December 2007, 2008–10–054, Invoice Audit of Fees Paid Under the Private Debt Collection Initiative.

March 2008, 2008–20–078, Private Collection Agencies Adequately Protected Taxpayer Data.

April 2008, 2008–30–095, Trends in Compliance Activities Through Fiscal Year 2007.

Mr. GRASSLEY. It boils down to the fact that we should have a chance to obtain and review this information before killing a program that is going after money owed—$25,000 or less—from people who have said they acknowledge they owe it, that IRS employees would not go after. This affects jobs in a couple States, and I wish to say that when we are having a program—as the stimulus bill did—to keep people from being laid off and to have people being hired, you would at least think we would not think about eliminating jobs in a couple States. I was a supporter of this program before any contracts were awarded. As I said, I will not support the program if it does not prove effective.

Given the propensity to spend the Government seems to be afflicted with, there is going to be a hunger for new sources of revenue which is going to be controversial. What should not be controversial is that we need to collect taxes currently owed in the most effective and most efficient way possible and particularly not ignore a policy of not going after money under $25,000. Since the private debt collection program will accomplish that, I urge support for this amendment when it comes up.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

The Senator from Illinois is recognized.

AUTHORIZATION TO APPOINT ESCORT COMMITTEE

Mr. DURBIN. Mr. President, before responding to the Senator from Iowa, I ask unanimous consent that the President of the Senate be authorized to appoint a committee on the part of the Senate to join with a like committee on the part of the House of Representatives to escort the Honorable Gordon Brown, Prime Minister of the United Kingdom, into the House Chamber for the joint meeting.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

OMNIBUS APPROPRIATIONS ACT, 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 1105, which the clerk will report by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1105) making omnibus appropriations for the fiscal year ending September 30, 2009, and for other purposes.

Pending:

Coburn amendment No. 596, to require the use of competitive procedures to award contracts, grants, and cooperative agreements funded under this act.

Coburn amendment No. 608, to provide for the Emmett Till Unsolved Civil Rights Crime Act from funds already provided for the Weed and Seed Program.

Coburn modified amendment No. 623, to prohibit taxpayer dollars from being earmarked to 14 clients of a lobbying firm under Federal investigation for making campaign donations in exchange for political favors for the group's clients.

Coburn amendment No. 610, to prohibit funding for congressional earmarks for wasteful and parochial pork projects.

Wicker amendment No. 607, to require that amounts appropriated for the United Nations Population Fund are not used by organizations which support coercive abortion or involuntary sterilization.

Thune amendment No. 635, to provide funding for the Emergency Fund for Indian Safety and Health, with an offset.

Murkowski amendment No. 599, to modify a provision relating to the repromulgation of final rules by the Secretary of the Interior and the Secretary of Commerce.

Mr. DURBIN. Mr. President, Senator GRASSLEY and I do not see eye to eye on this issue, and I wish to state for the record why this section was included in the appropriations bill.

First, it is hard for me to follow his argument that because the Finance Committee created a permissive arrangement where the Internal Revenue Service could enter into contracts with private companies to collect IRS debts, it somehow takes away the authority of the Appropriations Committee to even address this issue. It is a permissive statute. It does not require the IRS to sign up a private company. When the IRS does exercise the right under that statute, it involves Federal expenditures, appropriations.

My provision in this bill is not tax language. My provision in this bill says: None of the funds in this bill may be used to enter into, renew, extend, administer, implement, enforce or provide oversight of such a contract. We go directly to the spending aspects. There is no committee violation here. This is our jurisdiction.

Senator GRASSLEY's committee, the Finance Committee, does not pay for these agencies. The appropriations process does. So we are exercising our authority—no violation of committee jurisdiction, which, of course, means little to those following this debate but means a lot to those of us who serve in this Chamber.

Let me tell you what this is about. This is about collecting debts owed to the Federal Government, specifically the Internal Revenue Service, and the Finance Committee said: Let's see, if we let private collection agencies do it, whether they can save us money and do it more effectively. That is a legitimate inquiry. It is one I would be open to. I think it is reasonable to see if that might happen.

Well, let me tell you what has happened. After the Federal Government spent $71 million in start-up costs to allow two companies, one in Iowa and one in New York, to move forward on this first phase of outsourcing programs, they started operations in September 2006. Presently, the IRS has contracts with two companies—one in Senator GRASSLEY's State of Iowa and one in the State of New York—for the collection of unpaid Federal income tax liabilities. The IRS is currently in the process of determining whether to exercise the option to extend these contracts for a 1-year period. That is why our language came in and said: Stop, don't do it. And I will explain why. There are a host of reasons.

The collection of Federal taxes, of course, is a core Government function, but I am not going to argue with the premise that we should see if we can do it with more cost efficiency by using private collectors. It is true that the information we are talking about here is sensitive information. So the IRS, of course, has access to more information about the debtors than the private collection agencies, and we want to always make certain we protect the confidentiality of certain information all American citizens share with their Government and don't believe it is going to be broadcast to any private company. So there is a natural tension here between the efforts of a private business making money collecting back taxes and the Internal Revenue Service, which has more information at their disposal in making evaluations but also a higher responsibility and duty in protecting the privacy of taxpayers with the information they provide our Government.

Let's get down to the bottom line. Using private companies to collect taxes is far more costly than having qualified, trained IRS employees do the work. I couldn't say that without evidence to back it up. Since the inception of this private collection program, the Internal Revenue Service has spent approximately $80 million to set it up and administer it and we have received back as taxpayers $60 million in net revenue, after paying these private companies in Iowa and New York $13 million in commissions—$13 million to receive back $60 million. According to the IRS, private collection agencies were originally projected to bring in $65 million in fiscal year 2007 and up to $127 million in fiscal year 2008. So what happened? Instead, they raised $32 million in 2007—less than half of what we expected—and only $37 million in gross revenue in fiscal year 2008, about a fourth of what we expected. So their performance was dramatically less than promised, dramatically less than the IRS anticipated when they entered into these contracts.

The IRS has not identified any best practices from these private tax collectors, which was one of the stated intentions of the program. These private companies were supposed to show us