910.90

ENLISTED MEMBERS
Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-9 ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E-8	0.00	0.00	0.00	0.00	0.00
E-7	1,765.80	1,927.80	2,001.00	2,073.00	2,147.70
E-6	1,518.90	1,678.20	1,752.60	1,824.30	1,899.30
E-5	1,332.60	1,494.00	1,566.00	1,640.40	1,714.50
E-4	1,242.90	1,373.10	1,447.20	1,520.10	1,593.90
E-3	1,171.50	1,260.60	1,334.10	1,335.90	1,335.90
E-2	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40
E-1	⁵ 1,005.60	1,005.60	1,005.60	1,005.60	1,005.60

	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ⁴	\$0.00	\$3,015.30	\$3,083.40	\$3,169.80	\$3,271.50
E-8	2,528.40	2,601.60	2,669.70	2,751.60	2,840.10
E-7	2,220.90	2,294.10	2,367.30	2,439.30	2,514.00
E-6	1,973.10	2,047.20	2,118.60	2,191.50	2,244.60
E-5	1,789.50	1,861.50	1,936.20	1,936.20	1,936.20
E-4	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90
E-3	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90
E-2	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40
E-1	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60

	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ⁴	\$3,373.20	\$3,473.40	\$3,609.30	\$3,744.00	\$3,915.80
E-8	2,932.50	3,026.10	3,161.10	3,295.50	3,483.60
E-7	2,588.10	2,660.40	2,787.60	2,926.20	3,134.40
E-6	2,283.30	2,283.30	2,285.70	2,285.70	2,285.70
E-5	1,936.20	1,936.20	1,936.20	1,936.20	1,936.20
E-4	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90
E-3	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90
E-2	1,127.40	1,127.40	1,127.40	1,123.20	1,127.40
E-1	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60

⁴ While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is \$4,701.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

⁵ In the case of members in the grade E-1 who have served less than 4 months on active duty, basic pay is \$930.30.

SEC. 102. PAY INCREASES FOR FISCAL YEARS AFTER FISCAL YEAR 2000.

(a) ECI+0.5 PERCENT INCREASE FOR ALL MEMBERS.—Section 1009(c) of title 37, United States Code, is amended to read as follows:

“(c) ECI+0.5 PERCENT INCREASE FOR ALL MEMBERS.—Subject to subsection (d), an adjustment taking effect under this section during a fiscal year shall provide all eligible members with an increase in the monthly basic pay by the percentage equal to the sum of one percent plus the percentage calculated as provided under section 5303(a) of title 5 (without regard to whether rates of pay under the statutory pay systems are actually increased during such fiscal year under that section by the percentage so calculated).”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2000.

SEC. 103. SPECIAL SUBSISTENCE ALLOWANCE.

(a) ALLOWANCE.—(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 402 the following new section:

“§402a. Special subsistence allowance

“(a) ENTITLEMENT.—Upon the application of an eligible member of a uniformed service described in subsection (b), the Secretary concerned shall pay the member a special subsistence allowance for each month for which the member is eligible to receive food stamp assistance.

“(b) COVERED MEMBERS.—An enlisted member referred to subsection (a) is an enlisted member in pay grade E-5 or below.

“(c) TERMINATION OF ENTITLEMENT.—The entitlement of a member to receive payment of a special subsistence allowance terminates upon the occurrence of any of the following events:

“(1) Termination of eligibility for food stamp assistance.

“(2) Payment of the special subsistence allowance for 12 consecutive months.

“(3) Promotion of the member to a higher grade.

“(4) Transfer of the member in a permanent change of station.

“(d) REESTABLISHED ENTITLEMENT.—(1) After a termination of a member’s entitlement to the special subsistence allowance under subsection (c), the Secretary concerned shall resume payment of the special subsistence allowance to the member if the Secretary determines, upon further application of the member, that the member is eligible to receive food stamps.

“(2) Payments resumed under this subsection shall terminate under subsection (c) upon the occurrence of an event described in that subsection after the resumption of the payments.

“(3) The number of times that payments are resumed under this subsection is unlimited.

“(e) DOCUMENTATION OF ELIGIBILITY.—A member of the uniformed services applying for the special subsistence allowance under this section shall furnish the Secretary concerned with such evidence of the member’s eligibility for food stamp assistance as the Secretary may require in connection with the application.

“(f) AMOUNT OF ALLOWANCE.—The monthly amount of the special subsistence allowance under this section is \$180.

“(g) RELATIONSHIP TO BASIC ALLOWANCE FOR SUBSISTENCE.—The special subsistence allowance under this section is in addition to the basic allowance for subsistence under section 402 of this title.

“(h) FOOD STAMP ASSISTANCE DEFINED.—In this section, the term ‘food stamp assistance’

means assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

“(i) TERMINATION OF AUTHORITY.—No special subsistence allowance may be made under this section for any month beginning after September 30, 2004.”

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 402 the following:

“402a. Special subsistence allowance.”

(b) EFFECTIVE DATE.—Section 402a of title 37, United States Code, shall take effect on the first day of the first month that begins not less than 180 days after the date of the enactment of this Act.

(c) ANNUAL REPORT.—(1) Not later than March 1 of each year after 1999, the Secretary of Defense shall submit to Congress a report setting forth the number of members of the uniformed services who are eligible for assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(2) In preparing the report, the Secretary shall consult with the Secretary of Transportation (with respect to the Coast Guard), the Secretary of Health and Human Services (with respect to the commissioned corps of the Public Health Service), and the Secretary of Commerce (with respect to the commissioned officers of the National Oceanic and Atmospheric Administration), who shall provide the Secretary of Defense with any information that the Secretary determines necessary to prepare the report.

(3) No report is required under this section after March 1, 2004.

TITLE II—RETIREMENT BENEFITS

SEC. 201. RETIRED PAY OPTIONS FOR PERSONNEL ENTERING UNIFORMED SERVICES ON OR AFTER AUGUST 1, 1986.

(a) REDUCED RETIRED PAY ONLY FOR MEMBERS ELECTING 15-YEAR SERVICE BONUS.—(1) Paragraph (2) of section 1409(b) of title 10, United States Code, is amended by inserting after “July 31, 1986,” the following: “has elected to receive a bonus under section 318 of title 37.”

(2)(A) Paragraph (2)(A) of section 1401a(b) of title 10, United States Code, is amended by striking “The Secretary shall increase the retired pay of each member and former member who first became a member of a uniformed service before August 1, 1986,” and inserting “Except as otherwise provided in this subsection, the Secretary shall increase the retired pay of each member and former member”.

(B) Paragraph (3) of such section 1401a(b) is amended by inserting after “August 1, 1986,” the following: “and has elected to receive a bonus under section 318 of title 37.”

(3) Section 1410 of title 10, United States Code, is amended by inserting after “August 1, 1986,” the following: “who has elected to receive a bonus under section 318 of title 37.”

(b) OPTIONAL LUMP-SUM BONUS AT 15 YEARS OF SERVICE.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

“§318. Special pay: 15-year service bonus elected by members entering on or after August 1, 1986

“(a) PAYMENT OF BONUS.—The Secretary concerned shall pay a bonus to a member of a uniformed service who is eligible and elects to receive the bonus under this section.

“(b) ELIGIBILITY FOR BONUS.—A member of a uniformed service serving on active duty is eligible to receive a bonus under this section if the member—

“(1) first became a member of a uniformed service on or after August 1, 1986;

“(2) has completed 15 years of active duty in the uniformed services; and

“(3) if not already obligated to remain on active duty for a period that would result in at least 20 years of active-duty service, executes a written agreement (prescribed by the Secretary concerned) to remain continuously on active duty for five years after the date of the completion of 15 years of active-duty service.

“(c) ELECTION.—(1) A member eligible to receive a bonus under this section may elect to receive the bonus. The election shall be made in such form and within such period as the Secretary concerned requires.

“(2) An election made under this subsection is irrevocable.

“(d) NOTIFICATION OF ELIGIBILITY.—The Secretary concerned shall transmit a written notification of the opportunity to elect to receive a bonus under this section to each member who is eligible (or upon execution of an agreement described in subsection (b)(3), would be eligible) to receive the bonus. The Secretary shall complete the notification within 180 days after the date on which the member completes 15 years of active duty. The notification shall include the procedures for electing to receive the bonus and an explanation of the effects under sections 1401a, 1409, and 1410 of title 10 that such an election has on the computation of any retired or retainer pay which the member may become eligible to receive.

“(e) FORM AND AMOUNT OF BONUS.—A bonus under this section shall be paid in one lump sum of \$30,000.

“(f) TIME FOR PAYMENT.—Payment of a bonus to a member electing to receive the bonus under this section shall be made not later than the first month that begins on or after the date that is 60 days after the Secretary concerned receives from the member an election that satisfies the requirements imposed under subsection (c).

“(g) REPAYMENT OF BONUS.—(1) If a person paid a bonus under this section fails to complete

the total period of active duty specified in the agreement entered into under subsection (b)(3), the person shall refund to the United States the amount that bears the same ratio to the amount of the bonus payment as the unreserved part of that total period bears to the total period.

“(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

“(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

“(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under the agreement or this subsection.”

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“318. Special pay: 15-year service bonus elected by members entering on or after August 1, 1986.”

(c) CONFORMING AMENDMENTS TO SURVIVOR BENEFIT PLAN PROVISIONS.—(1) Section 1451(h)(3) of title 10, United States Code, is amended by inserting “OF CERTAIN MEMBERS” after “RETIREMENT”.

(2) Section 1452(i) of such title is amended by striking “When the retired pay” and inserting “Whenever the retired pay”.

(d) RELATED TECHNICAL AMENDMENTS.—(1) Section 1401a(b) of title 10, United States Code, is amended—

(A) by striking the heading for paragraph (1) and inserting “INCREASE REQUIRED.—”;

(B) by striking the heading for paragraph (2) and inserting “PERCENTAGE INCREASE.—”; and

(C) by striking the heading for paragraph (3) and inserting “REDUCED PERCENTAGE FOR CERTAIN POST-AUGUST 1, 1986 MEMBERS.—”.

(2) Section 1409(b)(2) of title 10, United States Code, is amended by inserting “CERTAIN” after “REDUCTION APPLICABLE TO” in the paragraph heading.

(3)(A) The heading of section 1410 of such title is amended by inserting “certain” before “members”.

(B) The item relating to such section in the table of sections at the beginning of chapter 71 of title 10, United States Code, is amended by inserting “certain” before “members”.

SEC. 202. PARTICIPATION IN THRIFT SAVINGS PLAN.

(a) PARTICIPATION AUTHORITY.—(1)(A) Chapter 3 of title 37, United States Code, is amended by adding at the end the following:

“§211. Participation in Thrift Savings Plan

“(a) AUTHORITY.—A member of the uniformed services serving on active duty for a period of more than 30 days may participate in the Thrift Savings Plan in accordance with section 8440e of title 5.

“(b) RULE OF CONSTRUCTION REGARDING SEPARATION.—For the purposes of section 8440e of title 5, the following actions shall be considered separation of a member of the uniformed services from Government employment:

“(1) Release of the member from active-duty service (not followed by a resumption of active-duty service within 30 days after the effective date of the release).

“(2) Transfer of the member by the Secretary concerned to a retired list maintained by the Secretary.”

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following:

“211. Participation in Thrift Savings Plan.”

(2)(A) Subchapter III of chapter 84 of title 5, United States Code, is amended by adding at the end the following:

“§8440e. Members of the uniformed services on active duty

“(a) PARTICIPATION AUTHORIZED.—(1) A member of the uniformed services authorized to participate in the Thrift Savings Plan under section 211(a) of title 37 may contribute to the Thrift Savings Fund.

“(2) An election to contribute to the Thrift Savings Fund under paragraph (1) may be made only during a period provided under section 8432(b) for individuals subject to this chapter.

“(b) APPLICABILITY OF THRIFT SAVINGS PLAN PROVISIONS.—Except as otherwise provided in this section, the provisions of this subchapter and subchapter VII of this chapter shall apply with respect to members of the uniformed services making contributions to the Thrift Savings Fund as if such members were employees within the meaning of section 8401(11).

“(c) MAXIMUM CONTRIBUTION FROM BASIC PAY.—The amount contributed by a member of the uniformed services for any pay period out of basic pay may not exceed 5 percent of such member’s basic pay for such pay period.

“(d) OTHER MEMBER CONTRIBUTIONS.—A member of the uniformed services making contributions to the Thrift Savings Fund out of basic pay may also contribute (by direct transfer to the Fund) any part of any special or incentive pay that the member receives under section 308, 308a, 308f, or 318 of title 37. No contribution made under this subsection shall be subject to, or taken into account for purposes of, the first sentence of section 8432(d), relating to the applicability of any limitation under section 415 of the Internal Revenue Code of 1986.

“(e) AGENCY CONTRIBUTIONS GENERALLY PROHIBITED.—Except as provided in section 211(c) of title 37, no contribution under section 8432(c) of this title may be made for the benefit of a member of the uniformed services making contributions to the Thrift Savings Fund under subsection (a).

“(f) BENEFITS AND ELECTIONS OF BENEFITS.—In applying section 8433 to a member of the uniformed services who has an account balance in the Thrift Savings Fund—

“(1) any reference in such section to separation from Government employment shall be construed to refer to an action described in section 211(b) of title 37; and

“(2) the reference in section 8433(g)(1) to contributions made under section 8432(a) shall be treated as being a reference to contributions made to the Fund by the member, whether made under section 8351, 8432(a), or this section.

“(g) BASIC PAY DEFINED.—For purposes of this section, the term ‘basic pay’ means basic pay that is payable under section 204 of title 37.”

(B) The table of sections at the beginning of chapter 84 of title 5, United States Code, is amended by adding after the item relating to section 8440d the following:

“8440e. Members of the uniformed services on active duty.”

(3) Section 8432b(b) of title 5, United States Code, is amended—

(A) in paragraph (1), by striking “Each employee” and inserting “Except as provided in paragraph (4), each employee”;

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph (4):

“(4) No contribution may be made under this section for a period for which an employee made a contribution under section 8440e.”

(4) Section 8473 of title 5, United States Code, is amended—

(A) in subsection (a), by striking “14 members” and inserting “15 members”; and

(B) in subsection (b)—

(i) by striking “14 members” and inserting “15 members”; and

(ii) by striking “and” at the end of paragraph (8);

(iii) by striking the period at the end of paragraph (9) and inserting “; and”; and

(iv) by adding at the end the following:

“(10) 1 shall be appointed to represent participants (under section 8440e) who are members of the uniformed services.”.

(5) Paragraph (11) of section 8351(b) of title 5, United States Code, is redesignated as paragraph (8).

(b) **APPLICABILITY.**—The authority of members of the uniformed services to participate in the Thrift Savings Plan under section 211 of title 37, United States Code (as added by subsection (a)(1)), shall take effect on July 1, 2000.

(c) **REGULATIONS.**—Not later than 180 days after the date of the enactment of this Act, the Executive Director appointed by the Federal Thrift Retirement Investment Board shall issue regulations to implement section 8440e of title 5, United States Code (as added by subsection (a)(2)) and section 211 of title 37, United States Code (as added by subsection (a)(1)).

SEC. 203. SPECIAL RETENTION INITIATIVE.

Section 211 of title 37, United States Code, as added by section 202, is amended by adding at the end the following:

“(c) **AGENCY CONTRIBUTIONS FOR RETENTION IN CRITICAL SPECIALTIES.**—(1) The Secretary concerned may enter into an agreement with a member to make contributions to the Thrift Savings Fund for the benefit of the member if the member—

“(A) is in a specialty designated by the Secretary as critical to meet requirements (whether such specialty is designated as critical to meet wartime or peacetime requirements); and

“(B) commits in such agreement to continue to serve on active duty in that specialty for a period of six years.

“(2) Under any agreement entered into with a member under paragraph (1), the Secretary shall make contributions to the Fund for the benefit of the member for each pay period of the 6-year period of the agreement for which the member makes a contribution out of basic pay to the Fund under this section. Paragraph (2) of section 8432(c) applies to the Secretary's obligation to make contributions under this paragraph, except that the reference in such paragraph to contributions under paragraph (1) of such section does not apply.”.

TITLE III—MONTGOMERY GI BILL BENEFITS

SEC. 301. INCREASE IN RATES OF EDUCATIONAL ASSISTANCE FOR FULL-TIME EDUCATION.

(a) **INCREASE.**—Section 3015 of title 38, United States Code, is amended—

(1) in subsection (a)(1), by striking “\$528” and inserting “\$600”; and

(2) in subsection (b)(1), by striking “\$429” and inserting “\$488”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to educational assistance allowances paid for months after September 1999. However, no adjustment in rates of educational assistance shall be made under subsection (g) of section 3015 of title 38, United States Code, for fiscal year 2000.

SEC. 302. TERMINATION OF REDUCTIONS OF BASIC PAY.

(a) **REPEALS.**—(1) Section 3011 of title 38, United States Code, is amended by striking subsection (b).

(2) Section 3012 of such title is amended by striking subsection (c).

(3) The amendments made by paragraphs (1) and (2) shall take effect on the date of the enactment of this Act and shall apply to individuals whose initial obligated period of active duty under section 3011 or 3012 of title 38, United States Code, as the case may be, begins on or after such date.

(b) **TERMINATION OF REDUCTIONS IN PROGRESS.**—Any reduction in the basic pay of an individual referred to in section 3011(b) of

title 38, United States Code, by reason of such section 3011(b), or of any individual referred to in section 3012(c) of such title by reason of such section 3012(c), as of the date of the enactment of this Act shall cease commencing with the first month beginning after such date, and any obligation of such individual under such section 3011(b) or 3012(c), as the case may be, as of the day before such date shall be deemed to be fully satisfied as of such date.

(c) **CONFORMING AMENDMENT.**—Section 3034(e)(1) of title 38, United States Code, is amended in the second sentence by striking “as soon as practicable” and all that follows through “such additional times” and inserting “at such times”.

SEC. 303. ACCELERATED PAYMENTS OF EDUCATIONAL ASSISTANCE.

Section 3014 of title 38, United States Code, is amended—

(1) by inserting “(a)” before “The Secretary shall pay”; and

(2) by adding at the end the following new subsection (b):

“(b)(1) When the Secretary determines that it is appropriate to accelerate payments under the regulations prescribed pursuant to paragraph (6), the Secretary may make payments of basic educational assistance allowance under this subchapter on an accelerated basis.

“(2) The Secretary may pay a basic educational assistance allowance on an accelerated basis only to an individual entitled to payment of the allowance under this subchapter who has made a request for payment of the allowance on an accelerated basis.

“(3) In the event an adjustment under section 3015(g) of this title in the monthly rate of basic educational assistance will occur during a period for which a payment of an allowance is made on an accelerated basis under this subsection, the Secretary shall—

“(A) pay on an accelerated basis the amount the allowance otherwise payable under this subchapter for the period without regard to the adjustment under that section; and

“(B) pay on the date of the adjustment any additional amount of the allowance that is payable for the period as a result of the adjustment.

“(4) The entitlement to a basic educational assistance allowance under this subchapter of an individual who is paid an allowance on an accelerated basis under this subsection shall be charged at a rate equal to one month for each month of the period covered by the accelerated payment of the allowance.

“(5) A basic educational assistance allowance shall be paid on an accelerated basis under this subsection as follows:

“(A) In the case of an allowance for a course leading to a standard college degree, at the beginning of the quarter, semester, or term of the course in a lump-sum amount equivalent to the aggregate amount of monthly allowance otherwise payable under this subchapter for the quarter, semester, or term, as the case may be, of the course.

“(B) In the case of an allowance for a course other than a course referred to in subparagraph (A)—

“(i) at the later of (I) the beginning of the course, or (II) a reasonable time after the request for payment by the individual concerned; and

“(ii) in any amount requested by the individual concerned up to the aggregate amount of monthly allowance otherwise payable under this subchapter for the period of the course.

“(6) The Secretary shall prescribe regulations for purposes of making payments of basic educational allowance on an accelerated basis under this subsection. Such regulations shall specify the circumstances under which accelerated payments should be made and include requirements relating to the request for, making and delivery of, and receipt and use of such payments.”.

SEC. 304. TRANSFER OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE.

(a) **AUTHORITY TO TRANSFER TO FAMILY MEMBER.**—Subchapter II of chapter 30 of title 38, United States Code, is amended by adding at the end the following new section:

“§3020. Transfer of entitlement to basic educational assistance

“(a) The Secretary may, for the purpose of enhancing recruiting and retention, and at the Secretary's sole discretion, permit an individual entitled to educational assistance under this subchapter to elect to transfer such individual's entitlement to such assistance, in whole or in part, to the individuals specified in subsection (b).

“(b) An individual's entitlement to educational assistance may be transferred when authorized under subsection (a) as follows:

“(1) To the individual's spouse.

“(2) To one or more of the individual's children.

“(3) To a combination of the individuals referred to in paragraphs (1) and (2).

“(c)(1) An individual electing to transfer an entitlement to educational assistance under this section shall—

“(A) designate the individual or individuals to whom such entitlement is being transferred and the percentage of such entitlement to be transferred to each such individual; and

“(B) specify the period for which the transfer shall be effective for each individual designated under subparagraph (A).

“(2) The aggregate amount of the entitlement transferable by an individual under this section may not exceed the aggregate amount of the entitlement of such individual to educational assistance under this subchapter.

“(3) An individual electing to transfer an entitlement under this section may elect to modify or revoke the transfer at any time before the use of the transferred entitlement. An individual shall make the election by submitting written notice of such election to the Secretary.

“(d)(1) The use of any entitlement transferred under this section shall be charged against the entitlement of the individual making the transfer at the rate of one month for each month of transferred entitlement that is used.

“(2) Except as provided in paragraph (3), an individual using entitlement transferred under this section shall be subject to the provisions of this chapter in such use as if such individual were entitled to the educational assistance covered by the transferred entitlement in the individual's own right.

“(3) Notwithstanding section 3031 of this title, a child shall complete the use of any entitlement transferred to the child under this section before the child attains the age of 26 years.

“(e) In the event of an overpayment of educational assistance with respect to an individual to whom entitlement is transferred under this section, such individual and the individual making the transfer under this section shall be jointly and severally liable to the United States for the amount of the overpayment for purposes of section 3685 of this title.

“(f) The Secretary shall prescribe regulations for purposes of this section. Such regulations shall specify the manner and effect of an election to modify or revoke a transfer of entitlement under subsection (c)(3).”.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3019 the following new item:

“3020. Transfer of entitlement to basic educational assistance.”.

TITLE IV—REPORT

SEC. 401. ANNUAL REPORT ON EFFECTS OF INITIATIVES ON RECRUITMENT AND RETENTION.

(a) **REQUIREMENT FOR REPORT.**—On December 1 of each year, the Secretary of Defense shall submit to Congress a report that sets forth the

Secretary's assessment of the effects that the provisions of this Act and the amendments made by the Act are having on recruitment and retention of personnel for the Armed Forces.

(b) *FIRST REPORT.*—The first report under this section shall be submitted not later than December 1, 2000.

Mr. WARNER. Madam President, my distinguished colleague and ranking member of the Senate Armed Services Committee desires to make a request.

Mr. LEVIN. I thank my good friend from Virginia.

PRIVILEGE OF THE FLOOR

Madam President, I ask unanimous consent that Gary Leeling of the Armed Services Committee staff be permitted privileges of the floor during debate on S. 4.

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

Mr. WARNER. Madam President, it is the intention of the Senator from Virginia, in his capacity as chairman of the Armed Services Committee, to make an opening statement regarding this very important piece of legislation. I shall be followed by my distinguished colleague, the ranking member, and then we ask other Members, particularly those on the committee, to join us in the Chamber such that we can, hopefully, this afternoon in a very material and constructive way, begin the Senate's deliberation on this absolutely critical piece of legislation.

Today, the Senate begins consideration of S. 4, the Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999. The bill is an integral part of the national security element of the Republican agenda, I might say, Madam President, that Senator LOTT and other leaders announced in the January 19 timeframe of this year.

Last fall, Senator LOTT, in an excellent exchange of letters with the President and Republican chairmen, identified key problems with the military pay levels and the military pay system. Following this exchange of letters, the Armed Services Committee held hearings on September 29, 1998, and again on January 5, 1999, the first business this year, in which General Shelton and the service chiefs described the many problems—underline “many”—military services are experiencing because of the years of shortfalls in funding.

During these hearings, particular emphasis was put on readiness, the retention of highly trained people and the inability—very critical, Madam President—the inability today of the military services to achieve their recruiting goals; that is, the young men and young women in their very first step, often their first job, full-time job, they have ever had. We have experienced here in the past year substantial shortfalls, and one of the many purposes of this bill is to try to address that problem.

I say with a great sense of pride that the Joint Chiefs, individually and collectively, showed great courage in their presentations both last Sep-

tember and again this January. They spoke candidly of the problems borne by the men and women in the military today and how increased defense funding was needed in order to begin to alleviate these serious problems. General Shelton and the service chiefs urged the President and the Congress to support a military pay raise that would begin to address the inequities between military pay and civilian wages and to resolve the inequity of what is known as the Redux retirement system.

Senators LOTT, MCCAIN and ROBERTS took the initiative and showed leadership in developing early drafts of this legislation. These Senators worked within the Armed Services Committee to craft a bill that would address the problems identified by the Joint Chiefs in a comprehensive and responsible manner. When the Armed Services Committee reported this bill out on February 2, 1999, 18 of 20 members of that committee voted in favor of the bill. The two remaining members voted present, and we will hear from them. I don't say that by way of criticism. They have their own views. And one, of course, is my distinguished friend and colleague, the ranking member.

S. 4 will provide military personnel a 4.8-percent pay raise on January 1, 2000, and will require that future military pay raises be based on the Annual Employment Costs Index plus one-half a percent. The bill restructures the military pay tables to recognize the value of promotions and to weight the pay raise toward mid-career, noncommissioned officers and officers where retention is most critical. The Joint Chiefs testified that there is a pay gap between military and private sector wages of approximately 14 percent. This bill moves aggressively to close this gap and ensure military personnel are compensated in an equitable manner.

The bill provides military personnel who entered the service after July 1, 1986, the option to revert to the previous military retirement system that provided a 50-percent multiplier to their base pay averaged over their highest 3 years, and includes cost of living adjustments or to accept in the alternative a \$30,000 bonus and remain under the Redux retirement system.

The Joint Chiefs testified that the Redux retirement system is responsible for an increasing number of mid-career military personnel deciding to leave the service. S. 4 will offer these highly trained personnel an attractive incentive to continue to serve a full career.

Now, Madam President, in total fairness on this, and to be very candid, there are differences of opinion on the manner in which this bill approaches the retirement system, both the 50 percent and the \$30,000 bonus. General Shelton, in particular, has counseled me on several occasions in a very friendly and forthright way, expressing some of his concerns, and, indeed, he has written me on these points. So we are going to have to consider very care-

fully in the course of our floor deliberations here in the next few days exactly what those concerns are and is this bill drafted correctly.

Now, to continue, we will establish a thrift savings plan that will allow service members to save up to 50 percent of their base pay before taxes and will permit them to directly deposit their enlistment and reenlistment bonuses into their thrift savings plan.

In a separate section, the bill authorizes service Secretaries to match the thrift savings plan contributions of those service members serving in critical—and the operative word here is “critical”—specialties for a period of 6 years in return for a 6-year service commitment—those specialties, primarily high-tech specialties, which today are, in the job market, among the strongest committed to young people to come into the private sector. And the Department of Defense has to have a compensation package so that we can fairly compete with these offers from the private sector and to fairly treat those who have gone through this arduous period of technical training, to fairly treat them in recognition of their abilities in this high-tech arena. This is a powerful tool to assist the services in retaining key personnel in the most critical specialties.

Senator MCCAIN, on another part of this bill, was the key proponent of an initiative that would authorize a special subsistence allowance to assist the most needy junior military personnel who are eligible for food stamps under other programs. This allowance would provide those families an additional \$180 a month and would reduce the number of military families on the food stamp rolls.

Now, that is an important initiative likewise that will require a good deal of deliberation on this floor because there are some concerns about it in the Department of Defense. But I think it is a bold initiative and we don't want, to the extent we can avoid it, to have the young men and women of the Armed Forces having to rely on food stamps to support their families.

During the markup of S. 4 in the Armed Services Committee, we incorporated several provisions from S. 169, a bill introduced by Senator CLELAND and cosponsored by the Democratic members of the committee. The committee agreed to include a series of provisions that will enhance the current Montgomery GI bill benefit. These enhancements will eliminate the \$1,200 annual cost-share by service members, will increase educational benefits payments, will permit monthly benefit payments to be paid in a lump sum at the beginning of a semester or school term, and, finally, will at the discretion of the service Secretary permit the service member to transfer educational benefits to his or her dependents. Now, Madam President, if the Senate will indulge me in just a personal recollection, I am privileged to stand here as a U.S. Senator from

Virginia I think solely as a consequence of my very modest active duty in the closing months of World War II, and then once again during the Korean service. That modest service of active duty enabled me to have the GI bill, which gave me, first, my degree in general engineering, followed then, for service in the Korean conflict, by a degree in law. So this Senator wants to support in every way the same opportunities that were accorded to me, which enabled me to achieve the goals that I set for myself, for this next generation. So I salute Senator CLELAND and I hope we can find a means to finance this very important initiative by this extraordinary soldier, citizen, and now Senator from the great State of Georgia.

I want to make it clear to my colleagues that enhancing Montgomery GI bill benefits is a matter before the committee and we have so notified the committee. The Armed Services Committee included these legislative provisions, which were recommended in the recent report of the Commission on Service Members and Veterans Transition Assistance, because these increased benefits will certainly be strong incentives for continued military service. I am confident that Senator SPECTER and, indeed, Senator ROCKEFELLER and others will bring to the attention of the Senate in these few days of deliberation their views on this part of my bill.

When the Armed Services Committee reported S. 4 to the Senate, the CBO

cost estimate was not available. I have now received the estimate for S. 4 from the Congressional Budget Office, and I ask unanimous consent that this last estimate be made part of the RECORD, together with an analysis made by our own staff which in many ways simplifies the comprehensive report of this important piece of work.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 12, 1999.

Hon. JOHN W. WARNER,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 4, the Soldiers', Sailors', Airmen's, and Marines' Bill of Rights Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

BARRY B. ANDERSON,
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 4—SOLDIERS', SAILORS', AIRMEN'S, AND MARINES' BILL OF RIGHTS ACT OF 1999

Summary: S. 4 would increase various elements of compensation for current and former members of the armed forces. Specifically, it would increase pay for military personnel, provide a special allowance for low-income members, increase retirement benefits for certain members, increase educational benefits, and allow members on active duty to participate in the Thrift Savings Plan.

Assuming appropriation of the necessary amounts, enactment of the bill would raise discretionary spending by about \$1.1 billion in 2000 and \$13.8 billion over the 2000–2004 period. In 2009, those costs would total about \$6.5 billion. Because the increase in retirement benefits would apply only to members who entered the service after July 1986, annual costs would continue to rise for a few years after 2009. Additional benefits earned under the proposal between August 1, 1986, and the effective date would add about \$4.5 billion to the unfunded liability of the military retirement trust fund.

Because the bill would affect direct spending and revenues, pay-as-you-go procedures would apply. Increased educational benefits and higher annuities for certain military retirees would increase direct spending by about \$765 million a year over the 2000–2004 period. In 2009 direct spending costs would total about \$2.6 billion. The annual direct spending costs for military retirement would eventually be about 11 percent higher than spending under current law. Greater use of education benefits under the bill would raise long-run costs by about \$3 billion a year. By allowing servicemembers to participate in the Thrift Savings Plan, the bill would lower revenues by \$311 million over the 2000–2004 period and about \$141 million by 2009.

Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that are necessary for the national security. That exclusion might apply to the provisions of this bill. In any case, the bill contains no inter-governmental or private-sector mandates.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 4 is shown in Table 1, assuming that the bill will be enacted by October 1, 1999. Spending from the bill would fall under budget functions 700 (veterans' benefits and services), 050 (national defense), and 600 (income security).

TABLE 1.—ESTIMATED COSTS OF S. 4, AS REPORTED BY THE SENATE COMMITTEE ON ARMED SERVICES

(By fiscal year, in millions of dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
DIRECT SPENDING AND REVENUES										
Proposed Changes:										
Estimated Budget Authority	537	599	870	887	927	1,108	1,435	1,940	2,270	2,633
Estimated Outlays	537	599	870	887	927	1,108	1,435	1,940	2,270	2,633
Revenues	-10	-44	-67	-86	-103	-113	-120	-127	-134	-141
SPENDING SUBJECT TO APPROPRIATIONS										
Proposed Changes:										
Estimated Authorization Level	1,089	2,196	3,118	3,505	3,980	4,373	4,852	5,422	5,952	6,548
Estimated Outlays	1,075	2,164	3,103	3,487	3,963	4,354	4,832	5,400	5,928	6,520

Basis of estimate: The budgetary impact of the bill would stem from three sets of provisions: those affecting military retirement programs, pay of current members, and vet-

erans' education. Table 2 shows the costs of provisions affecting military pay and retirement benefits that would raise direct spending, lower revenues, and raise discretionary

costs to the Department of Defense (DoD). Table 3 shows the increase in direct spending that would result from provisions raising veterans' education benefits.

TABLE 2.—ESTIMATED COSTS OF PROVISIONS AFFECTING MILITARY COMPENSATION IN S.4, AS REPORTED BY THE SENATE COMMITTEE ON ARMED SERVICES

(Outlays by fiscal year, in millions of dollars)

Category	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT OF APPROPRIATION											
Spending Under Current Law for Military Personnel ¹	70,367	73,005	68,472	70,590	70,633	70,633	73,033	70,633	68,233	70,633	70,633
Proposed Changes:											
Retirement Benefits	0	674	862	1,437	1,453	1,541	1,550	1,597	1,709	1,760	1,767
Retention Initiative	0	2	7	15	23	28	31	33	35	37	39
Pay Increases	0	386	1,269	1,625	1,985	2,368	2,773	3,202	3,656	4,131	4,714
Subsistence Allowance	0	13	26	26	26	26	0	0	0	0	0
Subtotal	0	1,075	2,164	3,103	3,487	3,963	4,354	4,832	5,400	5,928	6,520
Spending Under S. 4 for Military Personnel ¹	70,367	74,080	70,636	73,693	74,120	74,596	77,387	74,465	73,633	76,561	77,153
DIRECT SPENDING											
Retirement Annuities											
Spending Under Current Law	31,935	32,884	33,887	34,871	34,956	37,026	38,125	39,233	40,360	41,500	42,657
Proposed Changes	0	1	1	2	2	3	3	5	25	66	125
Spending Under S. 4	31,935	32,885	33,888	34,873	35,958	37,029	38,128	39,238	40,385	41,566	42,782
Food Stamps											
Spending Under Current Law	20,730	21,399	22,431	23,251	23,913	24,629	25,303	26,005	26,715	27,426	28,152
Proposed Changes	0	-3	-5	-5	-5	-5	0	0	0	0	0

TABLE 2.—ESTIMATED COSTS OF PROVISIONS AFFECTING MILITARY COMPENSATION IN S.4, AS REPORTED BY THE SENATE COMMITTEE ON ARMED SERVICES—Continued

[Outlays by fiscal year, in millions of dollars]

Category	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Spending Under S. 4	20,730	21,396	22,426	23,246	23,908	24,624	25,303	26,005	26,715	27,426	28,152
	REVENUES										
Thrift Savings Plan	0	-10	-44	-67	-86	-103	-113	-120	-127	-134	-141

¹ The 1999 level is the estimated spending from amounts appropriated for 1999 and prior years. The current law amounts for 2000–2009 assume that appropriations remain at the 1999 level. If they are adjusted for inflation, the base amounts would rise by about \$2,500 million per year, but the estimated changes would remain as shown.

Sources: Congressional Budget Office and Joint Committee on Taxation.

Retirement benefits

S. 4 contains provisions that would allow current members to participate in the Thrift Savings Plan and increase retirement benefits for members who entered the service after July 31, 1986, and are covered under the system known as REDUX.

Background. The Military Retirement Reform Act of 1986 (REDUX) governs the retirement of military personnel who initially entered the armed forces after July 31, 1986. Under REDUX a retiree's initial annuity ranges from 40 percent to 75 percent of the individual's highest three years of basic pay. Retirees with 20 years of service will receive 40 percent, and the fraction will grow with each additional year of service and reach the maximum at 30 years of service. When the retiree is 62 years old, the annuity is raised in most cases to equal 2.5 percent of the average of the highest 36 months of basic pay for each year of service up to maximum of 75 percent. Also, under REDUX cost-of-living adjustments (COLAs) equal the change in the Consumer Price Index (CPI) less 1 percentage point. However, when the retiree reaches age 62 the annuity is raised to reflect all of the CPI growth until that point, but thereafter annual COLAs continue to equal the CPI less one percentage point.

Current law provides two different formulas for other individuals who become eligible for nondisability retirement benefit but are not covered by REDUX. Military personnel who first became members of the armed forces before September 8, 1980, receive retired pay equal to a multiple of their highest amount of basic pay; the multiple is 2.5 percent for every year of service up to 75 percent. Retirees who first became members of the armed forces between September 8, 1980, and July 31, 1986, receive retired pay based on the average of the highest 36 months of basic pay and the multiplier of 2.5 percent for each year of service. Annuities for both of these groups are fully adjusted for changes in the CPI.

Repeal of REDUX/Optional Lump-Sum Bonus. Under section 201, members who under current law would retire under REDUX would face a choice upon reaching 15 years of service. They could elect to receive a lump-sum bonus of \$30,000 and retire under the REDUX plan or they could forgo that payment and upon retirement receive annuities under the plan in effect for retirees who first became members of the armed forces between September 8, 1980, and July 31, 1986. CBO estimates that total costs to DoD under the provision would total about \$674 million in 2000 and average about \$1.4 billion a year through 2009.

Accrual Costs. Prior to 2009 the primary budgetary impact would stem from the payments that DoD would make to the military retirement trust fund. The military retirement system is financed in part by payments from appropriated funds to the military retirement trust fund based on an estimate of the system's accruing liabilities. Repealing REDUX would increase payments from the military personnel accounts to the military retirement fund (a DoD outlay in budget function 050) to finance the increased liability to the fund resulting from additional

years of service under a more generous system.

CBO estimates that the resulting increase in discretionary spending from the accrual payments would average about \$0.8 billion by 2004 and about \$1.0 billion over the next 10 years. The costs to DoD would increase each year because not all military personnel are covered by REDUX. Under current law the percentage of the force covered by REDUX will grow until everyone in the force will have entered military service after July 31, 1986.

Accrual costs depend on many factors, including endstrengths, projected years of service at the time of retirement, grade structure or salary history, and projected rates of military pay raises, inflation, and interest rates. CBO's assumptions are consistent with the ones used recently by DoD's actuaries. The estimates also assume that in the long run annual pay raises are 4.0 percent, changes in the CPI are 3.5 percent a year, and interest rates for the trust fund's holdings of Treasury securities are 6.5 percent annually. CBO's assumptions about how many individuals would choose lump-sum payments instead of a higher retirement annuity are explained in the following paragraph.

Lump-sum Payments. In addition, CBO estimates that DoD would spend about \$500 million a year for the lump-sum payments, assuming that 50 percent of enlisted personnel and about 40 percent of officers would elect to receive the lower annuity in retirement. That estimate is based on DoD's experience under two buy-out programs in recent years. The Voluntary Separation Incentive (VSI) and the Special Separation Benefit (SSB) were two programs that DoD used extensively during the 1992–1996 period. VSI was a payment over a period of years, and SSB was a lump-sum payment that had a lower present value than VSI. About 86 percent of enlisted personnel selected SSB, and about half of the officers did. Because the present value of forgoing the annuity reduction under REDUX is significantly greater than \$30,000 and because that difference tends to be greater than the difference between VSI and SSB, CBO assumes that smaller fractions of officers and enlisted personnel would opt for the lump-sum payment than chose SSB. The members who would be affected by this provision entered service in 1986; thus, they would not be eligible for the lump-sum payment until 2001.

Direct Spending Under Section 201. Section 201 would also increase direct spending from the military retirement trust fund by \$1 million in 2000 and by about \$233 million over the 2000–2009 period. The outlay impact before 2006 is primarily due to higher cost-of-living allowances for individuals who receive a disability annuity. Starting in 2006 the impact is almost all due to regular retirements. In the long run, direct spending for military retirement would be about 11 percent higher than under current law.

Thrift Savings Plan. Section 202 would allow members of the uniformed services on active duty for a period of more than 30 days to participate in the Thrift Savings Plan (TSP). Contributions would be capped at 5.0

percent of basic pay plus any part of special or incentive pay that a member receives. The Joint Committee on Taxation estimates that the revenue loss caused by deferred income tax payments would total \$10 million in 2000, \$103 million in 2004, and about \$141 million by 2009.

Special Retention Initiative. Under section 203, the Secretary of Defense could make additional contributions to TSP for military personnel in designated occupational specialties or as part of an agreement for an extended term of service. CBO estimates that the discretionary costs from the resulting agency contributions to TSP would total \$2 million in 2000 and would increase to \$28 million by 2004, based on DoD's use of similar authority to award bonuses for enlistment or reenlistment.

Compensation of military personnel

S. 4 contains two sets of provisions that would affect compensation for those currently serving in the military. One would increase annual pay raises and change the table governing pay according to grade and years of service. The other would increase compensation to members who would otherwise be eligible for food stamps.

Pay Increases. Sections 101 and 102 contain provisions that would provide across-the-board and targeted pay raises. Across-the-board pay raises would be a total of 4.8 percent in 2000 and 0.5 percent above the Employment Cost Index (ECI) in future years. Because those raises would be 0.5 percent above the full ECI raise called for in current law, CBO estimates that incremental cost would be about \$197 million in 2000 and average about \$1.7 billion over the 2000–2009 period. The estimate is based on current projections of military strength levels and its distribution by pay grade.

Additional pay raises would be targeted at personnel in specific grades and with certain years of service. The changes to the military pay table would increase basic pay by about \$189 million in 2000 and an average of about \$860 million annually over the 2000–2009 period, based on the pay schedule and pay raises specified in the bill as well as current projections of military strength levels and its distribution by pay grade.

Special Subsistence Allowance. Section 103 would create a new allowance through 2004 for military personnel who qualify for food stamps. Eligibility for the allowance would terminate if the member no longer qualified for food stamps due to promotions, pay increases, or transfer to a different duty station. In addition, a member would not be eligible for the allowance after receiving it for 12 consecutive months, although they would be able to reapply. CBO estimates that the allowance would increase personnel costs by roughly \$13 million in 2000 and \$26 million annually through 2004, based on information from DoD on the number of military personnel who currently receive food stamps.

CBO estimates that most of the 11,000 personnel in grades E-5 or below will remain on food stamps and apply for the special subsistence allowance. However, the additional \$180 of monthly income would replace the average household's monthly food stamp benefit by \$54, resulting in savings of about \$7

million each year in the Food Stamp program over the 2001–2004 period. The special subsistence allowance might also serve as an incentive for eligible but nonparticipating military personnel to apply for food stamps. CBO estimated that 1,500 additional service members who participate in the Food Stamp program in an average month at an annual cost of \$2 million. Thus, this provision is estimated to result in a net savings to the Food Stamp program of \$3 million in 2000 and \$5 million each year over the 2001–2004 period.

Veterans' readjustment benefits

As shown in Table 3, the bill contains four provisions that would raise direct spending for veterans' readjustment benefits, specifically the Montgomery GI Bill (MGIB).

Rates of Assistance. Section 301 would raise the rate of educational assistance to certain veterans with service on active duty. Participating veterans who served at least

three years on active duty would receive as much as \$600 a month instead of \$528 a month as under current law. Similar veterans with at least two years of active duty would be eligible for a maximum benefit of \$488 a month, an increase of \$59 dollars a month. Under section 301, the cost-of-living allowance scheduled for 2000 would not occur. CBO estimates that this provision would increase direct spending by over \$100 million a year over the next 10 years, based on current rates of participation in this program.

Termination of Member Contributions. Section 302 would eliminate the contribution that MGIB participants pay under current law. Unless members elect not to participate in the MGIB, current law requires a contribution of \$1,200 toward the program. Based on current rates of participation, which is nearly universal, CBO estimates that this provision would result in forgone receipts of about \$195 million a year.

Accelerated Payments. Section 303 would permit veterans to receive a lump-sum payment for benefits they would receive monthly over the term of their training, for example, a semester in college or the period of a course's instruction for other forms of training. CBO estimates that this provision would increase direct spending in 2000 by about \$134 million and by about \$27 million in 2001. Increased costs would occur initially as payments from one fiscal year are made in the preceding year. There would be no net effect in subsequent years because in a given year payments shifted to the preceding year would be offset by payments shifted from the following year. CBO estimates that about 50 percent of MGIB beneficiaries would elect to receive an accelerated payment in 2000 and that a total of 60 percent would make that election in 2001 and later years. The estimate is also based on current rates of participation in this program.

TABLE 3.—ESTIMATED COSTS OF PROVISIONS AFFECTING VETERANS' READJUSTMENT BENEFITS IN S. 4, AS REPORTED BY THE SENATE COMMITTEE ON ARMED SERVICES

(Outlays by fiscal year, in millions of dollars)

Category	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
DIRECT SPENDING											
Spending Under Current Law for Veterans' Readjustment Benefits	1,374	1,366	1,372	1,385	1,397	1,400	1,405	1,411	1,424	1,446	1,472
Proposed Changes:											
Rates of Assistance	0	98	100	101	103	104	105	106	108	110	113
Member Contributions	0	197	195	195	195	195	195	195	195	195	195
Accelerated Payments	0	134	27	0	0	0	0	0	0	0	0
Transfer of Entitlement	0	110	281	577	592	630	805	1,129	1,612	1,899	2,200
Subtotal—Proposed Changes	0	539	603	873	890	929	1,105	1,430	1,915	2,204	2,508
Spending Under S. 4 for Veterans' Readjustment Benefits	1,374	1,905	1,975	2,258	2,287	2,329	2,510	2,841	3,339	3,650	3,980

Transfer of Entitlement. Section 304 would provide DoD with the authority to allow military personnel to transfer their entitlement to MGIB benefits to any combination of spouse and children. CBO expects that DoD would use the authority in 2000 to enhance recruiting and retention and that the benefit would be limited to current members of the armed forces and those who might join for the first time. Over the first five years almost all of the estimated costs would stem from transfers to spouses, who would tend to train on a part-time basis. Transfers to members' children are estimated to begin in 2004, and spending for children's education would account for more than half of the program's cost beginning in 2006. CBO estimates that the provision would raise costs by about

\$110 million in 2000, about \$2.2 billion over the first five years, and about \$9.8 billion over the 2000–2009 period. In the long run, costs would rise to about \$3 billion a year. If the benefit were awarded to current veterans, CBO estimates that the costs would be a couple of billion dollars higher over the 2000–2009 period.

CBO assumes that about 35 percent of all MGIB participants would transfer their entitlement to their spouses and children. Currently, about half of all MGIB participants do not use their benefits, thus about 70 percent of the remaining half are expected to transfer it. CBO estimates that about a third of the transfers would be to spouses and that eventually about 200,000 spouses each year would receive a benefit for part-time training, averaging about \$2,700 in fiscal year 2000.

CBO estimates that in the long run over 500,000 children of members or former members would use the educational assistance each year but that level would not be reached until about 2013. Full-time students would receive about \$5,400 in 2000 under the bill.

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal years, in millions of dollars—										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	0	537	599	870	887	927	1,108	1,435	1,940	2,270	2,633
Changes in receipts	0	-10	-44	-67	-86	-103	-113	-120	-127	-134	-141

Intergovernmental and private-sector impact: Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that are necessary for the national security. That exclusion might apply to the provisions of this bill. In any case, the bill contains no intergovernmental or private-sector mandates.

Previous CBO estimate: On September 28, 1998, CBO prepared a cost estimate for a proposal to repeal the Military Retirement Reform Act of 1986 (REDUX). This estimate relies on many of the same actuarial assumptions, models, and estimates from the Office of the Actuary at DoD that CBO used in the earlier estimate. However, this estimate also reflects the provisions of S. 4 that would offer certain members an option to stay under the REDUX system and that would raise the pay base applicable to computing the costs of military retirement.

Estimate prepared by: Federal Cost: The estimates for defense programs were prepared by Jeannette Deshong (military and civilian personnel) and Dawn Sauter (Military retirement and veterans' benefits). They can be reached at 226–2840. Valerie Baxter prepared the estimates for food stamps. She can be reached at 226–2820. Impact on State, Local, and Tribal Governments: Leo Lex (225–3220). Impact on the Private Sector: R. William Thomas (226–2900).

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

THE COST OF S. 4
MAJOR POINTS

Majority of the discretionary incremental increase in S. 4 over the Administration's plan is due to the larger pay raises after FY 00, (4.4% in S. 4 versus 3.9% in the budget request).

Direct spending in S. 4 is attributable to changes in the Montgomery GI Bill (MGIB).

Revenue loss in S. 4 is due to the institution of a military Thrift Savings Plan (TSP).

The direct spending and the loss of revenues makes S. 4 subject to a budget point of order.

Background. The Congressional Budget Office (CBO) has provided a cost estimate of S. 4, The Soldiers' Sailors', Airmen's and Marines' Bill of Rights Act of 1999 and the cost for the Administration's pay raise and retirement plan. In developing the cost of the Administration's plan, CBO used two different sets of economic assumptions, making a direct comparison to S. 4 difficult. One cost estimate developed by CBO, costs the Administration's plan using lower ECIs than what is currently reflected in the budget request (this plan is listed as CBO's ECIs). The second cost estimate of the Administration's plan reflects the budget request (this plan is

listed as OMB's ECIs). The basic difference between the two CBO estimates is the size of the military pay raise after fiscal year 2000. Currently, the fiscal year 2000 defense budget request programs future raises at 3.9%. CBO believes that an ECI in the future will be lower and this could lower future pay raises to 3.2%.

Using the pay raise that is currently in the budget request (3.9%), provides for a more direct comparison to S. 4. If ECIs are lowered in the future, subsequent budget requests will reflect this new economic assumption. Summary of the costs for the Administration's plan and S. 4 are below. More detailed CBO cost estimates are attached.

(In billions of dollars)

	FY00	FYDP	FY 00-09
S. 4:			
Discretionary Spending	1.075	18.146	40.826
Direct Spending .....	.537	4.928	13.206
Loss of Revenues	(.010)	(.423)	(.522)
Administration's Plan (OMB ECI):			
Discretionary Spending	1.497	15.764	35.767
Direct Spending .....	.001	.008	.351
Loss of Revenues	NA	NA	NA
Administration's Plan (CBO ECI):			
Discretionary Spending	1.497	13.889	24.281
Direct Spending .....	.001	.008	.351
Loss of Revenues	NA	NA	NA
S. 4 vs Administration's Plan (OMB ECI):			
Discretionary Spending	(.422)	2.382	5.059
Direct Spending .....	.536	4.920	8.147
Loss of Revenues	(.010)	(.423)	(.522)

Mr. WARNER. Madam President, the CBO estimates that enactment of S. 4 will raise discretionary spending by about \$1.1 billion in fiscal year 2000 and \$13.8 billion over the 2000-2004 time period. There are, of course, direct spending and forgone tax revenue issues that we will have to overcome. I have been working with Senator DOMENICI, Senator STEVENS, and others to address these issues in the budget resolution and the defense authorization bill, which are ongoing deliberations.

The important perspective to consider here is that, even though this bill is expensive, the alternative is unacceptable. I wish to stress that: The alternative is unacceptable. We, simply, as a nation—the leader of the world, with the strongest and the largest armed force of any nation in the world, an armed force which is deployed overseas, now, in many places, preserving freedom and trying to secure freedom for others—we simply cannot allow the best military force in the world to wither and atrophy. We must be prepared to pay the price in dollars to fulfill our constitutional duties “To raise and support Armies,” and “To provide and maintain a Navy.” As I and other Members of the Senate—and that is of course taken from the Constitution. And subsequent thereto we have the Air Force, and of course the Marines have been with us forever, but that is the wording out of the Constitution.

As I and the other Members of the Senate have visited military bases here in the United States, in Bosnia, and in other deployment areas, we have found that our young service men and women and their families are doing a tremendous job, under adverse conditions in many cases—tremendous stress on the family—and how proud we are, particularly of the many wives and others in the families who make this system work. It is a family matter.

In order to demonstrate to these highly trained and dedicated military personnel that we appreciate their sacrifices and contributions, we must move quickly to pass this legislation. Such action will permit military personnel and their families to make the decision, hopefully, to continue to serve and will assist the military services in recruiting the high-quality force we have worked so hard to achieve. And that means front-end acquisition at the recruiting stations.

I am proud to be a cosponsor of this important legislation and again salute those of my colleagues who were the early pioneers—Senators LOTT, MCCAIN, ROBERTS, and others—and I am proud to join with them today in presenting this bill to the Senate.

Also, Madam President, I want to bring to the attention of the Senate a very important letter which arrived here just late Friday from the Secretary of Defense. I ask unanimous consent to have this printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF DEFENSE,

Washington, DC, February 19, 1999.

Hon. JOHN W. WARNER,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR JOHN: I am following up on the comments General Shelton and I made concerning S. 4, the Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999 during our posture hearing before your committee. First, let me thank you for your early action to endorse the President's initiative to improve compensation for our military personnel. I fully appreciate the desire of the Committee to take the lead for the Senate on these important matters. Unfortunately, there are a number of elements of the bill which cause concern and the Department has not had an opportunity to testify on this bill and outline concerns. So I am taking this opportunity to present to you our reservations.

Again, let me emphasize that I sincerely appreciate your endorsing key elements of the Department's proposal, including: (1) a large across-the-board pay raise increase for military service members; (2) substantial increases in retirement benefits, such that all members can receive a retirement pay that is 50% of their average high salary at 20 years, vice 40% for many members; and (3) reform of the military pay tables, including increased raises for promotions. I especially appreciate your endorsement of pay table reform which more than anything will correct pay inequities. These three items are fully funded in the defense budget I submitted last month.

S. 4 propose even larger pay raises, higher cost-of-living adjustments, and other items which are not in the budget I submitted. I estimate that these additional items will cost \$7 billion in discretionary funding through FY2005. I am concerned that until there is a budget resolution that sets the defense budget level, this bill constitutes an unfunded requirement on the Department. Absent an increase in the topline for Defense, these items will only displace other key elements of our program. It could be counterproductive and completely contrary to our mutual desire not to undercut our modernization effort and other readiness priorities. For these reasons, it is imperative to proceed within the regular authorization process and after we have agreement on a budget topline.

S. 4 also contains expanded education benefits for veterans and their dependents that would incur costs in addition to the \$7 billion noted above. These benefit proposals stem in part from the just-released Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance. The Department was not asked to testify before the Senate Armed Services committee on S. 4 and the Senate Veterans Affairs Committee held only one hearing on the commission's report. As the Department had only a limited opportunity to review and comment on the commission's recommendations, I believe that the commission's significant policy changes contained in S. 4 warrant additional study. Implementing these expanded levels would equate to a 36% increase before inflation within one year. I believe the impact of last year's increases should be considered before enacting further changes.

I appreciate the Committee's intent to address the legitimate needs of servicemembers regarding pay and retirement. However, I am concerned that S. 4 could have the opposite effect by raising hopes that cannot be fulfilled until the final budget number is set. Resolving these questions within the normal authorization and budget processes is by far the most desirable approach.

Sincerely,

BILL COHEN.

Mr. WARNER. “Dear John,” writes our former colleague Senator COHEN,

I am following up on the comments General Shelton and I made concerning S. 4, the Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999 during our posture hearing before your committee. First, let me thank you for your early action to endorse the President's initiative to improve compensation for our military personnel. I fully appreciate the desire of the Committee to take the lead for the Senate on these important matters. Unfortunately, there are a number of elements of the bill which cause concern and the Department has not had an opportunity to testify on this bill and outline our concerns. So I am taking this opportunity to present to you our reservations.

On the question of the opportunity to testify, of course we had the two hearings, one in September and again this January, so there was a great deal of testimony that was used directly in formulating this bill. However, the subcommittee, under the distinguished chairman Senator ALLARD, will be meeting this week to take up further hearings on the bill.

Again, let me emphasize that I sincerely appreciate your endorsing key elements of the Department's proposal, including: (1) a large across-the-board pay raise increase for military service members; (2) substantial increases in retirement benefits, such that all members can receive a retirement pay that is 50% of their average high salary at 20 years, vice 40% for many members; and (3) reform of the military pay tables, including increased raises for promotions. I especially appreciate your endorsement of pay table reform which more than anything will correct pay inequities. These three items are fully funded in the defense budget I submitted last month.

S. 4 proposes even larger pay raises, higher cost-of-living adjustments, and other items which are not in the budget I submitted. I estimate that these additional items will cost \$7 billion in discretionary funding through FY2005. I am concerned that until there is a budget resolution that sets the defense budget level, this bill constitutes an unfunded requirement on the Department. Absent an increase in the topline for Defense, these items

will only displace other key elements of our program. It could be counterproductive and completely contrary to our mutual desire not to undercut our modernization effort and other readiness priorities. For these reasons, it is imperative to proceed within the regular authorization process and after we have agreement on a budget topline.

That is constructive criticism, but at the same time I think it is very important, and again I commend our leadership, that we lay this bill down today to send a signal to the men and women of the Armed Services that the U.S. Senate on the first bill, really, to be taken up in this new Congress—that is the type of priority that we attach their pay, retirement, and other benefits.

S. 4 also contains expanded education benefits for veterans and their dependents that would incur costs in addition to the \$7 billion noted above. These benefit proposals stem in part from the just-released Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance. The Department was not asked to testify before the Senate Armed Services Committee on S. 4 and the Senate Veterans Affairs Committee held only one hearing on the commission's report. As the Department had only a limited opportunity to review and comment on the commission's recommendations, I believe that the commission's significant policy changes contained in S. 4 warrant additional study.

I assure my good friend, Secretary Cohen, that study is ongoing and will be thoroughly debated here in the coming days.

Implementing these expanded levels would equate to a 36% increase before inflation within one year. I believe the impact of last year's increases should be considered before enacting further changes.

I appreciate the Commission's intent to address the legitimate needs of servicemembers regarding pay and retirement. However, I am concerned that S. 4 could have the opposite effect by raising hopes that cannot be fulfilled until the final budget number is set. Resolving these questions within the normal authorization and budget processes is by far the most desirable approach.

I can respect that viewpoint from our good friend, our recently departed colleague. But nevertheless, we are going to forge ahead and do our very best to achieve the basic goals for which he, I think, very courteously applauds us as a committee and those Members who have worked on it.

Madam President, following his letter, I would like to put in a letter by the military coalition which, again, draws the debate lines on these several points that I have raised. I will perhaps refer to this later, but at this time, I want to yield the floor so my distinguished colleague can give his remarks.

PRIVILEGE OF THE FLOOR

Madam President, I ask unanimous consent that the staff members of the Committee on Armed Services, appearing on the list which is appended hereto, be extended the privilege of the floor during the consideration of S. 4.

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

Mr. WARNER. I thank the Chair.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Madam President, Members of this body are keenly aware of the demands we place on our troops, the circumstances in which they live and work and the fact we often pay them less and expect them to do far more than employers in the private sector.

I commend Secretary Cohen, General Shelton, and the Joint Chiefs of Staff for recognizing that military recruitment and retention has begun to suffer and for acting forcefully to address this problem.

The fiscal year 2000 defense budget includes funding for an across-the-board increase in military salaries, targeted pay raises to better reward performance, and a change to the military retirement system to place service members who entered after 1986 on a footing more comparable to those who entered the service at an earlier date. These changes should help provide fairer compensation to our men and women in uniform, and we should act together to enact them into law.

The bill before us contains provisions similar to those proposed by Secretary Cohen's budget, but there are several ways in which the benefits offered by S. 4 are even more generous. It includes the following: First, the administration proposal contains a 4.4-percent across-the-board pay increase. S. 4 contains a 4.8-percent pay raise.

Second, the administration budget assumes, but does not require, pay raises of 3.9 percent a year for the remainder of the FYDP. S. 4 mandates in permanent law raises of .5 percent more than the employment cost index.

Third, the administration proposal would restore the same 50 percent of base pay for post-1986 retirees as for pre-1986 retirees. S. 4 would provide the same change while also restoring the more generous pre-1986 full CPI COLAs. Under S. 4, post-1986 retirees could accept a one-time, lump-sum payment of \$30,000 and opt out of this generous retirement system.

Fourth, S. 4 authorizes active duty service members to participate in the Thrift Savings Plan for Federal employees. The administration proposal contained no similar provision.

Fifth, S. 4 contains a special allowance for service members who are eligible to receive food stamps. The administration proposal contained no similar provision.

And sixth, S. 4 contains provisions first proposed by Senator CLELAND and consistent with the recommendations of the Congressional Commission on Service Members and Veterans Transition Assistance to improve the educational benefits provided to service members through the GI bill. The administration proposal contained no similar provision.

I have some concerns about a number of these provisions, but there is little doubt that they would substantially

improve the pay and benefits available to members of the Armed Forces. The GI bill provisions, in particular, should provide substantial incentives to help address the current recruiting and retention problems facing the military services, while offering our men and women in uniform an educational opportunity in the proudest tradition of our country.

For this reason, I agree with the sponsors of the bill that we should do what we can to make these benefits a reality. So on that question, I hope there is no Member of this body, and I know there is no member of the Armed Services Committee not in agreement that we should do what we can to make these benefits in S. 4 a reality.

But the question is, How can we best make that happen. Do we best serve the interests of the troops by bringing this bill to the floor for consideration before we have passed a budget resolution and before we know whether money will be available to pay for this bill? Do we best serve our troops by separating the pay and the benefits issues from the rest of the authorization, even if that can force us to delay improvements in living and working conditions, and even if that forces us to postpone the introduction of new equipment? Or would we better serve the interest of our troops by considering the provisions of this bill in our normal authorization process after the budget resolution has been passed and we have had an opportunity to conduct hearings on the specifics of the proposal in our Personnel Subcommittee?

Madam President, I want to alert my colleagues that regardless of whether we pass this bill now or later, we will have to face up to some significant issues down the road. Our military leaders have told us that they want us to change the military retirement system, but the proposals in S. 4 are very different from their proposal. Indeed, Secretary Cohen and General Shelton recently testified that they would support the added benefits in this bill only if—and I emphasize only if—they are paid for without cutting into other defense programs. At this point in the legislative cycle, before we have agreed upon a budget, we cannot give them that assurance, and we cannot give our troops that assurance.

For this reason, the Secretary of Defense wrote the committee last Friday to express strong concerns about whether this bill could be paid for without an adverse impact on national defense. My good friend, Senator WARNER, has read the letter, but I am just going to focus on a couple of paragraphs in that letter because of Secretary Cohen's concerns about whether this bill could be paid for without an adverse impact on the national defense.

Here is what Secretary Cohen wrote in part:

S. 4 proposes even larger pay raises, higher cost-of-living adjustments, and other items which are not in the budget I submitted. I estimate that these . . . items will cost \$7 billion in discretionary funding through

FY2005. I am concerned that until there is a budget resolution that sets the defense budget level, this bill constitutes an unfunded requirement on the Department. Absent an increase in the topline for Defense, these items will only displace other key elements of our program. It could be counterproductive and completely contrary to our mutual desire not to undercut our modernization effort and other readiness priorities. For these reasons, it is imperative to proceed within the regular authorization process and after we have agreement on a budget topline.

And further on, Secretary Cohen said the following:

I appreciate the committee's intent to address the legitimate needs of servicemembers regarding pay and retirement. However, I am concerned that S. 4 could have the opposite effect by raising hopes that cannot be fulfilled until the final budget number is set. Resolving these questions within the normal authorization and budget processes is by far the most desirable approach.

Madam President, this is an expensive bill. The Congressional Budget Office estimates that the enhanced pay in benefits provided for in S. 4 will cost almost \$12 billion more than the administration proposal over the next 6 years. The increases over the President's budget include added costs of \$5.6 billion for the more generous pay raises in the bill, \$1.2 billion for the enhanced retirement and Thrift Savings Plan provisions, \$100 million for the special subsistence allowance, and \$4.9 billion for the new GI bill provisions.

For several reasons, it would appear possible that these estimates may be understated.

First, the CBO estimate assumes that 50 percent of the enlisted personnel and about 40 percent of officers would elect to receive a \$30,000 lump-sum bonus in lieu of a higher annuity in retirement. However, the Chairman of the Joint Chiefs of Staff has raised serious concerns about the \$30,000 buyout, and testified that the Chiefs will recommend that the troops opt instead for the more expensive retirement annuity.

Second, while the current law governing military pay raises includes a discretionary formula, setting the COLA at .5 percent below the rate of inflation, allowing the President to take into account a broad array of factors, this bill would establish a mandatory COLA at .5 percent above the rate of inflation forever. The CBO estimate addresses the change in the anticipated formula, but because CBO estimates are limited to a narrow budget window, that estimate does not address the added cost to the pay raise that goes on without any time limit whatsoever.

And third, and finally, if Congress stands by the historic concept of pay equity and provides annual pay increases for civilian employees of the Federal Government equal to those proposed in this bill for members of the military services, the Department of Defense would face a substantial bill for increased civilian pay as well; and, of course, our overall budget outside of the Department of Defense would also have a substantial bill for increased civilian pay as well.

Madam President, little consideration appears to have been given to how we will pay for these increased benefits. At least three 60-vote points of order could be made against this bill under the provisions of the Budget Act—because it would exceed mandatory spending allocations, it would reduce revenues, and it would increase the deficit. That stark fact should demonstrate that we are considering this bill outside the normal legislative cycle. There could be serious consequences to acting on a major spending authorization for fiscal year 2000 and beyond separate from the authorization bill of which it is a part and before we have even considered the budget resolution for fiscal year 2000.

Do we intend to revise the budget agreement to pay for this bill? If so, where will the money come from? Will we take it out of surplus? Or will we make some as yet unspecified cuts in the already tight budget for domestic programs to pay for it? At this early point in the legislative cycle, we simply do not know. We can only say that unlike the administration's pay and retirement proposal, which was fully paid for in the President's budget, this bill represents a promise to the troops that may or may not be possible to redeem.

If the defense budget is not substantially increased, and if the bill before us is adopted by the House and becomes law, we would need to cut the readiness and modernization accounts to offset the costs of this bill. As the Secretary of Defense has pointed out, such cuts coming at a time when our senior military leadership have already expressed concerns about our readiness could have a serious impact on our national security. For this reason, the Secretary of Defense and the Chairman of the Joint Chiefs of Staff stated that they would support the increased benefits contained in the bill only if the additional money does not come out of other defense programs.

Now that is really the key to this. Will these benefits, which we all would like to see put in place, come from other defense programs or will there be a new budget agreement? We do not know. We should know before we act on this bill; but we are not going to know. This bill comes to the floor without knowing the answer to that critical question: whether or not these benefits are going to come out of other defense programs or whether there will be a new budget agreement which lifts the cap for defense.

When Secretary Cohen and General Shelton testified before the Armed Services Committee on February 3, the Secretary stated that any further increases to military pay and benefits should be considered in conjunction with the defense authorization bill. And here is what the Secretary said:

[W]e do have to propose this as a package, because if we raise expectations unrealistically and we cannot fulfill them we have done a disservice to our troops. Secondly, if we are going to take it out of the readiness

accounts and procurement, we have also done a disservice. So the package that we have put together we think makes sense and we hope that any variation will be paid for, period.

That is pretty stark and pretty succinct. It comes from our top military leadership that "we hope that any variation will be paid for, period." The increases in this bill above the increases in the President's budget are not paid for in this bill. The Secretary of Defense says, "we hope that any variation will be paid for, period."

Now, we are not doing the troops a favor if we say that we are going to increase their benefits but then do not follow through with the appropriation that is necessary to increase their benefits. I do not think there is a member of the Armed Services Committee or a Member of this body who does not believe we should increase the benefits as much as we can to our troops. They deserve it. But we are doing this in a vacuum, separate from the defense authorization bill. And that opens the possibility that we would be passing a bill which says we will give you these extra benefits but then down the line when it comes to an appropriations process or a budget process there is no added funds for defense, and then either these benefits are not funded later on, which would be terrible after we promised them, or we will take the increase out of readiness or modernization or out of housing or some other needed aspect of our defense budget.

So I believe that every Member of this body would like to support the improved pay and benefits that would be afforded to our men and women in uniform by this bill. And the question is not whether this additional step is a desirable one—it is—but we should take it only if we can pay for it. And we have to know whether or not we are going to be able to pay for it or else we could be doing damage to morale instead of increasing the needed benefits for our troops.

So, for this reason, I may offer an amendment at an appropriate time to express the sense of the Senate that the provisions of this bill are subject to further consideration in the authorization and the appropriation process, after we have agreed on a budget resolution and a determination can then be made whether sufficient funds are available to pay for the bill and a sufficient determination could be made as to what impact those changes will have, if any, on needed readiness and modernization programs in the Department of Defense.

I believe that approach would give us an opportunity both to do what this bill does, which is to send an early message to the troops, which the sponsors of the bill have suggested, while at the same time demonstrating some care and some caution by indicating, consistent with the request from the Secretary of Defense, which is now in the RECORD, that the bill will receive further consideration as part of this

year's defense authorization bill, after we have passed a budget and after we know how much money will be available for national defense.

Madam President, I yield the floor, and I thank the Chair.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Madam President, I think the argument has been framed. My friend and colleague points up his desire to follow the procedures that he and I followed for 21 years as a member of the Armed Services Committee. But, Madam President, I accept responsibility for bringing up this bill early and encouraging our leadership to give me their support. And here is the reason. Let me just give you one example of the problems we are seeing in our military today.

During fiscal year 1998, the military lost 1,641 more pilots than they expected.

They very carefully planned for a certain amount of attrition through retirements at the end of 20 years—or whenever it may be—and for those persons who decided not to make the military a career, it was time to accept other challenges. Those figures show you have to retain a certain percentage in each of those key pay grades of pilots in order to keep the airplane flying, in order to fulfill the missions abroad. President Clinton has sent the men and women of the Armed Forces of the United States abroad more than any other President in the history of this great Nation. We need these people, particularly the airmen. We are 1,641 airmen short.

Let's translate that into dollars. The average cost to train a military pilot is about \$5.8 million. To replace 1,600 pilots will cost the Department of Defense over \$9 billion—repeat, \$9 billion. If the enhanced benefits within this bill—the subject of criticism by my colleague—can reduce the unprogrammed losses of pilots by even one-third, we will have more than made up for the additional costs of S. 4 compared to what the Department of Defense bill sent up. There is an example.

If you need one more, it is right here. Last year, the Army missed the recruiting goals by about 800. The Navy missed their recruiting goals by 7,000. So far this year, the Army has failed to meet the first quarter of this new fiscal year goals by 2,500. According to the Army's own estimates, they will in 1999—unless this bill and other signals that we send change the course—they will in 1999 have 10,000 fewer recruits than what they need to man the forces all over the world.

What does that mean, Madam President? That means that some soldier must stay that added time overseas on an assignment, away from his family, or be recalled from his assignment here in the United States to go overseas and replace another, more often than he or she ever anticipated. As a result, these

people are getting out of the middle pay grades and the youngsters aren't coming in.

I will take responsibility for bringing up this bill. I will take responsibility for going in for the high figures for this pay increase. Yes, we will accept that, because in any negotiation that I have to undertake with the chairman of the Appropriations Committee and the chairman of the Budget Committee, I want to go in with a top figure, hoping I can do better than what the administration came up with in their pieces of legislation.

These are the problems we are facing, the real problems—shortfalls, shortfalls, shortfalls—resulting in loss of time with family, fewer skills, and the inability to attract and find young men and women to come into the services.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Madam President, I agree with my good friend from Virginia in terms of the need to both attract and retain people. It is also important that we pay for the benefits in this bill.

We are not doing anybody a favor if we say we are going to increase the pay, and then we cut their housing. We are not doing anybody a favor if we say there will be an added pay increase to what the President proposes, and then cut flying hours and steaming hours so that people don't have the training that they want as members of the military.

I don't know of anybody who is more keenly aware of the need to both recruit and retain people than our Secretary of Defense. I can't think of anybody other than the Chairman of the Joint Chiefs and the Joint Chiefs themselves who are more keenly aware of these shortfalls. That is why we have these increases in the President's budget. But the Secretary of Defense, who is responsible for increasing recruitment and retention, has proposed a budget to us which he believes will do just that. He says in his letter to both the chairman and to me:

... it is imperative to proceed within the regular authorization process and after we have agreement on a budget topline.

The reason he said that is because, "It could be counterproductive and completely contrary to our mutual desire not to undercut our modernization effort and other readiness priorities" to do otherwise.

So in terms of the benefits in this bill, I am not one who is criticizing the benefits in this bill at all. I commend these benefits. I just want to pay for them. That is the only issue. Whether we are going to pay for these benefits or we are just going to say in a bill that these benefits are going to be increased, without knowing where the increase is coming from, without knowing whether the budget resolution is going to put more money in for defense, without knowing whether or not these increases in benefits, this pay, and retirement are going to come out

of readiness, modernization, housing, or where they will come from in there is not a top line.

The benefits, it seems to me, are appropriate. But paying for them is essential, or else we are going to unleash two things. One is false hopes, which will then be dashed, which is, it seems to me, the worst of all worlds—false hopes in our uniformed military people that they will be getting a pay raise larger than the one proposed by the President. Or we are going to be carrying through with the provisions of this bill, and unless there is an increase in the top line, we will be seeing a degradation in readiness or modernization or housing or other important needs, both of the Nation and of our uniformed military personnel.

So I am very supportive of the benefits in this bill. What I am pointing out is the missing part of this bill. This is half a bill. This isn't a full bill. This is half of the bill. This is increasing the benefits but it is not saying how we will pay for those benefits. It is half the ledger without the other half of the ledger. That is the problem with this bill.

It seems to me what we should do is what the Secretary of Defense has suggested, which is to make these benefits part of the overall authorization bill, which is where they belong and where, traditionally, they have always been lodged and where they have always been considered.

We, hopefully, can provide these benefits. I hope and pray we can provide these benefits. They are useful benefits. But we have to pay for them or else we are not doing the responsible and thoughtful thing. We must pay for them as the Secretary of Defense has urged us to do. Otherwise, in his words,

I am concerned that S. 4 could have the opposite effect by raising hopes that could not be fulfilled until the final budget number is set.

And the "opposite effect" that he is referring to is addressing the legitimate needs of service members regarding pay and retirement.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

PRIVILEGE OF THE FLOOR

Mr. ALLARD. Madam President, I ask unanimous consent Doug Flanders of my staff have floor privileges during the entire debate on the Senate floor.

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

Mr. ALLARD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. ROBB. Madam President, I express my appreciation to my colleagues, particularly the Senator from Colorado, for giving me a moment to

get over to the floor before he begins his address.

PRIVILEGE OF THE FLOOR

Mr. ROBB. Madam President, I ask unanimous consent that during the floor consideration of S. 4, Herb Cupo, a congressional fellow from the Department of the Navy, be granted floor privileges.

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

Mr. ROBB. Madam President, as a cosponsor of S. 4, the Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999, I am pleased that we are moving forward on this legislation.

S. 4 provides the resources to begin to reverse the steady downward spirals we have seen in military retention and recruiting.

S. 4 provides significant pay raises, improved retirement pay, and enhanced GI bill benefits. It is an important step—one of several—that the Congress must take this year to help the military pull out of what the Chairman of the Joint Chiefs describes as “a nosedive that might cause irreparable damage to this great force.” It is also a strong signal to our most important military asset—our men and women in uniform, and their families—that we are serious about taking care of them.

Being a cosponsor, however, hasn't alleviated my concern that we may be moving too quickly on this legislation. This bill has substantial budgetary implications, many of which we are only beginning to quantify.

Specifically, we don't know yet exactly what this bill will cost, nor whether it is structured to best fix ongoing retention and recruiting problems. Moreover, we haven't yet taken the time to assess where any additional defense dollars should be spent in the broader context. For example, if we put some of these additional funds toward new equipment, we could improve our ability to fight in future wars, and by providing our troops with higher quality, more reliable equipment, we also improve recruiting and retention. This is just one of many examples of why I believe—as the ranking member of the committee believes—that it is important to think through any defense budget increases in a strategic and not just a piecemeal manner.

Now, one way to improve the bill to ensure that we are improving recruiting and retention in a more direct and cost-effective manner is to closely align any pay increases with problem specialties. Along with Senators CLELAND and KENNEDY, I intend to offer a “Special and Incentive Pay Amendment” to S. 4, which I filed on February 3.

This amendment targets certain smaller categories of military service where our retention challenges are particularly daunting, categories where we recruit highly skilled personnel, provide them costly training, and then fight to induce these individuals to remain on active duty when they face

uniquely difficult or dangerous missions, coupled with powerful financial incentives to leave the military for the civilian sector. Examples include career enlisted fliers, Navy SEALs, and Navy surface warfare officers.

Only 25 percent of our surface warfare officers remain on active duty through their department head tour, which normally comes between the sixth and eighth year of commissioned service. During the drawdown, this wasn't a particular problem, but now with smaller numbers of ships in the fleet, we simply don't have the officers to maintain and man critical at-sea billets.

In the Navy SEAL community, attrition has increased over 15 percent in the past 3 years, while demand for these highly trained individuals by our warfighting CINCs has increased sharply.

In fiscal year 1998, manning in another category of highly trained and difficult individuals—Navy divers—was below 85 percent. That same year, only about 60 percent of our military career linguists met or exceeded the minimum requirements in listening or reading proficiency. A host of retention problems exist for nuclear-qualified officers and enlisted personnel as well.

The amendment does several things. It establishes a special pay for surface warfare officers and Navy SEALs to encourage them to remain in the service at critical points. It provides added incentive pay for our Navy and Air Force enlisted aircrews. Several existing bonuses are increased, including those for divers, nuclear qualified officers, linguists, and other critical specialties. Finally, the enlisted bonus ceiling is increased.

These are critical remedies for critical specialties. The Nation simply can't afford to continue to pay as much as we do to recruit and train these talented individuals only to see them leave the service out of frustration over the inadequacies of their pay and benefits.

Madam President, this special and incentive pay amendment to S. 4 is exactly the kind of targeted “fix” Congress can and should support, and I hope our colleagues will support it when we bring S. 4 up for the votes.

I also intend to offer an amendment to modify existing title 37 legislation with respect to the bonuses we pay to our career aviation officers.

The impact of poor officer retention has been particularly hard on our pilot communities. For example, overall Navy pilot retention decreased to 39 percent in fiscal year 1997 and further declined to 32 percent in fiscal year 1998. This trend is expected to continue for the foreseeable future.

While continuation of midlevel officers represents the greatest aviation retention challenge, there has also been an increase in resignations of more senior aviators, particularly due to intense competition from private industry. To address these problems, the

services have identified a requirement for greater flexibility with their principal aviation retention shaping tool known as aviation continuation pay, or ACP.

The amendment that I have just described would allow the services to do just that. ACP is currently limited to 14 years, and only covers officers in the grades 0-5 and below. This amendment would pay ACP up to 25 years, and expand eligibility one grade to cover officers at the 0-6 level. The maximum aviation continuation payment allowed for each year of additional obligation would go up from \$12,000 to \$25,000.

Finally, the provision recognizes the aggregate retention needs of the services by eliminating the requirement to annually define critical aviation specialties.

These refinements to title 37, along with other innovative compensation initiatives this body will consider, should begin to reverse the steady downward trends in aviation retention by allowing each service to tailor compensation programs to meet their specific retention challenges and accommodate their unique career path requirements.

I might add that both of these amendments I have referred to have the full support of the Department of Defense.

With that, Madam President, I yield the floor. Again, I thank my distinguished colleague from Colorado for his courtesy.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Madam President, S. 4, The Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999, may be the most significant national security legislation approved by the Senate this year. It will provide the basis for major improvements in the welfare of our military personnel and their families, recruiting and retention and, in turn, the readiness of our Armed Forces.

Although I was a cosponsor of the bill introduced by the leadership, the bipartisan bill reported out by the Armed Services Committee is a stronger piece of legislation because it includes a provision revising the benefits under the Montgomery GI bill. This provision proposed by Senator CLELAND will be a major recruiting incentive and provide significant educational benefits to our military personnel and indirectly to families.

Madam President, despite initial criticism by some officials in the Department of Defense, the provision in the bill providing an option to the career service member to choose a \$30,000 bonus and stay in REDUX or a 50 percent retirement is gaining support among the military community. The initial criticism that by choosing the bonus over full retirement would short

change the individual was based on incomplete data. The fact is that a Sergeant First Class in the Army who retires at 20 years under REDUX, who invested the bonus five years earlier in a tax deferred stock fund, would gain \$46,000 more in lifetime benefits than an identical retiree under the full retirement plan.

Madam President, I understand there are concerns, which I share, regarding the potential cost of the bill. Although we have to consider cost, we must also remember that we have the best all-volunteer military in the World. If we are to maintain that caliber force, we must be prepared to pay for it. I support the bill before us and urge the Senate to demonstrate bipartisan support for the bill and for our soldiers, sailors, airmen and Marines.

Madam President, as a final comment, I want to congratulate our new Chairman of the Armed Services Committee, Senator WARNER, and the Majority Leader, Senator LOTT, for designating S. 4 as the first bill considered by the Committee and the Senate. This gesture sends a strong message to our military personnel that they and our national security are foremost in the Senate's interest.

Madam President, I ask unanimous consent that a letter from the Chamber of Commerce of the United States of America on this subject be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,

Washington, DC, February 18, 1999.

Hon. STROM THURMOND,
U.S. Senate, Washington, DC.

DEAR SENATOR THURMOND: The U.S. Chamber of Commerce, the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region, strongly urges you to support S. 4, the Soldiers', Sailors', Airmen's, and Marines' Bill of Rights Act of 1999.

After many years of defense spending cuts, it is now time to reverse the trend and begin focusing on appropriate measures to ensure the United States Military is able to recruit and retain skilled military personnel. Under the provisions of S. 4, the basic pay for members of the uniformed services would increase by 4.8%, effective January 1, 2000.

The U.S. Chamber is concerned about military retention and readiness because without these fundamental aspects of a strong National Security policy, the continued prosperity of the United States economy would be threatened. Within this policy, the United States must stem the erosion of qualified personnel from our armed forces to ensure an adequate level of readiness. Although S. 4 will not address all aspects of military retention, it will send a strong signal that the United States recognizes and appreciates the critical work of members of the United States Military. Thank you in advance of your support for S. 4.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice president,
Government Affairs.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Madam President, I thank the Senator from South Carolina for his remarks, and I appreciate the leadership he has shown over the years on the issues that are important to the Armed Services Committee, on which I serve with him. It is an honor to serve on the committee with both he and Senator WARNER as chairman.

First, I want to commend the Chairman for his efforts. Senator WARNER's leadership on ushering S. 4 to the Senate floor has been significantly important. Without his insistence and courage to move ahead, we could not be where we are today on this bill.

I'm glad this is the first bill to come before the Senate, not just for substantive reasons but for the message we are sending to our men and women in uniform. They put their lives on the line everyday for our freedom and they need to know they will receive what they earn. We need to continually send the message that we care about them and the families they have to leave while on duty.

Unfortunately, I believe this message has not been sent during the last six years. From the Secretary of Defense down, we have been hearing the difficulty the services have had in recruiting and retaining their service personnel, and complaints about the gap between the military and civilian pay. During the last six years, the defense budget has decreased 25 percent in real economic terms, while at the same time our troops have been sent abroad 45 times—and this doesn't include the latest journey into Kosovo. I do not now want to argue the need for all these deployments, but I will say that we cannot keep asking our armed services to do more and more while giving them less and less. This trend must be reversed and fast. S. 4 is the first step in changing this downward trend. But, better pay and benefits is only one step in improving the quality of life for our soldiers. Soon, we must address the problems of frequent deployments, prolonged absences, readiness shortfalls and the other myriad problems facing our military or else all the important changes in this bill will be lost.

The first problem I want to address is the issue of pay. If we want to keep the best and brightest then we need to pay them at levels favorable with salaries in the private sector. The current pay gap is anywhere between 5.5 to 13.5 percent and is projected to exceed 15 percent by the year 2005. Pay raises have lagged behind the average private sector raises for 12 of the last 16 years. I agree with Secretary Cohen and General Shelton when they say that we can never pay our military personnel enough, but we can pay them too little—and that is what has been done over the last decade.

S. 4 provides a much needed 4.8 percent pay raise, the first major raise since 1982. I point out that the 4.8-percent pay raise is the first major pay raise since 1982.

This may not erase the pay gap problem, but at least it is a start to giving

the military what they deserve for the long hours they provide in the defense of our Nation.

One horrendous example of this low pay is the enlisted soldiers on food stamps. The first time I heard that we had military personnel on food stamps I was outraged. Thanks to Senator MCCAIN's and Senator ROBERTS' efforts, S. 4 will address this problem.

According to the Department of Defense, over 11,000 service members are eligible to receive food stamps. Almost as staggering as this problem was the response given to it by the administration. According to a 1997 AP story in the Colorado Springs Gazette newspaper, Pentagon spokesman Kenneth Bacon said, "It's too bad, but it's a function of the size of their family more than anything else." He said that the problem has been around for decades. He said today, "More soldiers are married and have families than in the past."

While I agree with size of the families being a factor, I disagree that this is just "too bad." It is wrong and must be addressed immediately. But since that statement in 1997, the administration has done nothing to fix the problem. That is why I am happy that S. 4 will no longer just say "too bad." This bill will provide \$180 per month subsistence pay for enlisted personnel in grades E-5 and below who voluntarily demonstrate an eligibility for food stamps. The allowance, along with the pay raise, is estimated to help nearly 10,000 military personnel climb above the food stamp wage scale.

Also, a January 31, 1999, Denver Post article highlights another problem associated with low pay, and that is retaining highly trained personnel. The 3d Space Operations Squadron, whose personnel fly our military satellites from Schriever Air Force Base in Colorado Springs, has starting salaries of \$13,000. However, it should be of no surprise that these highly trained personnel are being coaxed to leave the military for the private sector with starting salaries of over \$50,000. While there is no way the military can compete with salaries such as these, a pay raise will help ease the problems of keeping these personnel.

The article also points out that the 3rd Space Operation has a turnover as high as 45 percent. With the commercial space industry booming, especially in Colorado, many of these companies will pay top dollar for these young men and women who haven't even been certified on satellites but have the highly technical training. This results in higher spending in order to train the new people for the vacant slots.

At this point, I ask unanimous consent to have printed in the RECORD this Denver Post article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Denver Post, Jan. 31, 1999]

SATELLITE SAVVY DRAWS DOLLARS—AIR FORCE TRAINING IN BIG DEMAND

(By Erin Emery)

SCHRIEVER AIR FORCE BASE.—Airman Faith Boyd is a 20-something mom with a high school diploma and a job in which making a mistake can have life-and-death consequences for warriors in the field.

Boyd works behind the razor-sharp fences at Schriever Air Force Base, a place that some people say has the feel of a top-secret Area 51. Here, on the barren plains 15 miles east of Colorado Springs, the nation's Department of Defense satellites—about 60 of them worth \$40 billion—are controlled.

Boyd, 23, works in an air-conditioned room full of computers with other Generation Xers. She's assigned to the 3rd Space Operations Squadron, where the mission is weighted in responsibility. The job: manage and maintain satellites that relay communications for the military.

Starting salary: \$13,000 a year.

In two years, though, when Boyd's four-year commitment to the Air Force is completed, headhunters who recruit for companies like Lockheed-Martin, Motorola and Boeing will wine and dine her and try to coax her to leave the Air Force for a job in the private sector.

Starting salary: \$55,000 annually.

"I do feel lucky," said Boyd, who also helps teach newcomers to be satellite systems operators.

The robust commercial space industry is a \$51 billion enterprise worldwide that is expected to triple in size by 2006. As it continues to grow, so will demand for people who can control the satellites.

"You've heard of this guy Bill Gates?" Col. Mike Kelly, deputy commander of the 50th Space Operations Group at Schriever said of the head of Microsoft. "He's putting up Teledesic. He's going to fly a constellation of 288 satellites, the 'Internet in the Sky,' and he's going to need some people to fly them."

One of the places that recruiters will look is Schriever, at 2 SOPS and across the hall, at the 3rd Space Operations Squadron, where young people are controlling the Global Positioning System, a constellation of satellites that relay highly accurate navigational information. Last year, turnover was as high as 45 percent, said Maj. Lee-Volker Cox, operations flight commander. Some of that turnover represented people transferring to other jobs in the military.

"I think that probably the biggest retention issue facing Space Command is the growth of the civilian space industry," said Capt. Paul Hermann, a 1990 Air Force Academy graduate who works in 2nd Space Operations Squadron. "There is no place for those companies to go and get qualified people to do jobs."

EXPERIENCE HARD TO GET

There are about 560 satellites in space, and 1,000 more are scheduled to be launched in the next decade.

Schriever Air Force Base is one of the few places in the world where young people can get hands-on experience flying satellites.

"When you're looking for people in the satellite control business, that certainly is one of the places where you want to look," said Paul Unger, a vice president of Chicago-based A T Kearney Executive Search, which recruits people for executive jobs in the satellite industry. "It's one of those disciplines that you really have to be a by-the-book person. You have to be very disciplined to follow procedures, but you have to be able to snap into action and solve very complex problems that, at times, don't have by-the-book solutions."

But while companies are dangling big dollars in front of people, the Air Force is doing everything it can to keep them—except pay them \$55,000 salaries.

The Air Force is offering a \$4,000 signing bonus to people who agree to work in jobs like Boyd's and enlist for six years instead of four.

WEIGHING THE BENEFITS

Air Force officials are stressing the multitude of benefits offered in the service that may not be found in the private sector: free day care, free legal service and free membership to a base fitness center. Plus, airmen can get college credits for completing technical training and they get a stipend toward tuition to earn a college degree.

Across the military services, a 4.4 percent pay increase—the largest pay increase for service members in several years—kicks in Jan. 1, 2000.

Only five years ago, there wasn't much opportunity in the Air Force for enlisted people like Boyd. Officers out-numbered enlisted personnel three to one; now it is the other way around.

The Air Force has standardized the procedures—the commands that airmen type into computers—for contacting what people in the industry call "birds."

"The procedures say, 'If this happens, do this,'" said Capt. Porf Dubon, who writes instructions for satellite operators.

Standardizing procedures has resulted in dramatic changes in personnel, mainly in their ages.

"There can be nights when probably the oldest person is 25 or 26 years old," said Dubon, 32. "There can be nights when you'll have a crew of 18- to 20-year-olds here by themselves."

Some team members have college degrees, while others have high school diplomas.

After joining the Air Force, airmen take a test that measures aptitude for various professions. Those who have a knack for electronics get the opportunity to come to Schriever and learn to fly satellites. After six months of school—eight hours a day—they go to work controlling satellites but are shadowed by someone with more experience until they become certified satellite systems operators.

HEADHUNTERS CALLING

Sgt. James Butler, 30, who trains people to be satellite systems operators, said headhunters call him about twice a week.

While some companies are offering \$55,000 to do the same job he does in the Air Force, if Butler willing to move, he could make \$65,000 or more in Virginia or Maryland.

"No degree, just experience," Butler said. "We've had calls from people who will pay \$40,000 a year and the people haven't run ops yet, they're not even certified but they've had the training."

Even though Butler, who has been in the Air Force for 11 years, could practically double his salary if he took a job with a private firm, he'll probably stay put. He has only nine years until retirement.

The military is trying to improve its retirement plan so that personnel who entered after 1986 will get 50 percent of their basic pay after 20 years of service, not the current 40 percent.

Though \$55,000 a year looks pretty good, retirement at age 39 looks even better.

Mr. ALLARD. The retention problem is not just felt at space command but cuts across all the services. Secretary Cohen, General Shelton, and all the service secretaries and chiefs say that the men and women are our greatest assets, but, unfortunately, we are losing our greatest assets in mass numbers.

I ask the rhetorical question of whether we would let our planes and ships disappear. Then why should we stand by and let this happen? Planes, ships, tanks, guns, and the rest are useless without properly trained personnel.

The Air Force has stated they are 855 pilots short this year and expect to be short 2,000 pilots by the year 2002. This leaves the Air Force with less experienced pilots and higher training costs. Their enlisted retention is no better.

I would like to refer the Members of the Senate to a chart that I have drawn up here which points out the enlisted retention rate for 1998. The first term reenlistment goal is 55 percent, but in 1998 it was only 54 percent. The second term reenlistment goal is 75 percent but only achieved 69 percent. The career goal is 95 percent while only getting 93 percent reenlistment. This is the first time that the Air Force has failed to meet its retention goals in all three categories since 1981.

Some may believe these numbers are acceptable, but each and every percentage loss hurts the war-fighting skills and readiness across the board for the Air Force.

For the Navy, we only have to look at the recent examples of the USS Enterprise. While deployed in the gulf, the USS Enterprise was short nearly 600 sailors.

I look again to another chart where we talk about the Navy 1998 officer retention rates: surface warfare officers retention, only 25 percent, against a steady state need of 38 percent. Like the Air Force, the Navy aviator retention was 39 percent in 1997 and further dropped to 32 percent in 1998, which falls short of the 35-percent level required to fill critical department head and flight leader positions. Submarine officers had a 27-percent retention rate, which is far short of the 38 percent needed in fiscal year 2001 in order to meet the stated manning requirements. For the vaunted SEAL forces, their rates have fallen to a dismal 58 percent from a historical level of over 80 percent.

The only good news comes from the Army and the Marines. These branches have met their retention goals but have said that they are having major problems in critical war-fighting skill areas which must be addressed to stay at current readiness.

All of these numbers are not to glaze people's eyes over but to open some eyes to the problems our military is facing. These retention problems are real and must be addressed. Inadequate retention only heightens the problems of longer deployments, increased frequency of deployment, and longer work hours due to less personnel.

This not only places our military in precarious and dangerous situations, but places great stress on their families and loved ones.

S. 4 addresses these problems through pay table reforms that focus

the emphasis on those retention problem areas—midcareer NCOs and officers. It will reward promotion and achievement over longevity with bumps in pay ranging from 4.8 percent to 10.3 percent. Plus, we provide new incentives to the services to address their other specific problem retention areas.

According to the Pentagon, another retention problem, and one of the major complaints, is the current Redux retirement system for those who entered service after 1986. I understand the repeal of the current system is one area that is problematic for some Senators. But we have taken the Secretary, the JCS, and all the service secretaries and chiefs at their word that Redux needs to be repealed. No matter how one comes down on this issue, if the retirement system is a retention problem, it simply cannot be ignored. That is why S. 4 addresses the problem in what I believe is a responsible manner. Service personnel who entered the military on or after August 1, 1986, will be given the option to return to the pre-1986 retirement system of 50 percent of base pay for the average of the 3 highest years or take a \$30,000 bonus to stay in the Redux system, which is 40 percent of the 3 high years.

In addition, the bill allows service members to participate in the Thrift Savings Plan by placing up to 5 percent of their pretax base pay into one, or any combination, of the TSP's funds—the G, or government securities fund; the F, or bond fund; the C, or common stock fund.

Further, the bill allows service members to place any enlistment, reenlistment, and the \$30,000 lump-sum bonuses into their TSP.

Unlike General Shelton, I don't find the \$30,000 bonus an insult, but an innovation in providing more market base and higher yielding—a higher yielding retirement fund.

To show you how this can work, here is a chart from an article in the Army Times. It is the third chart I am showing here on the floor where it shows the various pay grades and how the retirement options might be affected through those pay grades.

If we look at E-6 with 20 years, the Redux was \$378,394; pre-1986 it was \$489,942; but then we go to the Redux/bonus and then the buildup in the bond fund is substantial, the buildup shown on the chart would be \$477,174; and if the Redux was invested in a higher yield fund such as the stock fund, we would look at somewhere around \$553,826.

These figures have been projected on this chart through the various grades of E-7 for 20 years, E-7 for 23 years, E-8 for 28 years, and E-9 for 30 years, with the concomitant change in bonus, and how those dollars would build up within those funds, and they are substantial.

I think it is an innovative and very interesting approach to dealing with the retirement and retention problems of our military services.

Another interesting aspect from this article is, according to the Retired Officers Association, for every service member who accepted this bonus, the Government will save about \$66,000 per member. In the end, the service men and women could have a higher retirement, while at the same time saving the Government money. Insulting? No. Innovative? I say yes.

On a side note, I want to give credit to our very able committee staffer, Charlie Abell, for this idea and congratulate him for this innovation. Some ask, "Will they use this bonus wisely?" I believe if we can ask our military men and women to take care of billion-dollar equipment and put their lives on the line for us, we should be able to trust them with their own money.

Second, as everyone knows, financial counseling is a must for anyone who plans for retirement. I hope the military is currently providing these services. Let's give the military the option and ability to control their own retirement and best fit it to their needs.

A final effort in this bill is to use Government matching funds for TSP accounts or Thrift Savings Plan accounts as a retention tool. We give the service Secretaries the flexibility to offer up to 5 percent matching contributions for 6 years in return for a 6-year commitment in skill areas that they deem necessary. This gives the services the ability to fix their own needs with all the tools available to them.

Finally, I want to touch on the problem of recruitment. All we have to do is look to the front page of the February 17, 1999, Washington Post. The below-the-fold headline reads, "Military Lags in Filling Ranks." In the story, Army Secretary Caldera says that the Department of Defense needs to allow the Army to recruit more high school dropouts with GEDs to make up the 10,000-soldier shortfall this year.

At this time, I ask unanimous consent to have the Washington Post article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 17, 1999]

MILITARY LAGS IN FILLING RANKS

(By Dana Priest)

Army Secretary Louis Caldera argued yesterday that the Defense Department should allow the Army to recruit more high school dropouts with equivalency diplomas to help make up a projected shortfall of as many as 10,000 soldiers this year.

Caldera's idea, which would require a change in standard adopted five years ago, reflects growing alarm within the Army, Navy and Air Force that they are failing to attract enough recruits from the new generation of young adults and that the shortage will only get worse if the trend is not reversed.

"Frankly, right now we have rules that don't make sense," he said. The rules have "put us in a box that really hurts. Every day we turn away people who want to join."

Like the Air Force and Navy, the Army is facing the worst peacetime recruiting short-

fall in its history. Of the major services, only the Marines have attracted a sufficient number of recruits in recent years.

Contributing factors include a strong economy, fewer surviving military veterans to act as role models for their sons and daughters, and a less adventurous mission as the services adjust to the post-Cold War world without a clearly defined enemy.

Caldera said the Army should adopt other means of testing a potential recruit's abilities and should allow in more high school dropouts who have passed high school equivalency tests.

"The Army is an institution that should not write off young people in America who need a second chance," he added at a breakfast with defense reporters. "The military should not be the one that slams the door of opportunity in your face."

Under Defense Department policy, 10 percent of new recruits are allowed to be high school dropouts who have passed the high school equivalency test and score well on armed services entrance exams. But for many years, especially during the downsizing of the 1990s, the services set much higher standards in practice. They either required that all new recruits have high school diplomas or allowed in only a few with the equivalent of a diploma.

But as downsizing bottomed out several years ago and the economy got stronger, recruiting stations went empty.

The Army fell 2,300 short of its recruiting goal in the first quarter of fiscal year 1999 and Caldera said the projected shortfall could go as high as 10,000 this year.

The Navy faced 6,900 empty positions last year. Although it has reached its goal in the first quarter of fiscal year 1999, last month it announced it will increase from 5 to 10 percent the number of high school dropouts it accepts.

The Air Force, which has faced a severe pilot shortage for several years, projected it will be 2,000 pilots short of the 13,641 it says it needs by 2002. In addition, the Air Force had a shortfall of 421 in its enlisted ranks for the first quarter of this fiscal year and continued to slip in the second quarter, said Air Force officials.

"We're coming up on the greatest shortage we've ever had in peacetime," said Lt. Col. Russ Frasz, an Air Force recruiting official.

The services have responded to the problem with signing bonuses, retention bonuses and more money for college education. They have also put thousands more recruiters into the field and tens of millions of dollars into new advertising campaigns.

The Navy, for example, put 500 more recruiters on the streets last year, opened 150 new recruiting stations and increased its advertising budget this fiscal year from \$58 million to \$70 million.

What it got in return was 9,012 new sailors, nearly 800 more than it needed. But that was only for the first quarter of the year and, given the shortfall in recent years, no one in the Navy is relaxed about the future.

"We are getting back on track but there is still hard work to do," said Rear Adm. Barbara McGann, the Navy's top recruiting official.

Caldera, a lawyer and former member of the California legislature who took over as Army secretary in July, said the long-term solution involves more than money and advertising.

Civilian leaders who grew up in the activist 1960s have failed to make the case to the new generation that military service should be a civic responsibility, he said, adding: "There are young people out there who are hungry for someone to talk to them about responsibility."

HELP WANTED

Most branches of the military have not been meeting their recruitment goals.

(Fiscal year first quarter)

Branch	1998—		1999—	
	Goal	Actual	Goal	Actual
Army	72,550	71,749	12,420	10,120
Air Force	13,986	13,338	7,532	7,111
Navy	55,321	48,429	8,216	9,012

Source: Defense Department.

Mr. ALLARD. Madam President, if you look at this chart we see the problems the services are having in recruiting. This is the fourth chart on the floor that I have provided.

In 1998 the Army fell almost 800 recruits short of their goal, and are over 2,000 recruits short of their first quarter goal.

If we look at the Air Force, the Air Force's 1998 number was 600 recruits short of their goal and over 400 recruits short in the first quarter.

Also, for the first time ever the Air Force will advertise on television to increase their lagging numbers.

The Navy's 1998 shortfall was 6,892 recruits. While it met its first quarter, they had to raise their high school dropout rate acceptance from 5 percent to 10 percent.

These are troubling numbers and these numbers are one of the reasons why the Personnel Subcommittee, which I chair—my good friend, Senator CLELAND, is the ranking member—has called for its first hearing to focus on recruitment and retention problems. We cannot allow our armed services to become hollow due to the lack of personnel. The best way to ensure that we recruit and retain the best and brightest is to pay them the wages they deserve and provide the benefits to keep them.

While S. 4 does not directly address recruitment, it does make changes which we believe will assist our military recruiters. Beyond the pay raise incentives, the bill enhances the Montgomery GI bill benefits. S. 4 will eliminate the \$1,200 contribution required of members who elect to participate in the GI bill, increase monthly GI bill benefits anywhere between \$60 to \$70, allow service members to transfer education benefits to immediate family members, and then to accelerate lump-sum benefits for an entire term, semester, or quarter at college, and full amounts for courses not leading to a college degree.

The Armed Services Committee believes that these enhancements will make entering the military more attractive to more people, especially when the private sector offers so many more options than in the past.

I will conclude with a few personal thoughts. I understand that this bill is not acceptable to all Senators, but if you plan on voting no, I ask that you think about a few people—the young service man or woman who is about to be sent to Kosovo, or the service member who is coming back from Bosnia, or even second tour of Bosnia; or about the pilot patrolling the no-fly zone in Iraq; or the sailor who is doing double duty because his ship is undermanned

and so he will have to be away from his family longer than necessary. How will you tell them that they are not worth the extra money in S. 4?

Let me finish with a statement from a letter which I believe was printed in the National Association of Uniformed Services Journal and reprinted in the Northern Colorado chapter of the Retired Officers Association's newsletter, entitled, "Why Am I Getting Out?"

The bottom line is "Patriotism is great, but it doesn't put food on the table or provide for your family." One soldier who requires food stamps is a shame. We can do better for those from whom we ask so much.

Madam President, I yield the floor.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SESSIONS. Madam President, I am honored to join with the distinguished Senators who have been sponsoring and working for the passage of the bill that we believe will help our soldiers, sailors, airmen, and marines to increase their pay, their retirement benefits, and other benefits. They will know that this Nation affirms them, believes in them, and cares about them, and is not going to stand by and allow recruitment and retention to go in the tank and to not give them the kind of pay and benefits they have to have to live in this world.

We have taken advantage of them in many ways, and it is time to put an end to that. We have done a lot of things to reduce our defense structure. In 1992, we had 1.8 million men and women in the services. By the year 2000, we will be at 1.38 million. We will drop another 24 percent during this period of time. But we, at the same time, increased the pressures and responsibilities our service men and women are facing. They are being sent around the world at greater and greater rates.

The operational tempo—the OPTEMPO they call it—has never been higher. I had the opportunity recently to be with an Air Force officer in Montgomery, AL, at Maxwell Air Force Base. He told me he was in Bosnia and received orders to be stationed in Korea. He called his wife who was then in Montgomery and explained this situation to her, and she replied, "Well, you can go to Korea, I'm going back to North Carolina."

These kinds of assignments may sound easy to people sitting in Washington, but it is important to families. They will do it. Our soldiers and sailors give of themselves and sacrifice on a regular basis, but they need to know we care about them, that we are willing to pay them a decent wage, that we are going to maintain good retirement benefits and health care benefits for them.

There has been a lack of confidence in that, and that, I believe, is one reason retention is down—that and a good economy; people have more choices. We have reduced our enlistment rates. It is harder and harder to enlist and most of the services are not meeting their enlistment rates now, their goals.

It is a matter of real importance. I salute Senator WAYNE ALLARD who chairs our Personnel Subcommittee on Armed Services for his leadership, and Senator JOHN WARNER, the chairman of the committee, who made this a top priority. We don't want to wait around with it. We want to pass it early this session, and we want to be able to send a message to the men and women who stand ready at any time to defend this Nation, to send them the message that we care about them, we are hearing their concerns, and we are going to respond to them.

I recently had a conversation with a senior retired officer. We were talking about the need to restore the 50-percent retirement. He said one of the concerns that he had and that he was hearing among our service men and women is that older NCO's—noncommissioned officers—are saying to younger NCO's, "Well, I got a 50-percent retirement; sorry, you're not going to get that," and it makes them feel less appreciated. It makes them feel like they are not getting a fair shake, and it makes them more and more willing to give up a service that they may really love and enjoy and believe in and take a job in the private sector.

So I think there are a lot of reasons why changing this retirement benefit from 40 to 50 percent is what we need to do, and I salute Senator ALLARD for it.

I am also an absolutely committed supporter of the Federal Government's Thrift Plan. I think it is one of the best ideas that has been done for the men and women who work for the U.S. Government, and extending it to the military is a great idea. It should be done. They will make their contributions, in effect, to an IRA.

As years go by, they will see that fund—that is, their fund—increase and increase over the years. They will feel that that is an additional benefit, an additional basis to stay in the active service of their country in the military and not get out at an earlier time.

I think it is also terrible, really shameful, that we have allowed large numbers of our service men and women to have to ask for food stamps. They qualify for food stamps. That is something we must end. I believe this bill understood that, and it will end that and give them the opportunity to receive other compensations than having to go down to the food stamp office to ask for those benefits. I think we owe them that.

Finally, Madam President, let me just say this. I talked to a senior officer just today about the military and about this bill. He was extraordinarily supportive of it, but he told me this. He

said it is really more than just the money. Our people who make their career in the service of this country, who are prepared at any time to give their life for their country, those people, those men and women, are committed to public service. And what we need to do most of all is to affirm them and to raise up the respect we give to them. They are prepared, at a moment's notice, to go in harm's way for the people of this country.

So I believe this bill, in a way, does that. It is saying: We are hearing your concerns. We are going to move promptly. We are going to make this legislation one of the top priorities of this Congress. We are going to move it out of here quickly. And we are going to get a raise to you and retirement changes that will benefit you, that will end food stamps for you, and give you a Thrift Plan opportunity you have never had before. We are going to say we care about what you are doing. We thank you for your service.

I believe that is the kind of signal we need to send. It is not all. We have to deal with such things as spare parts, a national missile defense. We have to decide whether we have enough people in the military now. All these kinds of things we are going to be dealing with later on in the year. But right now we need to move with this legislation.

I thank the majority leader, TRENT LOTT, for being an early sponsor and supporter of it and for making a commitment to bring it up at an early time. And again, let me say how much I have been honored to serve with Senator WAYNE ALLARD. He chairs the subcommittee where this legislation has begun. He is doing an outstanding job for our Nation in so many different ways but particularly as chairman of this subcommittee. I am also pleased to see Senator LEVIN here. He is the ranking member of this committee and is committed to our Nation's strength and defenses. And it is a pleasure to see that this legislation is moving forward in an expeditious manner.

Thank you, Madam President.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Colorado is recognized.

Mr. ALLARD. I would just like to state that that was a great statement that my colleague from Alabama made. And I just want him to know what a pleasure and honor it is for me to be able to serve on Armed Services with him. We came together into this august body, and I look forward to many years of working with him and trying to shore up the defense of this country.

Mr. JEFFORDS. Mr. President, I have long been a strong advocate for a well-educated American work-force. Vermont's quality of life is related closely to the educational opportunities available to her citizens. Education is a cornerstone of our healthy economy. These same notions apply with similar effect to our men and women in the military. Modern, tech-

nologically advanced systems and complex missions depend on the skills and wisdom of well-educated personnel. S. 4 modestly enhances the educational opportunities for our men and women on active duty. It should do the same for the members of our Guard and Reserve.

Consequently, I strongly urge my fellow Senators to support the three education-related amendments which Senator CLELAND and I will be offering to S. 4, the appropriately named "Soldiers', Sailors', Airmen's and Marines' Bill of Rights." It is appropriate because one's use of the term "Bill of Rights" invariably suggests the concepts of fairness and equity.

Perhaps Secretary of Defense William Cohen had this in the back of his mind in September of 1997 when he instructed the Department of Defense to eliminate "all residual barriers, structural and cultural" to effective integration of the Guard, Reserve and Active Components into a "seamless Total Force." Precisely one year later his Deputy, John Hamre, looked back to that day and observed:

We have made great progress integrating our active and Reserve forces into one team, trained and ready for the 21st century. Our military leaders are getting the message. Structural and cultural barriers that reduce readiness and impede interoperability between active and Reserve personnel are gradually being eliminated. We must now assess the progress we have made, acknowledge those barriers to integration that still exist, and, most importantly, set our plans into motion.

If these wise words are to have full effect we must work to rectify an oversight in S. 4, which, as written, enhances educational benefits for a portion of our seamless Total Force but neglects the remainder. Consequently, to promote parity among all components of our military I will be offering the following three amendments:

The first: Allow members of the Guard and Reserve the ability to accelerate payments of educational assistance in the same manner currently provided in S. 4 to the Active Duty military.

The second: Allow members of the Guard and Reserve the ability to transfer their entitlement to educational assistance to their family members in the same manner currently provided in S. 4 to the Active Duty military.

The third: Allow members of the Guard and Reserve who have served at least ten years in the Selected Reserve, an eligibility period of five years after separation from the military to use their entitlement to educational benefits. (Active duty military members have a ten year period.)

Just a few weeks ago, four Reserve Component members lost their lives when their KC-135 went down in Germany while flying active duty missions for the Air Force. Death did not discriminate between Active and Reserve Components. Nor should S. 4.

The opportunity to face this ultimate risk will only increase as we do place greater demands on our Guard and Re-

serve units to participate in our global missions. Since Operation Desert Storm the pace of operations has swelled by more than 300% for the Guard alone and is widely expected to climb higher.

We all know the value of the Guard and Reserve for missions close to home. In Vermont they saved our citizens from the drastic effects of record setting ice storms last winter. Recently, other units helped with hurricanes in Florida, North Carolina and South Carolina. They assist our citizens during droughts and blizzards. They enrich our communities with Youth Challenge programs and they conduct an ongoing war on drugs. Just last year we added protection of the U.S. from weapons of mass destruction to that list, and the list keeps growing.

It is now time to bring their educational benefits in balance.

As many of you know, I believe in the value of life-long learning to our society. Access to continuing education has become an essential component to one's advancement through all stages of modern careers. S. 4 modestly improves this access for our brave men and women on active duty. It should do the same for our Guard and Reserves.

I urge my colleagues to help bring parity, equity and fairness to the educational opportunities available to all components of our military. The Guard and Reserve have been called upon increasingly to contribute to the Total Force. They face similar challenges to recruiting and retention. They should have similar access to educational opportunities.

Mr. President, let me now turn to another important amendment Senator CLELAND and I will be introducing. Specifically, we propose allowing our men and women in the Guard and Reserve the opportunity to participate in the Thrift Savings Plan (TSP) in the same manner S. 4 provides to their colleagues on active duty.

Allowing members of the Guard and Reserve to participate in the Federal Employees TSP is long overdue and I strongly support the proposal to make it law. This program is good for federal workers and it would benefit members of the Guard and Reserve financially for them to participate in the TSP. Under this system, they would be the sole contributors to their accounts, much like civil servants who are under the old Civil Service Retirement System. Since there would be no federal match to their accounts the cost would be very low to the branches of the military and to the taxpayers, as well. Additional savings in individual accounts will be important to those individuals who serve our nation in regular, but temporary capacities. The payroll deduction feature of the TSP is an easy way to save. The accounts are managed prudently by the Thrift Savings Board. Participation in the system is high and satisfaction with it is also very high.

Those of us on the Health, Education, Labor, and Pension Committees have

been spending quite a bit of energy trying to encourage Americans to save more money. As a New Englander, I speak for my constituents when I say that we know a lot about THRIFT. This is a good amendment that will encourage thrift and I hope my colleagues will support it.

Given that our Guard and Reserve are shouldering an increasing share of our world-wide missions, they should have the same savings opportunity that S. 4 gives to the active duty. Now is the time to ensure that our reserve component personnel are not overlooked.

Mr. BURNS. Mr. President, I am pleased to rise to join my Senate colleagues in supporting the Soldiers', Sailors', Airmen's, and Marines' Bill of Rights as it comes to the floor for debate. As a former Marine, I am especially proud that the Senate Armed Services Committee has recognized the important contribution of my branch of service by including Marines in the title of this bill.

This bipartisan legislation addresses the critical need of improving retention in our military services. We've heard much over the past months about the impending crisis in maintaining the force strength of our military. For example, the Air Force has missed its recruitment targets for the past three months, in all three of its recruitment categories. This is the first time that the Air Force has ever faced this problem. It is critical that we intervene now while the problem is still manageable. This bill concentrates on improving the attractiveness of a career in the military, not only for new recruits, but also for second and third term re-enlistments.

First, this bill raises the pay of service personnel to keep salaries competitive with civilian equivalents. Second, it provides incentives for active duty personnel to keep longer service commitments by repairing the damage done in 1986 to the military retirement system. Third, this bill provides service members with the opportunity to save for their own retirement by allowing military personnel to contribute up to 5% of their base pay, before taxes, into the Thrift Savings Plan. Finally, this bill enhances the Montgomery GI Bill educational benefits. I'm also aware that some of my colleagues will be offering other amendments that will further enhance the incentives for long term service. These collective changes encourage both current and prospective service members to make the military an attractive alternative for an extended career.

One of the first commitments in the Constitution is to provide for the common defense. We're demonstrating our commitment to the Constitution and our nation's defense today by taking this first step in improving the long-neglected quality of life for our service members. As we have already seen, when we don't take care of the people

who are out in harm's way, they end up leaving the service. We have almost reached the point of needlessly risking the lives of those members choosing service careers due to the increased commitments required of them.

So, we shouldn't just stop with this bill and call our work complete. Pay and Retirement incentives are not the only concerns voiced by military personnel when they discuss quality of life. They care about being able to participate in their family's activities. They want to be able to help raise their children. They want to provide a home for their families where the roofs don't leak and the water and sewer systems work. They want to be trained to handle the weapons they must use to maximize their ability to survive in a fire-fight. In our push to pass this piece of legislation, let's not forget that these other quality of life issues that service men and women weigh when they consider the military as a life-long career. As a next step, we should commit to eliminating the military construction backlog that has grown to a 100-plus-year maintenance cycle at its current funding level. Those who have seen military action in the Gulf or Panama or other regions will ask how Veterans are treated. We should commit to improving veterans' health care and access to the VA system. No service member is naive enough to believe that military life will be easy or without sacrifice. However, we shouldn't intentionally be making the sacrifice for duty greater than it needs to be. Nor should we let the administration's promise of improving true quality of life stop at pay and retirement benefits. We owe it to our service members to continue addressing all areas of quality of life to make sure that our commitment of defense for the citizens of the United States is both real and effective. I'll be using my position on the Appropriations Committee as well as chairing the Military Construction Subcommittee to push for additional improvements in these other important quality of life issues.

But let's not forget why we are here today. As demonstrated globally, the quality of our uniformed service personnel is second to none. By providing focused incentives for increasing the attractiveness of a military career, we ensure that our services will sustain its worldwide competitive edge. We owe it to the parents, spouses, and children of our service members to make sure that their physical devotion to patriotism doesn't come at fiscal expense. This bill is a critical first step in meeting our commitments to both family and country. I strongly encourage my colleagues to vote for its passage.

Mr. ALLARD. Mr. President, I yield back the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BUNNING). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. ALLARD. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 5 minutes each.

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

TRIBUTE TO LIEUTENANT COLONEL CHASE MOSELEY, U.S. MARINE CORPS

Mr. LOTT. Mr. President, I wish to take this opportunity to recognize and say farewell to an outstanding Marine Corps officer, Lieutenant Colonel Chase Moseley, upon his retirement from the Marine Corps after more than twenty-one years of commissioned service. Throughout his career, Lieutenant Colonel Moseley has served with distinction, and it is my privilege to recognize his many accomplishments and to commend him for the superb service he has provided the Marine Corps and the Nation.

Lieutenant Colonel Moseley, a native of the State of Mississippi, graduated from the University of Southern Mississippi and was commissioned a Second Lieutenant through the Platoon Leaders Class Program in 1978. Since then, Lieutenant Colonel Moseley has spent his career patrolling the world's skies as a Naval Aviator. Following flight training, he began his service flying the F-4 Phantom in Marine Fighter Attack Squadron 531 in El Toro, California. After his tour in California, he reported to Marine Fighter Attack Squadron 232 in Kaneohe, Hawaii, making two deployments to the Western Pacific and Far East. In 1985, he reported to Marine Fighter Attack Training Squadron 101 in Yuma, Arizona for instructor duty. Completing F/A-18 training in 1987, Lieutenant Colonel Moseley was again assigned instructor duty, now flying the F/A-18 Hornet. During this tour, Lieutenant Colonel Moseley was selected to attend the Naval Fighter Weapons School (TOPGUN) and in July 1989 was selected to join the Naval Flight Demonstration Squadron "Blue Angels" in Pensacola, Florida. In 1991, Lieutenant Colonel Moseley reported to Marine All Weather Fighter Attack Squadron 242 in El Toro, California to assist in the squadron's transition to the new F/A-18 "Delta" (All Weather Night Attack) aircraft. During this tour, he completed two Western Pacific deployments serving as the Squadron Operations Officer and Executive Officer.

When not in the air, Lieutenant Colonel Moseley has like-wise served with distinction. In 1994, he served on the staff of the 5th Marine Regiment, 1st Marine Division, Camp Pendleton,