

What attracted so much attention, unfortunately, was the use of particular pieces of intelligence in speeches by administration officials. The President's State of the Union Address for example included a statement that the administration now admits did not rise to the level of certainty required for Presidential speeches.

While I won't attempt to justify the inclusion of such a statement, I will say that the matter does not deserve the attention it has received. The President's statement was not false, and it was only one statement in a series that laid out Iraq's effort to develop weapons of mass destruction. In fact, British intelligence still stands behind the statement. And no one has questioned the veracity of the other statements in the President's speech.

So despite this statement, it seems clear to me that the President laid out a very convincing case that the American people and Congress agreed with. I also remind my colleagues that we voted to force Iraq to comply with United Nations resolutions 3 months before the President's speech.

Mr. President, Operation Iraqi Freedom was a spectacular campaign that resulted in the freeing of millions from tyranny and oppression. We should take pride in bringing freedom and liberty to the Iraqi people. Our troops are performing admirably and continue to believe in their mission. We still have much to accomplish, but with patience and perseverance, we will make a difference in this long-troubled region of the world.

#### THE BEGINNING FARMERS AND RANCHERS TAX INCENTIVE ACT OF 2003

Mr. HAGEL. Mr. President, I rise today to discuss S. 1464, legislation I recently introduced with Senator DORGAN to provide a capital gains tax incentive to agricultural producers on the sale of their farm or ranch land.

Agriculture is a vital engine that helps drive this Nation's economy. But this engine is only as powerful as the next generation of producers. The relentless financial problems facing the agricultural sector, particularly for beginning farmers, are daunting. It is often difficult for beginning farmers to compete for land with large capital-based operations. S. 1464 helps level the playing field by easing the transfer of land between the old and new generations of farmers and ranchers.

S. 1464, the Beginning Farmers and Ranchers Tax Incentive Act, would provide all agricultural producers selling their property to a beginning farmer or rancher a 100-percent reduction of their capital gains tax rate. Producers selling their land to someone who pledges to keep the land in agricultural production would receive a 50-percent reduction of their capital gains taxes. All producers selling their land would receive an automatic 25-percent reduction of their capital gains taxes. These

incentives would encourage repopulation of the rural landscape with a new generation of young, energetic agricultural producers.

Family farmers and ranchers often do not benefit from some tax incentives already in place for other Americans. In 1997, Congress enacted a \$500,000 capital gains tax exclusion for home sales. Unfortunately, this provision often does not benefit family farmers since their homes are typically included as part of the larger farmstead. S. 1464 would correct this inequity by extending the \$500,000 exclusion to farmers and ranchers.

It is imperative that we do more to ensure that beginning farmers and ranchers are given opportunities to succeed in strengthening rural communities. S. 1464 helps do this by reducing the tax burden on retiring farmers and ranchers, so that the continuity of agricultural production remains unbroken from one generation to the next.

#### COMPETITIVE SOURCING INITIATIVE

Mr. THOMAS. Mr. President, I ask unanimous consent to have printed in the RECORD an op-ed article from the Government Executive Magazine.

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

[From the Government Executive Magazine, July 28, 2003]

##### LET'S COMPETE

(By Senator Craig Thomas)

A handful of lawmakers are embracing the status quo in an attempt to shield federal agencies, such as the National Park Service, from restructuring the way they provide commercial services.

This opposition comes as President Bush moves forward with his competitive sourcing initiative. Competitive sourcing, part of the President's management agenda, represents not only an opportunity to improve the way federal agencies operate, but a way to save taxpayer dollars.

According to an inventory first conducted by the Clinton administration pursuant to the 1998 Federal Activities Inventory Reform (FAIR) Act, 850,000 positions in the federal government were categorized as commercial in nature. These are jobs performing engineering services, writing software, making maps, hanging drywall, mowing lawns and other services ranging from high tech to routine. These are the same jobs offered by private firms and small businesses found in the Yellow Pages in any town in America.

Under Office of Management and Budget Circular A-76, competitive sourcing allows federal agencies to consider whether the private sector could be used to create efficiency. This does not preclude federal employees from restructuring their departments and competing to keep the work in-house. As it is now, many federal employees who work in commercial functions are struck in inefficient bureaucracies performing activities that are not inherently governmental.

For example, the government is considering competitive sourcing to help improve the services available at our national parks. The effort underway at the Park Service to use competitive sourcing as a tool for improving fiscal and operational efficiency

comes at a time when the agency is facing a tremendous funding shortfall for maintenance at almost every park. Nationwide, this maintenance backlog is estimated at nearly \$5 billion.

The Park Service faces many challenges while making America's treasures available for million of visitors each year; however, funds are limited for maintenance, security, safety and a variety of other activities. In the past, the Park Service has been instructed by Congress to reduce the in-house performance of its commercial activities, but these efforts have not evolved. It is important that we now allow the Park Service to evaluate its workforce and how best to use its funding.

As the author of the FAIR Act, I strongly support improving effectiveness and efficiency in government. At the same time, I realize that we need to go about it in the right way. We need to have a clear process with a reasonable timeline and federal employees need to be kept informed. It also is important that any public-private competition involves a level playing field—private sector contractors and the government should be judged on the same requirements.

At a July 24 hearing of the Senate Energy and Natural Resources Subcommittee on National Parks, I heard from witnesses who explained how the competitive sourcing process works and who corrected misinformation pertaining to the Park Service's competitive sourcing plan. Several witnesses testified that the government, on average, saves nearly 30 percent regardless of whether in-house employees or a private contractor win the competition. Although there are some upfront costs associated with conducting these public-private competitions, the long-term savings dwarf these expenses.

Every president for the last 50 years, Republican and Democrat alike, has endorsed the elimination of commercial functions in the federal workforce, but their plans were not vigorously implemented or enforced. Thus, early half the civilian federal workforce is doing work that could be done by the private sector.

We should keep in mind that President Bush's competitive sourcing plan is far different than the Clinton administration's reinventing government initiative. President Clinton's plan established an arbitrary quota for eliminating 252,000 federal jobs—without any form of competition. By comparison, President Bush has set no such requirement for outsourcing, but has urged federal agencies to review their commercial functions and open them up for competition.

Over the past two and a half years, the Interior Department has noted that of the 1,600 full-time employees it has analyzed for competitive sourcing, not one federal employee has been involuntarily dismissed from his or her job. As the case of the Interior Department reveals, agencies try to reassign federal employees to higher priority, inherently governmental positions within their agencies. Some employees transfer to jobs in other federal departments, others take early retirement, or they go to work for a winning contractor.

The taxpayer is the ultimate loser when competitive sourcing is stymied. Inefficient monopolies that waste taxpayer dollars divert much-needed federal resources from our government's most pressing programs. Through reasonable competitive sourcing, I believe federal agencies like the Park Service can increase services to the public, while maintaining the valued resources we all enjoy.

Let's give good old-fashioned competition a chance.