

called a COLA, cost of living allowance. Usually that makes up the difference. The private contractor is not required to pay this.

So as a consequence, the contract on Guam, which is scheduled to commence next Monday morning, has a number of serious differences in the wages that the people used to make and the wages that they are now being offered in terms of the right of first refusal.

In most cases, a Federal worker of the Public Work Center Guam will be paid a decent wage this Friday. But on Monday, he will be paid a dismal wage to do the same work. For example, an air conditioning mechanic making \$18.37 an hour this week will be offered \$8.05 next week. An industrial equipment mechanic making \$18.37 this week will be offered \$12.13 next week. An electrician making \$18.37 an hour this week will be offered \$10.78 next week. An office clerk who is making \$12 an hour this week will be offered \$8.36 next week. A general clerk who is making \$11.60 an hour this week will be offered \$5.87 an hour next week, no matter how many years of service you have.

Furthermore, to add insult to injury to this offer, these salaries are being offered, not on a 40-hour workweek, but Raytheon is offering the workers a 32-hour workweek. They are considering that full time. So on top of these salary cuts, there is an additional cut of 20 percent by offering a 32-hour workweek. This rubric will be devastating for these wage earners. Even at the previous base salary, the cola was everything.

As a small isolated community, the prices on Guam for food stuffs and dry goods and clothing and mortgages and utilities and loans are usually very high. We all know how important health care is to America's families these days, and we equally recognize all the quality of Federal health insurance programs. The civil service employees were part of this system and were able to support their families with it.

The health benefits rate that is going to be paid under this contract, under the RFP issued by the Navy, is \$1.63 an hour. This is going to be too little to support even the wage earner. How is the worker going to take care of his or her family?

As a result of these dismal salaries and the 32-hour workweek, many of Guam's workers are simply not taking the jobs, preferring unemployment insurance, which will pay higher benefit, or simply will choose to leave the island.

The island has a limited population that cannot accommodate a war time surge in work if most of its skilled labor force leaves. This has grave implications for readiness, because in the case of a national emergency or something happening in Korea or Taiwan or some part of Asia, Guam is the major logistical node. Where are they going to find the workers then? Well, they

are going to have to bring them in from off island at great cost.

An adequate economic study would have flushed out this. A realistic look at the readiness requirements and the war time requirements of our defense forces, and an objective look at the world situation in East Asia would have flushed all of this out.

The employees who choose to stay on island and leave the civil service are permitted a right of first refusal for the private sector jobs. But how meaningful can this right be when the positions being offered are far below what they were previously earning.

The A-76 rules and procedures were applied haphazardly by Navy's PACDIV in Hawaii with little regard to the human toll or the impact on Guam's economy. PACDIV's desire to save money was so egregious that they misinterpreted what should be the trade-off between military security, forward presence, strength in Asia, and bottom line savings. I believe we could have had both, but it would have taken a great deal more planning and thought than PACDIV apparently gave to this project.

Mr. Speaker, in light of these fallacies and problems that have occurred on Guam in the Navy's A-76 study, I am calling for several things. First of all, I am calling for the Navy to explore halting the implementation of this contract until many of these grievances and miscalculations can be redressed.

Last Friday, I sent a letter to Secretary De Leon, a joint letter from 28 Members of Congress, calling for a halt to the implementation of this contract until the Congress and the Inspector General of the Department of Defense can audit the way the outsourcing study was dealt with on Guam balanced against strategic circumstances.

Secondly, I am calling for the U.S. General Accounting Office to conduct an audit into the way the Navy organized, planned, and conducted this outsourcing study on Guam with seeming little regard to the impact on the small isolated community that, relative to its population, has a significant role had the readiness and the strength of the U.S. military in the Western Pacific.

Third, I am calling on the House Subcommittee on Military Readiness to conduct a hearing on the methods of the Department of Defense privatization efforts on Guam as well as the Pentagon's aggressive plans towards outright privatization without using the A-76 rules.

Finally, I am going to introduce into the defense authorization bill for fiscal year 2001 an amendment to extend COLA benefits for those civil service employees who exercised the right of first refusal on Guam. This will, I believe, assist these families financially and perhaps stem the flight of skilled workers from Guam.

Another aspect of this amendment is to provide a mortgage assistance pro-

gram for all affected civil service workers. For all their years of dedicated Federal civil service, this is the least that the government can do.

Mr. Speaker, I have said it before and I will say it again, outsourcing from a small island economy does not make any sense. There is no readiness benefit to do it. In fact, there is more likely the case that this privatization endeavor will jeopardize both long-term and short-term readiness.

Of course there is no benefit to the local economy. Since Guam's firms are not large enough to be the prime contractor, most of the contract's profits will be sent off island or remain in the hands of big corporations.

There is no benefit to the laborer. Their salaries have been sliced and diced, so they will not even be able to afford the costly consumables that are sold locally. Whatever happened to an honest day's wage for honest skilled labor.

All in all, the Navy's conduct in this commercial study appears to have been a rather shallow display of gratitude and neighborliness for all of Guam's years of service as the Nation's most strategic forward located area. Furthermore, their decisions represent an utter lack of forethought with regard to the future defense needs in the region.

It is my hope to bring some relief to these dedicated civil service employees and alert other communities to the pitfalls that were encountered by my island community of Guam during the Navy's outsourcing.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GONZALEZ (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. STUPAK (at the request of Mr. GEPHARDT) for today on account of family matters.

Mr. ORTIZ (at the request of Mr. GEPHARDT) for today on account of official business in the district.

Ms. CARSON (at the request of Mr. GEPHARDT) for today on account of official business.

Ms. KILPATRICK (at the request of Mr. GEPHARDT) for today on account of official business in the district.

Mr. DIAZ-BALART (at the request of Mr. ARMEY) for today on account of official business.

Mr. WATTS of Oklahoma (at the request of Mr. ARMEY) for today on account of family medical reasons.

Mr. SCARBOROUGH (at the request of Mr. ARMEY) for today on account of delayed arrival due to bad weather.

Mr. MANZULLO (at the request of Mr. ARMEY) for today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to: