

HEARING ON COMMITTEE FUNDING REQUESTS

HEARING
BEFORE THE
COMMITTEE ON HOUSE
ADMINISTRATION
HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTH CONGRESS
FIRST SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 12 AND 13, 2003

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COMMITTEE FUNDING REQUESTS

WEDNESDAY, MARCH 12, 2003

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC.

The committee met, pursuant to call, at 11:50 a.m., in Room 1310, Longworth House Office Building, Hon. Robert W. Ney (chairman of the committee) presiding.

Present: Representatives Ney, Ehlers, Larson, Millender-McDonald, and Brady.

Staff present: Paul Vinovich, Staff Director; Fred Hay, Counsel; Reynold Schweickhardt, Technical Director, Jeff Janas, Professional Staff Member; George Shevlin, Minority Chief of Staff; Charles Howell, Minority Chief Counsel; and Keith Abouchar, Minority Professional Staff Member.

The CHAIRMAN. The committee will come to order.

The purpose of this committee hearing is to consider funding requests of the committee of the U.S. House of Representatives for the 108th Congress. We will have several panels of Members testifying before this committee both today and tomorrow as the hearing progresses.

I would like to outline the procedure that we will follow during the hearings. The Chair and the ranking minority member of each committee will come before the committee and present their budget request for the 108th Congress. The Chair and the ranking minority member will each have 5 minutes to testify. The Committee on House Administration members will have 5 minutes each to ask questions of the Chair and/or the ranking minority member.

In this Congress, committees have requested significant increases in funding, which is to be expected. Requests total approximately \$252 million, almost \$49 million more than the authorization in the 107th Congress of \$203 million. This is an average overall increase of 23.99 percent, similar to the 22.4 requested increase in the 107th. The committee, of course, was able to tailor a bipartisan mark that is in fact where the House wanted to be on spending.

The total amount of the request was driven by a special circumstance this time. The creation of the Select Committee on Homeland Security accounts for 22.4 percent of the total increase requested by committees. So Homeland Security itself is 22.4 percent of that. Of the \$48 million in new requests, over \$11 million is being requested by the Committee on Homeland Security alone, which is a brand new committee. So this Committee on House Administration will have one new entity to deal with which, at the

end of the day, will still have a rather large budget because it has significant duties, especially dealing with security.

Committees have also asked for an increase in staff, for a total of 110 new staff overall. Keep in mind, however, that 52 of the staff requests come from the Committee on Homeland Security alone.

As Chair, I want to do all we can for the committees to ensure they get the funds and do the job for their constituencies across the United States that depend on the action of these committees for many things. I am also sure the other committee chairmen, as they know, and, if not, everybody will not get exactly everything they requested.

But it is important to remember that, over the years—when I came here in 1994, the Republicans took control of the House. Committee budgets were cut by about 30 percent, or over \$66 million alone. Had we continued the current levels back at that time, we would be about \$299 million more in spending. So, as a result of that period of time, we have saved, I think, a considerable amount of money as a House.

On the issue of minority resources, I am pleased to say we worked with Steny Hoyer to make sure two-thirds/one-third became reality. We appreciate the Chairs working with us. I support the one-third/two-thirds. That is an issue I don't think we will have to debate. I am glad we have been able to put that to rest, but it is still an appropriate question to ask of all the Chairs; and I believe that we can work together to get a funding proposal to be fair and balanced.

As far as our committee, Committee on House Administration, we allocate one-third of our total budget to the Ranking Member, Mr. Larson. The Committee on House Administration, of course, encouraged everybody else to do the one-third. I realize chairmen allocate differently. Our choice has always been to give the minority in this committee money, and they spend it as they see fit on where to spend it.

In the 107th Congress it was decided to remove requests for funding for hearing room upgrades from the committee budget process as requests were costly, inconsistent and do not accurately represent the true costs of funding committees. We sought to reach the goal of the technology of these committees, and we will have a separate funding measure to do that so that we can complete upgrades within the rooms and with equipment for the committees.

Since the 107th Congress, the Committee on House Administration, in conjunction with the Office of the Chief Administrative Officer, Mr. Eagan, and the Architect of the Capitol, in cooperation with the committees, has made upgrades in several full and sub-committee hearing rooms; and we have more upgrades planned in 2003 and 2004.

With that, we will basically end general statements.

I would want to mention that we have our own budget here, which I will be glad to go over. But since we have two Chairs, I will recognize our Ranking Member, Mr. Larson.

Mr. LARSON. Thank you very much, Chairman Ney.

I believe it was President Woodrow Wilson, in his book on congressional government, who recognized—and it is not far from the truth—a Congress in session is a Congress on public exhibition.

While a Congress in committee rooms is a Congress at work; and today this committee begins that work in earnest.

With that, let me first praise Chairman Ney's budget and staffing recommendations for the House Administration's Committee, because they honor what he has referred to as the two-thirds/one-third principle. Chairman Ney has recommended giving the minority a minimum of one-third of the total funds, one-third of the total staff positions and the freedom to expend those funds within the committee's administrative guidelines with no gimmicks or tricks which reduced minority resources or discretion.

I also want to praise the chairman for using his fairness towards the House Administration minority as a model for all committee funding in the 108th Congress and for setting an outstanding example of how the minority party, be it Democratic or Republican, should always be treated.

After consulting with our ranking members, I am satisfied that minority committee staffs expect to receive the minimum resources they need to do their work over the next 2 years, with few exceptions. I was told that minority staffs are generally well pleased with their one-third allocation of the committee budgets and staff slots.

It is also encouraging that virtually all committee Chairs are seeking cost-of-living adjustments for their committee staffs on par with COLAs, the Senate and the executive branch. If House committees are to attract and retain the best and brightest staffers that market has to offer, committees must appropriately compensate them. The work this institution's employees conduct on behalf of the American people is no less important than the work conducted by their peers in the Senate and the executive branch. Their monthly paychecks should reflect that.

Again, I applaud the chairman for that effort.

It is not to say everything is perfect. One consistent complaint expressed to me concerns inadequate office and storage space for minority committee staffs. In several instances, I was told by ranking members that they are unable to hire their full staff authorizations because they lack adequate working space in which to put their personnel. In other instances, I learned of cramped working conditions, making it very difficult for minority staff to accommodate disabled visitors who come to the Capitol to see them in wheelchairs.

Space problem obviously is not one that comes under the specific jurisdiction of this committee, but it does need to be addressed. And, Mr. Chairman, I recognize that the allocation for the space is outside our jurisdiction. With that said, I hope over the next months we might join together to appeal to House leadership to make a more equitable use of space in Cannon, Longworth, Rayburn, Ford and the other office buildings to address legitimate needs of minority committee staffs and their visitors.

With that, thank you, Mr. Chairman; and you may proceed.

The CHAIRMAN. I will have some comments later. I don't want to hold up the Chair and the Ranking Member.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I would also like to state, as my Ranking Member, that we applaud you for setting a positive example and evenhandedness.

And if I could submit my statement for the record.

Mr. BRADY. Just to say thank you and hope that one day we can reciprocate.

The CHAIRMAN. Having choked on my coffee—friendly committee, but not that friendly, though—we will go to the Chair of the Education Committee, Mr. Boehner, and Ranking Member, Mr. Miller.

**STATEMENT OF THE HON. JOHN BOEHNER, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO**

Mr. BOEHNER. Mr. Chairman and members, thank you for the opportunity to come and talk to you about the committee budget for the Education and Workforce Committee.

As a former member of your committee, going back some 10 years ago, I fought diligently through all of these hearings with committee chairmen and the ranking members for an equitable distribution of committee funds. I can't tell you how much enjoyment I had as a new Member of Congress beating up on some former chairmen over committees who were getting 18 and 20 percent of the budget and those weren't even very accurate numbers. I believed and fought that the minority ought to have one-third of the resources and one-third of the committee slots; and, as I committed to all of you last year, as the chairman of this committee, I would settle for nothing less.

So let me say thank you for your help last year and the support that you gave us during the 107th Congress. The support allowed us to go from a committee with two cell phones to one of the most technologically advanced and accessible committee rooms on the Hill.

As we did last Congress, myself and my colleague, the Ranking Member, George Miller, developed our budget proposal together; and it certainly meets the goal of providing the minority with one-third of the resources and one-third of the committee slots with full autonomy over how they expend their resources.

Our budget submission reflects, I believe, an accurate and fiscally responsible representation of what our committee needs are during this Congress. We are requesting a 9.9 percent increase over the last Congress's allocation; and this increase will allow us to maintain our technological edge, bring our issues before the American public through official travel, web casting and to allow us to keep our salaries competitive.

We hope to maintain the sophisticated technology system that we enjoy today. Our budget allows us to upgrade our software, our hardware, our communications and our web streaming equipment.

Our request allows us to purchase off-site disaster recovery equipment as a backstop until the House-wide policies are instituted with regard to what would happen in the case these buildings were not accessible.

We will also maintain a practice that we began in the 107th Congress which is to share information technology staff. We have very good technology staff working with Mr. Miller. There is no reason why they shouldn't work for both of us, be shared employees, and no reason why the minority and majority shouldn't have the same type of capabilities in their offices.

As you may notice from the documents in front of you, we didn't spend all of our allocation last Congress; and there are a few key reasons for that. One, we experienced a significant amount of staff vacancies and turnover reflecting a new chairman and a new ranking member. So during the course of those 2 years, there were vacancies that existed more often, certainly, than what we see today. Those slots are now by and large full, so that will have an impact. If that had been the case over the last 2 years, we wouldn't have had those extra funds left over.

Secondly—and I think this is the most significant factor in us not spending all of our allocation. We planned for costs related for committee room upgrades that in the end were paid for by separate resolution. But that money did, in fact, get spent in terms of technology upgrades with regard to software and hardware for both majority and minority staffs.

Our budget request, thirdly, represents our actual spending practices from this last session, rising costs associated with inflation, wage rates and continued demand for updated technology.

So we believe that our request is in keeping with the spirit of this committee to ensure that Congress is accessible to the American people and to push the envelope of technology and to hire and retain a high-quality staff.

Let me just say thank you for the opportunity to be here and turn it over to my colleague and friend from California, Mr. Miller.

STATEMENT OF THE HON. GEORGE MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. MILLER. Thank you, Mr. Chairman; and let me begin by congratulating our new Ranking Member, Mr. Larson, on his position and look forward to working with him. I appreciate the opportunity to appear before you and the other members of the committee in support of Chairman Boehner's request for our committee budget.

While we disagree from time to time on a number of policy issues, there can be no disagreement about the fairness with which the minority has been treated in this committee and by the Committee on House Administration. It is an important change, and I think it is a change that is fundamental to how both sides are able to work with one another.

You have made it easy and Mr. Boehner has made it easy to support these budgets now that we have that kind of allocation of resources. We have the autonomy over those resources to use them as we see fit, and that has been the experience of the minority in the Education and Workforce Committee.

We appreciate this committee allowing for the technological upgrades. This is not a committee that has spent a lot of time on those issues over the past 20 years, and Mr. Boehner was willing to discuss those and recognize the needs, but it was certainly beyond our immediate budget at that time. But they have made a difference in the committee.

It also allows us to inform our constituents in our home districts when the committee will be taking up legislation. They are able to view it as it is streamed and participate in those deliberations.

I believe that the workload of this committee supports the budget request. This is a committee whose jurisdiction goes to the core of

both parties. We will be dealing with and are currently dealing with welfare reform, with special education, with pension reform, higher education, Head Start, child nutrition and a host of additional issues; and I believe that workload and the interest by other Members in the Congress of that workload and our ability to respond to those Members supports this request.

I am one of those who has talked to our ranking member about the question of space. We are one of those committees where the minority side of our committee is unable to fill our slots. We do not have a place to put people. We would hope we would use this committee as a conduit to talk to the leadership on behalf, if the majority has the same situation, but I know there are other minority members of the committee that have this situation, to see if there is a way to find additional space. We realize that most of the desirable space is gone, but this is just a simple question of housing these people so they can go to work and we can bring our staffing levels up to the full complement necessary to address the agenda of this committee. So I am here in support of it.

I appreciate the manner in which this committee has treated our committee and I appreciate the manner in which Mr. Boehner has treated not only me but all of the members on the minority side, both in addressing their immediate needs as service on the committee but also with their attention to the issues of concern to those members. I look forward to supporting this request.

The CHAIRMAN. Before we open up to questions, I do want to make a note on that space.

Under the House rules, we have the authority over space; and, in all reality, we don't. We have some input. Those decisions are made at the leader level.

It is a crisis point on space. There is no question about it, I mean, in these offices and other offices. And people are two and three to a room. We have had to take a back anteroom we used to be able to use for Members, and it is filled with not only people working there but a table that is used for other meetings.

I know everybody is going through this, and I think we do need to have some discussions probably with the leaders to try to find something. I don't know where we go. These buildings, as you know, were designed years ago when there were far less people, people didn't necessarily interact with Washington, D.C., that much, didn't have Internet. So it is something we do need to convey to the leaders, to find at least something temporarily until some space is acquired.

Mr. LARSON. Thank you, Mr. Chairman; and, clearly, I think you are right on the mark with that.

Let me also applaud the two Chairs before us for their stellar example of how a committee should conduct its business. We are particularly interested as well in the shared technology approach that you have utilized within your committee. I think it perhaps could be instructive for other committees as well in the long run, to save on resources as well.

My only question again would be, that I would have for the two of you—and, obviously, you are supportive of the budget and have been a great committee. If you don't get the total number of your

increase, I just assume that the same spirit of one-third/two-thirds will still stay in effect.

Mr. BOEHNER. You probably shouldn't assume that, but you are right.

Listen, as I said before, I sat in this room and in the old committee room over in the Capitol and fought tooth and nail for fairness. And I recall—and I mentioned this 2 years ago when I was here—that there was a raging debate in late 1994 and early 1995 over how we were going to treat the new minority. I thought then, that we needed to allocate for the minority one-third of the resources and one-third of the slots and if we were to do anything less it would not be the mark of a gentleman.

So that is when the process started of the minority to one-third. Regardless of how well we do with the committee, I am not going to treat my colleague any differently. Whatever the numbers are, we will get two-thirds, he will get one third, and he'll always be fighting to get the two-thirds, I am sure.

Mr. LARSON. I appreciate your historic perspective and the great integrity you bring to the process.

Mr. EHLERS. Thank you, Mr. Chairman. I just wanted to comment.

I have the pleasure of serving on the Education and Workforce Committee. I pulled the chairman aside last week and said that I served on a number of committees in the House and I have never seen a committee that was so well run, so well administered as the Education and Workforce Committee has under this team. They both do a good job, and everything runs like clockwork. We have our huge debates, our distinct differences, but in terms of all the operations, everything flows smoothly, everything is done properly. It was the first committee that I am on to organize this year. So I have full confidence that what they have submitted is worthy of being funded. I can't say it strongly enough that it is a real pleasure to serve on a committee that is so well administered.

The CHAIRMAN. Do you have any questions?

One question I just might ask in closing, I would assume that if the two-thirds/one-third allocation is there that we would expect a bipartisan vote out of the Committee on Education on the floor?

Mr. BOEHNER. I would expect that you can count on Mr. Miller and me to vote for it, and you can probably count on the fact that we will work the members of our committee. But there is no reason for this not to be a bipartisan effort, given that the agreement that we have come to on the two-thirds/one-third over the years.

You know, if you all recall, for those of you who weren't here—Mr. Miller was here—this used to be a big, ugly fight every year. We went to a biannual process; and once we, by and large, got to the two-thirds/one-third, it really became a nonevent. But I don't expect any troubles in terms of bipartisan support for this effort. I used to always ask. We had over 360 votes last time for this, and I think the two-thirds/one-third agreement helped things along.

Mr. MILLER. I don't think there is any question, Mr. Chairman, that that agreement has changed the whole demeanor around this side when it comes to the floor. It used to be viewed as an opportunity to settle a lot of other agendas. I think most of that has gone by the wayside.

I would just say that at the end of your legislative hearings I am sure the ranking members will be meeting with Mr. Larson; and if people are being treated as we are being treated, it is our expectation that we would support this bill when it comes to the floor.

The CHAIRMAN. Thank you both, gentlemen.

While we are waiting for the next two, how about if we can—while we are waiting for Mr. Waxman, I wanted to mention our own budget proposal.

We have submitted a budget request that totals \$10,374,000 for the 108th Congress. That is over a 2-year period. That was a 39 percent increase over the 107th. We currently have a total of 45 total slots, with the minority receiving exactly a third of the staff slots. So it is 30 and 15. We have requested an increase of nine new staff. It would be six and three—six majority and three minority; and, of course, the one-third allocation. We are the only committee that totally allocates all of it freely, I believe.

I do want to mention that we have asked for increases for personnel, equipment, travel and administrative accounts. The reason I believe they are justified, in the wake of September 11, there has been increased focus on the continuity of House operations, emergency planning, other security-related issues. It has greatly increased the workload of both the majority and the minority, and an increase of staff would be appropriate and would be required.

We will continue to serve our Members. This is a Members' committee. And there is no question—as you all are finding out every time you go to vote on the floor of the House, more people will regularly come up to you and ask you for something. So we service the members. Maybe not always the answer they want, but we provide an answer to them and also with the tracking of the committees.

But 9/11 created—and the staff knows who were here at that time—created work hours until 2 and 3 o'clock in the morning; and it was constant with the security. We don't hope we have a situation like that again. But now ideas on security issues are being brought to this committee that we never, ever dreamed that we would deal with. Again, that is part of expected amounts of money that would be needed.

With that, Mr. Davis.

Mr. DAVIS. Mr. Waxman is on his way and asked if I would go ahead, if it is okay with you.

Mr. LARSON. If I might comment by way of saying that we are fully supportive of the chairman's recommendation and to underscore what he has said with respect to the security concerns that have been raised both by individual staffs, by committee members, et cetera, just further underscores the importance of the committee's role.

As the chairman points out, this is and should be and under his leadership has very much become the Members' committee, where they get to come and voice their concerns and express their desires to make sure it enhances the quality of work environment and the security that each and every one of our offices have come to expect. I compliment the chairman and his staff for the hard work that they have done in putting this together. Our staff has completely reviewed it and is satisfied with the mark.

Thank you.

The CHAIRMAN. I want to thank the gentleman.
We will proceed with chairman Tom Davis and ranking member Mr. Waxman.

**STATEMENT OF THE HON. TOM DAVIS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF VIRGINIA**

Mr. DAVIS. Thank you very much for the opportunity to testify here.

Just a little perspective on this committee. In the 103rd Congress, this was three separate full committees in the Congress. It was the Government Operations Committee, Post Office and Civil Committee and the District of Columbia Committee which, combined, had over 200 staff members. In the 105th Congress, after combining, went to 141 staff members. We were down to 131 staffers in the 107th, and then down to 118 is where we are today.

I want to thank you for the opportunity to testify today. As a new chairman, I greatly appreciate the advice and assistance provided by Chairman Ney and his staff in preparing our primary expense resolution. I also want to thank our Ranking Member, Henry Waxman, for his insights and suggestions in crafting the committee's reform agenda and our request for the 108th Congress. Whether under Democratic or Republican leadership, for the first time in the history of the Committee on Government Reform our minority will receive 33 percent of staff and budget.

Today, 44 Members of Congress comprise the House Committee on Government Reform. The committee has put together a very aggressive agenda that includes both oversight and increased legislative responsibilities. Reform of the Federal Government is a monumental task and can appear overwhelming at first glance. However, I think you will see that we have put together a comprehensive but achievable agenda that will bring us a long way toward improving the efficiency and effectiveness of the Federal Government.

We have reorganized our seven subcommittees and their jurisdictions in an attempt to focus on long-term reform challenges. As our oversight plan suggests we will focus on the following:

As the government and our country shifts its focus in order to tighten our borders and increase our vigilance, this committee will be doing everything it can to enhance the government's computer and information security, something we have been lacking in the past. Last year's passage of FISMA, the Federal Information Security Management Act, was only the first step. We plan to closely oversee implementation of FISMA, including development of new OMB guidance, the establishment of agency testing and evaluation plans and the development and promulgation of information security standards.

We are also committed to improving government procurement and contracting practices. Government spends \$140 billion a year on services. We save 10 percent of that. That is real money as we look at the way that we procure and buy items, particularly in the services sector.

I was a government contracts lawyer before I came to Congress. I was general counsel for a billion dollar company. Our staff has considerable expertise in this area as well. We have brought over

some of the leading procurement attorneys from the Senate side to help us, and we intend to utilize this exercise to realize real reform in the procurement area.

One of the first things we need to do is educate agencies about procurement practices, and our Services Acquisition Reform Act is intended to do just that. This bill will provide agencies greater access to commercial markets, particularly in the fields of services and technology, by educating agency acquisition workforces, creating chief acquisition officers and emphasizing performance-based contracting.

This is so important because, today, government computer systems are stovepipes that within an agency can talk to each other but don't speak across platforms to other agencies and to State and local governments with whom they interact. This is a major problem in government; and if we can solve this and get to procurement practices that make this viable, we are doing I think a tremendous service to governance. It is not a headline-grabbing thing, but very important for governance.

The Homeland Security Act has a number of provisions that this committee intends to monitor closely, including the personnel reforms and the procurement flexibilities in the legislation. Successful implementation of these provisions could lead to similar reforms government-wide in subsequent legislation, and we intend to make sure that this happens.

Reauthorization of the Office of National Drug Control Policy and international interdiction policies are also a factor in our legislative and oversight agenda.

Also, we will invest considerable time and energy into integrating performance and accountability into the management practices of the Federal Government. The Government Performance and Results Act of 1993 celebrates its tenth anniversary this year. We are working with our Senate counterparts and the GAO to evaluate the impact of the legislation in improving government performance.

We also have a number of postal items in front of us. When you take a look at the Post Office, it is almost 9 percent of the U.S. economy. The President has a commission right now on postal reform that should report back in the next few months, and we will pursue and look at the direction that is taking and work with Mr. Waxman in a bipartisan manner.

And this is an issue we will have to tackle. We have major legislation coming to the House floor in the next few weeks that will ensure that we do not have a postal rate increase for the next 4 years.

The oversight and investigative activities I have just laid out represent a drastic change from previous activities of this committee, but if we can handle our funds carefully, I think we can accomplish our goals with only a 3.8 percent increase from last year's allotment. From the first session to the second session, our request is for a 4 percent increase. Along with standard cost of living benefits that are required to keep an experienced staff, I think our expense requests adequately reflect the financial needs of the committee for both years. Mr. Waxman and I both jointly request a five slot staff

increase for 2004 to satisfy subcommittee ranking members' desire for more staff.

The request for funds in the areas of equipment, telecom and others is to update and enhance communications that we have now.

Just to sum up, in the 107th Congress, we had 200 hearings in Washington, 42 field hearings. In the 108th Congress, with the active oversight agenda, we plan to hold even more hearings; and our travel budget request reflects this. Rather than resigning to an Inside the Beltway perspective, we feel that many of the committee's oversight and investigative activities can much more effectively be conducted through field investigations and hearings. A broad-based witness pool will give us the chance to hear testimony from Americans that are not affiliated with a special interest group and doing this, again, with close cooperation of the minority.

In summary, I ask the members of the committee to recognize our agenda is more comprehensive and more vital than ever before. We have taken a conservative approach. I have given you the history. The funding of this committee has gone steadily down, but we think we can—with what we have we think we can adequately manage a very ambitious agenda.

On behalf of the members of the committee and along with my distinguished colleague, the Ranking Member, Henry Waxman, we would appreciate your consideration. Thank you.

The CHAIRMAN. Thank you.

The gentleman from California.

STATEMENT OF THE HON. HENRY A. WAXMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. WAXMAN. Thank you Mr. Chairman, Mr. Larson, members of the committee. I join with Chairman Davis in supporting the funding request for our committee.

In the past, I have expressed concern regarding the fairness of the budget process in our particular committee. In 1995, upon taking control of the House, the Republicans said they were going to give each of the committee minorities one-third of the resources. Yet for several consecutive Congresses following this pledge, the Government Reform Committee majority requested only a 25 percent share of the budget for the Democratic minority. The majority then used accounting gimmicks to inaccurately inflate its minority budget allocation.

In the last Congress there was a shift—and I think to a great extent because of the work of this committee—in the majority budget practices, and the minority allocation increased. I am pleased that Chairman Davis is continuing this trend by asking for a 33 percent minority allocation. Moreover, he has been working closely with the minority in developing the committee agenda and conducting committee business; and I appreciate chairman Davis' professionalism and bipartisan efforts.

But, by the way, when we talk about professionalism, that means consultation. It means trying to work things out and putting partisanship aside. I was just informed a while ago that the Budget Committee is looking at asking our Government Reform Committee to come up with \$70 billion in savings. Now I was never consulted by the Budget Committee. I don't know if Mr. Davis had been con-

sulted by them. I don't know where we get \$70 billion of savings. Are we going to take it out of the pensions of Federal employees? Are we going to take it away from the Postal Service? It seems to me that our job is going to be impossible if that budget proposal goes through.

Full funding of Chairman Davis' request is imperative. We are facing tremendous challenges in our committee. We have an ambitious legislative agenda which includes reforms of the laws governing civil service, property management, procurement and the Postal Service; and, with the exception of the Postal Service, these laws have not received serious congressional consideration in years. If we receive the resources we need and do our job right, we will improve the effectiveness of government and save the taxpayers literally billions of dollars, but I will tell you it is not going to be \$70 billion unless we act and eliminate essential services.

Besides this ambitious legislative agenda, we have vital oversight responsibilities. Chairman Davis has planned more oversight on a broad range of topics than the committee pursued in previous years. Hearings over the next month, for example, explore the risk of the file-sharing programs like Kazaa, contract mismanagement at the Department of Energy, on-line distribution of dangerous pharmaceuticals, and homeland security coordination in the Capital region. Each of these topics is vitally important and each requires significant staff resources.

Besides strongly supporting the Chairman's budget request, I also want to bring to your attention one other issue, the need for additional office space for the minority staff. While we are now being allocated 33 percent of the staff slots, we are actually having difficulty filling all of the slots because we are running out of space to put the people. Anything that this committee can do to improve this situation would be very helpful.

I appreciate this opportunity to come before you. I must tell you, it is a good feeling for me to be able to come on a bipartisan basis and urge this committee to adopt what I think is a reasonable, fair and conservative budget proposal for our committee to operate just to do the job that has been assigned to us.

The CHAIRMAN. I thank the Chair and the Ranking Member.

I want to make a note, we told Education and Workforce, space is at a crisis point in this Capitol; and, of course, some of the space right now is being taken due to the construction at the Visitors Center. Even with that, these buildings were designed years ago. As I pointed out to the last Chair and Ranking Member, you know, 30, 40, 50 years ago, people didn't necessarily travel to D.C. as much. There wasn't an Internet. And now America, thank goodness—these are open, they are televised, Internet. It also causes a definite need for staff and a certain workload for all the committees because they do important things that people care about across this Nation, frankly, and part of the world.

We have got some jurisdiction, but, technically—on a technical basis, the decisions are made at the leaders' level. I think Members of this committee on both sides of the aisle will try to find some kind of space, because it is bad everywhere. So it is well noted.

Mr. LARSON. Let me echo the sentiments of the chairman. I don't believe there are too many staff people from whom we haven't

heard where space is an issue. And what the chairman has articulated, this is an effort we will take up with leadership, though not completely under our direct jurisdiction, although it says so in the rules.

Let me also applaud the two of you for your outstanding work in Congress, and Mr. Waxman, especially. Sometimes we are humbled by your experience and depth of experience and also the historic perspective that Tom Davis brings to every encounter he is in and your bold agenda. Moving that agenda outside the Beltway is one that I think would be commended. Hopefully, more committees, though they don't have quite the agenda you have, follow that example as well. There, again, that points to the need for more funding and the need for staff and spending as well. So, you know, we certainly concur with your efforts.

I especially want to applaud you for the issue of commonality of communication, which I know is near and dear to your heart, especially within the Beltway, and the homeland security issues that represents, as we hear from Eleanor on a regular basis with regard to that as well. I thank you both in that spirit. I have been asking all the chairmen this, without being too redundant, again, we are so grateful for the work of this chairman and the way that he has established and been firm on the one-third/two-thirds rule, but in the event that we don't get what we want, I assume—

Mr. DAVIS. That allocation number will be the same.

Mr. LARSON. What President Kennedy used to say when he quoted Peter Finley Dunne, said, trust everyone but cut the cards. So those are the kind of questions that have to be asked in those situations.

But thank you, Mr. Chairman, for your integrity and Mr. Waxman for appearing here today.

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman. It is indeed a pleasure to know that the contentious aura by which the Government Reform Committee has once been seen across this country has now abated and that we come together in the commonality of serving the people through the Government Reform office—or Committee, I should say.

I am interested to—and I must applaud you, Mr. Chairman and the Ranking Member, for saying that you have had so many field hearings. Because it is important that folks who are unable to travel to Washington get an opportunity to speak on issues that are so relevant to this committee, and it is important for you to be in the field. I would like to recommend that one of your first hearings be in my district so that we can have the people draw from the expertise of both of you, the collegiality that they have not seen in the previous committees.

I also thank you for informing us that the Postal Service increase—we will not service Postal Service increases, and I hope not, because—

Mr. DAVIS. We will see service increase but no rate increase.

Ms. MILLENDER-MCDONALD. Well, that is good news, because each time we try to go about getting anything through Postal—our post office, there are certain increases that are done, and so we are hopeful—grateful for that.

Mr. Chairman, it seems that if this is going to become a sweet refrain with both the Chairs and the Ranking Members coming forth on this office space, would it be in our purview to send a letter to leadership saying that this has been a constant request by the Chairs and Ranking Members? Is that something we can possibly do?

The CHAIRMAN. To answer the gentlelady's question, I think it is something we can definitely note to them. There are some ways that we can get together as committee members to discuss some options, at least some temporary relief.

Homeland security is coming up. Not only is that brand new to our entire budget process that we have been given that duty—which is important—where are they going to be at? Where are they going to put them? So that has to be settled.

But I think some temporary measure. I understand these buildings are full. Maybe we can, Congresswoman, come up with some ideas and bring it to the leadership.

Mr. BRADY. Just a thought out loud that the Chairman and the Ranking Member are a little happy about with the cooperation of the Budget Committee. I think they really have arrived when they asked you for their cooperation when they have a \$70 billion surplus.

Mr. WAXMAN. If they are going to give us instructions, which is what happens under the budget process, for a committee to make cuts, I can't see why they wouldn't have talked to even the chairman of the committee, let alone the Democrats on the committee, to get some sense of what that might mean. No postal increase—well, I don't think we are going to have a post office if we have to make cuts of that magnitude. I want to find out more what they have in mind. But the idea they would be putting something out like that without talking to us is to me the most troublesome aspect.

The CHAIRMAN. Any other questions?

I thank you.

Next up is—we can take Mr. Young.

**STATEMENT OF THE HON. DON YOUNG, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF ALASKA**

Mr. YOUNG. Mr. Oberstar is on his way, but I am going to suggest—I am not sure if you are interested in it or not, but some of you may want to have your pictures taken at 1 o'clock.

Mr. Oberstar has cleared this. We have worked together, and I believe we are on the same wave length, and I won't speak for him. We just left a press conference.

But, Mr. Chairman, I do thank you and members of this committee. I am honored to be before you.

The Committee on Transportation and Infrastructure, as you know, is the largest committee in Congress. Members of Congress want to serve on this committee because it addresses the needs of their constituency and helps build a modern transportation system for our Nation which I think is crucially important for the continued growth of this Nation.

In recent years, we have seen the quality of life slowly eroding, like paint peeling from a girder of a rusted, time-weary bridge. Our

State and local governments are straining under the burden of growing population and congested roadways. We lose approximately \$70 billion a year because of congestion, down the drain; and if we don't try to improve this transportation system, we will lose more and the economy will in fact be hurt.

All our transportation systems are crucially important, including water, air and highways, train, mass transit; and, of course, the ability for moving passengers on fast rail is very, very important.

Our committee also handles the water and sewer systems in this country. We are going to pass a water bill this year which is crucially important; and, very frankly, if we don't do it, we are losing more water today than we are consuming, again because we have not kept up with this program.

We need the resources. I am not going to sit here and say we have the ability to do these things without these resources. We are going to reauthorize the highway and transit, aviation, water resources programs. That means field hearings.

We have six subcommittees: Subcommittee on Aviation, Subcommittee on Coast Guard and Maritime Transportation, Subcommittee on Highways, Transit and Pipelines; Subcommittee on Economic Development, Public Buildings and Emergency Management; Subcommittee on Railroads; Subcommittee on Water Resources.

We also have oversight and investigations efforts underway again.

Additional resources are essential to maintain our long history of providing excellent service to our Members, of producing thoroughly researched and effective legislation, and of attracting and maintaining highly qualified staff.

I know you have heard this many times before, but I think we have one of the finest staff on both sides of the aisle of any committee. And this is a very bipartisan committee. I think you can check with Mr. Oberstar. We work well together. We don't always agree on all things, but we work things out. Rarely have we had a vote that has really been contentious. We try to solve problems ahead of time.

Last year we have been through things we never foresaw.

As far as legislation, we had to pass the TSA legislation which is not my shining light, by the way, but it was required; and we are trying to review that under Homeland Security, the new select committee which I serve on. But we also passed the Airline Stabilization Act, the Port Security Act, the Railroad Retirement Act; and we were really busy last year because we didn't know that some of these things were coming up. But the committee rose to the occasion, the staff rose to the occasion, and I believe we have a fine outfit.

Our increased funding request for travel as a result of planned field hearings again is very, very important. Our request for \$8.7 million in 2003 and \$8.9 million in 2004, for a total of \$17 million, is what we need to carry out our legislative and oversight functions of this Congress.

And I want to thank our good friend and colleague—he will come here eventually—Jim Oberstar. We continue again, as I said, to work very close in a bipartisan effort. Congressman Oberstar and

his staff have been helpful in developing the proposed budget, and I appreciate his assistance.

While I cannot foresee the future, the next 2 years offer the twin promises of great progress and great challenge. We expect them to be busy, productive and ask that when you will be considering our funding request, also consider the additional resources required for the largest committee in the 108th Congress. I believe this has been submitted to you. I won't go over it. You have seen the request, and I want you to consider it.

This is a committee that has an outstanding record of achieving goals in a bipartisan way. I had another committee such as this committee in the old Merchant Marine and Fisheries Committee. That was a committee that never lost a vote on the floor. We always solved the problems prior to coming to a vote in the committee. We did have people dissenting, but there was a bipartisan majority of both Democrats and Republicans. When I was in the minority, Democrats treated me very well. This is sort of carrying on the tradition of the Committee on Transportation and Infrastructure.

With that, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. I want to thank the Chair; and then what we will do is, after questions, move on to Small Business. When Mr. Oberstar comes in, we will just have him come up.

Mr. YOUNG. If he says anything different than what I have said, let me know.

The CHAIRMAN. You are also my chairman, and I enjoy serving on your committee. I think you do a fine job. And it is getting a little more difficult. Some of my roads are a little more bumpy in Ohio, and maybe we can make out a smoother ride to D.C.

Mr. YOUNG. I am willing to listen to everybody's suggestions.

The CHAIRMAN. And everybody will have one. It is a well-run committee, and it has been a pleasure to be on it.

Mr. LARSON. Thank you, Mr. Chairman; and let me as well applaud Mr. Young and Mr. Oberstar for your long-standing reputation of working in a bipartisan manner to accomplish the collective goals of the United States of America and forwarding what are important infrastructure issues for this country.

Your plate, as you indicate, is full. Your agenda is both ambitious but laudatory, especially given these times of national concerns and infrastructure concerns as it relates to getting our people to and from their destinations and keeping the flow of commerce at a level that will only help to assist and propel our economy as we move forward.

We have spoken with Mr. Oberstar who also sings your praises for the kind of cooperation and work. We may disagree on some issues, but, as you say, you work it out. So that stands as a model for a way to get things done here.

The question I have asked all the Chairmen—and Chairman Ney is to be credited for, as you point out, the way you were treated. He is treating all committees fairly with the two-thirds/one-third allocation.

The concern is and the question we have asked—and I hope you appreciate the spirit of the question—if for some reason we don't

get all the funding that you like and request, is it your intent to still keep the one-third/two-thirds distribution?

Mr. YOUNG. It is my intent to keep the one-third/two-thirds allocation.

Mr. LARSON. I thank you for the continued integrity you bring to the process.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I would just like to speak highly of Chairman Young and Ranking Member Oberstar, of which I serve on this committee, for their bipartisanship. Not all the time do we agree on everything, but it appears to be—and from the standpoint of the public and the public's interest in transportation, they are very pleased.

I can speak from California, because we have lots of Californians this week. I can say the staff on both sides, when the Californians come to town, they take the time to visit with them. So that is really an asset that we have in the Transportation Committee, that you take the time to meet with Californians who are coming here to seek some type of guidance as we prepare for the reauthorization of T-21 and also AIR-21.

I thank you so much, Mr. Chairman; and whatever they want, give it to them.

Mr. YOUNG. If I could make one side comment. Keep in mind this is going to be a very interesting challenge, because there are those who don't want to have the appropriate amount of moneys to do the program.

I am pleased. I believe that the budget committee has reached agreement with us that they will give us the ability to go out and try to sell our program to raise the money. That is going to take heavy lifting, but this is a necessity for this country. Our transportation system is in a deplorable state. We have made progress, but we have a lot further to go.

We throw away \$70 billion a year just in congestion alone. At four tanks of gas for every car that should never be spent for just sitting still, you have four tanks of gas at \$2 a gallon, and are talking about \$300 wasted. That is not good economics. That is not the right thing to do, and we have to address that.

The CHAIRMAN. Any other questions?

We will move on to Small Business. Welcome.

STATEMENT OF THE HON. DONALD A. MANZULLO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. MANZULLO. Mr. Chairman, Mr. Ranking Minority Member and members of the Committee on House Administration, I am pleased to testify in support of our funding request to cover the expenses of legislative initiatives, studies, technical upgrades and oversight investigations of the Committee on Small Business for 2003 and 2004 in the amounts of \$3,006,329 and 3,211,884 respectively.

The committee will be working on critical issues impacting small business. The committee will continue its role as an advocate for small businesses, ensuring small business interests are defined and taken into consideration during all stages of development of public policy and legislative initiatives.

Legislatively, the committee will work on reauthorizing the programs of the SBA this year. In addition, the committee plans to look at other critical issues including but not limited to, increasing small business participation in Federal procurement, reigning in the spiraling cost in health care for small businesses, tax and regulatory relief for small businesses and opening up more avenues for small businesses to access capital.

In addition, we are going to have a series of at least six hearings involving the loss of manufacturing base in America starting with the hearing on March 26th, as to why the Air Force is buying titanium from Russia as opposed to the three American firms—two in Ohio and one in Western Pennsylvania causing the destruction of hundreds, if not thousands, of jobs. It is going to be a series of very contentious hearings. But it is absolutely necessary because if we don't try to reestablish the manufacturing base in this country, we are not going to have much of a country left. And that is why we are asking for an increase because of the tremendous amount of work is being done in preparation for these hearings.

Finally, the committee will have a particular focus on revitalizing our Nation's small manufacturing base. Despite our increased legislative pace and our aggressive agenda, the committee funding resolution represents a serious effort to keep committee spending in line without compromising our mission. As in previous years, the minority's requests have been incorporated into the committee budget proposal.

The committee has a history of bipartisan cooperation, a tradition that has been continued ever since I became chairman. The committee has passed its rules, its oversight plan and adopted views and estimates of the President's fiscal year 2004 budget request. Since the Republicans gained the majority, the minority has received one-third of the committee staff slots and control over third of the personnel budget. I intend to maintain these ratios during the 108th Congress. By comparison, during the 103rd Congress Republicans, then the minority, received 22 percent in 1993 and 25 percent in 1994 of the personnel budget.

Of the majority staff positions, there are three administrative, nonpartisan in nature: The chief clerk, who handles hearing arrangements; the systems administrator, who oversees the maintenance of the committee Web site; the finance clerk, who looks after all committee finances. Unlike some other committees, we count these positions against the majority staff allocation. As in the past, the committee will see the resource needs of minority are met. In fact, all their requested needs have been incorporated into this budget resolution, including a long-standing request for an additional staff slot.

My predecessor ran this committee in a fiscally responsible manner in the 106th Congress, and I intend to carry on the traditions to ensure the resources are available to support the committee's mission. With the proposed spending increase in H. Res. 83 may appear large at first, this committee is still the second smallest in terms of personnel and funding in terms of any standing committee in the House. Yet this committee oversees and has direct responsibility, not just for the \$800 million spend by the SBA, which leverages over \$20 billion in lending to small businesses, but also

for the \$50 billion spent by all Federal agencies to purchase goods and services from small businesses across the country.

As the committee will recall it was the Small Business Committee that held 4½-hour hearing, wherein the Army had contracted with several foreign nations to manufacture the black beret for our fighting men and women. As a result of bipartisan effort, we canceled most of those contracts, returned the Army, at least for that contract, to following the Berry amendment, and thus restored hundreds of U.S. manufacturing jobs.

We will continue to have more hearings on why our own government isn't following our own procurement requirements and as we do that, that helps restore jobs to our manufacturing sector. When you compare the jurisdiction of the Small Business Committee to other similar committees, like Veterans Affairs or Science, which have more staff and a higher committee budget to oversee agencies with smaller budgets, H.R. 83 simply attempts to bring some equity to the situation.

I see that my time is up here. And I will take any questions.

The CHAIRMAN. Thank you.

We will now have testimony of the ranking member, Ms. Velazquez.

STATEMENT OF THE HON. NYDIA VELAZQUEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Ms. VELAZQUEZ. Thank you, Mr. Chairman, Ranking Democratic Member Larson, and members of the committee. I am grateful for the opportunity to testify before you today regarding the budget request for this Committee on Small Business in the 108th Congress. Mr. Chairman, one of the things that makes our economy truly unique is the critical role that small businesses play in job creation and overall growth. In times of recession, corporate America sheds jobs, while small business creates them. In short, small business is big business in America.

Chairman Manzullo has set out an aggressive agenda to help the most important economic driver in this Nation: Small business. First, we will undertake the most sweeping overhaul of the SBA in over a decade. Our committee also oversees the Regulatory Flexibility Act, which requires agencies to consider the impact their rules have on small businesses. Last year there were several high profile proposals and regulations that did not comply with RegFlex from agencies like EPA, CMS, and the IRS. And this year I expect to see more. It is these big issues that will consume much of our time.

As the ultimate generalist, our committee is like no other in Congress. We have to know about and advise on trade and tax policy with the same expertise as the Ways and Means Committee. We have to understand worker training and health care as well as the Education and the Work Force Committee, and be experts on our Nation's financial markets, much like the Financial Services Committee.

What this means is that our committee must assemble a team of experts, which takes funds to attract and retain them. Even in today's weak economy, whether it is a young lawyer or an individual with years of experience, they can all command salaries up-

wards of \$100,000. This reality is reflected in the fact that the majority of our budget needs are in the salary department.

This budget will also help the committee make up for lost ground from previous Congresses when the funding provided was clearly insufficient. I fear that if we fall any further behind, we will not be able to serve our members, or this country's small businesses.

We are also requesting an increase of three slots, one for the minority and two for the majority. This is critical to bring on a paid professional staff to focus on entrepreneurial development, since more than one-third of the SBA focuses on these programs, including the small business development centers, women's business centers, one-stop capital shops, and the Veterans Assistance Program. Currently, this area is split among staff, staff who manage other small business issues such as tax, health care, pensions and technology, as well as our primary jurisdiction over the Regulatory Flexibility Act.

It is an immense responsibility that due to competing requests doesn't always get the due diligence that is required. There is also a need to clarify a misconception that has existed since I became ranking Democratic member. One of the rationales for the limited number of slots, 31, was that the minority's administrative needs are handled through the majority's administrative staff. While there is a good flow of information between our offices, the fact is that given the realities of our operation, we have had to use one of our slots for an administrative position, making the need for another slot all the more pressing.

The additional funding and slots will allow us to address these issues and will bring the committee in line with other committees in terms of staffing, like Veterans Affairs. Even with the addition of 3 slots, our aggressive agenda will expect us to do more with less. That is why the other requests contained in this year's budget are for additional resources that are not at the committee's disposal. If we are to get by with a low staffing level, then we must have the right tools. The budget request includes funds for important research items like Lexus Nexus, Congressional Quarterly, and various critical industry journals that the committee, due to budget constraints has never been able to afford.

There are also technology upgrades for equipment and for our Web sites. Mr. Chairman, I know that you are aware of how invaluable the Internet has become for our constituency. Many times our Web sites are the best source of information for small businesses to gain an understanding of how Federal policy impacts them. We do not have a person dedicated to handling Web site design and maintenance. This task is not only time consuming, but also requires a high level of expertise. Given this, we are also requesting funding to hire a consultant to revamp and maintain our sites.

Mr. Chairman, in closing, I want to thank you and Ranking Democratic Member Larson for this opportunity. If we are going to climb out of the current recession, small businesses will have to play a critical role. We can help them, but our committee needs the resources outlined in this budget request. I hope that you both agree. In this way we can best serve the backbone of this Nation's economy. Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentlelady from New York and the gentleman from Illinois.

Questions?

Mr. LARSON. Yes. Thank you, Mr. Chairman. Let me compliment you on your aggressive agenda moving forward. I share your concerns with respect to manufacturing and I especially, again, appreciate the manner in which, in talking with staff, the minority has been extended the kinds of one-third/two-thirds opportunity that is essential for us to function appropriately.

Representative Velazquez, let me also again compliment you on the outreach work that you have done, especially for women and minorities. I know how important that is not only to my district, but to every district around the country. As both of you have stated, your committee is the backbone and will provide the impetus for any economic recovery that we experience. My question, I have asked this of every person that has come before us both from the Chair's perspective, in the event you don't get everything that is asked for in the budget, is it still your objective to have a one third/two third?

Mr. MANZULLA. Absolutely.

Mr. LARSON. Representative Velazquez, I know last year there were some concerns in reading through some of the notes that you had with respect to this. You have obviously seen changes.

Ms. VELAZQUEZ. Yes, there have been positive changes. And my office was consulted and we were able to provide input into the whole drafting of the budget process. The only area where I need to see some improvement is for the minority staff to be able, and myself, to look at the budget submission once it is submitted. And that didn't happen. And we were allowed to go into the office and look at the budget submission for 2 hours, I guess, and by doing that, we were able to catch a mistake regarding minority staff of \$100,000. And I will suggest that next year and the following years, we are allowed to look at the budget submission once it has been submitted.

Mr. LARSON. Thank you.

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman, ranking member, it is good to see my Chair and my ranking member, of which I serve as a ranking member on a subcommittee for this committee. This is an absolutely incredible committee because this committee has gone beyond the pale. They are reaching out to minorities like never before, thanks to the ranking member Nydia Velazquez, and also the sensitivity to the chairman, in allowing this type of exchange to happen.

We are very grateful to both of you for trying to extend the manufacturing base. We do know that is where jobs come from. And as you have both said so eloquently, the job creation is the manner about which small businesses operate, and they are the ones who really create more jobs. So, again, Mr. Chairman, I am very pleased, I was going to raise the question that my ranking member has raised, and now that you seem to be pretty much satisfied with the manner by which this process has taken place, I would say just, Mr. Chairman, give them what they want. That is what I said for the Transportation Committee, so I will say that again.

Mr. MANZULLO. If I could add this footnote. Our request would bring the Small Business just over the level it was funded at in the 103rd Congress, making up for the 34 percent cut we received in 1995, the next Congress. So it is really restoring back to where we were before. In the last year, we held at the full committee level, I think it was 51 or 52 hearings. With the exception of the first hearing which was the organization meeting, those hearings, Mrs. Velazquez and I, I think, agreed on almost every issue that we were involved in.

Ms. VELAZQUEZ. Mr. Chairman, if I may, I just would like to echo what the chairman is explaining here. We got in, regarding the funding level of 1993. Please make a note that our committee never recovered from that funding level of 1993. And believe me, it is wonderful to hear my members and every Member of the House of Representatives go out there and praise small businesses but, you know, we need to continue to create growth in our economy, and the only way to do that is by providing the resources that we need to do our job.

The CHAIRMAN. Any other questions?

Mr. BRADY. Yes Mr. Chairman. I would like to thank the chairman and the ranking member for the courtesy and the cooperation that they showed me while I was a member on that committee. I want to thank you.

Mr. MANZULLO. We miss you guys.

The CHAIRMAN. I want to thank the chairman and ranking member. We will move on. Thank you very much. We will move on to Mr. Oberstar, ranking member of Transportation, which I serve on the committee and enjoyed my time working with Ranking Member Oberstar. With that, Mr. Young has been in and said that you know, he echoes, or you echo everything he said. So it is yours.

STATEMENT OF THE HON. JAMES OBERSTAR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. OBERSTAR. Thank you. We miss you from our committee, Mr. Chairman. And I am sorry to be delayed. I got the wrong starting time for this event and I checked and they said you are running behind. At any rate, I do support the budget that the chairman has submitted. And frankly, he called it a modest increase, I would call it a meager increase. We need the money to provide a cost of living adjustment for our staff and to pay as we have done on each side incentive bonuses to reward superior performance. We also have to keep our technology up to date with the changes that occur so we can process these volumes of data that pour into this committee on all the programs over which we have jurisdiction, and to conduct both Washington and field oversight hearings, which members are beseeching us to conduct throughout the country.

I heard Chairman Manzullo talk about the treatment of the minority in the 1993 and 1994 years. Our committee has always operated on a basis of fairness, and in fact, before the one-third rule was adopted, I was administrator of the Public Works Committee staff, I just talked to the Republicans and said what do you need. And then we went to the House Administration Committee and got the funds that they needed to do their job, and that the majority needs to do its job. We have continued that bipartisan spirit in the

Committee on Public Works over all the years. We don't have our own budget for travel and equipment. That is not new. That preceded the Republican majority, but just as in the past where we treated the Republicans fairly, they have treated the Democrats fairly.

So I have no concerns about how those expenses will be distributed. But to justify that, just think of where we are, we will have \$500 billion in authorizations to accomplish in the 2 years of this Congress; the \$375 billion Federal highway and transit program, 45 to \$50 billion for aviation; we have an \$80 billion high speed rail program; passenger inner city rail that we reported out of subcommittee doesn't get to the House floor last year, we are determined to bring in this year; \$5 billion for Coast Guard, another \$4 billion for homeland security; 4½ to \$5 billion Water Resources Development Act and all the programs that you were familiar with, and Ms. Millender-McDonald is familiar with.

And an interest that you and I share, Mr. Chairman, and that is steel. The Buy America provision that we include year after year, that I initiated in 1982, has meant 40 million tons of American steel going into the Federal Aid Highway Program. If we achieve the levels of increase in investment that we are seeking to create for the highway and transit system that will mean nearly 3 million tons a year of American steel going into the Federal Aid Highway Program, every year for the next 6 years, all American steel, every guardrail, every fence post, every I beam, every rebar that you see in highways in America is American steel. It is not foreign steel.

And we have got to tighten those restrictions on our transit system to ensure that we get an even higher participation in transit. We had lost so much overseas. If we go ahead with the high speed inner city rail system, that will mean another million to 2 million tons a year of American steel going into the rails that are needed to build that system. We have a lot at stake in our respective districts as well as for the good of this country. All of those programs mean improved productivity, reducing congestion, and reducing the cost of logistics in our national economy.

Fifteen years ago, logistics consumed 16 percent of our gross domestic product. Today, because of the investments we have made in highway and transit system, logistics consume 10 percent of our GDP. That is a \$600 billion savings a year to our national economy because of the programs that we have crafted in our committee. We need the funding for our staff to continue to do that high level professional service to America. We thank you for your consideration.

The CHAIRMAN. Thank the ranking member for testimony. Questions?

Mr. LARSON. Let me also thank the ranking member and leader in the infrastructure issues that face this country. Chairman Young, as was pointed out by our chairman, testified earlier and spoke eloquently about the bipartisan cooperation and how well the committee has worked, and especially with its emphasis to both enhance commerce across this country and transport Americans to and from work and across this country and whether by rail, whether it by air, by water or by automobile or highway.

Again, the committee is to be commended, and Mr. Chairman, you are to be commended for your emphasis here. We applaud the

works and the committee in the way that you are able to obtain by partisan cooperation. And I just assume from your remarks that you are quite satisfied, however meager, with the increase in the budget.

Mr. OBERSTAR. Thank you. Yes, indeed.

Ms. MILLENDER-MCDONALD. Mr. Chairman, thank you and ranking member. Mr. Oberstar, as we have all said before you got here, kudos to you, and the Chairman, for the bipartisan way in which you run the committee and the efficiency by which you and the expertise that you bring to the committee, but the overall committee and how it is run is a credit to both of you. I serve on the committee and I have enjoyed serving on the committee. When you speak about the 4 million tons of steel, and we know that a lot of our steel companies are going out of business, can we then—are you suggesting that the steel that will be included in transportation projects around this country will still be U.S. steel, given the fact that a lot of the steel has been coming from other countries, especially China?

Mr. OBERSTAR. Yes indeed. The Federal Aid Highway Act requires American steel to be used in our Federal aid highway system. As you drive along the highway system in California, look at the guardrails; that is American steel. Look at the fence post that enclose the right-of-way; that is American steel. The reinforcing rod that goes into the concrete base; that is American steel. Look under the overpasses as you go along and you see the I beams; that is all American steel. It is required. It is part of our law it says it will be American steel.

Ms. MILLENDER-MCDONALD. That practice will continue in light of the fact that a lot of our steel companies are going out of business?

Mr. OBERSTAR. We won't get a bill out of our committee.

Ms. MILLENDER-MCDONALD. I love it. The oversight hearings that you speak of, and certainly I would like to put my first bid in for one in my district, are you suggesting to us that the travel funds have not been extended to the minority side? Or can you further explain that?

Mr. OBERSTAR. We don't control the separate travel budget. And that is—if we make a request of the chairman, he has approved for the member to travel on official business as part of another delegation. For example we have worked that out. That hasn't been a problem. But when we do congressional field hearings, they are jointly approved in our committee.

Ms. MILLENDER-MCDONALD. So it is applicable?

Mr. OBERSTAR. Yes.

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman.

The CHAIRMAN. I want to thank your for your time and your testimony before the committee and the job you do in the committee. Also there was a great bipartisan vote for this funding resolution on the floor. We appreciate that. I would assume it would have support, I would hope on the measure.

Mr. OBERSTAR. You give us an adequate budget, we will get an adequate vote.

The CHAIRMAN. That is an adequate answer.

Ms. MILLENDER-MCDONALD. Just one thought. Mr. Young stated that if the budget does not have the funding that we need to move on the various projects, and I know again staff has met with a lot of Californians, which we who are here, are concerned about in terms of the reauthorization of TEA-21. He says that he hopes that we can go outside and sell the products, sell the bid for this funding for the transportation bill? Is that something that you are and will be, I guess you feel that this is something that we should do and will do?

Mr. OBERSTAR. Yes, indeed. We have started at the beginning of the year. We had a major gathering of all the groups who support transportation from transit to rail to aviation, and not only the contractors and builders and the public agencies, but also the labor organizations and the building trades and the steelworkers union, and others came together. And we had another gathering about 2 weeks ago, rallied the troops and get them to support our \$375 billion program.

We had a news conference just prior to this event announcing the results of two separately conducted public opinion polls that showed two-thirds of the American public support an increase in the highway user fee, if that money goes into highways and transit. And that means maintaining the fire walls and the guaranteed account to ensure that those dollars do go into the purpose for which the user fee is collected. And we have seen the benefit of it.

In the last 5 years because of the guaranteed account, we have invested \$135 billion in highway and transit programs in just 5 years. In the 42 years of the Internet Highway Program, we invested \$114 billion. We have done more in 5 years than we did in 42 years of the Internet Highway Program because of the guaranteed account, because of the fire walls, because those dollars collected at the pump go into highway projects as you leave the gas station. And the people see that they believe it. That is a matter of stewardship. And we are good stewards of those dollars entrusted to the highway trust fund.

The CHAIRMAN. Thank you. Any other questions? I want to thank you for your time again and thank you for what you have done for the steel.

Mr. OBERSTAR. Thank you, Mr. Chairman.

The CHAIRMAN. We move on to Ways and Means. And we have Chairman Thomas, chairman of the Ways and Means, and here for ranking member Mr. Rangel is Mr. Stark of California. And we welcome the chairman.

STATEMENT OF THE HON. WILLIAM THOMAS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. THOMAS. Thank you very much, Mr. Chairman. I have a written statement and would request unanimous consent that it be placed in the record.

The CHAIRMAN. No objection.

Mr. THOMAS. By the way the room looks real good.

The CHAIRMAN. Especially if you look behind you. A very nice piece of art.

Mr. THOMAS. This hearing room was the District of Columbia prior to its early demise.

What my written statement says is that true to the commitment when we were in the minority, if we ever became the majority, it would be a two-thirds/one-third split. Not just in staff, but in total resources. In an attempt to deliver on that, when we acquired the committee in the last Congress, there were 10 shared staff. We have gotten that down to five, and actually only four, although there are five slots, one will not be filled and we have reduced that primarily by attrition. The request I think is a modest one. I have been amused at some of the percentages coming in, having been in this business for some time.

The Ways and Means Committee is requesting over a 2-year period an amount that equals to about 12 percent. That is primarily in the additional two staff that we are requesting. If you examine the workload of this committee in terms of the entire revenue code, trade legislation, Social Security, Part A and half of part B on Medicare, we produce a significant portion of the legislation that is essential. And some would say not as essential as we think it is. But in comparison to the workload that this committee puts out. In terms of the number of staff that we have, the number of members that we have and the resources we request of you, I believe that this is an extremely reasonable and appropriate budget. We do not have at the current time a two-thirds one-third space relationship. It is less than 30 percent. We have several options available to us, but because of the homeland security changes now going on in this building, we do think that before this session is out, and hopefully for sure before the Congress is out, that we will be able to either reallocate or obtain space that moves us essentially into the two-thirds/one-third allocation of space as well, then we would be totally two-thirds/one-third basis for staff resources and space. Regarding staff and resources, that amount is allocated to the minority in a lump sum, which they can distribute as they see fit in terms of their decisions, not in categories that we impose upon them. With that, I will await any questions.

The CHAIRMAN. Mr. Stark.

STATEMENT OF THE HON. FORTNEY PETE STARK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. STARK. Thank you, Mr. Chairman. Congressman Rangel regrets that he is unable to be here and requested that I appear before you on his behalf to fully support the Ways and Means budget request. It was approved in our committee by unanimous consent, and we were consulted as the budget was being developed and had the opportunity for input. As the chairman indicated, we think it is about an 11.6 increase for the 108th Congress. Our needs are similar to other committees as was pointed out. Almost all of this, I think, goes for existing salaries and for the two additional employee slots. I would join with the Chair, and I know that the question of jurisdiction on this is sort of hazy, but space almost becomes more important to any of us than the actual staff slots. We are fortunate on both sides of the aisle in our committee to have Robert Wood Johnson fellows who bring expertise that we couldn't begin to afford, but we can't find room for them to sit.

It is literally that bad. To the extent that any of us together can work on creative use of space, or redesign of space, I think it would go a long way to help us all and help all of our staff who work too long for too little money. But I would join with the chairman in supporting this request for our committee and ask for your serious consideration to support it, as well.

Mr. THOMAS. Prior to any questions, I do want to underscore the fact that you recently visited our committee room, which is a very nice committee room, but frankly the audio system desperately needs an upgrade. We have no video whatsoever. I am not speaking as the Chairman of the Ways and Means Committee. 1100 Longworth is the alternate floor for the House of Representatives. We have no redundancy and no digital capability. If 1100 Longworth were to function as for whatever reason, a period of time the floor of the House of Representatives, it is woefully inadequate in terms of what would be considered appropriate and normal audio and video capability.

I know we are going to begin to move forward, hopefully during the August recess in this regard. But it is something that concerns me even more now in the current context of alternate use sites than it did a year and a half ago. It was a fallback that was not contemplated to be really a serious one, but now I think you have to look at the fact; what would you do if you ran the floor of the House out of that room for 2 or 3 months. Thank you very much. I will await any questions.

The CHAIRMAN. I will note, I did testify there and of course, these mikes are about, are about the same style and type of mike, and there is a definite need for improvement. And also, of course, when it came to Ways and Means and the size and significance of the room and alternative use, we do have that study that we actually had to go into because it is a little bit more complicated on that room and we would expect some things to be able to be done.

It is going to take—hopefully by the August recess, and we will work with you for that.

Mr. THOMAS. Thank the Chair.

The CHAIRMAN. I have no questions.

Mr. LARSON. Thank you, Mr. Chairman. Mr. Chairman, let me echo your concerns as has been expressed to us by members of the minority on the minority staff on the committee with regard to audio visual and other technological advances. Let me also commend you and the committee and thank Mr. Stark in representing Mr. Rangel for his comments. Obviously you all are in sync with where you would like to be as a committee. It would be helpful as some of the committees are working on how they share technology. One of the things we hope to do on House Administration in terms of outreach is to get your input and feedback, and having served here and being able to look with the splendor at your picture radiating.

Mr. THOMAS. I am just thankful it is still on the wall.

Mr. LARSON. Again, any input that you could provide us would be very helpful. And thank you both for testimony today.

Mr. THOMAS. Thank the gentleman. We have plenty of input. The problem is we have to find the money and resources.

Ms. MILLENDER-MCDONALD. The only thing I would like to ask, Mr. Thomas, you spoke about the 12 percent increase for staffing. Is that staffing—staffing of what?

Mr. THOMAS. It is not entirely staffing. But as my colleague indicated, about 86 to 89 percent of our funds goes toward staffing. We are asking to increase the staff. We currently have 77 and we would like to add two additional. Any of the staff that we add and we are going to fill a vacancy and that is three. So it is two to one. Everything is split on a two-to-one basis as we add. Some of that also is for equipment. We have the periodic need, the gentlewoman needs to know when I inherited the Ways and Means Committee, the members did, the staff did not have cell phones, obviously Blackberries, and there was no way to access the computers from remote locations. We have invested a significant amount of money to create a greater productivity in our staffs. But some of the computers that were there are beginning to run their life cycles and therefore require upgrading. That is one area that we are going to continue to spend money because I do believe you get the productivity back.

But I do want to underscore my colleague's comments about space. We are looking at unfilled elevator shafts that are ventilated for an opportunity to fill the space. At one time, there was a beautiful glass wall anteway into the back rooms of the Ways and Means Committee. That has now been occupied by staff because it was space that could be cannibalized. And we are desperate in a beautiful building built in the 1930s which simply doesn't have space that is easily acquired by us, and we are dividing up spaces in ways now that has about reached its limits on creativity.

And we would be looking for some additional sources beyond ventilated elevator shafts to accommodate a committee that deals with the entire Tax Code, trade, Social Security, et cetera.

Ms. MILLENDER-MCDONALD. We do understand. That is duly noted that space is a tremendous problem. And that is woefully needed for your continuing the important work that you do. We thank you, Mr. Chairman.

The CHAIRMAN. I just want to close by saying that we appreciate the two-thirds/one-third and the way that you set that up here is the way we conduct our severals here of turning the entire budget over. And I think that was a good thing from day one that you did.

Mr. THOMAS. We preached for years that that was a fair division. In the 103rd Congress, which is the one just prior to the current majority, the resources for the Ways and Means Committee Minority were 17 percent of the staff and virtually none of the resources. Currently that is now a full one-third across the board. That is what we said should have been done. When we became the majority, we could have been terribly and woefully neglectful if we didn't practice what we preached.

The CHAIRMAN. I want to thank both the gentlemen. I would note we have a vote, the picture for the floor and another vote. So if we could continue after that second vote with the Intelligence Committee. Thank you.

The CHAIRMAN. Committee will come to order, and we will proceed with Judiciary. And we have the Chairman, Chairman Sensenbrenner.

STATEMENT OF HON. F. JAMES SENSENBRENNER, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. SENSENBRENNER. Thank you very much, Mr. Chairman. I would like to ask that my full statement appear in the record and in the interest of time, I will summarize it.

As you all know, the Judiciary Committee is one of the workhorse committees in Congress. We had jurisdiction over 14 percent of all of the bills that were introduced in the last Congress. We reported over 103 bills with accompanying legislative reports, of which 80 were agreed to. We were responsible for 53 new laws, 47 public and 6 private. The Government Reform and Resources Committee had had more committee reports and more public laws; however, most of their work product were relatively minor issues like boundary adjustments in the Resources Committee and the naming of post offices in the Government Reform Committee.

Most of our legislation is really meaty, and it requires extensive hearing records and committee reports. And I would just draw the attention of members of this committee that the report on the bankruptcy bill, which we will be filing following it being reported, which will probably be thicker than the Washington phone book. All of that requires people, and all of that requires equipment. And we are asking for 15 new permanent staff slots, 10 for the Majority and five for the Minority. I have been scrupulous in maintaining the one-third/two-thirds ratio both in terms of slots and staff, taking out certain administrative positions that are really nonpartisan in nature, such as the printer, the people who work for the Government Printing Office, those that do the payroll and the like.

The equipment line in this budget includes the purchase of additional computer softwares and printers first to accommodate the additional staff, and secondly, in order to increase the productivity of our committee. Again, if you look at the volume of paperwork that comes out of the Judiciary Committee, we need this additional equipment in order to keep ahead of the game on that.

I would point out that Mr. Conyers and I are in agreement with this budget. We would ask for your favorable consideration, and I will now be happy to yield to Mr. Conyers, and the two of us will answer any questions you may have.

The CHAIRMAN. I thank the Chairman and recognize the Ranking Member. Pleasure to have you, Mr. Conyers.

Mr. CONYERS. Good afternoon, Chairman Ney, and to my good friend Ranking Member Larson. I am delighted to be here with my Chairman on Judiciary James Sensenbrenner to join with him in the testimony. I just have to say, he has been an effective Chairman. We have been able to do a lot more things than we thought we would be able to. But the assignments keep coming in, and 9/11, of course, has complicated that considerably.

Now, to me, it is critical that the slots that the Chairman and I seek are granted here because we have never been stretched to the limits that we are now currently in the committee. And we have just come through a cloning bill. We have bankruptcy that is waiting for us to be reported out today. We are in recess until we can leave this very important hearing. In addition, we have had matters of science and ethics that didn't—well, some of it didn't

even exist 4 years ago. And we have marked up medical malpractice, and it will be brought to the floor in a few days, and that is legislation that raises significant issues involving our State laws, concerns the drug companies and the HMOs as well as constitutional law. It is an issue that hasn't been reported out of our committee until last year.

Bankruptcy is a several-hundred-page bill, and it grows more complex with each Congress and gets more complicated as it touches upon pension questions and international law as well. We are also doing some very important work that I am sure this committee would appreciate that deals with piracy over the Internet. We have the ever-agonizing issues of immigration law and now homeland security. This is over and above the issue subjects of our jurisdiction, crime, antitrust, administrative law, civil rights, reproductive choice, and, of course, all constitutional questions and the oversight of the Department of Justice itself.

So why do we need new staff? Because these issues cannot be shortchanged at the expense of understaffing. The public debate on these questions are seminal, and there are other issues, gun safety, crime, tort reform, which are, I think, important issues and some which are even growing more important. So the Chairman and I pride ourselves on our work, and we just simply need more people to help continue the tradition of excellence that the committee has enjoyed over the years. It seems to me that we have a large assignment of legislative matters than any other committee.

And I have enjoyed working with the Chairman. We have a good relationship. I have a good relationship with this committee as well. I have enjoyed working with Chairman Ney, who I must say played an enormously important role on election reform legislation that without him, we wouldn't have gotten this bill to the White House for signature. He has been very helpful in helping it get funded. And Ranking Member Larson, you and your staff have been working closely with us in formulating a budget we can all live with, and I am grateful to you for that. My other colleagues are all friends of ours. But we come here urgently needing the best help that you can bring to us, and I thank you very much for this opportunity to share a few of these items with you.

The CHAIRMAN. I appreciate the testimony of both of the gentlemen, and also it was a pleasure to work with you and have your support on efforts you did for the legislation and also the follow-up of the money, and we have got a little bit more to go. Thank you.

Questions?

Mr. LARSON. Thank you Mr. Chairman. And I would like to also acknowledge what the Chairman has said that, in fact, Judiciary is a workhorse committee, and I was honored as a freshman to serve with Mr. Sensenbrenner when he was the then-Chair of the Science Committee. And the long, distinguished career of Mr. Conyers is legendary here in Congress.

Clearly the need that you put before the committee is well-deserved. In the event as we go through this process—this is a question we have asked all the Chairs that have come in, and I know Chairman Sensenbrenner mentioned in his opening remarks with

regard to the one-third/two-thirds. If we are only to get 12 employees instead of 15, we assume it would still be that one-third—

Mr. SENSENBRENNER. It will be.

The CHAIRMAN. Any other questions?

Ms. MILLENDER-McDONALD. Thank you so much. It is good to see the Chairman and the Ranking Member today and my first real meeting and listening to those Chairs and Ranking Members who do so admirably in committees.

Ranking Member, I was concerned that you—it was mentioned, rather, that you would like a little more leeway in purchasing supplies and all this. Is this something that has now been taken care of in this approach to giving the two-thirds/one-third in all other types of partnerships with the Chairman?

Mr. CONYERS. I am happy to report to you that it has, and that we are working on some very major issues, some that I can't even reveal at the hearing, and that we have—I have no problems in that regard whatsoever, Ms. Millender-McDonald.

Ms. MILLENDER-McDONALD. Mr. Chairman, I wanted to see where we were on that, and I thank you both so much.

The CHAIRMAN. Any other questions?

I want to thank both of you for your testimony.

We will move on to Intelligence. I want to thank both Members for coming. As I understand it, you have an extremely tight time frame; is that correct?

Mr. GOSS. Thank you, Mr. Chairman. That is accurate.

Mr. LARSON. If both the Chairman and the Ranking Member would accede, we are more than happy to, through unanimous consent, accept your written remarks for the record and go directly to questions.

Mr. GOSS. I am very much obliged, Ranking Member, and I appreciate that. We have prepared statements and want them entered into the record.

The CHAIRMAN. There is not a bunch we can publicly ask you anyway. Any questions?

Mr. LARSON. I would only just like to again add and, again, I thank you, Chairman Goss, for your extraordinary work on the committee, and we are so pleased that Jane Harman with her tremendous expertise and background has joined you in what, since September 11, has become an extraordinarily important committee not only to Congress, but to the entire Nation and, dare I say, the globe as well.

The question we have asked all the Chairs coming in, our concern has been over the one-third/two-thirds split. And it is our expectation that irrespective of what the ultimate decision is, that that will be maintained, whether that be the full request or it being a partial request.

Mr. GOSS. That is certainly the case. Ms. Harman and I have a close working relationship, as I did with her predecessor. There has never been a problem on the one-third/two-thirds. She does control one-third of the personnel moneys. And as for other expenditures, we do it on a shared basis because we operate very largely on a bipartisan basis in this committee because it is a national security matter.

Ms. HARMAN. If I could add to that, I think I am the fourth Democrat to serve as Ranking Member with Mr. Goss. There must be something in the water in Florida. But he is correct in that the ratio is two-thirds/one-third.

I would like to point out to the committee that there are a lot of able women on the professional staff on both sides on the committee, and it functions as a very bipartisan committee, something that is extremely important to me.

Mr. LARSON. Your reputations and the integrity you both bring to the committee in the process are well known and well regarded throughout all of Congress and certainly shared by this committee.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I would like to congratulate my dear friend and the new Ranking Member who hails again from California, so I don't know about the Florida water, but California is doing quite well itself, and we really do know that Jane comes with extraordinary expertise and background, so we know she is going to do well on this committee.

And, Mr. Goss, as always, I respect you, and so by virtue of the fact we have a lot of women on there speaks volumes for you as well. So we thank you for the work you do for us.

The CHAIRMAN. I wanted to note in closing, too, you have a critical function as a committee. I think it has been extremely well run. And 2 years ago I am happy that decisions were made and support came at all levels from the Speaker and also from Mr. Gephardt and members of the committee, and their support continues throughout both sides of the aisle to put the money into this committee that it needed to have. Those resources were wisely spent and for, I think, what turned out to be one of the most important functions in this Congress for a committee.

Mr. GOSS. Mr. Chairman, I would like to thank you and your Ranking Member and your committee for the extraordinary support and the timely support that you have given us with our requests that come, through no fault of our own, for the extraordinary circumstances with which we had to deal since 9/11. I feel we have used the money wisely, and accountability will show that, and I think we are making a very reasonable request for what I think is a very critical need for the next year. Thank you very much, sir.

The CHAIRMAN. We will now go ahead with the Resources Committee, Chairman Pombo and Ranking Member, Mr. Rahall of West Virginia. And Mr. Pombo of California.

STATEMENT OF HON. RICHARD W. POMBO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. POMBO. Thank you, Mr. Chairman and Ranking Member and members of the committee. As the new Chairman on the Committee on Resources I am pleased to present a bipartisan request for committee operations for the 108th Congress. This request represents a fair and honest estimate of our needs and will allow us to build on our past successes.

The jurisdiction of the Committee on Resources literally runs from the top of the world, the oil and gas resources of the Arctic slope, to the bottom of the sea, the preparation of nautical charts. Fishermen and foresters, ranchers and rangers, endangered coal miners in Ohio and the endangered willow fly catcher in Arizona,

wildlife and water, Native American and American Samoans all rely on the work of the Committee on Resources. With this expansive jurisdiction, it is no wonder we are the most active committee on the Hill, holding more hearings and markups, 227, and enacting more public laws, 128, than any other committee.

In reviewing the budget from the previous Congress, it is clear that the committee on resources needs more resources itself both in funds and staff. Last Congress our travel funds ran out in the middle of the second session, severely hampering our ability to hold field hearings and conduct investigations outside Washington, D.C. One of the pledges I made when selected to chair the committee was to ensure that we would actively solicit the views of local communities and ordinary citizens whose lives and livelihoods are affected when we develop legislation. These people often cannot come to us, so we need to go to them. And if that takes us to the Marshall Islands or to Silver Bow, Montana, or even St. Clairsville, Ohio, then we need the resources to go there.

We held our first field hearing last Friday in Flagstaff with seven Members traveling from Washington to hear about the devastation to our public forests, water and air caused by the catastrophic wildfires in Arizona last summer. Over 450 people attended, and the testimony we heard was remarkable and moving.

Communication is also key in reaching out to those who cannot afford Washington lobbyists to front their cause. For that reason it is imperative that the Committee on Resources have teleconferencing ability. Broadcasting committee hearings and markups over the Internet as well as posting notices in local newspapers, soliciting views and alerting the public to committee activities would further allow those outside Washington, D.C., to have their voices heard. Under former Chairman Hansen the committee began to modernize their communications operations. There is much more to be done to ensure that we hear from U.S. Citizens across the Nation and across the oceans.

As Chairman, I assure you that Mr. Rahall and I will share these resources equitably. We have forged a good working relationship, and I want to continue that effort. The Committee on Resources will be more productive if we work together as leaders even if we might disagree at times on policy.

Further specifics of our requests were included in the budget proposal forwarded to your committee last month, and I am happy to answer any questions that you might have.

The CHAIRMAN. Thank you for your testimony.
Ranking Member Mr. Rahall.

**STATEMENT OF HON. NICK RAHALL, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF WEST VIRGINIA**

Mr. RAHALL. Thank you, Chairman Ney, Ranking Member Larson. Let me say that I hope my testimony is going to be the shortest in the history of testimony on the Hill. This is the length of it, not even a full page.

Chairman Ney and Ranking Member Larson, I am here to simply say that I am in complete agreement with Chairman Pombo and the remarks he has just made and with the budget request for the Resources Committee that are being submitted jointly here today.

This budget reflects the same agreement, as you heard the Chairman state, between former Chairman Hansen and myself that we entered into in the beginning of the last Congress that worked so well. And under this budget, the Minority would control a full one-third of the staff salary budget. As to the rest, our committee does not operate as if there are Republican or Democrat copiers or computers. If a piece of equipment reaches the end of its ability to function properly, it is replaced rather than located in the offices of the Majority or the Minority.

This proposed budget would provide the Resources Committee with sufficient resources to consider legislation that is sponsored by Mr. Larson, the Coatesville Study Act, which I have already contacted Chairman Pombo on. It would provide us with the necessary resources to act upon badly needed pieces of legislation referred as well by the Chairman that is sponsored by you, Mr. Chairman Ney, and myself known as CARE 21.

That concludes my testimony, and I am open for questions as well.

The CHAIRMAN. I thank the gentleman for testifying. The Chairman is pretty good. He knows where I live. Now Ranking Member should know where I was born.

Mr. RAHALL. Yes. My home State.

The CHAIRMAN. Wheeling specifically.

Any questions?

Mr. LARSON. I want to thank you, Mr. Chairman, and let me also commend Chairman Pombo and also Ranking Member Rahall, as they say—Shakespeare said brevity is the soul of wit, and so we appreciate your very succinct but focused testimony.

I commend the Chairman. I do applaud your efforts. We heard from Chairman Davis earlier today about the need to get outside the Beltway on so many important issues, and particularly on a committee that is as valued as yours is across the Nation as you protect our precious resources. I think that is a vital interest not only to Congress, but to all Americans, so we applaud your efforts and think your focus has been reasonable and justified.

The question we have asked all the chairmen as they have come in, from the Minority standpoint, and you mentioned it already in your testimony, about the adherence to the one-third/two-thirds prospect. In the event—and we certainly hope not—that the funding isn't all that it should be and you didn't get all that you asked for, is it still your intent to continue that one-third/two-thirds relationship?

Mr. POMBO. Yes. It is part of our committee rules, and both Nick and I have agreed that we will stick to that budget request.

Mr. LARSON. I thank the Chairman and the Ranking Member for the courtesies that they have shown me and also other Members throughout Congress. I would only ask if the Ranking Member had anything to add.

Mr. RAHALL. Thank you. Let me just add further what the Chairman has said. Certainly I agree with the premise. I would also expect, though, that other Ranking Members collectively be treated in the same manner, and to their satisfaction I might add as well.

Mr. LARSON. I think we can be proud of the efforts of the Chairman of this committee because he has really set the tenor for Congress in terms of responding to that request.

Ms. MILLENDER-MCDONALD. I must agree with you. He has set the tone for this committee, and we are most appreciative to you and your leadership, Mr. Chairman.

Only thing I want to do is welcome both of these men, Dick and Nick. Those two names alone should add a lot to the Resources Committee. But they are both new in their respective roles, if I am not mistaken—this one is not new? You left Transportation. But from a Californian to a Californian, welcome and congratulations for having received the chairship of this committee.

I have the largest Samoan population outside of Samoa, and so I would be very interested in some of the legislation, some of the things that you are doing, and especially in an oversight hearing in my district where not only do I have the largest amount of Samoans out of Samoa, but Cambodians and Filipinos. And so I don't know whether that stretches that wide, but certainly the needs are pretty much the same. And so I would be interested in an oversight hearing in my district where we can speak to the challenges that the Samoan population has here.

Mr. POMBO. Just in response, I will be more than happy to work with the lady in trying to achieve that in a field hearing. As I am sure you are aware, we have a number of field hearings planned all over the country and, for that matter, all over the world in terms of what our jurisdiction is. I believe very strongly that the best way to educate Members and to give the public an opportunity to address Congress is to get us outside the Beltway and get us out into the real world.

The CHAIRMAN. I want to thank the Members for their kind comments and just reassure that two-thirds/one-third is a part of life here, and a couple of new chairmen including Chairman Pombo—he immediately held to that, and we appreciate it.

I also think taking the committees out on the road, as we would say, across the country to be able to have people that could come to them versus having to come to Washington is a tremendous thing, especially with the critical and important issues you have. I know the hearings won't be without controversy, but they are an awfully good thing to do. So we appreciate it. Thank you.

The CHAIRMAN. And we will move on to Financial Services. Chairman Mike Oxley of Ohio and Ranking Member Barney Frank of Massachusetts.

**STATEMENT OF HON. MICHAEL G. OXLEY, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF OHIO**

Mr. OXLEY. Thank you, Mr. Chairman, and let me thank you and Ranking Member Larson for hearing us out today. Two years ago this committee made an investment in the new Financial Services Committee, and I want to thank you for that and for what you have given to the committee, and I think the taxpayer got their money's worth. We have done a lot more with your resources than most other committees. When America needed new tools to fight the flow of terrorist money, Financial Services Committee delivered the anti-money laundering legislation, and it became part of the

PATRIOT Act. And we just had an oversight hearing yesterday on how that act is working. When we discovered Wall Street professionals put greed first and investors last, it was our committee that held the first hearings on Enron and WorldCom and responded with the first legislation in April of 2001 in which we—which ultimately became the Sarbanes-Oxley Act. And when the economy suffered because of the lack of terrorism insurance, again our committee stepped up and passed terrorism risk insurance about 7 months before the Senate responded, and we finally got that bill signed and passed in the lame duck session.

We have a lot of other work to do in terms of oversight over Sarbanes-Oxley and what is happening out in the world with the Nation's investors, modernizing our financial institutions, promoting economic growth. We have requested \$16.9 million in budget authority for this Congress. About 86 percent of that would be for personnel compensation.

We are near the bottom of the rung when we compare the size and resources of the committees in overall funding. For instance, the Transportation Committee, which is the only committee larger than ours, they got a budget of more than \$2½ million more than our committee. That works out to nearly \$24,000 more per Member. And we simply need to compete in many respects for top talent with the administration as well as with Wall Street and other jobs in the financial services sector.

I want to take this opportunity to thank my new Ranking Member, Mr. Frank of Massachusetts. We worked well together over the years, and I was pleased to have him ascend to the position of Ranking Member and we are going to plan to get a lot done in this session of the Congress. To that end, of course, our budget guarantees that the Minority will control its budget, which will be one-third of both committee funds and staff slots. And I know, Mr. Chairman, that has been one of the hallmarks of your leadership, and I want to applaud you and your new Ranking Member Mr. Larson for continuing on that, which I think is good policy and makes a great deal of sense.

So we once again come before you with our thanks from the last time. And our committee was a new committee 2 years ago, but we have been tested by fire. And some of the major issues that we dealt with last year were something that we hadn't even planned on in the initial agenda with the terrorist attack of 9/11 and, of course, the corporate scandals that occurred. And I am quite proud of the work that our committee has done. Seventy members, it sounds rather unwieldy, but in the overall scheme of things, we were able to pass major legislation on a number of fronts, virtually all with large bipartisan majorities, that became law and signed by the President. And if you look at the output per committee, I suspect ours is right up there at the top in terms of legislative output.

So again, I want to thank you for hearing us and our request today.

The CHAIRMAN. I thank the Chair.
Mr. Frank.

**STATEMENT OF HON. BARNEY FRANK, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF MASSACHUSETTS**

Mr. FRANK. Thank you, Mr. Chairman, Mr. Larson.

I completely concur with what the Chairman has said, and he has been extremely fair in our working relationship. It has been an excellent one. We have been able to cooperate. Cooperation in our job means working together on some issues and fairly framing those issues whether it is legitimate disagreement, and I think we have been able to do both quite well.

It is a committee with very broad jurisdiction as it has now come about. In addition to the areas that the Chairman mentioned, we also have a supervisory role with the Federal Reserve. It is our job to deal with the Humphrey-Hawkins employment aspect. We have got the entire housing jurisdiction, which is a very significant one. And I just came back from a quick trip to Greece at the request of various people because we supervise the U.S. Relationship with the World Bank, the International Monetary Fund. So the scope is really quite broad, and it really does require significant staff resources, because the level of expertise we need to have is high.

We in particular and others may have this as well, but I am struck to the extent to which we are trying to make people who have been acquiring expertise in particular areas for a long time do things they would rather not do. And it is important for us to be able to have an expertise that can go up against them in a very wide range whether you are talking about the Federal Reserve, the International Monetary Fund, intricacies of the securities industry, et cetera.

I very much support the Chairman's request. We have been productive. I am proud to say we are the committee that authored the first bill that passed this year. We have a very productive markup scheduled tomorrow with some things that are very important for the functioning of the banking industry. We have some important hearings still coming up. So I fully support the Chairman, and I think there was a very legitimate argument for even additional resources, given the scope of what we have got to do.

Mr. OXLEY. Will the gentleman yield? I think the gentleman from Massachusetts will also agree that we have an excellent set of subcommittee chairs.

Mr. FRANK. Yes. Absolutely.

The CHAIRMAN. Best and brightest, I assume.

Mr. FRANK. In the housing area very much, or as we would say, *de la maison*.

The CHAIRMAN. *Merci beaucoup*.

With that said, this committee is a very active committee, and it just handles a wide variety of issues. And it really had been down also on the funding scale. Last time when it got bumped up, it not only took on additional responsibility, but the funding really had been at a lower level.

Any questions?

Mr. LARSON. Thank you, Mr. Chairman, and thank you, Chairman Oxley and Representative Frank, for your candid and lucid testimony.

One of the concerns we have heard raised—and I just have two questions, but one has been raised by virtually everyone who has

come before is the issue of space in terms of the committee, and while not a specific jurisdiction, although it comes under our committee rules, it is a decision that goes to another pay grade other than ours. But nonetheless, again, through the Chairman's desire and acquiescence, we are going to speak to the leadership directly about those needs. Do you have space concerns?

And again, Mr. Chairman, you eloquently stated in your remarks about keeping the one-third/two-thirds relationship. It is our concern in the event that people don't get funded to the levels they were, we assume that is the case, but we just wanted to ask that.

Mr. OXLEY. Absolutely. That is large in our rules, and we would certainly respect that regardless of what the funding was.

Mr. FRANK. One of the things I was pleased to learn when I came to this committee is that the staffs have very good working relationships. There really is a good deal they do that saves time for us.

On the space thing, I could not agree more, and I would put that as the highest priority. I have just been in a position of having to fill some positions, and I have had to tell some very able people, people who have come to me from the SEC and elsewhere, that I have only one drawback that I have to be honest about, and that is the physical working conditions stink; that we have these really talented people doing very important jobs, and it isn't the Chairman's fault, but we don't treat really the extraordinarily hard-working people who work for us well enough. And sometimes they are dealing with things that you want confidentiality. And I don't think it makes the best impression on the people with whom they deal. We ask them to meet with people, frankly, to save us from meeting with people sometimes, and there is some fairly important people that the meeting spaces are not what they should be. So to the extent we could increase space, that would be the biggest contribution we could make to our functioning.

Mr. OXLEY. I would agree with that. It is also, I think, a retention issue. Again, we have some pretty talented folks that are constantly, I think, being recruited by Wall Street, by K Street and by the administration. And part of that is just a quality of life and their working conditions and that doesn't help in terms of retention if they don't have a quality workplace.

Mr. FRANK. These are first-rate people who I think read Dilbert and fantasize how nice it would be.

Mr. LARSON. Again, I would like to compliment this Chairman again for his efforts and work also on a concern that we have, and, Chairman Oxley, you alluded to that, that with regard to the pay levels, Dave Obey often comments we train personnel in the House that go onto the Senate or on to the private sector because of the pay grade levels there. So along with accommodations, it is our focus and this Chairman's focus has been to make sure that staff is being paid accordingly.

The CHAIRMAN. And we have the pay that we have built in with the cost of living, and, of course, the Chairs and Ranking Members can give other pay differentials.

Also wanted to note this reoccurring theme of the space, because with the great support by our Ranking Members and our Ranking Member and other Members, we passed the student loan, which we

now can have some student loans paid back, because the Senate had it and we didn't have it. But you have to have the space to physically put somebody to help them pay off their student loans.

And the space situation is just in a crisis. I think this building was probably built in the 1930s, I think Rayburn was built in the 1950s, and in those days not everybody could get to Washington, D.C., easily. And on top of it, there wasn't an Internet, wasn't the mass communication that we have. Great thing about the committees now, people can get here, or you can take the committees out on the road, Internet, but all that causes is more people to write in or voice their opinion about issues and advocacy groups. And staff needs to meet with them and look at their concerns, and that is great, but we have outlived the ability to be housed in these buildings, and just a basic respect for working conditions. And so we have just got to do something to find some more space, and we will work on that.

Ms. MILLENDER-MCDONALD. Mr. Chairman and Ranking Member, thank you so much.

Space has been the operative word here today with all of the Chairmen and Ranking Members. Retention is very critical, and I would think it is critical to us in our own offices, but it should be even more so, given the areas of concentration and the issues that come before you. And so I am sensitive to your request for more space and space that will be adequate for these professionals to use when they are meeting with those high-skilled folks out of Wall Street and other places.

I would like to congratulate our friend Barney Frank for coming in as the Ranking Member. We certainly hate to see him leave Judiciary, but if he has to land anyplace, it is the Ranking membership. And so we welcome you aboard, and good also to see you, Mr. Chairman.

The CHAIRMAN. Thank both of you for your time.

And last on the schedule today is Standards. And we have Chairman Hefley from Colorado and Ranking Member Mr. Mollohan of West Virginia. Welcome to both.

STATEMENT OF HON. JOEL HEFLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. HEFLEY. Mr. Chairman, I appreciate the time. I want to say, though, that Mr. Oxley as he left the room whispered in my ear and said, we got all the money.

As I begin, Mr. Chairman, my second term as Chairman of the Committee on Standards of Official Conduct, I am pleased to appear before you today in support of our budget request and to appear here with the new Ranking Member of the committee, Alan Mollohan.

We appear in support of House Resolution 64, the committee's funding resolution for the 108th Congress. The Standards Committee is a relatively small committee, as you well know, but its responsibilities are broad. We have 10 members, 5 Republican, 5 Democrat, the one committee in the House that is evenly divided, and we work very, very hard to see that this is a completely non-partisan, not a bipartisan, committee. None of us serve on this because it is a good fundraising committee or you get a lot of glory

from it. We serve on it for the institution and the value that it has for that.

We also have a staff of 13. We have eight nonpartisan attorneys. We emphasize that all the time. We have three support staff and two shared professional staff members who assist the Chairman and the Ranking Member respectively.

The committee's jurisdiction is threefold: It is to provide guidance and information to House Members and employees on the laws, rules and standards that govern their official conduct; to administer in cooperation with the Clerk of the House the financial disclosure requirements of the Ethics in Government Act insofar as they apply to House Members and employees and congressional candidates; and to investigate instances of possible misconduct by Members, officers or employees and, where misconduct is found, to take appropriate disciplinary action.

I consider the committee's advice and education efforts—in the form of publications and briefings on the rules and having staff readily available to respond to questions of Members and House employees—to be a critical part of the committee's mission. In fact, I think if we are really doing our job, we are helping Members not get in trouble, rather than prosecute them after they have gotten in trouble. We want them to come to us. We want to be able to advise them on what is appropriate and what is not up front, rather than have to deal with it after some indiscretion has occurred.

Prior to the start of the 2002 campaign, in December 2001, the committee issued a campaign activity booklet that provides a current statement of the House rules and related authorities that apply to Members and employees when they engage in campaign or political activity. In addition, during the 107th Congress the committee issued a dozen general advisory memoranda to Members and employees, including one relating to the use of official resources in connection with the redistricting process, on which there were some problems as we were all going through that process.

Another key part of the committee's advice and education efforts is the issuance of private advisory opinion letters in response to requests submitted by Members, employees and others. In the 107th Congress the committee issued over 700 private advisory opinion letters. The start of this Congress with all of our new Members and employees has been particularly a busy time. Already this year, the committee has issued approximately 100 advisory opinion letters.

In addition, in an effort to accommodate all of our incoming freshman Members and our staff, our committee attorneys have already held two large-scale briefings on the ethics rules, open to all House Members and employees, as well as numerous briefings for individual offices.

One result of these advice and education activities is that the committee and its staff see on a practically daily basis how the ethics rules impact the lives and work of Members and House employees.

I think another basic responsibility of the committee is to be alert to instances in which some change in the rules may be in order, whether it be lifting a needless restriction, closing a loophole, or merely clarifying or simplifying the rules. Some changes along these lines can be made by the committee acting on its own

authority, but other changes can be made only through an amendment of the House rules.

While the committee's responsibilities to monitor and review financial disclosure statements require a great deal of time and effort, and in the 107th Congress committee staff was required to review over 5,000 of them, the other major committee responsibility is in the area of investigation of possible misconduct. This is an area for which the level of the committee's workload is virtually impossible to anticipate. For example, in the 107th Congress we were confronted with the circumstance of the sitting Member of Congress who had been convicted of several felonies, and I can't tell you the amount of time both for the members of the committee and the staff that this occupied. I hope—and I am sure Alan would back me up on this—that never in our lifetime will we have to go through that again. That is not a fun experience.

Turning to the specifics of the committee's proposed budget, the largest item by far, on the order of about 85 percent, is for personnel compensation. Our figures reflect roughly a 4 percent cost of living increase in both 2003 and 2004 and allow for merit increases or bonuses on an average of about an additional 4 percent each year.

The House rules require that our committee staff be assembled and retained as a professional nonpartisan staff, and that each member of the staff shall be professional and qualified for the position for which he is hired; in other words, we have mostly attorneys on the staff. In budgeting for compensation, it is our intention to attract and retain the best people we possibly can for this job, and we do have some wonderful people down there.

The proposed budget also includes a request of \$25,000 for consultants over each of the next 2 years. We don't use consultants very much, and it is my belief that insofar as we possibly can, we ought to handle these internal situations ourselves as a committee and as a staff. But we do feel it is prudent to put some money in there just in case we do have to call on outside consultants or outside counsel. And I will point out, Mr. Chairman, that I believe every year that I have been involved in this committee, we do turn money back. We don't figure a way to spend the money so we will get more next year. We do turn money back that we don't use. If we don't use this consultant money, we won't try to do something else with it.

Two other budget items I would like to touch on are equipment and supplies. A large portion of the requested increases in these categories is for computer-related expenses. For example, we understand that House Information Resources is establishing an off-site backup of House computer resources. Our budget includes \$25,000 for additional security mechanisms that would be needed for the committee's records. Our request for supplies includes software that would upgrade the committee Website.

The figures before you represent our best estimates of the committee's needs for the 108th Congress. As has happened on occasions in the past, if events result in greater demands on the committee, then we would have to come back to you, but we hope—sincerely hope that that is not necessary.

Mr. Chairman, before I conclude my remarks, let me just say that your committee and our committee dovetail on a lot of things, and we have to have a close working relationship to make either one work right for the institution, and I cannot imagine a closer working relationship than we have had these last few years, and I thank you for that. I think it is to our mutual interest to continue that, and as far as I am concerned, that will continue from our side of it, and I am sure it will for you, too.

Now I turn it over to our Ranking Member Alan Mollohan.

STATEMENT OF HON. ALAN B. MOLLOHAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. MOLLOHAN. Thank you, Mr. Chairman, Chairman Hefley, Chairman Ney, Ranking Member Larson, Mr. Brady. It is a pleasure to appear with the Chairman here today on behalf of the budget request for the Committee on Standards of Official Conduct.

I have recently rejoined the ethics committee, this time as Ranking Member. During the short term I had been here, I was impressed that my predecessor and the Chairman obviously did an excellent job with the committee. The Chairman has provided exemplary leadership over a long period of time. I find the committee to be well led and well staffed. And having reviewed the budget request, I find myself in total agreement with the Chairman with regard to that request and think it was very admirably presented here to the committee, and I would like to associate myself with his remarks and with the substance of his request.

I would specifically support his request for the \$25,000 contingency fee for outside consultants, and I also share his philosophy that this committee ought to do its work internally to the extent that it is possible to do that. I believed that the first time I served on the committee, and I continue to believe that.

So I, again, in summary, Mr. Chairman, associate myself with my Chairman's remarks and look forward to serving with him and, with him, working with you to make sure that the ethics committee and the House of Representatives works; works for the institution and also works for the Members.

Thank you for allowing me to appear here today, and I join the Chairman in any questions you might have.

The CHAIRMAN. I want to thank both of you for coming here today, and we will continue that close relationship we have had.

The other thing I can appreciate is the job that you have. It is a tough job. And like we always used to say, who do you make angry if you were in House Administration or ethics. Both of those committees are good committees, and the thing I have been impressed with quite a lot, because I would call when I probably became Chair of this committee—our Member services in both Minority and Majority here in House Administration field constant calls, and their answers are critical, and their answers are important. And, of course, we field calls directly over to you.

I also have been very impressed with the staff as I have called inquiring, because you need to do that to find out, you know, what steps you take to make sure everything is correct. And I have always been impressed with the quickness of the calls back by your staff and your credibility of the answer. Really appreciate it. And

I know they get a lot of calls, so we have been impressed with your staff.

Mr. LARSON. Thank you, Mr. Chairman, and again let me thank both the Chairman and the Ranking Member for appearing today. And let me add that given the Chairman's testimony, and as a Member of the House having gone through that excruciating experience last year, the integrity that you brought to that process served the House and the country extraordinarily well. I think we are fortunate to have you in that position, and the committee has only been enhanced by the addition of Alan Mollohan, who, like his father before him, brings a standard of ethics and commitment to the United States Congress and to this committee that is so vitally important in our ability to conduct business in a fair-handed manner, and, as the Chairman pointed out, not an attempt to play God here with Members, but an attempt to reach out and assist Members of the body so that they do the right thing and receive all of the important guidance and information that only helps them perform their tasks better.

It is an important committee. I think you are right to reserve those funds for consultants. It clearly has been a frugal committee. I share your concern about operating internally as well, and I think you have made a great case here today. Obviously the commitment exists within the committee, a question we have asked everyone, about the one-third/two-thirds, something that this Chairman has been extraordinary on, and we look forward to continuing working with you.

Mr. HEFLEY. I thank both of you very much for your kind words, and we appreciate that very much.

The CHAIRMAN. Any questions?

Mr. BRADY. Thank you, Mr. Chairman. I just need to echo and piggyback on the words that were spoken here by my Chairman and My Ranking Member. We went through some tough times last year, and embarrassment was a good word that could be used, and it is pretty hard to embarrass me. And I was leaning toward that until you stepped in and conducted yourself, and it was needless to say you could have sold a lot of money on commercials. Everybody was watching it. And I was proud of the way you handled yourself. And now I feel a lot better that a friend of mine and someone with the highest integrity in this House is joining you. So I wanted to thank you for what you have done and look forward to working with you all in the future.

Mr. HEFLEY. Thank you very much.

The CHAIRMAN. Pleased to have both of the Members here today. And for tomorrow, we will continue—of course, tomorrow. I want to thank Ranking Member Mr. Brady, Ms. Millender-McDonald. Mr. Ehlers was here. Thank you for your diligence, your patience, and also the thoughtful questions and the time you put into this, and, Minority and Majority staff, we appreciate it.

I ask unanimous consent that Members have three business days to submit their statements and materials for the record and for those statements and materials to be entered in the appropriate place in the record. Without objection, the material will be so entered.

I ask unanimous consent that the staff be authorized to make technical and conforming changes in all matters considered by the committee at today's portion of the hearing. Without objection, so ordered.

Having completed our business for today's hearing on committee funding, the committee is hereby in recess subject to the call of the Chair. Thank you.

[Whereupon, at 3 p.m., the committee was adjourned, subject to the call of the Chair.]

COMMITTEE FUNDING REQUESTS

THURSDAY, MARCH 13, 2003

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC.

The committee met, pursuant to call, at 10:43 a.m., in Room 1310, Longworth House Office Building, Hon. Robert W. Ney (chairman of the committee) presiding.

Present: Representatives Ney, Linder, Larson, Millender-McDonald and Brady.

Staff present: Paul Vinovich, Staff Director; Fred Hay, Counsel; Jeff Janas, Professional Staff Member; George Shevlin, Minority Chief of Staff; Charles Howell, Minority Chief Counsel; and Keith Abouchar, Minority Professional Staff Member.

The CHAIRMAN. The House Administration Committee will come to order for the purpose of receiving further testimony on the hearing to consider funding requests of the Committee to the U.S. House of Representatives for the 108th Congress.

Today, we have the Chairman, the gentleman Mr. Goodlatte, and Ranking Member, Mr. Stenholm. We can start with the Chairman. Present your case and what you need.

STATEMENT OF THE HON. BOB GOODLATTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. GOODLATTE. Well, thank you, Mr. Chairman and Mr. Larson and other members of the committee. We very much appreciate the opportunity to come to you this morning to present our modest request for the House Agriculture Committee for the coming year.

In the prepared statement, which I will submit for the record, we have appended a graph that I think pretty clearly illustrates the situation that the committee finds itself in. If you will look at that, you will see that the House Agriculture Committee with 51 members is the sixth largest committee in the House. In terms of the staff of the committee, we are, however, the 13th committee. And in terms of the budget, we are one behind that, in 14th place.

So we are very frugal and very proud of the fact that we work very hard to accomplish a tremendous amount with a very limited budget and very lean and mean staff both on the majority and on the minority side.

The committee has a very aggressive agenda this year; and, based upon the activities of the House Budget committee, it appears we may be even busier this year than originally anticipated. Because if we are to go forward with a reconciliation process, that means effectively going back in and examining all of the assump-

tions that we made in last year's farm bill and having to reach some new decisions about spending requirements. We will certainly do that, but we need your assistance in making sure that we have the necessary resources to be able to do that.

In addition, whether that is done or not, the implementation of this farm bill is a major undertaking for the Department of Agriculture and for the committee having to oversee that.

We are also very much engaged in a number of other very important issues. Because of the passage of trade promotion authority last Congress, the administration is engaged in a wide array of bilateral and multilateral trade agreements. As you know, agriculture is our largest sector of our economy, and it is our largest export item, and it is an item that has significant trade surplus, in contrast to most other areas. Therefore, the committee's work to make sure that the interests of American agriculture are protected in those processes is also something that is going to take a substantial amount of staff and member time.

We are also going to be reviewing—because of the debacle we find ourselves in every year with disaster relief packages, we are going to have a major overhaul of crop insurance programs in the country. That, again, is something that will take a great deal of time and effort on the part of our staff.

Our significant request for this year, the principle increase is in the area of new equipment that we need to modernize, primarily in computers. If you look at our numbers, you will find that is primarily in the first year of this Congress. We have a larger increase there because of the need to replace a significant amount of equipment in that area.

In most other areas, I think you will find that our requests for increases are very modest and basically just an effort to keep up with the rate of inflation.

I also want to point out that the staff salary category contains no more than a 4 percent a year increase, which is just about or a little above the cost of living adjustment.

The equipment category closely follows the House guidelines for updating computers and other equipment and contains a one-time cost in 2003 for equipment to ensure continuity of service in the event of an emergency. I know a number of committees are doing this; and really, in a coordinated effort to make sure that we are capable of continuing to operate in emergency circumstances, we have to duplicate and locate in a remote location some of our equipment needs.

At this time I would turn our attention to our ranking member who is someone who has served on this committee for a very long period of time, certainly longer than I have; and his reputation as being a fiscally responsible Member of Congress is second to none. So I am the fourth chairman of the Committee on Agriculture since the 104th Congress; and, as my predecessors have done, I am relying on his gracious wisdom in this endeavor before us today to help make our case.

The CHAIRMAN. We have some wisdom from Texas.

**STATEMENT OF THE HON. CHARLES W. STENHOLM, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. STENHOLM. Thank you, Mr. Chairman.

Let me just say the tradition of bipartisanship on the Ag Committee is long and well understood and well appreciated. I have been here 24 years, and I have already seen the same relationship with Chairman Goodlatte. I have learned Virginian reasonably quick. He is a reasonably fast study on Texan. And when we get there, why, we have the language barrier taken care of.

I fully support the request of the chairman. I would say that—and the division of the resources to the minority is very fair. It is the same—basically the same as it was when we were in the majority. We treated the Republican minority the same way that we are being treated today: It was fair then, it is fair today. That is one of the factors that contributes to the fact that, where we may not always agree on every issue, we do find a way of disagreeing without being disagreeable and continue to work on the problems that face American agriculture.

The agenda the chairman has laid out, I fully support. He laid out what is a very ambitious agenda, but it is a very necessary agenda for the Ag Committee. The oversight responsibilities that we have are extremely important, and it is important that we have the resources to do that job.

So I am here to say I fully support the chairman. I would appreciate this committee granting to us that which we have asked. We believe it to be a very responsible request.

The CHAIRMAN. I want to thank both gentlemen.

With the support of the Ranking Member, the gentleman from Connecticut, Congressman Larson, and the gentleman from Pennsylvania, Congressman Brady, I know we will have some questions.

One thing I wanted to ask, and this has been a reoccurring theme. You haven't asked for additional staff slots, but what is your space requirements right now of the existing staff you have? In other words, is it comfortable or jam-packed or—it has been a reoccurring theme about lack of space. I wondered how you sat with that.

Mr. GOODLATTE. Mr. Chairman, I wouldn't want to characterize it as comfortable. I will refer to my staff if they have some ideas about additional space.

But I do want to point out that, in that regard, we are not asking for staff position increases. I believe we are the only committee in the House that has more members of the committee, 51, than we have staff, both majority and minority staff combined.

I am advised by our Chief of Staff that we are tight, but we can live with what we have.

The CHAIRMAN. I was going to say, if you have too much space, we will probably take some away. So, a good answer.

Mr. GOODLATTE. We are right down the hall. I think if you take a look, you will not find a lot that you can shoehorn into.

The CHAIRMAN. Things have changed. One great thing is that the Internet has opened up. People can travel easier than they could maybe in the past. There are field hearings. But all of that, rightfully so, causes the public to ask questions about their government, and they want service. These buildings were designed quite a few

years ago when you didn't have Internet and people didn't necessarily get to Washington as they can or maybe didn't have field hearings. So just something that has been a reoccurring theme. I wondered how it was.

I appreciate also the last funding resolution, the bipartisan support we had on the votes on the resolution. I know there will be a question by our ranking member on some allotments, two-third/one-third, but I just hope that we can also have the support—if we can hold to the allotments that we stress in two-third/one-thirds.

Mr. LARSON. Thank you, Mr. Chairman.

And congratulations to you, Mr. Chairman, on becoming Chair of the Agriculture Committee.

Mr. GOODLATTE. Thank you.

Mr. LARSON. We couldn't agree with you more in terms of the sage advice, the wit, and the down-home practicality and humor that Mr. Stenholm brings not only to the Agriculture Committee but he also brings to the United States Congress as well.

In talking with our staff, the committee has long served as a model for the way other committees should run, and you are both to be commended for that. As Mr. Stenholm has pointed out, you have an ambitious agenda but one that is very important to the constituents whom you both serve and the people all across this Nation.

The questions that we have been rather routinely asking every Chair who has come in—and again I want to credit Chairman Ney for really setting the tenor for Congress in making sure that there was a two-thirds/one-third agreement, something historically, as Mr. Stenholm has pointed out, that has always been accommodated on the Agriculture Committee but not necessarily in all other committees.

The bipartisan manner in which you conduct business is also to be commended.

Our concern would be that, in the event that even these modest requests that many people have asked for don't achieve full funding status, is it still your intention to have that one-third/two-thirds split?

Mr. GOODLATTE. Well, thank you, Mr. Larson; and I think that is a very pertinent question. I think you can tell from the comments that we made that that is something that we have very carefully followed. It is certainly not new with me. It has been a long-standing tradition in the committee, and I hope that Congressman Stenholm can verify that.

I can tell you that is it my intention that we follow that no matter what allocation we receive, that whatever burden we have to bear here—and with regard to equipment and so on, I think Mr. Stenholm will verify that we go out of our way to make sure that they also receive their fair share of things, other than just staff, so that that staff is properly equipped and able to conduct their business.

We are very proud of some of the technological advancements we put in place in the committee. As you know, our constituency reaches the farthest corners of the country, some of the most remote areas. So the ability of American farmers and ranchers to be

able to access information from this committee via the Internet is very important to us.

We are proud that our web site was recently recognized, got a silver award from the organization that was handing out awards last week for good-quality web sites. We believe we may be the only one that got a gold, silver, or bronze award that was done in-house, not by an outside consulting firm. So we have worked very, very hard to make sure that we are using the resources that you make available to us.

Mr. STENHOLM. I agree with the Chairman. I mean, it is a fair division. Whatever the resources we have, we have had no complaints, anticipate none with the relationship that we have.

Mr. LARSON. Well, again, I thank you both. Your integrity and the way you conduct your business is a model, as we said earlier.

I would only point out as well—and you should be justifiably proud of the Golden Mouse Award, et cetera. But I want you to know that our office received one as well, totally produced inside. And I told Brian Mahar, who was responsible for that, if I mentioned his name I expect appropriate compensation for that as well.

Mr. GOODLATTE. Well, congratulations, Mr. Larson. We regretfully stand corrected. We will include you when we boast.

The CHAIRMAN. It may be Brian who expects some more compensation for doing that.

Mr. LARSON. They always do.

The CHAIRMAN. The gentleman from Pennsylvania, Mr. Brady.

Mr. BRADY. No questions.

The CHAIRMAN. I want to thank both of you for your time.

Mr. GOODLATTE. Thank you, Mr. Chairman.

Mr. STENHOLM. Thank you.

The CHAIRMAN. The committee will take a short recess.

[Recess.]

The CHAIRMAN. The committee will be in order.

The next committee is the Science Committee. We have the Chairman from New York, Congressman Boehlert, and the Ranking Member from Texas, Congressman Hall.

STATEMENT OF THE HON. SHERWOOD BOEHLERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. BOEHLERT. Mr. Chairman, let me express great respect at the outset for keeping to a very rigid schedule. You are right on time.

The CHAIRMAN. Scientifically on time.

Mr. BOEHLERT. Yes. This is not gratuitous, but let me commend your staff. Because my staff reports to me on the committee and my personal staff that your administrative staff has been very, very receptive to questions. Haven't always given us the answer we wanted but have always given us a good answer and in a timely manner. So my commendation to them. As a former staffer, I know who really does all the work here on the Hill.

Thank you for the opportunity for Mr. Hall and me to appear before you today. Let me say at the outset that we are extremely cooperative—and we have no disputes over any committee budget matters.

This year, we plan to maintain the two-thirds/one-third salary account split that has been the committee's practice; and we are going to continue that practice. The minority has about one-third of the committee staff and uses its salary account as it sees fit, and that is the way I think it should be.

The Science Committee is requesting a 2003 budget allocation that would be about 11 percent higher than what we received in 2002 and then just a 2 percent increase over 2003 levels for 2004, and there are a number of clear reasons for this requested increase.

First, the committee will have to allocate substantial resources to investigate the tragic loss of the space shuttle Columbia. Indeed, the Speaker has already given his blessing to an additional staffer for the committee because of this responsibility. The investigation will also entail significant travel expenses, as the Columbia Accident Investigation Board, with which we intend to work closely, is headquartered in Houston; and the facilities involved in the maintenance and operation of the shuttle are located throughout the country.

Second, the committee continues to upgrade the staff. To take just one example, we have changed our associate counsel position from a low-level entry position to a senior position to be filled by someone who can carry out the tasks like the shuttle inquiry.

In addition, the committee staff has been able to attract more Ph.D.s, attorneys, and individuals with significant private sector and government experience over the past 2 years and needs to be able to retain these excellent public servants.

Third, much of our requested increase, \$365,000, is slated to be used to purchase equipment for an offsite emergency office which, unfortunately, we think is a wise precaution in these times.

Finally, let me say that within the next few weeks, as soon as two of our four subcommittees Chairs appoint their designees, all our majority staff positions will be filled. This was not the case in the last Congress as we worked to fill the vacancies that we inherited and to build a staff to match our priorities. And, incidentally, it is not a criticism of my predecessor, Chairman Sensenbrenner, who purposefully left vacancies unfulfilled in the latter portion of his tenure to give me maximum flexibility.

Having a full staff will mean that the Science Committee will not only use all of its requested salary funds in 2004 but will incur additional costs for travel and administrative expense that are associated with having more staff and taking on even more difficult challenges, the loss of the Columbia a case in point.

In short, Mr. Chairman, I believe we have put forward a reasonably well-documented request that will enable the science community to continue to play an active role in a wide range of issues. I look forward to responding to any questions you or Mr. Larson or Mr. Brady might have.

The CHAIRMAN. I want to thank the Chairman for his testimony. Now, the ranking member.

**STATEMENT OF THE HON. RALPH M. HALL, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. HALL. Mr. Chairman, thank you; and I thank John Larson for his good job and the work he has done and would ask him to put in a good word for me with Ms. Pelosi every chance he gets.

We do get along. This is the third year that we have worked together, and there is harmony there, and there has been success. We are little, Mr. Chairman, like all us World War II guys were in 1945 in how our marriages lasted so long. You know, we got together in 1945 and decided that the men would make all the major decisions and the women would make all the minor decisions. This has worked for 55 years. But there hasn't been a major decision yet. Kind of the way we are working together here.

But—and I am—I kid him a lot, but he is a professional, he is sincere, he is cooperative, he is helpful, and I appreciate him.

We want to stress to ensure the independent commission that is charged with investigating this thing remains independent. We think that the Admiral really wants to do that, and we are certainly supporting him on that.

The Chairman has talked about the future of the space program. That is something that we have really got to work toward.

I also salute his efforts to upgrade the experience level of the professional staff.

These are things that we have asked for, and I think he is justified in the requests that he has made.

In summary, he is attempting to put the Science Committee on a course to make it one of the really, truly important and effective committees in the House. I support that, and I support the ratios. I would hope that the ratios would be consistent among all committees and we be treated accordingly.

With that, I yield back my time.

The CHAIRMAN. Well, I thank both gentlemen for their testimony. The ratio issue is something that we push; and Congressman Bill Thomas and Steny Hoyer, when he was ranking member, did some real heavy lifting. There were a couple of ones that weren't up to par. Then 2 years ago, as you know, the Speaker was insistent, he wanted it done; and House Administration got it done. Our ranking member now is insistent to keep it there, and we hear that message, and I think it is a good thing.

I wanted to ask a question on space, and I ask this question but it has also come up about space accommodations for existing staff. The reason I mention it is that these buildings were built a lot of time ago; and I think we have field hearings and the Internet and people are more active with their government advocacy groups, but it also causes, obviously—people have to have their answers, answers given across this country, so we have had to, obviously, have more staff to accommodate the constituencies and citizens in the U.S. Are you having a space problem of physically where to place people?

Mr. BOEHLERT. Well, we are operating in tight quarters. But, realistically and honestly, I think they pass the adequacy test. But it is difficult.

The CHAIRMAN. The other think is that we had a great bipartisan vote a couple years ago with members of the Science Committee on

both sides of the aisle. We would hope that if we hold to the ratios that we could again get bipartisan support.

Mr. BOEHLERT. You have that from me, no question about it. I think the committee is doing a good job.

The CHAIRMAN. Mr. Larson.

Mr. LARSON. Thank you, Mr. Chairman. Indeed, it is an honor to have these distinguished gentlemen before us today. I have been honored to serve on the Science Committee since I became a Member of Congress, and I want to commend the Chairman for his enlightened leadership and the manner not only as it relates to budgetary concerns but also just in the manner in which you treat the members of the minority and, also, the relationship that he does have with Mr. Hall. Mr. Hall is—well, he is kind of like a Will Rogers of the Congress.

Mr. HALL. Will Rogers is dead, isn't he?

Mr. LARSON. Well, yes, Mr. Rogers did perish, unfortunately, but remains everlasting on our minds, et cetera. But was known especially for his down-home humor and his practicality and his ability to, when things have a tendency to tense up, to lighten up the moment and have people look realistically about the responsibility that they have in front of them.

Mr. HALL. Thank you.

Mr. LARSON. While I am doing my level best with Ms. Pelosi and him, I do want to say that he is indeed loved by all Members on both sides of the aisle for just the genuine kind of person he is.

It is our intent to certainly accommodate the committee. They do have outstanding staffs on both sides, and we want to commend you for that.

Mr. Palmer has put in some specific requests. I will have to talk about that in behind-closed-door meetings with Mr. Hall. But, nonetheless, we think that we should proceed in a manner—

The only question that we have, and we have asked this routinely, and that is, with regard to—in the event that we don't get all the funding that is desired here, is it still the intent to keep that one-third/two-third relationship?

Mr. HALL. Yes.

Mr. BOEHLERT. It is our intention to do that.

Mr. LARSON. Well, we appreciate that.

Again, your integrity and the manner in which you have handled this committee and the outstanding leadership that both of you have provided are a credit to the United States Congress.

Mr. BOEHLERT. Thank you very much for those kind words.

The CHAIRMAN. Mr. Brady.

Mr. BRADY. Nothing.

The CHAIRMAN. I want to thank you both today for your testimony.

Mr. BOEHLERT. Thank you very much.

The CHAIRMAN. The next committee will be Rules. The committee will come to order. The committee will come to order.

I appreciate the Chairman and Ranking Member, and if you would like to give a brief statement.

STATEMENT OF THE HON. DAVID DREIER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. DREIER. Well, thank you very much, Mr. Chairman.

Let me say that it is a great pleasure to be here again with my colleague, Mr. Frost; and I am pleased to submit to you a bipartisan budget package which passed the Rules Committee by a voice vote.

We intend to continue our long-standing arrangement dedicating, as we know, under the rules of the House, a third of the Committee's personnel budget to the minority, while granting all other requests in a timely manner subject to the availability of funds that are allocated from you to this committee.

In my 4 years as chairman of the committee, the minority has been granted every request that has been made, whether it be equipment, subscriptions, or supplies. We have worked on computer issues as well with them, trying to make sure that all their needs are addressed; and I suspect that this 108th congress will be no different.

We will also continue to operate within the constraints of our existing staff ceiling of 36, with 24 allocated to the majority, 11 allocated to the minority, and one shared administrative employee. Actually, it is my understanding now that we are going to be making a modification. It will actually be 24, 12 on the staffing allocation, based on a change that I was told yesterday we are going to be making.

Our committee is asking for a modest overall increase of five and a half percent. These increases will be incurred in personnel compensation and are necessary to keep experienced staff from leaving the job for jobs in the private sector. It is also necessary to ensure that the minority has sufficient funds within their one-third allocation to provide modest cost-of-living increases over the next 2 years. Mr. Frost has an extremely loyal, very dedicated and experienced staff; and we want to make sure that they are compensated accordingly.

Thanks to the support of this committee and your leadership, Mr. Chairman, for our previous fund request, our committee has done well in upgrading the office equipment and will continue to do so in this Congress.

Our biggest priorities in the 108th include the purchase of a high-speed capacity photocopier for the minority, new network servers for both the majority and the minority, modernizing the equipment in our subcommittee office, which currently has antiquated equipment dating back to the early 1990s—that doesn't seem so long ago to me—but antiquated equipment from the early 1990s.

The subcommittee modernization was originally budgeted for the 107th Congress but not undertaken as the committee was notified that the subcommittee office had been relocated. The relocation is now complete, and we hope to begin the renovations just as soon as possible. We are planning to initiate the majority of equipment purchases and/or upgrades during the first session of this Congress.

Our travel budget has been reduced 50 percent; administrative expenses have been reduced by 2 percent.

I believe it is a very, very fair and balanced budget request that we have; and I want to express my appreciation to Mr. Frost. I have enjoyed working closely with him as we have developed this budget, and I am glad that we have got a package that we can both support.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Chairman.
And, Ranking Member.

**STATEMENT OF THE HON. MARTIN FROST, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. FROST. Mr. Chairman, I will summarize my remarks, because we have votes.

It is a pleasure to be here today. Some years ago, I sat where you are sitting today. I was the chairman of this account subcommittee, and that was a different time. So I can understand the problems that you face.

I would like to acknowledge that chairman Dreier has, in fact, given the minority one-third of all the resources of the committee and that he has been very accommodating when it came to our requests for equipment for the minority; and I join in his request to the committee.

I would like to make some observations, and I am going to summarize.

We have a lot of very experienced staff on our side, and it is my view that the committee has not sought enough money to compensate staff, and it has put some restrictions on—of course, that by its very nature puts restrictions on what we can pay very experienced people who have been around for a long time. I would—while I am joining with the Chairman, and I do support his request, I would hope that at some point in the future that we would be able to—your committee would be able to allocate more total money for staff, again, knowing that this is divided on a two-thirds/one-third basis, so that we could compensate adequately the very experienced people that we have.

The Chairman has indicated, and I wasn't aware that we are going from 11 to 12 slots, and I appreciate that. We really needed two additional slots. But, of course, if we don't have enough money to pay staff, the slots are not overly helpful at this point.

The problem that we face is that we have very complicated matters before this Congress, and the Rules Committee plays an increasingly important role in the consideration of those matters on the floor. We just had a somewhat heated debate on a rule that is on the floor today.

We have very good people working for us, and I would hope that we would be able to come to the point where we could adequately compensate and retain those very good people.

I do appreciate what the Chairman has done in terms of accommodating our equipment needs. The Chairman has certainly honored the two-thirds/one-third division of staff, and that has been the tradition on this committee even before that was the tradition in the House and with other committees.

The CHAIRMAN. I want to thank the gentlemen. Thank you.

Mr. LARSON. Well, given the time—I know that the two-thirds/one-third rule has always been a floor and not a ceiling, and I am hoping that we can accommodate the interests and concerns of Mr. Frost and the committee.

Again, I commend the Chairman for his working relationship and his historic perspective of Congress and the House and everything that that means. It has been an honor to be associated with you, Mr. Chairman, over the years. I can't think of anyone who, in terms of a colleague's colleague, better typifies the relationship that I have with Martin Frost. He is like General Omar Bradley. He has certainly been there for the Members and this institution, and it is an honor to serve with him as well. It is hopeful that we can work this process through.

The CHAIRMAN. The gentleman, Mr. Brady.

Mr. BRADY. I feel the same.

The CHAIRMAN. Well, we want to thank both Generals for being here today.

Mr. DREIER. Well, I wasn't called a General, the only military guy here.

The CHAIRMAN. Well, we will call you Patton.

The CHAIRMAN. Speaking of Generals, I want to extend an apology to our colleague, Congressman Skelton. The bells have rung, and he came early. But would you like to—do you want to—we can do Duncan afterwards?

Mr. SKELTON. It is up to you.

The CHAIRMAN. We have 10 minutes left. It is up to you. If you would like to put a statement in the record.

Mr. SKELTON. I thank you very much. I am sure that Duncan is on his way.

Mr. Chairman, Mr. Larson, thank you. I would like to put my statement in the record, if I may.

The CHAIRMAN. Without objection.

STATEMENT OF THE HON. IKE SKELTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. SKELTON. We are a rather unique committee, as two members sitting here will testify. We are very bipartisan. We have a fully professional staff. A handful are dedicated to the minority, but, by and large, most of the staff are fully professional.

For a good number of years the defense budget has been rising, but the same number of staff members has been 60, and the payment has been, in some cases, limited. If we want to keep a good staff, we are going to have to compete with outside interests as well as other governmental arms. I hope that—and the request, Mr. Chairman, Mr. Larson, is for a 13 percent increase. Over the last two chairmen, we haven't had any number of increases in the personnel number; and there is an increase in authorization for an additional six staff members. The authorization today is at 60.

Mr. SKELTON. I really think that the pay, the COLAs that are needed, the equipment, supplies, travel funds all require the full amount that Mr. Hunter is requesting. I certainly agree with everything. He has treated us very, very well. He will continue do so I know. We work on not just issues but process hand in glove. I

would appreciate the request that Mr. Hunter has put forward, and I second the motion as much as I possibly can.

I hope this committee will realize that we are a very unique, bipartisan effort in Congress and we work that way. The demands on the Armed Services now with the potential of Iraq, the terrorism war that is ongoing, you don't have any idea the amount of work that has increased during that time; and I think his request for additional funding is certainly justified.

The CHAIRMAN. I thank the gentleman.

Unfortunately, we are out of time. I just want to commend you and the committee. You do a great job on this important issue.

The gentleman from Connecticut.

Mr. LARSON. It is our intention to fully fund your request.

Just one quick subnote, that Mr. Taylor and Mr. Abercrombie have asked that we have cream for their coffee or milk for their coffee. They are a little concerned about the powdered stuff.

Mr. SKELTON. We have noted their request, and we will do our very best to fulfill your request.

Mr. LARSON. Again, I thank you for the working relationship; and, in his absence—I am sure Mr. Hunter will stop by later on, but I want to commend you both and especially you, Mr. Skelton, for the manner in which, whether it has been Mr. Stump or anyone that you have had an opportunity to work with, you have done so bipartisanly and in the best interest of our country.

The CHAIRMAN. The gentleman from Pennsylvania, Mr. Brady.

Mr. BRADY. I serve with Mr. Skelton. You are one of the classiest people in this institution. Thank you.

Mr. SKELTON. Thank you.

The CHAIRMAN. Thank you.

The committee will stand in recess.

[Recess.]

The CHAIRMAN. The House Administration Committee is back from recess.

We had the Ranking Member here, who had good and glowing things to say about the committee and also the Chairman, so, with that, we have the Chairman of the Committee on Armed Services, Mr. Hunter.

STATEMENT OF THE HON. DUNCAN HUNTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. HUNTER. Thank you, Mr. Chairman and Mr. Larson. Great to be with you, and thank you for taking Ike's statement here at the end of the session just before the vote.

Let me just say, Mr. Chairman, we are asking for an increase this year. In years past, as you know, we have turned money back. We have essentially the same staffing ceiling since 1995; and the increases that we are asking, roughly a 13.8 percent increase, is I think necessary to take care of merit pay, adjustments, cost-of-living pay as well as a modest increase in the size of our staff.

I would ask if I could offer my written statement for the record and just give you a summary of—

The CHAIRMAN. Without objection.

Mr. HUNTER [continuing]. Why I think this is reasonable.

First, as Mr. Larson knows, we have taken on a job which has become increasingly complex; and to those ends we have added a new subcommittee, the Subcommittee on Terrorism, Unconventional Threats and Capabilities, which I think is extremely necessary in these times. We also now have the military operating at high state around the world, a fairly significant budget at \$399 billion this year, and we have new elements of national defense. We have, obviously, the homeland security element, which is going to involve us to a large degree. We have a new frontier in space. We have missile defense emerging into operational states; and, of course, the ongoing war against terrorism.

All of this also is putting an increasing strain on our soldiers, sailors, airmen and Marines. We are maintaining this volunteer military at a time when it is more and more difficult to get these folks back home to make sure that their needs are taken care of in terms of their families and personal requirements and yet we have been able to make this volunteer military work.

So I think we have an increasing oversight role in Armed Services, and we have—Mr. Skelton may have alluded to this, but we have got, I think, a unique bipartisan working relationship on this committee in that we don't have a ratio of minority to majority staff. What we have is a base professional staff that handles 99 percent of our issues are bipartisan issues, whether you are talking about pay for the troops, equipping the troops, military construction, so we have a professional staff that is bipartisan and is maintained through whether you have Republican or Democrat control.

Along with that, we allot in this case—Mr. Skelton's case—nine professional staff members to the minority so that when you have legitimate policy difference within the minority, whether it is Republican or Democrat, you have the ability to engage in that policy debate and make that policy debate. We found that to be very workable. Members of our committee go to our professional staff, whether they are Republican or Democrat, and receive the same professional response; and it is always a response directed to helping folks in uniform and doing the right thing for national security.

So we are asking for this increase. I think it is valid in light of the responsibilities that we have in the area that we need to look over.

The other aspect of needing some additional resources is this, Mr. Chairman. Frankly, we have got the administration recruiting a lot of our professional staff folks. Some folks may refer to that as stealing our staff people. We think of them as moving on to another position, but we have had I think six Senate confirmables have left our professional staff this last year.

We also have industry competing for our folks. They have got to know an increasingly sophisticated aspect of many systems, which requires that they have a high degree of expertise, and it is a degree of expertise which is sought out by industry, too.

So we are competing with industry, and we are competing with the administration for talented folks, and that means that we have to pay them a decent salary to be able to attract those folks and recruit them into the Armed Services staff.

So that is my pitch, Mr. Chairman. I want to thank you and my great friend Mr. Larson, a member of the committee, and Mr.

Brady, also a great friend, for allowing me to come up and make this presentation and put our request in.

I would like to ask that my written statement be entered into the record.

The CHAIRMAN. Without objection.

I just want to note the importance of your committee all year round but especially at this particular time and commend you on the bipartisan job that you all have done on that committee. I think that you have done a great job, you and the Ranking Member and the way the staff has responded to people.

One thing I wanted to clarify for the record, are you asking for five new slots or six?

Mr. HUNTER. We are asking for—let me say we have a 60 base now. We are going to 66. We are asking for six new slots; and the minority will share, Mr. Chairman, any increase that we receive. But we looked over these new areas and we really have to work on those that are very difficult. This information technology we are spending a ton of money on requires a lot of attention, a lot of talent. The war against terrorism is going to require a lot of talent, the new things we are doing in space and with respect to the newly operational missile defenses we are setting up around the world and, lastly, trying to make this Pentagon run more efficiently and effectively.

And I don't want to mention that Mr. Brady has brought up several times we need to have better food in the markups, but he is going to volunteer that in the next markup.

The CHAIRMAN. Thank you.

The gentleman from Connecticut.

Mr. LARSON. Thank you, Mr. Chairman.

Let me echo the sentiments that were expressed by Ike Skelton early on about the outstanding working relationship that he has with Mr. Hunter. It has been an honor for me, along with Mr. Brady, to serve on the Armed Services Committee; and the fair-minded manner in which the Chairman treats us not only in terms of requests as it relates to the committee but in the manner which you treat all the members who serve on the committee—you go the extra mile on behalf of the members. And it is duly noted by both sides of the aisle, and we commend you for that.

I also think, as you pointed out, the unique relationship of the professional staff on the Armed Services committee because of its bipartisan nature and the extraordinary pressure that the committee is operating under, meeting the demands concurrent with the times today, it certainly warrants the increase that you have asked for and sought. We hope to be able to accommodate everyone's desires and concerns.

We know as well we are going to hear shortly from the Budget Committee. Someone who has forgotten more about defense than maybe most of us collectively can remember is John Spratt, and he always is touting the importance of making sure that we have professional staff and that we are able to get the kind of information that we need.

So, Mr. Chairman, again I thank you. Mr. Skelton was in complete harmony with your request, and again I think that is a credit

to the way both you and he conduct yourselves as the people who spearhead our Armed Services Committee.

Thank you, Mr. Chairman.

Mr. HUNTER. Thank you, Mr. Larson and Mr. Brady, too, for your membership on this great team. We have got a great team on the Armed Services Committee. I appreciate it.

Mr. LARSON. Thank you, sir.

The CHAIRMAN. The gentleman from Pennsylvania.

Mr. BRADY. Thank you, Mr. Chairman.

Chairman Hunter, I come from the City of Philadelphia, and I come way up here and sit there day in and day out in the markup, and you give me pizza and hoagies. I can bring my own pizza and hoagies.

But I am only teasing you. I enjoyed them. When you are hungry, everything tastes good.

I just found out today that we had a Democrat and Republican staff. It was never treat that way on that committee as long as I had been there. You have a great staff. They treat us with respect. As I said about the Ranking Member, I say about the chairman, you both are two class individuals, and I am proud to serve with you.

Mr. HUNTER. Thank you very much, Mr. Brady. It is great to have you on the team. I appreciate it.

The CHAIRMAN. Just to correct the record, Mr. Brady meant to say he would like Philly cheesesteaks.

Mr. HUNTER. We are going to let him bring those next time.

Mr. LARSON. I would also like to parenthetically add that we did bring up with Mr. Skelton that several members of the committee have asked that we now serve milk and cream with our coffee in the anteroom just adjoining, and I am glad that Rita has indicated she is going to be able to accommodate the staff. They will all be here. Proud to hear that Mr. Brady and I have been able to deliver that on their behalf, and we thank you in advance, Mr. Chairman.

Mr. HUNTER. Thank you. I think there was a delivery started this morning.

Also, Mr. Chairman, we could use more room, obviously. We have got space problems, as I believe most folks do. I wanted to make that note for the record.

The CHAIRMAN. I want to thank the Chairman.

The CHAIRMAN. Next, move on to Energy and Commerce. We have been talking about budgets, but we have gotten off onto food, and I know you are from Louisiana.

Mr. TAUZIN. We are talking turkey here.

The CHAIRMAN. We have the Chairman, Congressman Tauzin of Louisiana, and Ranking Member, Congressman Dingell of Michigan. We will start with the Chairman.

STATEMENT OF THE HON. W.J. "BILLY" TAUZIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. TAUZIN. Mr. Chairman, first of all, let me thank you again and thank this committee generally for the extraordinary help that you have given not only our committee but all of the committees of jurisdiction in terms of upgrading our rooms and our ability to

do our job. I think we are much more efficient now, and I want to thank you for that.

Let me also tell you that if you look at a comparison of all the funding requests, we are coming to you with an 11 percent increase over the 2 years I think we have talked about. In regards to that, if you compare that request to most of the other committees, you will see that we are relatively low in our request. A committee is requesting as much as 43 and 40 percent and 29 and 30 percent.

I would hope that as a result of all these hearings and as a result of your deliberations and your decisions that we don't learn that we should have played that game, that we should have come in asking for some huge increase in order to get a more reasonable increase. What we will try to do, as you will see, is ask for increases that are commensurate with the increasing workload and the increasing requirements of our committee and the incredible burden of hiring competent staff to do the difficult, complex job we do for the House and for the country.

As you know, I want to focus on three areas.

First of all, I am pleased to be joined by the former chairman of the committee, Mr. Dingell, our ranking Democrat on the committee, who I think will tell you as much as I can about the needs of our committee and why it is important that we continue to have your support in supporting the key elements on which we base our work.

First of all, if you want to hire a skilled lawyer in this town anywhere on K Street, you are looking at \$150,000 right now or better. The demand for competent, qualified staff coming out of that pool is very difficult to satisfy; and the competition being as fierce as it is—in fact, we lose some of our best people every year to opportunities on K Street; and we have seen some of our very best personnel moving off to—I am very happy for them—but taking some very nice assignments elsewhere than in government service.

And that competition doesn't get easier. It gets worse as we go along, and I want to make that point to you.

Second, beginning the last Congress, we have reached a bipartisan goal of allocating fully one-third of our committee slots and resources as well to our minority. That, as you know, was a request of this committee and the leadership. We have worked this out, and we have worked it out very amicably with our committee, and it is working.

However, that comes with a price. The majority—we can't simply give away resources required to attain them. We would cease to function if we did that. We have to have the capacity as a majority to organize and get our work done. So making this accommodation has put some strains on the ability of the majority to get its work done and organize and do it.

I want to make sure that you understand not only are we happy to do it, we thought it was the fair and right thing to do, but it has stressed us to some degree.

Third, our hearing room upgrades. I don't have to tell you again. I have said it once, I will say it a thousand times. Not only my committee but all the committees have had the benefit of upgrades, and I want to thank you for that. We are now literally, finally, a high-technology committee. We have telecommunications under our

jurisdiction, and we were operating with egg timers for a long time. We now are finally a high-technology committee with high-technology stuff in our committee room to do interactive rooms, and we have done them. We have done interactive hearings with witnesses as far out as California.

Although, as requested by you, we have not included a funding request for the upgrade of the second hearing room, which is 2322. We do request that those funds be required—provided rather. With the House frequently in session now only 2 or 3 days a week, it is critical we have both of these hearing rooms function. If we had the full 5 days, we could have hearings scheduled out more appropriately across that time. We wouldn't need necessarily to speed up the upgrade of the second hearing room. We have no choice any more. So we are in dire need of that upgrade, and we hope that you will find the funding for that work as well.

Again, let me thank you for the opportunity to make these few points to you; and I yield to my dear friend and the Ranking Minority Member, Mr. Dingell.

The CHAIRMAN. Thank you.

STATEMENT OF THE HON. JOHN D. DINGELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. DINGELL. Mr. Chairman, Mr. Larson, members of the committee, thank you. I am happy to appear here with Chairman Tauzin. I thank you for your courtesy in hearing from us.

I support the budget that he suggests. I believe it is both necessary and desirable that the committee should be funded at these levels.

Mr. Tauzin has treated us fairly with regard to the amount and allocation of resources, financial and otherwise; and because of the workload facing the committee, I would urge that the committee do adopt the budget suggested. I would note that it was endorsed by our committee unanimously.

I ask you to, of course, assist us in upgrading room 2322, which is our second hearing room.

I thank you for your consideration in hearing from us. If you have questions, I will be happy to respond.

Mr. TAUZIN. Mr. Chairman, if I could add one other thought. Ninety percent of our budget is in compensation of the staff. We focus our attention on personnel.

One final thought, too. That is that, because our committee does such extraordinary oversight work—you have seen our work on the Enron hearings. You have seen it on the Firestone hearings, Red Cross. You have seen it on a number of different, very serious, huge national issues. We are busy right now investigating national labs and some of the abuse of Federal funds to credit cards. Our staff and our members have to—very often have to go out to places with our investigators, have to travel around the country, and that part of our budget is very critical as well if we are going to continue our work.

The CHAIRMAN. The Chair notes you have had a couple of years of heavy lifting, and a lot of committees have had that happen. 9–11 with House Administration, as you can imagine, the security and the anthrax caused an amazing workload; and the staff, minor-

ity and majority, did a great job, as the members did. In your case, I am sure some of that, also, flows in. But you had specialty items that came up unexpectedly you had to react to.

I also want to note for the record I can remember 2 years ago—and it was tough doing this, but you did it. You took nine new slots, and you shifted them to the minority to make that whole process occur, and that is tough. You ask for slots, and you get them, and you shift them. But it was the fair thing to do, and you all agreed on that, and I give you a lot of credit for doing that.

Also, I want to note your staff has given us ideas in technology that we now are trying to take conference wide for the Democrats and Republicans, ideas of TV channels and digital and things that we can do. So we appreciated that, and it is going to benefit all the members.

The other thing, too, is that you are the only committee—and I know you had something to do with this, obviously—where I got a personal thank you from everybody, minority and majority, for what we did. So I appreciate the courtesy from both sides.

Mr. TAUZIN. I learned that as a child. You guys have been awfully good, and I made sure all my members knew that.

The CHAIRMAN. Thanks, and we appreciate also the bipartisan vote for the funding resolution. Two-thirds/one-third was critical. Chairman Thomas and Ranking Member Hoyer pushed that at that time. The Speaker insisted on that. A lot of it was done. We came in at the end and wrapped the rest of it up with both the Ranking Member and the Chairman's help.

Our Ranking Member, the gentleman from Connecticut, Mr. Larson, was insistent on it, and rightfully so; and we agreed with him and his persistence on that. We appreciate getting the bipartisan vote. We hope that can happen again, both sides voting for the funding resolution on the floor. You both can commit to that at this time—

Mr. TAUZIN. I can't speak for John, but certainly you have my support, and you know that.

Mr. DINGELL. I will be supporting your budget that you submit, Mr. Chairman; and I will be happy to do so.

The CHAIRMAN. Thanks.

I want to ask you about space because we are hearing about tight quarters, space, physical location of staffs. Buildings were built a long time ago, and I just wondered if you had any comments about any need for additional space.

Mr. TAUZIN. One of the other things I did was to try to make additional space available to John as we allocated the space that was allocated to our committee. I think Mr. Dingell will acknowledge that has happened with regard to housing the members of staff that was shifted over to his side.

But, obviously, space is always a problem, as we are working in, as you know, older buildings. Our good fortune is to be in the Rayburn Building, which is a more modern-type space; and the committees obviously operating in the older buildings maybe have even more difficulty than we have. But we utilize all the space we have.

I would love for you to walk by some of the operations. You will see that we are stacked up in closets in some cases even in the Rayburn building. To the extent I know other committees may

have more serious problems than we have in that regard, I want to echo that it is a problem for us even in a modern building. I can imagine how much a problem it is for other committees in more ancient buildings.

The CHAIRMAN. Thank you.

The gentleman from Connecticut.

Mr. LARSON. Thank you, Chairman Ney.

As we have said to the previous Chairs and Ranking Members who have come forward, we want to continue to thank Mr. Ney for his service in asserting the one third/two thirds relationship that has existed on the committee, as both of you have already acknowledged.

Chairman Tauzin, we want to thank you again for the manner in which you have worked with the minority. There can be no greater testimony or compliment than to have the dean of the House indicate that he endorses your proposal, and that certainly is good enough for me, a man whom we hold in such high regard and stature in the House of Representatives, and rightfully so because of his long-standing service and commitment and understanding and respect for this great institution, is something that he has made sure that those of us who are following him are well aware of. I personally thank him for that.

We have said and you have indicated in your statement, so I don't think there is a point in following up on the relationship between the one-third/two-third split that we obviously think has helped the process.

Again our kudos and thanks, because the enlightening thing for new members—and all three Democrats are new members to this committee—is to find out just how much information actually—new information and help that so many of our committees, especially in the areas of technology and other matters, might be able to assist us.

I would only ask the dean of the House if he has anything else to add, or is there anything we should follow up with on the committee?

Mr. DINGELL. Thank you, Mr. Larson. I appreciate your concern about us, and I am grateful to you for that and also for your friendship.

Our chairman has been fair in allocating resources of the committee, and I want to thank this committee for the way in which you have addressed our concerns and problems. I particularly want to thank you, Mr. Chairman, and you also, Mr. Larson, for the fashion in which you have done so.

We are able to conduct our business well. There are times we have certain stresses on us, but I would observe that the Chairman has, as I have mentioned, been fair.

We do confront, as the Chairman has wisely observed here, that we do have space problems; and these facilities, the buildings, are old. The Cannon Building, I suspect, is approaching its 100th birthday. This building was occupied by my dad in 1933 when he first came in here. That is a long time ago?

I was the last guy to get into the Rayburn Building when it was set up in 1965.

Mr. TAUZIN. Were you here when they burned the Capitol?

Mr. DINGELL. Just after.

But all of these buildings confront major problems, both with regard to design, with regard to safety, with regard to the space available per employee; and that is true in your personal office as well as it is in terms of committee business.

We face questions of wiring and safety, and I wouldn't be at all surprised if we were not probably condemned as being unsafe for electrical and water and other concerns which we have. The elevators, as you might know, ladies and gentlemen of the committee, is an abomination.

To conduct the business of this body in facilities of this age is difficult, but I know this committee has been diligent in addressing those concerns, and I want to express my appreciation for that, too.

Mr. TAUZIN. If I could jump in, Mr. Larson, let me first mention something that I think Mr. Dingell will also concur in.

The nice thing we discovered when we made the adjustment in staff and allotments and space, first of all, most of the work we do we do in a very bipartisan fashion. We will have some great wars once in a while over some good issues, and we may have a few this year, but an awful lot of our work is done where the staffs are working together. My staff works for John as much as his works for me in that regard. We work as a team to get good legislation to the floor, and I hope that is true of more committees. I know it is very true of ours.

I find that the quality of the staff that work for the minority is as important to me as the quality of the staff that works for the majority, and that has worked out very well, and I want to thank Mr. Dingell publicly for that.

Secondly, to let you know that your respect for Mr. Dingell is matched completely by my own. I grew up with this man when I first came to Congress as the chairman of a committee. I learned an awful lot about how to run a committee, how to make it work, because I paid attention to him; and I think that is paying dividends for our committee today. I have the greatest honor and respect for him, and I think that helps us work through these asset and allocation issues quite well.

Mr. DINGELL. And I share those feelings, gentleman and ladies, for my present Chairman.

Mr. TAUZIN. Finally, there are some great new technologies. I just want to make you aware of a couple of them that are on the cusp, that are not here yet. But we are investigating one new technology that may well be able to distribute broadband over the old copper that exists in these buildings. Instead of rewiring and putting in fiber and doing all the things we have—we might have to do, it might be possible to distribute broadband, high-quality digital interactive capacity in a building as old as this one and the Cannon building without necessarily going through a lot of reconstruction. Before you go into reconstruction, I think you need to know more about these new technologies.

Secondly, there are incredibly new wireless technologies on the cusp. There are some ultra broadband concepts that FCC is just beginning to license in application. One, developed by a company called Time Domain in Huntsville, Alabama, if it is as good as it promises to be could deliver ultra-wide broadband through brick

and mortar, through walls, without the necessity of even using the current wires and the new fiber that you might want to put in those walls.

In short, there are some pretty interesting things happening that I would encourage you to stay in touch with our staff on as we learn more about them. We will share that information with you because it may keep you from making a decision to spend money that you might not have to spend because there is a system that eclipses in technology the old systems that existed that you might deploy, and to that extent we will continue to share that with you.

Mr. Larson, I appreciate your thoughts on that.

Mr. LARSON. We thank you, Mr. Chairman.

Also, Mr. Chairman, if you could share with us your great culinary expertise as well, that is always welcome.

Mr. TAUZIN. I will tell you how grateful I am for all you have done. I will be more than happy to do what I did for Martha Stuart. I will come and cook for you—

Mr. LARSON. We appreciate that. We will take you up on that.

The CHAIRMAN. The gentlelady from California.

Ms. MILLENDER-McDONALD. Thank you.

Mr. Chairman, Ranking Member, it is always good to see the committee Chairman and the Ranking Member work so well together, and this has been since I have been here in 1996. While we certainly value the institutional memory and the institution of Mr. Dingell, in fact, this institution perhaps needs to be relooked at. Mr. Chairman, I would love to see how long has it been since we have looked at the wiring and the safety of this place. Perhaps there are reports and a thorough examination has been done, but I think we need to in light of fiberoptics and the great things that are being done now.

Given the mode that we are in, we cannot be too careful in ensuring that the wiring and the safety of these buildings, irrespective of the lack of space, be one that we are in front of and not behind on. So these two outstanding gentlemen that bring so much to the Energy and Commerce Committee can give us some suggestions or at least have us work with their staff on some of the things that they feel we should be looking at in terms of the wiring and just in the complete safety of these buildings. Speaking on behalf of the members, we will be grateful and much appreciative of that.

Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania.

Mr. BRADY. No questions.

The CHAIRMAN. With that, I want to thank both of you. I appreciate the work that both of you do and the suggestions and how you have been able to tackle a lot of tough topics in a good manner. Thank you.

Mr. DINGELL. Thank you for your courtesy; and thank you also for your leadership, ladies and gentlemen of the committee.

The CHAIRMAN. Next we will go to the Budget Chairman, Jim Nussle of Iowa, and Ranking Member, Congressman John Spratt of South Carolina.

The Chair will note that many chairmen have testified they need a budget increase because they have got tasks from the Budget Committee. So I thought I would let you know that, Mr. Chairman.

Mr. NUSSLE. I am sorry, I couldn't hear you.

The CHAIRMAN. Many of the chairmen and ranking members have said that they now need a budget increase because they have tasks from the Budget Committee.

Mr. NUSSLE. Well—

The CHAIRMAN. You don't have to comment on that. I just wanted to note it.

**STATEMENT OF THE HON. JIM NUSSLE, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF IOWA**

Mr. NUSSLE. We passed our budget last night at about 1:30, Mr. Chairman. Mr. Spratt and I conducted our committee markup, our annual markup for the budget. And you are correct. But since it has not yet passed the floor or gone to conference, those tasks are projected tasks dynamically scored for the purpose of their testimony before you. So—

The CHAIRMAN. If the gentleman would yield for just one second, I want to give you some comfort level that the \$5 million that we need to find has been already agreed to on a bipartisan basis. We are going to charge a member of the Budget Committee for rent.

Mr. NUSSLE. I had a feeling that was going to come up today; and, Mr. Chairman, we intend to our part. We think that that is true, at a time when there are difficulties throughout our budget and when we have men and women in service and we ask for sacrifices, that everyone should be willing to do so.

Our request for the 108th Congress is for an overall increase for both sessions of 4.7 percent. That is a 3.26 percent increase the first year, and a 1.39 percent increase the second. It is an average increase which we believe is consistent with the rate of inflation.

We are not requesting an increase in the number of available staff positions. Our long-term goal, however, does remain to attract and retain good-quality personnel in very specialized vocational areas. Another way of putting that is that we have a budget responsibility that is equal to, if not greater than, the President's at OMB. Our Budget Committees and the Congressional Budget Office provide us with those kinds of details and expertise, and we want to ensure that those positions continue to attract good people.

Our increase in personnel compensation would go toward our continuing efforts to develop specialized staff and keep pace not only with our Senate counterparts but also with appropriation and authorizing committees.

Our funding levels in the categories of travel, detailees, and consultants remain unchanged from the 107th Congress. This request does not assume any funding for detailees from the executive branch or any outside consultants. No outside consultants are requested.

We are requesting a modest increase in the committee's budget for equipment. The major portion of this increase would go toward the installation of the disaster recovery system, with the remaining portion being used for software upgrades and the annual one-third upgrade of computers, printers, and other equipment.

In preparing my funding request, Mr. Spratt has been consulted and the minority staff have been consulted to determine their budgetary needs. My practice has been to provide the minority one-

third of the total budget for personnel, as has been requested by this committee; and we have lived up to that in all of the budgets that I have had the opportunity to request. This translates into providing the minority one-third of available staff positions as well as one-third of the line item for personnel compensation.

Additionally to that, Mr. Chairman, just to report to you and to the ranking member, that it is my policy to upgrade one-third of the minority's equipment each year as well in addition to that, which, I don't believe is something that has been requested by this committee, but I think is important for us to do.

Finally, I am unaware of any reasonable requests from the minority that have not been accommodated in this budget. Mr. Spratt and I worked closely together. We kind of have an understanding that, while we have to argue and kick and fight and fuss when it comes to the substance of a budget, we should operate our committee in a bipartisan, process-oriented way; and that means that we operate in fairness, as requested by this committee and as commanded by our Constitution and the duties we have before us.

So that is the way I like to operate, and I commend Mr. Spratt for the way he operates as well.

That is my testimony.

The CHAIRMAN. Thank you.

Ranking Member Spratt.

STATEMENT OF THE HON. JOHN M. SPRATT, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. SPRATT. Mr. Chairman, thank you very much; and I agree with everything that my Chairman has just said.

If I could digress just one second. I am also on the Armed Services Committee, and I sat through Duncan Hunter's testimony, and I would like to second what he has said about the professional staff on the Armed Services Committee. Not only does that committee superintend the authorization of billions of dollars, more than any other committee in the Congress, really, it also is sitting in on top of a major increase in defense right now. And we found in this area that, to get good professional help, there is a lot of competition in this city, in the government and outside the government, and we need good professional and technical help to adequately be stewards of the defense budget, which is now \$400 billion.

We have on our committee, the Budget Committee, an arrangement whereby we get a third of the personnel resources and a third of the budget, and that has been a suitable arrangement. It has worked well, and the Chairman has worked with us. When we needed equipment, for example, he has worked very well with us.

During the past year, we were evicted from our quarters which were in the old Tip O'Neill building back behind here which used to be, I think, a Howard Johnson Motel. The advantage of being in that building was that we had plenty of space, and every staffer had not only his or her own bathroom but his or her own bathtub. I don't know if they were used for that purpose. In fact, I found that a lot of the bathtubs had been converted to file cabinets. But, in any event, we have been evicted from that; and the building was

razed. Now we are tucked away in a little corner between—under the Cannon Building.

I have to say that the Architect of the Capitol and your staff were very, very gracious in the way they helped us work out this space. But if you want to see the picture of parsimony, come see where the minority staff on the Budget Committee is located right now. It is very, very efficient use of space. So efficient that if we get any additional people we are going to have to come back to you and ask for some additional help for additional space, because we really don't have any more space there.

Last year, we did ask for additional staff. You weren't able to grant it. We have had for years on this committee an arrangement of having associate staff, staff of members, personal staff who also get supplementary pay from the Budget Committee. We are gradually moving away from that process which frees up slots for us to put full-time professional staff in. As we do it, we may have a couple of positions to fill, in which event we will come back to you and ask if we can get your assistance in providing additional space for these people.

We are grateful for what we have got. Let me particularly say that the Chairman took the initiative in coming to your committee, I am sure, and asking for a number of audiovisual aids in our committee room. I think it is as well equipped as any. It is a model, really, that other committees, mine included, the Armed Services Committee, should come and look at. It really makes a difference in conducting a hearing, a markup, anything else, to have all of these aids in the room both for us and for the people who attend the hearing.

The bottom line is, I support the request; and I hope that this committee will be able to grant it for our Budget Committee.

Mr. NUSSLE. Mr. Chairman, could I just add one thing in echoing Mr. Spratt's comments? And I think it is important for you and I particularly to keep this in mind. That while Mr. Spratt and his staff are in the minority today—and I am not making any predictions, but you never know who might be in those offices tomorrow.

I have tried to help Mr. Spratt with space because I have always felt that if you do unto others, they are going to do unto you; and we need to keep that in mind as we look for space, we provide appropriate equipment and accommodations for the minority. It is fair I think that—the arrangement that we have in budgets and staff and whatnot. But space in particular, we have to remember those could be someone else's offices some day, and it is important for us to keep that in mind.

The CHAIRMAN. Well taken.

When Steny Hoyer, who now is a whip, in the minority, was here as Ranking Member, one of the first things we talked about and that Congressman Hoyer publicly said, was that if things reversed, that he was going to hold to the two-thirds/one-third and hold some of the arrangements that we were able to have with Congressman Hoyer. And we have had a wonderful beginning relationship also with our Ranking Member from Connecticut here, Congressman Larson. So I think it is a fairness issue.

I just want to note a couple things. The one-third change in the computers is a great idea. We have always encouraged that to be done every year. I have always appreciated, you know, the ability of both of you—you have got a tough job. You know, we make light in the sense of what we have got to come up with, and we will work with that. You have got a tough job.

The other thing is your requests are reasonable. If you also look at the history—and this request is reasonable. If you look at the history of the Budget Committee, too, it had a fairly flat line; and that is great. But the modest request also I think is reasonable, because, as we have technology and more people become aware of what Washington does and some people do field hearings, that is all good for the whole process across the country. But, as you do that, that means more people are involved in the process, and more phone calls come in, and more work comes in, and the staff needs to respond to people across the United States. That creates more work and the need for more people.

So I fully understand that and appreciate it.

Mr. SPRATT. Well, Mr. Chairman, Mr. Nussle did have a self-interest in it. We did covet the quarters he had, but he was very gracious, and so was your staff extremely helpful in putting us in this new space.

The CHAIRMAN. Thank you.

The gentleman from Connecticut.

Mr. LARSON. Thank you very much, Mr. Chairman.

Let me also echo the sentiments that have been expressed here and thank both the Chairman and the Ranking Member for your collaborative effort to make sure that the work here in Congress gets done in an appropriate manner, and we thank you for adhering to the one-third/two-third relationship.

I am equally struck by the—from listening to a number of the Chairs and Ranking Members who have come before us to talk about some of the unique things that they are doing in their committee. Mr. Spratt alluded to the almost unique relationship that exists with the Armed Services staff, and some of the quality-of-life concerns, i.e., the type of pay and compensation that they receive.

But I am also struck by the need to have best practices in committees. Clearly, in terms of the kind of technology that Mr. Nussle has brought forward in the committee, as noted by Mr. Spratt, is something that I hope—and knowing our Chairman, being forward-thinking and visionary—is something that we hope on the Armed Services Committee that we might embrace.

Obviously, based on your testimony, you are in concurrence and agreement with both the funding levels and the split that exists. Our only concern—and we have asked this of all the Chairs that have come in—is one of, should you not receive what you fully anticipate, would you still keep that one-third/two-third relationship? Again, echoing the Chair's concern that he has expressed to every member—and I can't think of anyone who has come before us who hasn't had a space concern.

But those are my two questions for the Chair and the Ranking Member.

Mr. NUSSLE. The answer is an emphatic yes, and we should keep that arrangement, No. 1. Maybe more importantly, I would hope

that all committees—and this is not just kidding around—this is serious, we have a lot of work to do—and I know the committee funding portion of this is only one part of the total that is the operation of Congress, but Congress can and should look at itself when it comes to holding the line on spending. So if that means the Budget Committee can and should do more, we stand ready to attempt to accommodate that.

Certainly, we are supporting the request that we have. I think it is important for our staff in particular.

Mr. LARSON. Very reasonable.

Mr. NUSSLE. And they do a great job. But we understand that you have got a tough job to do. We know it maybe better than most, and we hope you do it well.

Mr. LARSON. Thank you, sir.

The CHAIRMAN. The gentlelady from California.

Ms. MILLENDER-MCDONALD. Indeed, we do have a tough job. This is why I commend this Chairman and the Ranking Member, because it is critical that we continue to have this Committee on House Administration to kind of monitor and oversee the Chairman and—it is still Chairmen—and Ranking Members who come before us. It is critical.

As a new member, I can appreciate them more than ever before because of your coming to us to engage in the dialogue of the need for increase in budgetary matters.

Mr. Chairman, having been a member on the Small Business Committee since coming to Congress in 1996, at one time there was concerns about whether the Small Business Committee was really necessary. In light now of the economic straits that we are in, dire straits, and knowing that small businesses are the engine that drives the economy, given the creation of jobs, can we be assured that the small business will maintain its visibility as a committee and that the possibility of its budget be maintained and not decreased any further?

Mr. NUSSLE. Well, on the Small Business Committee portion, that is, of course, your job. And you do it well and you will do it well.

On the issue of committee reorganization in general, you are looking at somebody who would be willing to think completely and totally outside of the box. Oftentimes, we do things around here because they have always been done that way, and sometimes forget not only how it first happened but what maybe needs to be reformed so it can be done better.

I think probably the mother of all examples of that was ice delivery here in Congress. Many people didn't understand why we got buckets of ice. After a little bit of questioning why that practice happened, people made, I think, some smart decisions about not only saving some money, but doing the smart thing with regard to an old practice that—you may not even know what I am referring to—it happened about 8 years ago now. But it was a practice that started before the invention of the refrigerator, you know.

So I guess when you ask me a question about what the committee structure should be, I am willing to reconsider at any time the structure of committees in the House of Representatives. So I

don't want to make any news here today, but I would be willing to consider that at many junctures.

The invention of the Budget Committee is an example of that. We have only been around since 1974. I happen to believe it is a good invention. We may have some others like the Homeland Security Committee that might be a good invention now because of the changing times. We shouldn't be stuck within a regime just because it has always been done is my only advice.

Ms. MILLENDER-MCDONALD. I couldn't agree with you more. In fact, I am a proponent of getting outside of the box, because I think there is growth when you do that. But I also think that those committees that we have should be carefully looked at before any type of reorganization, given in light of again this economy and the driving force that small businesses do in terms of this economy. So we will revisit that at a later time.

But I see that you have anticipated travel, and one of those is port security. Now, down in my region of Los Angeles—Long Beach is where I really am nested more so—we have two ports, the Ports of Los Angeles and Long Beach, that make up the largest port system in the country and the third largest in the world. With that, we have—about 45 percent of containers that come flow through those ports and then travel throughout the country. I would certainly like to engage you and the Ranking Member in the possibility of having one of your hearings or field hearings at the Ports of Los Angeles and Long Beach to really see how critical it is and of our having to bring in so much containers that come in to go throughout this Nation and the security aspects of these containers and the ports itself. So I should certainly like to rally for that type of travel, if you can find this within your anticipated travel time.

Then, lastly, as the going-out Chair of the Congressional Caucus on Women's Issues and as an African-American, I hope that when you do your consultant contracts that you be sensitive enough to the diversity that we have in this country and that some of those contracts will mirror that diversity in this country.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentlelady.

The gentleman from Pennsylvania.

Mr. BRADY. No Questions.

The CHAIRMAN. I again want to thank both of your for your time.
[Recess.]

The CHAIRMAN. The committee will come to order. We will continue with International Relations. On behalf of Chairman Henry Hyde is Chairman Chris Smith of New Jersey and, of course, Ranking Member Congressman Tom Lantos of California.

We will begin with the gentleman, Mr. Smith.

STATEMENT OF THE HON. CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. SMITH. Thank you very much, Mr. Chairman. I apologize for being a moment late. I was at the Irish-American lunch with Brady O'Hearn and the Vice President. So I apologize for being late.

I want to thank you for this opportunity to appear before your committee to present our budget. I do this on behalf of Congress-

man Henry Hyde. Our good friend and colleague, the Ranking Member, Mr. Lantos will speak, but he as well will present a joint budget for the 108th Congress.

I anticipate that during the 108th congress we will face one of the most challenging sessions in decades. As Chairman Hyde will point out, and does, the war in Iraq, the continuing global war on terrorism, North Korea's development of nuclear weapons, the rebuilding of Afghanistan and many other troubled spots in the world will ensure that the agenda for this Congress will be one of the most ambitious of any committee in the House. All of these crises today demand our immediate attention in the form of legislation, supplemental authorizations, and rigorous oversight.

In addition, we must continue our normal legislative and oversight responsibilities, such as funding for the Department of State, legislative and oversight jurisdiction for foreign assistance, the United Nations, export policy, and sanctions measures, including curtailing the threat of weapons of mass destruction.

We must also carry out our responsibilities in receiving foreign heads of state and other dignitaries and provide staff support for various parliamentary groups.

I would like to briefly outline two major increases in our budget request. The first, the 2003 equipment request, is an increase of \$228,070 over the 2002 allocation.

After the events of 9/11, we decided that we were not prepared to function as a committee if such a disaster were to happen. In that regard, we hope to install a disaster recovery system for our computer environment and to provide several new file servers for backup at off-site locations.

The 2004 equipment request also represents our concerns for emergency preparedness. We hope to provide most of the staff with Blackberry pagers and increase the number of laptops and portable printers. It is also our goal to upgrade work stations every 3 years to keep pace with technological advances. These include installing flat-screened monitors at every location.

The second major increase is in the personnel category. We are requesting funding for three new staff positions, two for the majority and one for the minority, in order to ensure that the minority continues to be allocated one-third of the staff slots, excluding shared administrative staff. Effectively, these three new slots are already allocated as follows: One slot is for the Speaker-designated position serving as a staff for Chairman Bereuter in his capacity as the president of the NATO parliamentary assembly; the second slot is for a Pearson Fellow assigned to the committee since July, 2000, and who is retiring from the Foreign Service; and the third slot is for the minority.

In addition, we have included funds for the 2003 and 2004 COLAs and a small amount for the majority and minority meritorious increases. Also, we need additional monies to fund the recent increase in the transit benefits and to reimburse the party staff for accrued annual leave.

Mr. Chairman, it has been a pleasure working with Tom. As a matter of fact, Henry Hyde has worked with him so well in the last 3 years. I served with Tom both as his ranking for a number of years when he was chairman and then when I chaired the Inter-

national Office of Human Rights Committee. He really is a very, very fine, outstanding representative. It is always good to work with him, and we present this jointly to this committee.

The CHAIRMAN. I want to thank the Chairman and Ranking Member.

**STATEMENT OF THE HON. TOM LANTOS, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. LANTOS. Mr. Chairman, distinguished members of the committee, I just would like to add a sentence or two to what my friend Chris Smith has said.

Let me first reiterate his comment that this is probably the most bipartisan committee of the entire Congress. You will all be pleased to learn that Henry Hyde is fine and will be back in a few days, and we all look forward to his return.

We fully support the budget as presented by Vice Chairman Chris Smith. I personally have a strong view that we should be moving towards the Senate formula, where staffing and space reflects the reality of the body. Our Republican friends have slightly under 53 percent of the membership of the House; we have slightly over 47 percent. I think staff and space allocation should reflect these realities, and I hope that sooner or later this more equitable and fair and just arrangement will prevail.

I need not elaborate on the workload of the committee. You all know this, as we all did, that the President's last press conference had about two dozen questions, every single one of them dealing with international affairs; and I think it is sort of self-evident that this load is not only likely not to decrease but it will intensify post Saddam Hussein.

We hope also that you, Mr. Chairman, and distinguished members of the committee, will look at the space allocation where the International Relations Committee is rather poorly treated. Many of our people are in Annex II, and it dramatically diminishes the efficiency of our operations both on the Republican and the Democratic side. People are running back and forth, wasting a lot of time. If you could give up more of your own office, Mr. Chairman, we would be greatly appreciative and would be happy to absorb it.

The CHAIRMAN. Actually, I will take you back. I think once you see it, you won't want it.

Just to make a note, it is interesting—the Ranking Member mentioned, I actually have given up my office. We moved three of my staff into my personal office right here.

Mr. LANTOS. We salute you for that.

The CHAIRMAN. And we did that, actually, this morning. Everybody is out of space.

Mr. LANTOS. We could take this room, for instance.

The CHAIRMAN. I will rent it to you once in a while.

Mr. SMITH. Would the gentleman yield? We actually moved one of the subcommittees to the Ford Building. That does cause a disconnect of sorts, especially since we all work so synergistically. So it is a problem.

The CHAIRMAN. I appreciate the testimony of both gentlemen today and the working relationship we both have.

I have learned a lot on international relations over the years. I haven't been on the committee, but I have had some very, very fine meetings; and I have been involved with, of course, the members of the committee. We appreciate you testifying on behalf of Chairman Hyde, who has done a wonderful job, as the Ranking Member has.

I do want to speak about the space, though. It is a crisis; and it is not only all of you, it is Veterans and—I mean, you just keep going down the list; and we have got to address it.

These buildings—we talked about this today, but I just want to reiterate. These buildings were built—we found out Congressman John Dingell's father was in this building in 1933. In those days, you know, you didn't have Internet, you didn't have a lot of advocacy groups. D.C. was maybe even a little harder to get to. Now you have got field hearings, you have got a lot of advocacy groups, the Internet, more communications than in the history of our planet. That is wonderful for public policy, but, as you do that and more people are involved in the system, the staffs of these committees have to answer to those constituencies across the country. That is great, but that means that you have got to have more people.

So the buildings simply weren't designed, any of them, for this type of situation. So we have got to work together to get more space for everybody. Your problem is shared amongst almost, you know, 99 percent of all the committees.

Thank you.

Mr. Larson.

Mr. LARSON. Thank you, Mr. Chairman.

Let me associate myself with your remarks, and let me also thank Mr. Smith for being here and pinch-hitting for Mr. Hyde. We want to also acknowledge and thank Mr. Hyde because of his treatment of the minority and particularly Mr. Lantos, whom we so much admire for his long-standing work on this committee. But Mr. Hyde deserves special kudos.

I know it is a difficult move to move staff to the Ford Annex and in the process grant space to Mr. Lantos in the Rayburn Building. That was a class act and a stellar model and certainly set an exemplary example of how things should be done, but it underscores the Chairman's point and concern as well as yours about the need for additional space.

Our concern has been—and while I might share the opinion of the distinguished Mr. Lantos as it relates to the equity of the Senate relationship, I again commend this Chairman for insisting on the one-third/two-thirds relationship and the working arrangement that has been adhered to by all the Chairmen who have come before us today.

I would only ask that in the event people don't get all of the request that they ask for, that we still keep that two-thirds/one-third relationship; and I would ask that of Mr. Smith representing the Chair and Mr. Lantos.

If you care to respond to that.

Mr. SMITH. I can assure you that Chairman Hyde will adhere to that. He has an outstanding relationship with Mr. Lantos. Just as Tom indicated, the Chairman did have surgery on his back in New

York. He had some problems with his discs. But he should be ready to go back to work next week. So he is recovering very well.

Mr. LARSON. We wish him Godspeed and wish him well.

Mr. SMITH. We will tell him you said so. Thank you.

Mr. LARSON. Thank you.

Ms. MILLENDER-McDONALD. Mr. Chairman and Ranking Member, my sentiments exactly to Chairman Hyde, a speedy recovery. Please extend that statement from me.

Both of you, the Ranking Member, of which he is my neighbor, my friend, my State-mate, it is so great to see you here today and in good spirits. But you and the Chairman have always been sensitive to me when I have brought my bill on mother-to-child transmission of HIV/AIDS as well as my sexual exploitation bill, trying to address that issue with women in Africa and girls. So I thank you both so much.

Mr. Smith, in your position of pinch-hitting for the Chairman, you can't be quite that great Chairman, but you have done a great job today. I thought it was going to be the Veterans and then International Relations in which you do an outstanding job at the Veterans Services.

Mr. Lantos, the two dozen questions that the President submitted to this committee, is there any way I can get a copy of those? I would be interested in those questions and knowing perhaps some of the concerns that were raised and the answers that came out of this committee.

Mr. LANTOS. Of course.

Let me just say, we were so delighted with the initiatives you took in the international field. We hope you will be equally active this session.

Ms. MILLENDER-McDONALD. I certainly will. And thank you both so much.

Mr. LANTOS. Thank you.

Ms. MILLENDER-McDONALD. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania.

Mr. BRADY. Yes.

Just quickly, Mr. Chairman. I want to have dinner tonight, so I will be remiss if I didn't say hello to you for my wife. She thinks you are one of the classiest and most distinguished Members in Congress, and I am getting to be worried about that a little bit.

I also like your chutzpah by coming into a committee that is funding you and asking a member of the majority party and chairman of this committee to get a piece of his office. I would like to maintain that—

Mr. LANTOS. We are old friends; and since we used that gym together, I see him under other circumstances, too.

The CHAIRMAN. With that, we will wrap up the committee.

Mr. LANTOS. Thank you very much.

The CHAIRMAN. Then we will go back to Veterans after Homeland Security.

Next is Homeland Security, Chairman Chris Cox and Ranking Member Turner. I appreciate both the Chairman and the Ranking Member, the newest people on the block when it comes to committee funding.

As the gentlemen are aware, we put out a temporary allocation so that—which we appreciate our Ranking Member Congressman Larson’s work on that; and we have talked about the two-thirds/one-third, which I know our Ranking Member will have a question on.

With that, we will go straight to the Chairman and then our Ranking Member.

STATEMENT OF THE HON. CHRISTOPHER COX, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. COX. Thank you very much, Mr. Chairman and members of this committee. We appreciate this opportunity to testify before you on the budget for the Homeland Security Committee.

Of course, our Ranking Member, Jim Turner, is also here to testify. Jim and I have worked together closely to develop this budget and begin the significant task of organizing this new committee to oversee the largest reorganization of the Federal Executive Branch in my lifetime. Just as those who threaten our country make no distinction between Republicans or Democrats, our committee will discharge our serious responsibilities with bipartisanship throughout this Congress.

The task facing the Homeland Security Committee couldn’t be more significant. When the Congress and President Bush created the Department of Homeland Security just a few months ago, consolidating 22 Federal agencies and over 170,000 Federal employees, the purpose was not to reshuffle the bureaucracy. The critical mission of this Department—indeed, the most important policy of our Federal government—is to make America safer, to protect our citizens from a new terrorist attack.

The Speaker and the full House of Representatives in passing H.R. 5 decided that this Department should not be subjected to overlapping, redundant, and potentially conflicting oversight in authorization from 44 separate committees and subcommittees in the House alone. H. Res. 5 created one authorizing and one oversight committee, the Select Committee on Homeland Security. This new committee will act as the central point of contact for the Department within the House, coordinate the oversight efforts of all House committees, and legislate as necessary any changes to the Homeland Security Act.

The constant focus of this committee will be to provide the most effective and efficient oversight to ensure that the Department of Homeland Security succeeds in its primary mission, preventing another attack on the territory and people of the United States.

The extraordinarily important responsibility of the Homeland Security Committee, together with our complement of over 50 members and its significant interjurisdictional role, of course will require staff and resources. Our budget request, however, is intended to be frugal. The committee’s proposed budget of \$5 million and change for 2003 and a like amount for 2004, totalling \$11 million for the 108th Congress, would make this committee smaller than 11 other committees in the House in the 107th Congress. By size of budget, we would rank in the bottom half of House committees.

The major portion of the budget is personnel. The committee is currently interviewing experts on bioterrorism, cybersecurity, nu-

clear and chemical weapons, border and port security, and infrastructure protection, among other specialties. This kind of expertise is necessary to ensure that our oversight is informed and effective so that we can assist the Department in achieving its mission, rather than bogging it down.

The fiscal year 2003 budget for equipment is \$712,000. The budget for communications is \$269,000. Since the committee is starting from scratch, we have significant non-recurring capital expenses, as you would expect, for such office equipment as computers, telephones, printers, copiers, and the like.

At the heart of preventing terrorism is coordinating our Nation's intelligence analysis and sharing threat information among Federal, State, and local authorities. We have among our committee membership the Chairman and Ranking Minority Member of the Intelligence Committee for precisely this reason.

To permit the committee to properly handle and store classified information, the budget includes construction expenses for a SCIF, including a vault, secure computer equipment, and secure phones. The cost to create a secure compartmented information facility will depend on the adequacy of the committee's office space, a need that is for the moment unmet. We have included an additional \$50,000 in our request for security costs to upgrade potentially ill-suited physical space. Because this may be an inadequate reserve and because adequate space has yet to be identified, we ask your willingness to consider subsequent requests in this category should the need arise.

The request also includes \$735,000 for consultant contracts. The committee will seek to draw on the expertise of the private sector to assist us in such diverse areas as information technology integration, cybersecurity, chemical safety, immunology, and infrastructure hardening. In addition, we expect to engage special legal counsel for discrete matters.

The Homeland Security Committee is by definition concerned with protecting the population and territory of the entire Nation. Therefore, the Select Committee has included \$209,000 for travel to such destinations as Seattle, Atlanta, and Los Angeles to evaluate first-responder procedures, examine port security, and coordinate with the Centers for Disease Control.

In the 108th Congress, the total budget for the Committee on Homeland Security will be split two-thirds for the majority and one-third for the minority. The cost of the very modest shared staff—the chief financial officer, office manager, and calendar clerk—will be divided equally by the majority and minority. This arrangement has been agreed to by both the majority and the minority.

I recognize that every dollar the Congress spends comes from the stretched pockets of hard-working American taxpayers. We have worked hard, therefore, to ensure that this budget accurately represents our minimum requirements to fulfill our responsibilities.

Thank you again for this opportunity to testify, and I will be happy, when my Ranking Member, Mr. Turner, is finished, to answer any questions. Thank you.

The CHAIRMAN. The gentleman from Texas.

**STATEMENT OF THE HON. JIM TURNER, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF TEXAS**

Mr. TURNER. Thank you, Mr. Chairman, Ranking Member Larson, members of the committee. Thank you for the opportunity to testify regarding our budget request for our new committee.

I want to also thank and acknowledge the support and cooperation that I have seen coming from our Chairman. I appreciate very much the bipartisan way which he has proceeded again to organize this committee. It has been a pleasure to work with Chris Cox. He is truly a gentleman, and I think that it bodes well for our ability as a committee to move forward in a bipartisan way to carry out the extremely important tasks that this committee has been given to strengthen our homeland defense.

When I look at our committee, I know that, in coming up with our budget request, as the new kid on the block we had a somewhat difficult time clearly anticipating what the costs of this committee would be. I join with the chairman in making our request to you, and I join him today in acknowledging our support for the budget request and the numbers that are submitted to you. I appreciate very much the committee's efforts to try to work with us in this formative period.

There is no question that a committee of 50 Members of the House will have significant responsibilities, and the staffs on the committee will have demands made upon them reflective of that number.

It is also very clear to me that, as a committee with the jurisdiction that we have been granted to have oversight over a new Department that previously consisted of 22 separate agencies, that the oversight responsibility of this committee will be as great as any committee on this House.

It is also clear to me that our responsibility to secure and protect classified information places additional financial burdens on this committee.

Of course, as a start-up committee, we have a lot of front-end costs; and, as you know, we have yet to resolve even the basic question of where this committee will be housed or where its committee hearings will be conducted.

So we request your indulgence and your assistance as we move forward so that, as we try to put this committee together, we can ask you to be flexible with us in trying to meet whatever unforeseen needs and obligations may be thrust upon us.

With that, Mr. Chairman, I thank you again for the opportunity to be here; and we request your support in the budget amounts that have been laid out before you.

The CHAIRMAN. Let me just note, on this, already we have had, you know, total flexibility with the new committee; and the staff of minority and majority here have been involved with each other on communicating on start-up issues, you know, detailees, all the things that are brand new here. Once we find out also the space—and space has been a big issue today. Everybody needs more space. And everybody does. We have got to find out where you are housed.

But with the Ranking Member—we appreciate with our Ranking Member and both sides of the aisle of this committee we were able to take that resolution to the floor for several hundred thousand.

You needed to have that—whether you spent it all or not by March 24th was irrelevant. You needed to have start-up ability. But you are a start-up committee, and so we are going to continue on this committee, members on both sides of the aisle and staff, to continue to work with you as this whole new start-up process happens.

It is an important committee. For us making a decision to—and I have been asked questions on, you know, on this, on the funding. We don't go back in and take homeland security and because we have the brand-new funding that we didn't have 2 years ago, we didn't go back in and remove money from every committee to fund it. And we didn't have to do that.

This is a unique start-up, and that is how I think we have to look at it. That way, everybody's budgets are judged fairly. And I think that is just important to mention.

It is an important committee. A couple years ago, we weren't entertaining this idea, but the world has changed, and we recognize that. Thank you.

Mr. LARSON. Thank you, Mr. Chairman; and congratulations to both Mr. Cox and Mr. Turner.

Let me say from the outset, I think that Speaker Hastert and Leader Pelosi have chosen well. I can't think of a more important committee, given the circumstances that the Nation faces. As Mr. Turner knows, the committee—Mr. Brady and I—he served on Armed Services—in terms of the scope, responsibility, and a committee that transcends partisanship altogether, it is so American at its core in terms of your mission. So—for what is going to be a very challenging task, you are both to be commended for taking on this responsibility.

As the Chairman noted, in your remarks as well, the overlapping responsibility that you have, and so many senior Members of Congress that serve, I have the distinct notion and feeling that perhaps one of the hardest things will be managing some of the various Members that will be serving there.

But, having said that and in the best of all spirits—I was the Senate president in Connecticut, and we created specific select committees to deal with crisis situations—it seems to me that we have got to provide the greatest flexibility as it relates to this committee. This is something—and I fully associate myself with the comments of Mr. Ney and am concerned that perhaps we are going to have to fund this committee at more than the initial request.

The Chairman mentioned in his opening statement about field hearings in Seattle, Los Angeles, Atlanta, et cetera. What a surprise. And so—and because of the nature of this committee and also the need—we heard from Armed Services today, and we heard Mr. Spratt and Mr. Nussle on Budget. The emphasis here, and as Chairman Cox went into, is the very specific kind of person you are looking to recruit to this committee and their need to not only be in the Beltway but also ferret information outside the Beltway, I believe, is going to be very challenging. Hopefully, the Congress will have the sensibilities to be flexible and to be open to supplemental increases as this committee carries out its responsibility that, to say the least, is awesome.

I have spoken at length with Mr. Turner and again would echo his sentiments in terms of the cooperation. Our concern on the

committee has been the one-third/two-thirds relationship, no matter what the funding levels end up being.

I commend him and Leader Pelosi because they feel strongly that this is a committee that definitely deserves the supported requests. As, hopefully, I have indicated today, any supplemental requests that will be needed to carry out your assignment is something that we feel strongly about.

Mr. LINDER [presiding]. Ms. Millender-McDonald.

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman.

And kudos to the two of you. You have gotten an assignment that is absolutely very critical, very demanding, where you do not have a game book that someone has preceded you with. But the two of you are very able attorneys, so you have the legal acumen as well as the discipline that can undertake whatever comes to this committee. So, kudos again to both of you for the leadership in appointing you to this very important committee, important because before 9/11, 2001, we did not even think about homeland security. Now we are all very much immersed in that concept. So I thank you.

I will agree with my Ranking Member and the Chair that this is a rather modest budget. It seems to me like just to get off the ground you would need to have a couple more dollars, while I am not touting that. But I would certainly be amenable to whatever the Chairman and the Ranking Member suggests as we go forth.

Mr. Cox, I know that with the impressive undertaking that you did in 1998 with the special assignment to look into China—the technology, the warheads and the missiles, and all of those things that were connected in that special committee that you chaired and the report that came out in 1999—I was quite impressed. So when they said that you would come forward, of course it would be a Californian to direct us.

And, Mr. Turner, you have been on Armed Services, and so we know your expertise—I think you served on Armed Services—so, your expertise.

Both of you recognize that this issue and this mission is not a defining moment of Republicans and Democrats, but, as the Ranking Member says, it is Americans. We are all in this together.

You spoke about the \$735,000 in contracts. I hope, being the outgoing Chairwoman of the Congressional Caucus on Women's Issues, that these contracts and those whom you get will mirror this country in terms of women, in terms of minorities, that they are very able folks in both categories to help you as you launch this very important program.

Thirdly, as you come into Los Angeles and come into the region, I hope you consider coming to the Long Beach and Los Angeles Ports that make up the largest port system in the country and third largest in the world, providing over 45 percent of the containers that go across this country emanating from those ports. My dear friend and partner in crime, if you will, Congresswoman Dana Rohrabacher and I, representing Long Beach, would certainly appreciate your thinking about coming to this port system to look at the really vulnerable nature of ports as we undertake homeland security.

Thank you both so much for being where you are.

Thank you, Mr. Chairman.

Mr. LINDER. Thank you.

Mr. Brady.

Mr. BRADY. No comments.

Mr. LINDER. Thank you both. You have got a big task ahead of you. We will let you get on with your jobs.

Mr. COX. Thank you, Mr. Chairman.

Mr. LINDER. Next, we would like to have you join us at the table, Mr. Smith, the Veterans Affairs Chairman, and Mr. Evans, the Ranking Member.

We welcome you and thank you for coming this afternoon; and we will lead off with the Chairman, Mr. Smith.

STATEMENT OF THE HON. CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. SMITH. Thank you very much, Mr. Chairman; and let me say how great it is to be here. I thank you for this opportunity on behalf of myself and my good friend and colleague Lane Evans, whom I have worked with for many years, almost 20 years on the committees—I have been on it for 23—and greatly admire his work on behalf of veterans.

As you know, our committee not only crafts legislation in the medical care area and the discretionary care area, but we also do a lot in the area of benefits. About half our budget is benefits, and the other half is for health care. We do have the second largest Federal agency. We employ over 200,000 people. We have a budget authority of approximately \$62 billion. So it is an enormous expanse of commitment on the part of the American government to those who have borne our battle as well as their widows and to their orphans.

The VA is making a request today, our committee, and it is a joint request, for an increase. We are hoping for \$6,776,000 to allow us to continue to hire and retain what we think is the finest staff on Capitol Hill. It will allow us to respond to the leadership's call to pursue an aggressive oversight agenda.

I would just say, Mr. Chairman, that during my first 2 years as chairman of this committee we have had a very, very heavy emphasis on accountability: What is out there? Are we doing what we can with the available monies even before we ask for new monies when it comes to veterans health care?

We have discovered all kinds of gaps. We realize that in the medical care collection area, for example, when going after third-party payers, so much more can and should be done to make sure that the insurance companies pay a fair share. When our higher income veterans get health care, we go after them legitimately to make sure they pay their share of that recipient's health care.

I deployed a staff as well as Lane to go over and look at VA health care facilities that are in proximity to DOD facilities; and we came back and found out, after going to approximately two dozen sites, that there were enormous amounts of opportunity for DOD/VA sharing that were unrealized. So we proposed legislation for it. The legislation passed, And hopefully we will realize those savings.

But the staff report and the members who have gone on these trips as well, including myself, found out that we can get so much more bang for the buck. And that means staff travel. We do have a request to put our staff travel up to \$65,000. We hope to do more of that kind of on-site oversight as we go forward this year.

Just for the record, we do have 32 full-time staff. We are hoping to increase that to the Speaker's number of 34. We fell, especially with this oversight component—and we are doing it so vigorously, accountability being a very large part of our joint efforts here, especially with scarce funds within the VA—that it is important that we have the professional staff to do the job right.

We still have a problem, and you have heard this today, of inadequate spacing. That especially accrues to my good friend Lane Evans and Michael Durishin and his Democratic staffers. We are asking if you can help us to find some additional room to house these very valuable staffers. We are trying, we are looking, and perhaps you can give us some help on that.

Just one thing about the people who make up our staff. The combined staff of 32 now have over 500 years of Federal service. Pat Ryan, who is the Chief Counsel and Staff Director, not only came from a rich background within the VA itself, he has been on the committee almost as long as I have. I have been on for 23 years. He has served very admirably in virtually every position, and now he is Chief of Staff and General Counsel.

That is the kind of very professional people that we do have. So we are looking to give them merit raises coupled with the COLA, which does take some money, because I don't want to lose any of these people. They do a great job. And that is on both sides of the aisle. We work very well together.

Lane and I produced some landmark legislation this year, a homeless veterans bill that is unprecedented. I have to tell you, there are 275,000 veterans on the street on any given night. These are mostly men and some women who served honorably in the United States Government as our military. They are trained, they have capabilities, and they are on the streets.

We worked on bipartisan legislation. Our staffs did yeoman's work. President Bush signed it into law. Now we are into the implementation phase to get those people back into society and to save them from a ruinous lifestyle.

The same goes to the G.I. Bill, another historic bill, to increase the benefits package for our men and women in uniform. We found that it was being underutilized. Fifty percent of those who signed up were using it. Why? The benefit wasn't enough to make college possible. We increased it by 46 percent. There was sticker shock when we first did that. We know now that many more hundreds of thousands of veterans will go to college as a direct result of that legislation. It was bipartisan. Our staff worked it up and worked with us, and it takes an enormous amount of work.

I can go on and on, but we have some challenges, Mr. Chairman.

There is a process very much akin to BRAC with regards to veterans health care facilities that comes up. A recommendation will be made for closure or radical realignment of health care facilities. We want to make sure that anything that is going to be closed or enhanced gets the kind of scrutiny that it deserves so that no vet-

eran is diminished in his or her ability to have access to health care.

I can go on and on, but we need this request, and we hope you will look at it favorably.

The CHAIRMAN. I thank the Chairman.

The Ranking Member.

**STATEMENT OF THE HON. LANE EVANS, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF ILLINOIS**

Mr. EVANS. Thank you, Mr. Chairman.

I welcome the opportunity to join with Chris Smith concerning the budget request for the Committee on Veterans Affairs. As he has laid out, this is very much a product of bipartisan effort.

Under the request proposed by Chairman Smith, there will be a total of 34 committee staff. Of these total staff, 23 will be majority staff and 11 will be Democratic staff. Of the committee staff request, 33 percent is allocated for Democratic staff in the 108th Congress.

Office space, however, is an entirely different matter. The office space now allocated to the Democratic staff is totally inadequate. Less than one-fifth is occupied by the Democratic staff. It does not, in fact, accommodate the current 10 members of the Democratic staff; and I cannot accommodate fellows, interns, and others who contribute to our committee. They don't have a place literally to park their gear and get the office space that they deserve.

I talked to the Chairman. He is very sympathetic—we appreciate that, Chris—and we will be glad to work with him for a reasonable solution. That solution has thus far been elusive. Unfortunately, the staff of the superintendent has not even been able to identify space available. So I ask you for your assistance, Mr. Chairman and Ranking Member Larson. I look forward to working with you on that request. It is a committee request, and I urge your consideration of a favorable response.

Thank you, Mr. Chairman.

The CHAIRMAN. I want to thank both gentlemen.

Space is—and I am aware of the dilemma you have. We have talked with your staff, and space is a crisis. We have been hearing this everywhere. It is an absolute crisis in proportion around the buildings. People need to have availability to have some kind of space. They serve constituents all across this country that want an answer from their government, and so we were going to speak with the leaders to attempt to do something. As I understand, yours is a bad, bad situation with the space.

Let me just thank both of you. I really don't have any questions. I think the budget requests have been very, very responsible by the Veterans' Committee. I just want to thank you for service to the country. You continue to serve your country and do what you do on this committee.

I was on Veterans' Committee, and I was—one of the greatest things I think you can do—we wouldn't be here, we all know that, if it wasn't from the Revolution forward and the men and women today putting themselves in harm's way to make sure we are here. Your committee is a valuable, valuable part of this institution, obviously.

Thank you.

Mr. Larson.

Mr. LARSON. Thank you, Mr. Chairman; and thank you, Mr. Smith, for pulling double-duty today.

Let me thank you as well for not only your testimony and your service but the passion you bring to your job. It is very heartening to listen to you and hear it and a tribute to the manner and the responsibility that you assume.

The Ranking Member, as you have pointed out, is a man who brings tremendous stature and empathy and heartfelt concern. Your explanation of the bipartisan cooperation is indeed something that all committees should aspire to and adhere to.

I am concerned about the space issues. As we outlined, I feel very fortunate on this committee to have a Chairman who is equally concerned. It is truly a Member's Member who reaches out to try to help solve these problems and has even given up his own space to accommodate people, which I think speaks volumes to the kind of Chairman he is.

Notable in our concern as well as the Members and the staff whom we want to accommodate is that your committee especially has so many of the greatest generation who are disabled, who do come to call upon you who don't have appropriate access. That is why it is so incumbent upon this committee to try to accommodate the requests that Mr. Evans has so eloquently laid out before us, and I assure you we will work to those ends. You have a very modest request before the committee, and I can't think of a more worthy group of Americans needing of our attention and concern than veterans, and I want to thank you both for your service to the country.

The CHAIRMAN. The gentleman from Georgia.

Mr. LINDER. I do want to say thank you. I started here 10 years ago serving on the Veterans Committee. I know the work that you do, and I just want to say thank you.

The CHAIRMAN. Mr. Brady.

Mr. BRADY. Thank you, Mr. Chairman.

Just quickly, I want to echo and also thank you for the job that you are doing for the people that fought so hard for us at one time and now maybe are not in the position to fight as hard for themselves, especially for the homeless. And, also, the education. I am a product of the G.I. Bill.

I just appreciate again, to echo—my Ranking Member has said it best, with passion, and, again, that passion is for the people that fight for us while we are here and life is comfortable and they are in harm's way. I feel really good that the both of you are doing the job that you are doing so well and want to continue to support as best as I can.

Mr. CHAIRMAN. Again, I want to thank both of you gentleman for what you are doing for the veterans.

Mr. SMITH. Mr. Chairman, thank you so much. Mr. Larson, members of the committee, thank you.

Mr. EVANS. Thank you, Mr. Chairman.

The CHAIRMAN. I ask unanimous consent that members have 3 business days to submit their statements and materials for the

record and those statements and materials to be entered in the appropriate place in the record.

Without objection, those materials will be so entered.

I ask unanimous consent that staff be authorized to make technical and conforming changes on all matters considered by the committee on today's portion of the hearing.

Without objection, so ordered.

I want to thank all the members for being here, listening to a very important part of the hearing process. Now we will put the pen to the paper and work together to keep the institution moving.

Having completed our business for today in this hearing on committee funding, this committee is hereby adjourned.

[Whereupon, at 1:56 p.m., the committee was adjourned.]