

COMMITTEE FUNDING FOR THE 113TH CONGRESS
(DAY 1)

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

HELD IN WASHINGTON, DC, MARCH 5, 2013

Printed for the use of the Committee on House Administration



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COMMITTEE FUNDING FOR THE 113TH CONGRESS (DAY 1)

TUESDAY, MARCH 5, 2013

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

The committee met, pursuant to call, at 10:44 a.m., in Room 1310, Longworth House Office Building, Hon. Candice S. Miller (chairman of the committee) presiding.

Present: Representatives Miller, Harper, Gingrey, Schock, Nugent, Brady, and VARGAS.

Staff Present: Kelley Craven, Staff Director; Phil Kiko, General Counsel; Peter Schalestock, Deputy General Counsel; Kimani Little, Parliamentarian; Joe Wallace, Legislative Clerk; Yael Barash, Assistant Legislative Clerk; Salley Wood, Communications Director; Bob Sensenbrenner, Elections Counsel; George Hadjiski, Director of Member Services; Richard Cappetto, Professional Staff; Jamie Fleet, Minority Staff Director; Matt Pinkus, Senior Policy Analyst; Matt Defreitas, Minority Professional Staff; Thomas Hicks, Minority Elections Counsel; Greg Abbott, Minority Professional Staff and Eddie Flaherty, Minority Professional Staff.

The CHAIRMAN. Good morning everyone, I will now call to order the committee on House Administration for today's hearing on the Committee Funding for 113th Congress. The hearing record remained open for 5 legislative days so that members might submit any materials that they wish to have included. And a quorum is present so we can proceed.

I want to thank everyone for being here this morning, and this process, while a bit lengthy—it is going to expand over 2 days as we hear from all the committee chairmen—is very necessary, I think, to our deliberations on committee funding levels. And certainly even more important as we think about what is happening with the cuts with sequestration.

I think it is important as we listen to everybody's testimony today, and certainly the committee understands the importance of each of the committee's work, how incredibly important they are, what a critical component they are really of the vital responsibility that we have in the Congress to oversee our Federal agencies, and of course, we have limited resources to do that. So we have a task that demands efficiency as well.

Of course, the legislative branch resources that we have pales in comparison to the executive branch; we have about a trillion dollars less. And yet our responsibility is to oversee these agencies on behalf of the American taxpayers. Our job is to ensure that the

hard-earned money taxpayers provide for government is spent effectively, efficiently and as transparently as possible. I think that is what makes our process that we undertake today and tomorrow—over the next 2 days, we are going to hear from every House committee about how they plan to allocate and prioritize their resources and how they are going to become even more efficient; “doing more with less” is sort of the buzz phrase here.

As we all know, last Friday, OMB issued its sequestration order detailing the automatic spending cuts, and although the cuts are going to mean a little bit different to every branch, every agency, every employee, it will mean something to every one, including every Member of Congress. And certainly for this committee, we all understand the reality of these reductions on committee operations. Of course, as I mentioned, every Member of Congress is also looking at an 8.2 percent cut to our own MRAs, so we have to certainly lead by example and to control our government spending.

In addition to hearing from every committee about how they are going to implement these cuts, we certainly are looking forward to hearing about how they plan to manage their resources, adhering to the two-thirds/one-third allocation. As some of you might recall, the one-third allocation was championed by our ranking member at that time, House Administration Ranking Member Bill Thomas, in the 103rd Congress, when the Republicans were in the minority, so I think this is an important—it has been a tradition for quite a few Congresses.

And I am pleased to report that for the last 16 years, the one-third rule has been supported by not just the majority but the minority party, whether it was Republicans or Democrats, and we will be looking forward to this bipartisan agreement, I think, for many, many years to come. Again, I want to thank all the members for being here and the ranking members and the chairmen.

And we are going to begin with House Rules, and we certainly welcome Chairman Pete Sessions and Louise Slaughter, both of you do a great job, on Rules.

I ask the official reporter to enter a page into the hearing record as we begin this section.

The CHAIRMAN. The Committee on Rules has a very long history and the important job of presenting to the House the pieces of legislation for its consideration, its priority in the 113th Congress is to maintain its very high standard of establishing the parameters of floor consideration for the pieces of legislation we collectively consider and deliberate upon.

So we welcome both the chairman and the ranking member, and we would open the floor to Chairman Sessions for his testimony to the committee, sir.

**STATEMENT OF THE HON. PETE SESSIONS, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. SESSIONS. Chairman Miller, thank you very much, both Louise Slaughter, former chairman of the Rules Committee and I wish to approach this committee very respectfully, not only to you, Chairman Miller, but also former Chairman Brady who allowed us to testify a few years ago about the needs of the Rules Committee.

I might also with some great deal of respect acknowledge the gentleman Mr. Nugent, who serves on the Rules Committee, who and has a clear understanding of whatever we do. And I would hope in this committee's deliberations and review of the things which you are requesting would feel free to talk with Congressman Nugent, not only about the diligence by which we go about our work, but also I think the frugality that is involved with us effectively using the resources which you so graciously give to us.

You know, as I come before you it kind of reminds me of an old saying, gosh, if I had known I was going to live that long, I would have taken better care of myself. I might say to you today that the Rules Committee I believe has done a very good job of taking care of itself before today, but once again, we show up with some needs that we have, not only to our mission statement but also what lies ahead.

Certainly, the Rules Committee has been working with your staff to try and give you a clear and better understanding and us hearing from you about your ideas and needs about our service and what we do. First of all, let me say this, the things which we do are at the service for the entire House of Representatives. We serve people 24 hours a day. We have not only Web sites that need to be updated with legislation but ideas. Perhaps, maybe over a weekend, someone will decide that we are going to post a bill; we need to make sure that we are available with Twitter; all Web sites, we need to make sure that we are leading edge in what we do. We need to make sure that we are available to print out thousands of copies at the last minute. We need to make sure we are open and available as a service product to the House of Representatives.

The down side to that is if we are not, it means it is not only the prestige of the House of Representatives but also can cost the entire body overtime, inefficiency and frustration. I don't need to remind you that a few years ago, when the official board, voting board went down, it caused great frustration. While I had no real part of that, I remember it well that the things which are inherent to the operation, the successful operation, of the House of Representatives must be done.

So, with that said, both Mrs. Slaughter and I approach you respectfully today to help you understand several things. First of all, we do not have a travel budget. We do not have something that we can cut or manage on a moving-forward basis. We have by and large taken ourselves down to the bare bones.

However, we have needs, needs that happen. Every couple of years, we burn through computers. We have new technology that we have to manage and make available. And we have needs of printed copies, doing things to where we reproduce things for the benefit of the majority and the minority on a timely manner to make sure that they are all available to people. We do not have at our pleasure four or five subcommittees, each with printers. We have one upstairs that produces what we need. And we need to be able to buy new equipment because we wear through what we have.

What we do at the Rules Committee is a service to the House of Representatives, and we believe that our efficiency comes not just from our ability to get better every few years with technology, but

we also believe that the service we provide is there on a 24-hour basis to make sure that the entire House of Representatives works well.

Now the core functions of what we do are what we are talking about doing; we are not talking about going out and making any grand scheme or going out and creating something that would necessarily help save us millions of dollars later. What we are talking about is basic functions that need to be covered. And so, as a result of that, I would submit to this committee, we have already taken that cut, and that we believe that any review and analysis of that would say that if we did take a cut, we would be putting ourselves at risk for the entire House of Representatives, for others to be prepared and to move efficiently. And so we are asking, at least I am today, and I believe Mrs. Slaughter would be asking the same, to carefully review us and understand that a hit to our budget that the chairwoman has spoken of, that I in my office, personal office, will willingly accept but that this committee had prepared itself last term and done that. So we are asking a very careful, thorough review.

And I appreciate the opportunity to be before you here today, thank you very much.

[The statement of Mr. Sessions follows:]

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March 4, 2013

**STATEMENT OF CHAIRMAN PETE SESSIONS BEFORE THE
 COMMITTEE ON HOUSE ADMINISTRATION
 REGARDING THE COMMITTEE ON RULES' 2013 BUDGET REQUEST**

Thank you Madam Chair, Ranking Member Brady, and Members of the Committee. I am here today with my Ranking Member, the gentlelady from New York (Mrs. Slaughter) to testify on the Rules Committee's budget request for legislative year of 2013. While this is my second appearance before the Committee, it is my first as chairman of the Rules Committee.

The House has 20 other committees, all of which work on their individual policy areas, and recommend legislation to the House. The Rules Committee stands alone among them as a committee charged with facilitating the consideration of other committees' work. Without the Rules Committee, it would be virtually impossible for the House to consider anything other than the least controversial bill.

Where other committees have weeks and months to prepare their work product, the Rules Committee's agenda is measured in days, hours, and minutes. As a result, we have developed a reputation as the "special forces" of committees: we are small, we are flexible, and we *always* achieve our objectives. And we do it with the second-smallest budget of any committee in Congress.

All of us recognize the incredible fiscal challenges that face the Nation. The Committee — despite its small size and meager budget — has contributed to the effort to reduce our deficit, shouldering a 12.4 percent cut in our authorized level over the 112th Congress. Your committee has asked us to testify about the effects of a further 11 percent cut from our LY2012 authorized level, taking the Committee to an authorized level roughly equivalent to where it was in the 108th Congress. You also asked that we contrast those effects with a more modest cut of one percent from our authorized level, reflecting a small increase in what we spent last year.

I come before the Committee today to tell you that regardless of our budget, we will accomplish our mission. We will do it because we have to; no one else can. However, I also want to tell you that if we suffer further significant cuts, it will have an impact on our work: we will be less flexible, we will be less transparent, and costs that could be borne more effectively by the Rules Committee will instead be shifted to the House and other legislative branch agencies at a much higher cost.

Understanding the very real pressures of our situation, I urge the House Administration Committee to consider providing the Rules Committee with sufficient funding to accomplish our mission in the most cost-effective manner possible. I believe that the Rules Committee's track record is one of providing strong value for an extremely modest investment.

THE REAL IMPACT OF CUTS TO THE RULES COMMITTEE

With the authorizing and appropriations committees, budget cuts have very real effects — fewer oversight hearings; smaller, less responsive committee staffs; and longer delays in filing reports. Those effects come from those committees' ability to tailor their workload to the available resources.

In contrast, the Committee on Rules has no ability to turn down work in response to fewer resources. So long as the House is considering legislation, the Rules Committee must be open for business. Preparing legislation for the floor has certain fixed costs; if the Committee does not have the resources to meet the need, those costs don't disappear — they are just shifted to the House as a whole. That means longer lead times and a greater expense when the Committee could produce the same product more quickly and less expensively.

The Impact on Automation. For instance, the Committee has invested heavily in its custom automated workflow system (called CORED) over the last decade. Our budget request includes significant funding for our contractor to maintain the system and continue to make improvements.

One of the areas where we have made significant strides is producing our resolutions in the legislative branch standard XML format, where they can easily be posted or printed with minimal human intervention. However, while we are close, we have not yet been able to complete the work to do the same thing for committee reports. This means that we provide the Clerk (and ultimately GPO) with a Microsoft Word file and hundreds of pages of hard copy attachments. One or more human beings at GPO must then hand-code our file and merge the attachments to produce a file suitable for posting and printing. GPO then bills the Legislative Branch Printing and Binding fund for the dozens of man-hours associated with that exercise.

However, the Committee started the work last year to be able to produce the entire report in-house. In coordination with our contractor and the Clerk's office, we are working to ensure the ability for CORED to produce a valid XML file that can be merged with files provided by the Office of Legislative Counsel to produce a complete report that is ready for GPO to print and the House to post online. In the last Congress we filed 137 committee reports. If we were able to produce each of those in-house, the House would experience significant savings, better work product, and fewer errors.

If the Rules Committee receives the lower funding level contemplated by the House Administration Committee, we will only be able to fund maintenance work on CORED and the House will continue to bear the higher cost of report production for the Rules Committee.

The Impact on Document Production. In another example, the Committee often has to produce documents for the House under tight deadlines, sometimes well after business hours. As a result, we are heavy users of our printing and copying equipment. The Majority's only high-speed printer and copier is over two years old and has produced well over half a million pages to date. It is a mechanical device, and as it ages, it becomes more prone to malfunction and breakdown. To avoid that possibility and the impact on our mission, we regularly replace our copiers to ensure that all of our equipment is operating at peak efficiency.

Unlike other, larger committees where the effects of a device malfunction are confined to that committee and where they often have backups, a breakdown at the Rules Committee is farther reaching. Because our documents need to be filed with the House on the same legislative day that we meet, the House will remain in session waiting on the Rules Committee's work product. If we have an equipment failure that delays the filing of our report, the House must remain in session and all of the personnel — including police officers, chamber security personnel, clerks, official reporters, and recording studio personnel — must remain on-duty and will be earning overtime. Even a short delay can cost the House tens of thousands of dollars in increased operating expenses.

If the Rules Committee receives the lower funding level contemplated by the House Administration Committee, we will most certainly have to wait until the end of the year to replace our copier, if we can do so at all. Each time we delay maintenance or replacement, we take a risk, one that compounds over time. Ultimately, that risk is borne by the House with delays in the schedule and the costs associated with those delays.

The Impact on Transparency. Lastly, we are about to launch a new website which has been in development for over a year. Our current website averages over 50,000 hits per day, with peak days reaching nearly half a million hits per day.

Because the work done by the Rules Committee is different from that of other committees, the standard committee website designed by the CAO's staff doesn't have the capabilities to deliver the kind of information that the public has come to expect. Additionally, the Committee was told early in the website's development process that the CAO would be unable to dedicate the staff resources to customize the template. Accordingly, we *must* rely on outside contractors for the development and maintenance of our site.

Additionally, development of both CORED and the website were items that we previously funded at the end of each legislative year. The Committee on House Administration has changed the accounting rules, requiring that we make those payments in real-time, rather than pre-funding them from funds remaining at the end of a year.

While we should be able to complete the work to bring our site to launch, if the Rules Committee receives the lower funding level contemplated by the House Administration Committee, we will only be able to fund maintenance work on the website and will be unable to fund the changes necessary to create a mobile site or make other improvements for Members and the public in the interest of transparency.

EFFECT OF BUDGET CUTS ON THE MINORITY

Last Congress, Chairman Dreier took the step of giving the Minority full control over its one-third of the budget. This arrangement has worked well over the course of the 112th Congress, and it is a tradition that I intend to continue.

However, the effects of the 11 percent cut on the Minority will be immediate and substantial. The Majority's staff is small; the Minority's staff is smaller. This cut would mean that they would be forced to choose between layoffs and furloughs or purchasing paper.

For instance, because the Minority staff is so small, they have no dedicated IT personnel and contract out that function. With a cut of this magnitude, they would be unable to continue to contract for technical support and maintenance services, leaving them vulnerable to failures while the Committee is operating.

Every majority needs a fully functioning minority; it's essential for our democracy. A cut of this magnitude would do a disservice to the minority members of the Committee, and the House as a whole.

THE DECISION BEFORE THE COMMITTEE ON HOUSE ADMINISTRATION

While the Committee on Rules is a standing committee, its function is different than any other. Without the Committee on Rules operating at peak efficiency, the entire institution suffers.

The Committee on House Administration is in a difficult position — you have to make cuts, but must do so in a way that will allow the committees and the House as an institution to function. It is not easy.

I am asking you today to consider the effects on the House of substantial cuts to the Committee on Rules' budget. We have the second smallest budget of any committee. While that means the size of the cuts are smaller, their impact is disproportionately larger. Any major cut means that the Committee will have to risk some element of its mission — the timely delivery of business to the floor, the Speaker's commitment to transparency in the legislative process, or the fair and efficient handling of Member requests. By the same token, a small investment in the Rules Committee has little effect on the overall picture of committee budgets.

Over the last 10 years, my predecessors made investments in the Committee to ensure that it can deliver on our mission better, faster, and more cheaply. We are close to realizing the ultimate payoff of those investments. If we are forced to abandon that work, our activity doesn't go away. Rather, we just shift those costs to the House as a whole and at a much higher price than if the Committee handled them.

Madam Chair, I appreciate the willingness of the Committee to listen our concerns, and I stand ready to work with you to ensure that the Rules Committee can continue to deliver on our mission.

I stand ready to answer any questions you may have.

The CHAIRMAN. I thank the gentleman for the comments.

The chair now recognizes the ranking member of the Rules Committee, Ms. Slaughter.

STATEMENT OF THE HON. LOUISE SLAUGHTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Ms. SLAUGHTER. Thank you, Mr. Chairman, and Ranking Member Brady, and all the other members of the committee. I am pleased to join with my new chairman, Pete Sessions, in presenting the Rules Committee budget request for 2013.

I want to begin by saying that although Chairman Sessions and I have worked together for many years on the Rules Committee, this is our first appearance before you since he became chairman. And I want to express my appreciation to him for the warm collegiality he has shown to me and all members of the minority since he became chairman.

Ours can be one of the most boisterous committees of the House, but we have a long tradition of working in a bipartisan fashion when it comes to the efficient operation and administration of our committee. I am grateful that Chairman Sessions has chosen to continue that tradition and especially that he plans to continue the policy of dedicating one-third of the committee's overall budget to the minority. I fully support our chairman's request to the House Administration Committee, and I, too, am glad Mr. Nugent is here, because I think he can certify us.

Right, Mr. Nugent?

Mr. NUGENT. Absolutely.

Ms. SLAUGHTER. As the chairman said, we take very seriously our responsibility to tighten our belts and to reduce costs in every way that we can. We have done our share over the last 2 years. In fact, the Rules Committee achieved a 12.4 percent cut in our authorized level over the 112th Congress. We were able to make that cut in the last round, and we continue to be ready to do our share.

But as the chairman stated, the Rules Committee is a unique institution in the House, founded in 1789; it has been important to the runnings of the House of Representatives ever since. We are small. We have a lean budget, but we are very efficient. The most important distinction is the fact that we do not control our own work flow or our schedule. Our agenda is set by the leadership, and we must be able to act at a moment's notice. We have markups almost every single week, sometimes more than one.

We do not have the option of using many of the traditional tools for reducing committee costs. We cannot postpone our meetings to save money. We cannot combine our hearings to reduce duplication. When the agenda of the House calls for action, the Rules Committee must be available no matter the hour.

Furthermore, delays at the Rules Committee have significant multiplier effects on the cost of operating the House. When we take longer to do our job, the House must remain in session, and that means all of the personnel, the police officers, the Chamber security, the clerks, the Official Reporters and the recording studio personnel must remain on duty and will often be earning overtime. Even short delays can cost the House tens of thousands of dollars.

Finally, I appreciate my chairman's point that since our budget is small, the proposed cuts will have the largest effect on the minority, where smaller cuts can have a larger relative impact. If we must absorb the higher level of cuts under consideration, the minority will have to choose between essential administrative services and adequate staffing.

Madam Chairwoman, we are very proud of our committee. We provide an essential and a cost-efficient service to the House, and we have a long tradition of accomplishing that task with bipartisan comity, no matter the intensity of our disagreement on the underlying policy issues. And therefore, I am pleased to support my chairman's request that the committee be funded at a level that will allow us to continue to provide that same kind of service to the House.

Thank you.

[The statement of Ms. Slaughter follows:]

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**Statement of Ranking Member Louise M. Slaughter Before
the Committee on House Administration Regarding the
Committee on Rules' 2013 Budget Request**

March 5, 2013

Thank you, Madame Chairwoman and Ranking Member Brady. I am pleased to join with my new Chairman, Pete Sessions, in presenting the Rules Committee's budget request for legislative year 2013.

I would like to begin by saying that, although Chairman Sessions and I have worked together for many years on the Rules Committee, this is our first appearance before you since he became Chairman. I would like to express my appreciation to him for the warm collegiality he has shown to me and to all of the Minority Members of the Rules Committee since he became Chairman.

Although ours can be one of the most contentious Committees in the House, we have a long tradition of working in a bi-partisan fashion when it comes to the efficient operation and administration of our Committee. I am grateful Chairman Sessions has chosen to continue that tradition – and especially that he plans to continue the policy of dedicating one third of the Committee's overall budget to the Minority.

I fully support our Chairman's request to the House Administration Committee. As the Chairman said, we take very seriously our responsibility to tighten our belts and reduce costs in every way we can. We have done our share over the last two years. In fact, the Rules Committee achieved a 12.4 percent cut in the authorized level over the 112th Congress. We were able to make that cut in the last round, and we continue to be ready to do our share.

But as the Chairman stated, the Rules Committee is a unique institution in the House. We are small; we have a lean budget; and we are very efficient. But the most important distinction is the fact that we do not control our own workflow or our schedule. Our agenda is set by the Leadership, and we must be able to act in a moment's notice. We have markups almost every single week – sometimes more than one.

We do not have the option of using many of the traditional tools for reducing Committee costs – we cannot postpone our meetings to save money; we cannot combine our hearings to reduce duplication. When the agenda of the House calls for action, the Rules Committee must be available, no matter the hour.

Furthermore, delays at the Rules Committee have significant multiplier effects on the cost of operating the House. When we take longer to do our job, the House must remain in session. That means all of the personnel – police officers, chamber security, clerks, official reporters, and recording studio personnel – must remain on-duty and will often be earning overtime. Even short delays can cost the House tens of thousands of dollars.

Finally, I appreciate my Chairman's point that, since our budget is small, proposed cuts will have the largest effect on the minority – where a smaller cut can have a larger relative impact. If we must absorb the higher level of cuts under consideration, the Minority will have to choose between essential administrative services and adequate staffing.

Madame Chairwoman, we are very proud of our Committee. We provide an essential, cost-efficient service to the House, and we have a long tradition of accomplishing that task with bi-partisan comity, no matter the intensity of our disagreement on the underlying policy issues.

Therefore, I support the chairman's request that the committee be funded at a level that will allow us to continue to provide that same kind of service to the House.

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The CHAIRMAN. Thank you very much.

I just have one question, I guess, in regards to technology, listening to you talk about all of the printing in particular that you have done. I have had the pleasure of testifying before the Rules Committee in the past, and I would just comment—I am sure everybody has—it is run so incredibly professionally on both sides, I think, very well, but there is a lot of paperwork that has to go through there, as you say, to keep the House running.

Ms. SLAUGHTER. Yes.

The CHAIRMAN. Have you really explored, I am sure you have, the various kinds of technologies that might assist you with—you buy a new printer—you mentioned the upstairs printer—those kinds of things or if there is anything that our committee can help you with, duplicative kinds of things, that we may be able to resource you with as well, have you looked at those kinds of things?

Mr. SESSIONS. In fact, I believe we have. In some conversations, I believe, that have taken place between our staffs, the Rules Committee began a discussion 3 or 4 years ago about how we were going to adapt ourselves to the needs of Members. For instance, iPads several years ago became more functional, and people came to us and said, your output doesn't allow me a chance to get it on my iPad. Well, we had to go back and figure out how to do that.

Increasingly as the complexity of technology has changed, we have tried to do the same. Once again, our budgets and our limitations have been met very seriously internally as we have tried to adapt ourselves. Those of us that are on the Republican side might remember there was a vigorous debate when we reorganized about what is available through the Rules Committee to CRS, back and forth with OMB, and how we effectively work together. These have all been important debates we find ourselves trying to meet the minimum needs of Members. We are a supply-oriented body, and I think that Ms. Slaughter very effectively not only laid out how essential our services are but that we have people coming to us asking for more and more, and there is only so much we can do at one time.

Now as it relates to the actual printing operations that we have, that is perhaps the most essential thing that I would lay before you today, not that we are a bare bones organization, not that we necessarily would be available, as Ms. Slaughter suggested, at a drop of a hat, at the whim of anyone who needs our services, but actually the production of what we do. And I believe I could successfully say to you today, every couple of years, we wear out our machines, and we need that ability to be able to stay leading edge with the essential services we provide, and then we are trying to get beyond that for technology.

The CHAIRMAN. Okay.

With that, I would recognize our ranking member, and I apologize for not recognizing him for his opening statement.

Mr. BRADY. You don't need to hear an opening statement from me. I am fine, Madam Chairman. Thank you.

You know, about 12, 13 years ago, when I first got here, I really wanted to get on the Rules Committee. I tried for a couple of years, and boy, am I thankful Dick Gephardt didn't put me on it, because without question, you are the hardest-working committee there is.

You know, it is ironic that I have been here for a while, and I just asked my staff, where is the request? It is the first time we didn't get a request sheet. We are trying to keep a status quo and hopefully not a major cut sheet. But I will vote with Mr. Nugent to give you a percentage increase if you like; I don't have any problem with that.

But I also hate to lead by example, Madam Chairman. I hate to lead by example. But it is what it is. We have the cuts. Everybody is taking them, our staffs, our committees.

The only thing I would have and I would probably—the only real question I would have with a whole lot of these committees is, can you function with a cut? Are you able to get quality people to come in? Are you able to keep people that are quality people when you are cutting their salary, while I am sure that they have friends and people they associate with socially or whatever are making more money than they are making and, on your committee especially, aren't working the same hours? So that is the only issue and problem I have with all the committees that have come in front of us: Can you keep the staff that you have with them taking a furlough or a cut? Do you have the opportunity to even attract any other staff members that can do the work that needs to be done on these committees?

Ms. SLAUGHTER. We are very proud of our staff, Mr. Brady.

I will tell you I think they are probably the hardest-working people on the Hill, but they are also in demand in the City of Washington because of the skills they could bring to a better job with much higher pay.

We have been very blessed so far because the people who work at the Rules Committee seem so dedicated to what they are doing. The hours that they keep, I think, would astonish a lot of people here. But I think we are going to see that, and I am greatly concerned about whether or not we are going to be able to keep really good people. We don't know yet. I hope so, because I have never worked with finer people on both sides in our committee. The skills that you have on the Rules Committee I think are very unique. They understand exactly how the House works and all legislation, and they have institutional memories that are unsurpassed. We really want to keep them, and it is a very big concern that with larger cuts, we will have to make changes in staffing, and that would really be a loss I think to the House.

Mr. BRADY. Thank you.

That is all I have, Madam Chair.

The CHAIRMAN. The chair recognizes the gentleman from Mississippi, Mr. Harper.

Mr. HARPER. Thank you, Madam Chair.

And thank each of you for the hard work that you do. I know that sometimes a thankless late-night job that you each have to do; you do it well, and I am very impressed with the staff on both sides and how you do that.

At this point, are each minority, majority staff, are you fully staffed at this point?

Mr. SESSIONS. We are.

Ms. SLAUGHTER. Yes.

Mr. SESSIONS. And I believe Ms. Slaughter is.

Ms. SLAUGHTER. We had a part-time vacancy last year, but we are fully staffed.

Mr. SESSIONS. But once again, with a moving forward viewpoint, it would cause us to necessarily make changes in staff or in some other area, and that is the reality of where we are.

Ms. SLAUGHTER. And that would be difficult because, frankly, I really do believe that our staff, because of fact that they are so accomplished at what they are doing, a loss of any one of them would cause us some serious problems.

Mr. HARPER. As you look at how to address the cuts that you may face, I am sure you will look at every other option first.

Ms. SLAUGHTER. Yes.

Mr. HARPER. Before that comes about. Is that what you are in the process of?

Mr. SESSIONS. In fact, that is an insightful request and perhaps question to us. We believe very clearly, Mr. Harper, that a delay of things that we would take could at some point mean that our printer would be broken. And I think people learn around here, you just don't go get another new printer. And we would have to do that to operate day to day every day. And so we wear through and believe we have, through not just Ms. Slaughter's experience and staff experience, but our experience in understanding what is key and critical, and so there could be people laid off in order just to buy a printer to avoid costing more money later. Those are decisions that we are asking you to help us with also, and obviously, your answer will dictate that to us.

And that is why we are trying to say, notwithstanding, I accept these on my personal side, I think we have done a good job, Ms. Slaughter, when she was the chairman of the committee, and Mr. Dreier, as he made choices. Now we are where we are. We believe in what you are doing, but we are trying to give you a hint into the decision making. You will be a part of that decision making by what you give us.

Mr. HARPER. Thanks to both of you.

I yield back.

The CHAIRMAN. I thank the gentleman.

The chair recognizes Mr. Vargas from California for any question he may have.

Mr. VARGAS. Thank you very much, Madam Chair, and thank you for the opportunity to be here.

My question was going to be just simply about staff retention. And I think you answered it, unless you wanted to add anything to that, but that was my concern.

Ms. SLAUGHTER. It is just that a loss of these people with such skills that are so important to the House, it would not just be a loss to the Rules Committee but a loss to the House of Representatives. And as I pointed out before, I think this needs to be said again, they are very valuable outside the House. We can name people in very key spots in the City of Washington who had their experience on the Rules Committee. They are premium employees for people in Washington.

Mr. SESSIONS. I think what Mrs. Slaughter has said, I agree with. I am entering now my 15th year associated with the committee, of being on the committee. And I will tell you that some of

the things we do is to talk people into or out of things they wish to do. But people seek information from both sides. They seek information about the best way to accomplish what they are trying to do. And a lot of times that is communication, and the staff level is very important. You don't really remember everything, I don't as a Member. But I know that, on both sides, we have the ability to work together and to remind each other what the past has been, what precedent has been set and how we can go about allowing each side, as they choose to operate within some parameters that do not embarrass a Member and likewise does not harm the institution that we serve. The betterment so that we are seen to the outside in a thoughtful way, that is what our senior leadership is about.

And Mr. Vargas, I will tell you, it is probably never more apparent than Rules Committee because that is where the focus seems to come before a piece of legislation you know that will be on the floor. So both Ms. Slaughter and I are very concerned about how we temper our words with each other, the signals that I send her and the signals that she sends me; it has a lot to do with whether the team believes we are able to work together and that is directly related to the senior staff that we have at the committee.

Mr. VARGAS. Thank you, Madam Chair.

The CHAIRMAN. The chair recognizes the gentleman from Georgia, Mr. Gingrey, a former Rules Committee.

Mr. GINGREY. Madam Chair, thank you.

I actually had a bit of an opening statement, and I will just submit that for the record. But I do want to thank you for calling this hearing today on committee funding for the 113th Congress.

[The information follows:]

Rep. Phil Gingrey
Statement for House Admin Hearing – Committee Funding for the 113th Congress
House Administration Committee
March 5, 2013

Madam Chairman, I want to thank you for calling this hearing today on Committee funding for the 113th Congress. I also would like to welcome our colleagues, the Chairmen and Ranking Members of each standing and select committee in the House.

As you know, the House Administration Committee is charged with reporting an expense resolution to grant authorization for the expenses, including salaries, of the standing and select committees of the House.

In the 112th Congress, the House led by example by requiring the majority of Committees to take an 11.4 percent budget cut over the course of two years. At a time when Americans across the country are struggling, it is only right that we make the same sacrifices.

Today's hearing is particularly important in light of the sequester, which took effect last Friday. It is critical that we hear from each Committee as to how they anticipate dealing with the cuts to their budget as required by the sequester and about their budget priorities.

Madam Chairman, I look forward to hearing from our colleagues as they describe their Committees' budgets. Today's hearing provides a strong starting point for the Committee for the 113th Congress, and I believe that we will learn a great deal from the Chairmen and Ranking Members.

I yield back.

Mr. GINGREY. And you are right, Madam Chair, I had a very good one term on, unfortunately, only one term serving on the Rules Committee, and without question, I think the Rules Committee is one of the most important, if not the most important, committee in the House of Representatives because without it, we couldn't function. The House of Representatives would not function without a strong minority and a strong majority.

When you go to the Rules Committee, as all of us have done with our amendments from time to time and you think that all they do is argue and fuss and they sound like probably an all American debating club, each and every member of the Rules Committee is absolutely perfect in understanding the Rules of the House and articulating their side to a degree of excellence you won't see anywhere else on any other committee.

So I did want to commend Ranking Member Slaughter and Chairman Sessions for the great work that you do.

I want to ask one question because this is—we are going have to come back with a resolution in regard to your budget and understanding it is probably bare bones and I am sure it is bare bones in considering the 12, 14 percent cut last year, and now we are looking at the sequester and an additional who knows how much percent cut.

Let me ask you this, Mr. Sessions, in your testimony, you mentioned that, and I quote, "Costs that could be born more effectively by the Rules Committee will instead be shifted to the House and other legislative branch agencies at a much higher cost." Could you provide examples of those costs and which types of activities would have to be shifted out of your committee on to one of the other committees?

Mr. SESSIONS. Yes, sir, and thank you for the thoughtful question, because in fact, that is the essence of what I believe Ms. Slaughter and I believe is an essential service product of the Rules Committee. As you are aware serving on the Rules Committee, we may meet at 2:00 or 3:00 in the morning. We try to meet different times now to help in fact with the cost of the House overtime and other things that happen as a result of all the buildings need to stay open as we are open for business.

If we and our services are impeded or delayed, computer delay, printer delay, receiving information, transmitting on a timely fashion following the Rules of the House, then that means that others have to bear a cost as a result of our mistakes or inefficiencies. So I am asking you, as you have carefully understood, if you allow us to do our bare bones service that we need to do without—with some understanding that if we fail in our mission, it may cost other departments, other areas of this business, an extensive amount of money that would eat up the \$12,000 or \$15,000 that we would have gotten a computer; if we are broken down one time with a printer or computer, we would have eaten that up just in one time. So I think we do have a job to do and would say to you if we cannot meet our basic services, others pay the burden.

Mr. GINGREY. Ms. Slaughter, would you like to add?

Ms. SLAUGHTER. Yes, just to restate what Chairman Sessions said, if we don't have the ability to do our job, what we would have to pay in overtime would be much more than giving us the budget

in the first place so that we are able to function. As you know, the House does not meet unless Rules has put something on the floor to work on other than suspensions. So we can really bring the place to a halt. It would be awful if we did that because of equipment failure because we did not have an adequate budget. So the costs go far beyond what our committee does; they affect the whole House.

Mr. GINGREY. I thank both of you. I thank you for your great work.

Madam Chair, I yield back. I think my time has expired.

The CHAIRMAN. I thank the gentleman.

And the chair now recognizes the gentleman from Illinois, Mr. Schock.

Mr. SCHOCK. Thank, Chairwoman.

I don't have any questions. I just want to add my praise and thanks to the good work you both do. It is an important committee to this institution and one that I don't envy you to run, but—I think you laid out a good argument, a good case for your lean, mean budget being maintained. I think the challenge for this committee will be the sequestration affecting all of us how do we go about restoring a committee or a portion of your cut and what effect that has on the rest of the committees that come before us. So, anyway, I have heard you, and you made a good case, and I will follow the chairwoman's lead on what we can do to help you out. Thanks for what you do.

The CHAIRMAN. I thank the gentleman.

The chair now recognizes the gentleman from Florida, Mr. Nugent, also a member of the Rules Committee.

Mr. NUGENT. Madam Chair, I appreciate your recognizing me.

The opportunity to serve on Rules obviously has been an eye opener for me, to say the least. I am on my second term now going into Rules, and we see this all the time, particularly as it relates to getting a piece of legislation so the whole House has the opportunity to hear it, to debate it, whether it is on amendments or the underlying legislation. I myself have had to go down to the floor at 2:00 in the morning to bring a rule forward so we could actually debate it on the floor the next day. So when you talk about computers, everybody goes, well, everybody has a computer. But when you talk about the lack of equipment that we have, when we talk that we only have one printer, what would that do to us if that printer goes belly up? Obviously, it delays the proceedings, and we have all these other folks on queue ready to go, whether it is the Parliamentarian or security force or whoever, how do we get around that?

Mr. SESSIONS. Well, first of all, let me say that I believe the committee effectively under Ms. Slaughter and Mr. Dreier well understood their basic mission, and with the money that was made available, there were normal and natural things that they knew they needed to do literally every 2 years because of a mentality of serving that customer. I think several years ago, we recognized as technology, I will use the word leapt forward or leaped forward, whatever is appropriate—if Virginia Foxx were here, she would be my English teacher—as it might be, as people have needs, we then used what extra money we had, outside of that basic model of cus-

tomer service, and tried to then serve Members and other people that we have.

We are now saying we made some changes in computers, in programs to enable people and now we are faced with basic services, so we are making you wander a mile in our sandals, and we are trying to say we have put off now buying that new printer that we first of all essentially did that had to take place right off the bat. And I think it would be a mistake for me to come up here and say, look, as a arch conservative, I believe everything we ought to do, we ought to fall in line; Chairwoman, you can count on us to be right there with you and to do what I believe a Member needs to do. As a chairman, I don't want to argue we are more important than anybody. What I would argue is, it is not something that we believe we should put ourselves at risk for. We have tried to cut everything else out, and that is why we are saying to you, Mr. Nugent, if something went out at 2:00 in the morning, and by the way, things do happen bad at 2:00 in the morning—

Mr. NUGENT. Murphy's Law.

Mr. SESSIONS. It means it would delay everybody. We would have to get a computer person, reprogram things, get them out, simply to be ready to do work the next day. And in that process, it would mean perhaps tens of thousands of dollars as personnel were around watching us get our job done.

Louise.

Ms. SLAUGHTER. I couldn't say it better. I think you covered that quite adequately. We really need to be funded so we can keep the House moving.

Mr. NUGENT. Your funding level, obviously, is staff-intensive.

Ms. SLAUGHTER. Yes.

Mr. NUGENT. It is not a big staff, though.

Ms. SLAUGHTER. No.

Mr. NUGENT. And I will tell you that whether it is minority staff or majority staff, they both do a fantastic job, but it really is the institutional knowledge.

Ms. SLAUGHTER. Absolutely.

Mr. NUGENT. How do you replace that?

Ms. SLAUGHTER. Let me tell you, as far as I am concerned, Hugh and Miles, who are the chiefs of staff, are the best on this Hill, and everybody recognizes that. We hear from other committees all the time. We are very helpful to other people in parliamentary proceedings and numbers of things that they were able to help them with.

Mr. NUGENT. Well, without that parliamentary aspect of it, we don't do our business as a House of Representatives.

Ms. SLAUGHTER. The House comes to a halt, absolutely.

Mr. NUGENT. I want to thank both of you for your service, whether you are in the minority or the majority, it could be either way, but we certainly do appreciate both of you.

Ms. SLAUGHTER. Well, we appreciate having you on the committee with us, and we sure appreciate having you here because we know you are going to plead our case.

Mr. NUGENT. I yield back.

The CHAIRMAN. I thank the gentleman.

I certainly want to thank both the chairman and the ranking member for coming. Your testimony has been excellent, very poignant. And my last comment would be I certainly associate myself with all of the various remarks about the professionalism of staff.

I know, Miles, certainly on your side, and on our side, there is always a steady line up behind Hugh, asking them this and asking them that about every rule that is going on here, so they are a valuable resource, not just for the Rules Committee but for the entire House.

Ms. SLAUGHTER. And the fact that they are friends and that we all work together I think makes the committee work extraordinarily well.

Mr. SESSIONS. Chairwoman, if I could ask, I have some talking points, some of which I covered, some of which have been made available to you, I know this committee, just like we do, goes into extensive deliberations, and you are trying to make tough choices, I would like to ask, if I could, to enter those into that the record.

The CHAIRMAN. Without objection.

[The information follows:]

TALKING POINTS FOR HOUSE ADMINISTRATION TESTIMONY ON
COMMITTEE ON RULES' BUDGET REQUEST FOR LY2013

- Thank you Madam Chair, Ranking Member Brady, and Members of the Committee.
- The House Administration Committee has the unenviable task of finding ways to cut spending while ensuring that committees and the House still function properly. I am here to assure you that the Rules Committee will find a way to do its job with the resources provided. We have earned a reputation as the “special forces” of committees: we are small, we are flexible, and we always achieve our objectives.
- However, you have solicited our input on the impact of another round of substantial cuts, and I am here to provide it.
- The core functions of the Rules Committee differ from every other committee in two key ways. First, we cannot reduce our output in response to reduced resources. Second, cutting resources for our core committee functions merely pushes them onto other legislative branch agencies that bear them at higher costs and with less efficiency.

- Budget cuts for other committees result in fewer oversight hearings, smaller staffs, and the like – a scenario that is far from ideal, yet manageable. In contrast, the Committee on Rules must operate at full capacity at all times. If the House is open for business, the Committee on Rules is open for business.
- Furthermore, if the Committee does not have the resources to support certain fixed costs associated with moving legislation to the House floor, these costs must be borne by other agencies, resulting in longer lead times for legislative business at greater expense.
- For example, the Committee has invested in a system called CORED over the last decade. This system allows us to produce Rules resolutions in a standard format that minimizes the need for manual input by both the Clerk's office and GPO – saving thousands in costly man-hours and minimizing human error. We are on the brink of being able to achieve this for committee reports as well, which will accrue even greater savings. Unfortunately, drastic budget cuts for the Committee will prevent us from completing this transition and will force us to maintain the much more expensive status quo.

- The highly time-sensitive nature of the Committee's work provides another example. When an equipment malfunction delays Committee action and requires the entire House to remain in session, tens of thousands of dollars in overtime pay and other operating expenses quickly pile up for House officers.
- In short, significant new cuts to the Committee on Rules would not save this institution money, but would actually introduce higher costs and lower efficiency into House operations. We have the expertise and capacity to perform these core functions better, faster, and more cheaply. At the same time, we do not have the luxury of cutting back on our work output to accommodate a smaller budget.
- I respectfully request that you take these key points into consideration as you develop your committee funding resolution.

Mr. SESSIONS. And I think if Louise, if she wanted to put hers in, it would allow you later, as you go back over and make tough choices, to remember us being here today and what we were trying to impart to you. And with great respect, both Louise and I, thank you for your time today.

The CHAIRMAN. Thank you both very much. Appreciate it.

Before we get to the Ways and Means, I would just ask unanimous consent to enter the following documents into the hearing record, which are a statement from myself, as the chairman of this committee, and a budget request materials that we have to submit as our own committee to ourselves really for the committee on House Administration. And without objection to the request, that is so ordered.

[The information follows:]



**Statement of the Honorable Candice S. Miller (R-MI)
Chairman, Committee on House Administration
Hearing on the "Committee Funding for the 113th
Congress"
March 5, 2013**

Members of the Committee, thank you for the opportunity to testify in support of the Committee's budget request for the 113th Congress.

Keeping with long-standing practice of the Committee, I am pleased to provide the Minority with 1/3 of our funding and staff slots.

In the 112th Congress, the Committee was allocated \$10,118,345. With the exception of money budgeted for Contested Elections travel and New Member Orientation



activities, 2/3 of the funds were provided to the Majority and 1/3 to the Minority. During the second session of the 112th Congress, this Committee absorbed a larger cut of 7.1% compared to the typical reduction for other Committees of 6.4%

As required of all Committees, we have prepared two budgets for the Committee. The first budget request represents an 11% cut from our 2012 authorization, amounting to \$4,600,560. Our second budget represents 105% of our actual spending last year, amounting to \$4,841,282. If authorized at these amounts, the Committee's budget is reduced to approximately the same level as the 109th Congress (2005-2006.)



Beginning in the last Congress, the Committee has already taken steps to drastically reduce the amount of resources we use. However, we have not diminished our agenda. We have been doing more with less. For example, we achieved savings in the 112th Congress by not filling vacancies. We also limited salary adjustments.

Our budget request of 105% of last year's expenditures would allow us to provide more effective oversight and training. With the 105% budget, the Committee could send staff to necessary training and participate in important and educational conferences.

Our Committee anticipates a demanding agenda this Congress as we address how the sequester impacts the Legislative branch — both Legislative branch agencies and



Member offices alike. Even with reduced resources, the Committee will work to provide the resources necessary to the House in order for Members to be effective at their jobs. Furthermore, the Committee also anticipates vigorous oversight of election agencies in our jurisdiction and a thorough examination of the many potential legislative changes in election law.

The CHAIRMAN. The chair now welcomes Chairman Dave Camp and Ranking Member Sandy Levin from the Committee on Ways and Means. I would ask the official reporter to enter a page break into the record as we move on to the Ways and Means.

The CHAIRMAN. Obviously, Ways and Means is the chief tax-writing committee in the House. Its jurisdiction extends to tax system, trade agreements, Social Security, Medicare. And its priorities in the 113th include comprehensive tax reform and implementation of recently passed trade agreements.

With that, the committee would recognize the chairman of Ways and Means, Dave Camp from Michigan, the great State of Michigan.

STATEMENT OF THE HON. DAVE CAMP, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. CAMP. Thank you, Madam Chairman, and Ranking Member Brady, and members of the committee.

I am here today to present the proposed budget for the Committee on Ways and Means for the 113th Congress, and I am joined by our Ranking Member Sandy Levin.

As you consider how to allocate funding between the different House committees, I ask that you keep in mind the Ways and Means Committee's past record of fiscal restraint and aggressive agenda that is before us this Congress.

As the panel with jurisdiction over so many aspects of our economy, it is critical to consider how decisions made about committee budgets will affect our ability to advance the country's number one priority, and that is strengthening the economy to generate much needed job creation.

Assuring this committee has the resources to fill that mission is essential. In the 112th Congress, the Ways and Means Committee held 112 hearings, and 18 business meetings. Of the 68 major pieces of legislation that became law last Congress, more than 1 out of every 4 of those laws came out of the Ways and Means Committee. That is just part of the story.

As you know, much of the work is left to languish in the Senate. All told, the committee had 54 bills considered on the floor of the House last Congress, more than one for every week we were in session. Some of the major laws enacted include the repeal of the onerous 1099 IRS paperwork mandate, passage of three long-stalled trade agreements, reform of trade adjustment assistance and reform of the Federal unemployment program.

We also began to lay the groundwork for comprehensive tax reform by holding over 20 hearings, public hearings, including 3 joint hearings with the Senate, the first in over 70 years, as well as work on discussion drafts to reform our outdated international tax system and the taxation of financial products by Wall Street—created by Wall Street.

Both full committee and the six subcommittees will continue to be very active this Congress. The committee is going to focus on comprehensive tax reform, which is needed to make the Tax Code simpler and fairer and to strengthen our economy and to create more jobs and higher wages; international trade policy, issues to expand our opportunities to sell American goods and services

around the world, including a potential trade agreement with Europe, and completing work on the Trans-Pacific Partnership, a critical counterbalance to China's economic growth and dominance in the region; improving the Nation's welfare and job training programs to advance job readiness and strengthen families; addressing entitlement reform to protect critical safety net programs like Social Security and Medicare; and vigorous oversight matters within our jurisdiction, including the implementation of Obamacare.

The technical nature of the policies of each issue increases the staffing costs of the committee. Most staff have advanced degrees, whether it is in law, tax law, economics or public policy, as well as years of experience in and outside of government. Nevertheless, our staff is relatively small. The committee's funding was reduced by approximately 13 percent last Congress, as a result 8 staff slots on the majority side are vacant. Further cuts would critically hinder our ability to conduct the aggressive legislative and oversight agenda I have mentioned.

As for the minority's budget, we have a long tradition at the committee of the minority receiving a full one-third of the entire committee budget and staff. In addition to receiving their allocation, the minority spends their money as they see fit without interference from the majority, and I will continue that practice in the 113th Congress.

I want to thank the chairman and members of the committee for this opportunity to present our budget request and justification for that, and I look forward to any questions you may have.

[The statement of Mr. Camp follows:]

**Statement of Chairman Dave Camp
Committee on Ways and Means
Testimony before the Committee on House Administration
Regarding the Ways and Means Committee Budget for the 113th Congress
Tuesday, March 5, 2013**

Madam Chairman, Ranking Member Brady, and Members of the Committee, I am here today to present the proposed budget for the Committee on Ways and Means for the 113th Congress. I am joined by our Ranking Member, Sandy Levin.

As you consider how to allocate funding to the different House Committees, I ask that you keep in mind the Ways and Means Committee's past record of fiscal restraint, the additional work we have already asked of the staff -- which is the finest in Congress -- and the meaningful work the Committee produced last Congress -- not to mention the aggressive agenda that is before us this Congress. As the panel with jurisdiction over so many aspects of our economy, it is critical to consider how decisions made about committee budgets will affect our ability to advance our country's number one priority -- strengthening the economy to generate much-needed job creation. Ensuring this Committee has the resources to fulfill that mission is essential.

In the 112th Congress, the Ways and Means Committee held 112 hearings and 18 business meetings. Of the 68 major pieces of legislation that became law last Congress, more than one out of every four of those laws came from Ways and Means. Let me repeat that, the Ways and Means Committee was responsibly for over one-quarter of the bills signed into law during the last two years. And, that is just the tip of the iceberg. As we know, much of work is left to languish in the Senate. All told, the Committee had 54 bills considered on the floor of the House last Congress -- nearly one for every week we were in session.

Some of the major laws include: the repeal of the onerous 1099 IRS paperwork mandate in ObamaCare; passage of three long-stalled trade agreements and the reform of Trade Adjustment Assistance; and reform of the federal unemployment program. We also began to lay the groundwork for comprehensive tax reform by holding over 20 public hearings, including three joint hearings with the Senate Finance Committee (which is unprecedented on tax issues during the prior 70 years), as well as work on discussion drafts to reform our outdated international tax system and the taxation of financial products created by Wall Street.

Both the full Committee and its six Subcommittees will continue to be very active this Congress. The Committee will focus on:

- Comprehensive tax reform which is needed to make the tax code simpler and fairer, and to strengthen our economy to create more jobs and higher wages;
- International trade policy issues to expand our opportunities to sell American made goods and services around the world, including a potential trade agreement with Europe and completing work on the Trans-Pacific Partnership -- a critical

- counter-balance to China's continued growth and dominance in that region;
- Improving the nations welfare and job-training programs to better prepare families for a new career;
- Addressing entitlement reform to protect critical safety net programs like Social Security and Medicare by examining ways to improve how the programs are designed and benefits delivered (i.e. reform to the Medicare Sustainable Growth Rate); and
- Vigorous oversight over matters within our jurisdiction, including the implementation of ObamaCare.

Beyond the sheer scope of activities the Committee is undertaking, the technical nature of the policies behind each issue increases the staffing costs of the Committee's operations. Education and experience are key requirements for our staff as we address complex matters such as tax, health care, debt and the economy. Most staff have advanced degrees, whether in law, economics, or public policy, as well as years of experience in and outside of government. Nevertheless, our staff is relatively small, especially compared to some other committees, the scope and complexity of our jurisdiction, and levels of legislative activity.

To be candid, given recent budget cuts, the Committee staff is already over-burdened, but I am proud to report they continue to over-perform. Because the Committee's funding was reduced by approximately 13 percent last Congress, we were forced to leave a number of staff slots vacant. Currently, we have eight open positions on the majority side – that is roughly a 15 percent reduction in the staff size. This has meant, for example, that the Committee has been unable to hire a chief economist, which is a critical position for the Committee, especially this Congress as we tackle comprehensive tax reform and prepare to negotiate with both the Senate and the Department of the Treasury. Additionally, the Committee is replete with examples of a single staff being tasked to fulfill roles usually assigned to multiple personnel. In some instances, a single staff person is juggling the workload and responsibilities of as many as three separate and distinct positions. Further cuts would critically hinder our ability to conduct the aggressive legislative and oversight agenda I have mentioned, and would require me to cut back on staff or reduce staff salaries, which would surely lead to staff departures.

As for the minority's budget, we have a long tradition at the Committee of the minority receiving a full one-third of the entire Committee budget and staff. In addition to receiving their allocation, the minority gets to spend their monies as they see fit without interference from the majority. I will continue this practice in the 113th Congress.

I thank the Chairman and the Members of this Committee for this opportunity to present our budget request and justification. I look forward to any questions you may have.

The CHAIRMAN. I thank the gentleman.

The chair now recognizes the ranking member, the other gentleman from the great State of Michigan, Mr. Levin.

STATEMENT OF THE HON. SANDER LEVIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. LEVIN. Great State. You describe us so well. Also, you described our jurisdiction very well, Madam Chair, as our chair of the committee has.

As is no secret, we have differences on many issues, there is no difference about the importance of this committee, and you have described it well, Mr. Chairman.

So I really have little to add, except to emphasize how there is an allocation to the minority. That has been true in this committee all the years I have been on, 26 years. And we do well with money that is allocated to us.

Let me just emphasize the squeeze, we have three vacancies, and we are not able to fill them. At the same time, we really this session have increased work because of the problems confronting this country. And so I know you have a difficult job, you need to look at each committee and its work, and I hope very much that you will be able to do that and to essentially evaluate the work and the needs of each committee on its own. I am sure you will do that, so that we will be able to continue to function well in terms of an immensely talented staff.

All of you really rely on our staff and when you have issues relating to taxes, health, trade issues, whatever, you call upon our staff as well as your own. And we need to be able to sustain and, if possible, expand by filling some vacancies.

So thank you for hearing us, and both of us are here for my questions.

[The statement of Mr. Levin follows:]

**Sander M. Levin, Ranking Member
Committee on Ways and Means
Before the Committee on House Administration
Tuesday, March 5, 2013**

- We are in support of the Ways and Means Committee budget submission.
- We were consulted as this budget was being developed and had an opportunity for input.
- As you can see, the largest part of our funding is dedicated to salaries with the rest going toward equipment, supplies and materials.
- What is apparent by the expenses incurred in 2012 is that if more cuts are forthcoming this Committee cannot operate without cutting core legislative work.
- The Committee on Ways and Means has been tasked with a broad area of jurisdiction that includes Tax and Entitlement Reform, as well as other important legislative issues.
- I am pleased to report that the Democrats will have full control over our 1/3 share of the Committee's budget.
- I hope that you consider this when you make your decision.

The CHAIRMAN. I appreciate your testimony and your comments. And I would say to both of you, certainly myself, and I am sure every Member on our committee and in the House has had an opportunity to interact with your staffs and have always been unbelievably impressed with the professionalism and what a critical component they are of keeping the House running and making sure that all of our questions are answered.

And as the chairman just pointed out, one of every four pieces of legislation came from the Ways and Means at the last session, so 54 bills. That is—I hadn't realized it was quite that many, but it seems like every bill was coming out of Ways and Means. So I know you are very, very active.

My only question would be from this particular committee, we really are trying to help with sort of some of the enterprise kinds of things that might be able to assist some of the other committees, utilizing new technology and that kind of thing. I am not sure if I am asking you a question, but if there is anything that we can do from our committee to assist you with duplicative kinds of things, we might be able to resource you a bit with, we certainly stand by in that regard as well.

Mr. CAMP. Well, Madam Chairman, to the extent that we have been able to, we have tried to go paperless and use technology and particularly in the miscellaneous tariff bill process that was a big help to us. I think that there might be an opportunity if we could find a way for committee offices to use the House cloud, because that might possibly—we have obviously created our own internal cloud, but it might reduce, in terms of servers, backup systems, I think that is something I would like our staff to explore with House Administration as a potential for some savings in the future.

The CHAIRMAN. You can be assured, Chairman, that our committee has taken a note, our staff has taken a note of that, and we will be in contact with your staff director as well and see what we can do. I am sure there is a way we can assist.

Mr. LEVIN. I don't have much to add on that.

I think there is a very active, at times intimate, relationship between all the committees and the staff of our committee as well as Members. Just recently, you and I began to work on a matter of joint interest, and we just have a staff that is really available, not only to us but to everybody. And I hope you will just very much keep that in mind, I know you will, as you decide your difficult task.

I hope—we know that some reductions are coming; there already have been some. I just hope you will keep in mind the salient activities of this committee, because your work is at stake, as well as the chairman and mine and all the members of the committee.

The CHAIRMAN. The chair now recognizes the ranking member, gentleman from Pennsylvania.

Mr. BRADY. Thank you, Madam Chairman, and thank you, Mr. Chairman, and Ranking Member Levin, for being here today.

My question is the same that I have, it bothers me we have to do these certain cuts. You mentioned your staff. I know you have specialties, a lot of your staff people have to have specialties with what you do. Do you have a problem keeping them? And with getting all these reductions, because I am sure a lot of them, I know

a few myself personally, could make a whole lot more money someplace else with a whole lot less hours? And do you have a problem attracting them at the money that you have allocated to you that you can only afford to pay them? In other words, you have staff that may leave because they can't—there is so much loyalty, I guess, for lack of a better word, that staff have toward each other, but when they are out there and mingling with peers and they are doubling and tripling the money that they make, they have to feed families, too. And then to keep them is one thing, and to attract other staff when you do have a vacancy and you can hire somebody, do you have that problem, trying to find somebody who will come in for the amount of money that we can pay them?

Mr. CAMP. Well, your point is correct; many of the staff, first of all, as Mr. Levin has pointed out, we have an excellent dedicated staff who not only answer tax questions for members of the committee but for Members of Congress who are working on tax matters because of the highly technical nature of all of that. Many of them have advanced degrees and great experience. We have a number of long-time staff members on the committee, but you are correct, our committee staff do very well if they move into the private sector, and we do have that issue.

The other point in terms of vacancies now is we have been anticipating sequester. Obviously, having been a member of the supercommittee, I knew this was coming. And so this is something we anticipated, but it is also very difficult to bring on very highly trained and educated people for a temporary spot. So I didn't consider it fair to be hiring a chief economist when that slot might not necessarily be able to be there. So we have got these vacancies as a result of both last Congress as well as anticipating what may happen. But yes, our staff, as they go into the private sector end up doing several times more than the salary we pay them here.

Mr. LEVIN. I will just add briefly to your excellent question, a lot of the staff, so much of it in my experience in 26 years, they stay because of their dedication. And there is a tendency in this country at times to criticize public service, but I think the test of their dedication is, for so many of them, they could leave and obtain—in fact, while we were in the other room, David and I were talking about somebody who left, and I was asking, how many times more was he earning than when he was working with us? And we chuckled and said, many times. And so there is a dedication here, and we need to be able to pay adequately so people stay as long as they can. When two, three, four kids come—we have a high birth rate on the Ways and Means staff it seems—and—

Mr. BRADY. I thought these people were spending a lot of time at work.

Mr. LEVIN. No comment, but kids get older. We had someone on our staff, and kids have to go to college, and it costs a lot of money. So I think we need to be proud of our staff and to make sure there is an adequate structure of compensation. We know your job is tough.

Mr. BRADY. Thank you, both, for the excellent job you do under the circumstances.

Madam Chair, I have no more further questions.

The CHAIRMAN. The chair recognizes Mr. Vargas from California.

Mr. VARGAS. Thank you very much, Madam Chair.

My question was virtually identical to the ranking member, without the issue of fertility rates, but other than that, my question was, again, can you retain your staff? I know it is a very valuable staff, and I think the question was asked and answered, so I appreciate it.

Thank you.

The CHAIRMAN. I want to thank both Chairman Camp and Ranking Member Levin for testifying here today, and we certainly, I am sure, the committee does recognize all of the legislation you put out in the past and sort of the unique challenges you face in the 113th, with comprehensive tax reform in particular, some of the things you will be working on, so we will certainly take all of that under consideration and appreciate your time here this morning.

Thank you.

The committee now welcomes Chairman Hensarling and Ranking Member Waters of the committee of Financial Services.

We appreciate you both attending, and I ask the official reporter to please enter a page break, again, as we enter a new section.

The CHAIRMAN. The House Committee on Financial Services certainly has jurisdiction over issues pertaining to the economy, the banking system, housing, insurance and securities and exchanges; additionally, jurisdiction over monetary policy, international finance, international monetary organizations and efforts to combat terrorist financing.

In this era of financial instability, this committee will continue to legislatively combat “too big to fail” as well as any regulations that hamper Main Street and harm Americans.

So, with that, I would certainly welcome you both to the committee.

And the chair now recognizes the gentleman from Texas, the chairman of the Financial Services, Mr. Hensarling.

**STATEMENT OF THE HON. JEB HENSARLING, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. HENSARLING. Thank you, Madam Chairman, and Ranking Member Brady and the committee.

Ranking Member Waters and I are pleased to appear before you today on behalf of the Financial Services Committee.

You instructed us to come up with two different funding scenarios, one of which we take an 11 percent cut from the 2012 authorization to reflect sequestration; another representing a 5 percent increase over what was spent last year.

I don't necessarily come before you recommending either scenario, but to comply with your request. Certainly I believe that Congress must always lead by example in matters of budgeting, particularly as we face historic and unprecedented levels of national debt.

Budgets are both about limits and priorities. I certainly recognize you have tough decisions to make in respect to both. I am mainly here to explain the priorities of the committee and discuss how we plan to allocate the resources to better serve taxpayers, investors, consumers and our members.

Madam Chair, as you point out, in a very real sense, the Financial Services Committee has jurisdiction over the entire U.S. financial system, including the banking system, our capital markets, housing, insurance, monetary policy and international finance. Among the agencies we oversee are the Federal Reserve, Securities and Exchange Commission, Department of Housing and Urban Development, Consumer Financial Protection Bureau and several components of the Department of the Treasury.

It is well recognized the 2008 financial crisis was the worst since the Great Depression, and most believe that the underlying causes and solutions fall within our committee's jurisdiction. Whether it is examining the role of government-sponsored enterprises in the lead up to the crisis or the Federal Reserve's monetary policy, these are important issues that must be addressed as we do everything in our power as a Congress to try to avoid another similar crisis.

It speaks of the importance of the work of the committee that we do through the work of 33 Republicans, 28 Democrats and a few dozen committed staffers, whose salaries comprise the vast majority of our budget. Just like every American family has to prioritize their spending, so do we, and it is our goal to allocate our funding so we can do more with less.

In preparation for anticipated cuts, we have combined two subcommittees to streamline the workload. We put off major equipment purchases and delayed repairs and other IT investments. We refrained from fully staffing the committee according to our plan, leaving many spots vacant until we know for certain what we can afford. However, there are certain functions that we believe would be unwise to shortchange, including sending more jobs-growth bills through the House, through this House committee, communicating with and listening to those who rely on our financial system, and conducting effective oversight.

One of the committee's signature achievements last Congress was delivering the bipartisan jobs act, which we believe will boost growth and help small businesses create jobs. I want to work with our members, both in the majority and the minority, and further bipartisan approaches to promoting economic growth and job creation. One of the best ways to find capital for small businesses is to unleash the capital that is sitting on the sidelines of our Nation's small- to medium-sized banks and corporate balance sheets. We will use our committee resources to further identify legislative solutions that will allow for regulatory relief and economic growth that will help remove some of this logjam and get capital flowing yet again to our small businesses.

Our committee must also fulfill its commitment to effective oversight. As I mentioned, the jobs act is designed to revitalize the creation of small business jobs. Our committee will be intently focused on overseeing the act's implementation by financial regulators.

We will, of course, continue our robust oversight of the Dodd-Frank Act. As you determine how to allocate resources among the committees, I would argue that Dodd-Frank is equal to the President's health care law in that both are sweeping, historic, massive pieces of legislation that restructure key elements of our economy.

While the Affordable Care Act expands across three committees of jurisdiction, the Dodd-Frank Act is almost exclusively within the

jurisdiction of the Financial Services Committee, and we will focus our energy and attention on proper oversight. In addition, the work of our committee impacts everyone who balances a checkbook or opens a banking account. Dodd-Frank includes a couple of thousand pages, 400 separate rulemakings that reach into every sector of our economy, every town, and every wallet. Virtually no one is beyond its reach, and not everyone can come to Washington to make their voices heard.

In order to understand the full force of the legislation, we wish to make a concerted effort to reach out to people who are impacted. Under the leadership of my predecessor, Spencer Bachus, the Financial Services Committee convened hearings throughout the country to listen to the concerns of community banks and small businesses. Field hearings were held in Georgia, Wisconsin, Ohio, and other States. We believe these hearings were invaluable. They gave our members the opportunity to gather information that is not often gleaned on Capitol Hill. So increasing the number of field hearings, we believe, would allow our members to gather information on issues that are key to their consumers and constituents.

Additionally, better use of technology and social media will allow us to listen more effectively to and communicate more effectively with Americans who are engaged as consumers or providers of financial services, as well as provide a renewed focus on member education so that our members will have the tools necessary to share the committee's business in a more transparent way with their constituents back home.

In closing, we are prepared to do more with less, but we also have a plan in place if additional resources become available due to what we believe are the priority areas of this committee's jurisdiction. Our committee is already hard at work, and we look forward to a productive Congress and addressing our Nation's challenges. And I appreciate, again, the opportunity to appear before you.

The CHAIRMAN. I thank the gentleman.
[The statement of Mr. Hensarling follows:]

**Statement of the Honorable Jeb Hensarling, Chairman
Committee on Financial Services
Before the Committee on House Administration**

**Funding Request of the Committee on Financial Services for
the 113th Congress - 2013**

March 5, 2013

Mr. Chairman and Members of the Committee, Ranking Member Waters and I are pleased to appear before you on behalf of the Financial Services Committee. You instructed us to come up with two scenarios – one in which we take an 11 percent cut from our 2012 authorization to reflect the sequestration, and another representing a 5 percent increase over what was spent last year. I don't come before you recommending either scenario, but to comply with your request.

Congress must always lead by example in matters of budgeting, particularly as we face historic and unprecedented levels of debt. Budgets are about both limits and priorities. You have tough decisions to make in respect to both, but I am here to mainly explain our priorities and discuss how we plan to allocate these resources to better serve taxpayers, investors, consumers, and our members.

In a very real sense, the Financial Services Committee has jurisdiction over the entire U.S. financial system, including the banking system, our capital markets, housing, insurance, monetary policy, and international finance. Among the agencies we oversee are the Federal Reserve Board, the Securities and Exchange Commission, the Department of Housing and Urban Development, the Consumer Financial Protection Bureau, and several components of the Department of the Treasury.

It's well recognized that the 2008 financial crisis was the worst since the Great Depression, and most believe the underlying cause and solutions fall within our committee's jurisdiction. Whether it's examining the role of government sponsored enterprises in the lead up to the crisis, or the Federal Reserve's monetary policy, these are important issues that must be addressed as we do everything in our power to try to avoid another crisis. It bespeaks the importance of the work of the committee, and we do that through the work of 33 Republicans, 28 Democrats, and a few dozen committed staffers whose salaries comprise the vast majority of our budget.

Just like every American family has to prioritize their spending, so do we, and it is our goal to allocate our funding so we can do more with less. In preparation for anticipated cuts, we

have combined two subcommittees to streamline the workload; we put off major equipment purchases and delayed repairs and IT investments; and we refrained from fully staffing the Committee, leaving many spots vacant, until we know for certain what we can afford. However, there are certain functions that we cannot shortchange, and that's sending more jobs-growth bills through the House, communicating with those who rely on our financial system, and conducting effective oversight.

Increase Jobs, Reduce Unnecessary Burdens

One of the Committee's signature achievements last Congress was delivering the bipartisan JOBS Act, which will boost growth and help small businesses create jobs. I want to work with our members – both in the majority and the minority – on further bipartisan approaches to promoting economic growth and job creation. One of the best ways to find capital for small businesses is to unleash the capital that's sitting on the sidelines in our nation's small to medium sized banks and on corporate balance sheets. We will use our resources to further identify legislative solutions that will allow for the regulatory relief and economic growth that will help remove some of this logjam and get capital flowing to our small businesses again.

Oversight of JOBS Act & Dodd-Frank Act Implementation

Our Committee must also fulfill its commitment to effective oversight. As I just mentioned, the JOBS Act is designed to revitalize the creation of small business jobs. Our Committee will be intently focused on overseeing the Act's implementation by financial regulators.

We will also, of course, continue our robust oversight of the Dodd-Frank Act. And as you determine how to allocate resources among committees, I would argue that Dodd-Frank is equal to the President's health care law in that both are sweeping, historic, massive pieces of legislation that restructure key elements of our economy. While the Affordable Care Act expands across three committees of jurisdiction, the Dodd-Frank Act is primarily within Financial Services' jurisdiction, and we will focus our energy and resources on ensuring its proper implementation. During the 112th Congress, our committee held more than 60 oversight hearings on Dodd-Frank. We will continue this vigorous approach to oversight during the 113th Congress.

Connecting with Consumers, Investors, and Taxpayers

The work of our committee impacts everyone who balances a check book or opens a banking account. For instance, Dodd-Frank's 2,300 pages include more than 400 separate rulemakings that reach into every sector of our economy, every town and every wallet: from manufacturers of the latest smartphones to families trying to buy or sell a home to single moms purchasing groceries with their debit cards. Virtually no one is beyond its reach, and not everyone can come to Washington to make their voice heard.

In order to understand the full force of this massive legislation, we need to make a concerted effort to reach out to the people who are impacted. Under the leadership of Chairman Bachus, the Financial Services Committee convened hearings throughout the country to listen to the concerns of community banks and small businesses. Field hearings were held in Georgia, Wisconsin, Ohio, West Virginia, Texas and Illinois.

These hearings were incredibly valuable. They gave our members the opportunity to gather information that often doesn't make it to Capitol Hill. The hearings all echoed a common problem: Federal regulators based in Washington and bank examiners in the field are giving community banks conflicting messages and stifling an economic recovery. Increasing the number of field hearings allows our members to gather information on other issues that are impacting consumers.

Additionally, better use of technology and social media will allow us to communicate more effectively with Americans who are engaged in financial services, and a renewed focus on member education will ensure our Members have the tools needed to share the committee's business with folks back home.

In closing, we are prepared to do more with less, but we also have a plan in place if additional resources become available. Our Committee is already hard at work, and we look forward to a productive Congress addressing our nation's challenges.

The CHAIRMAN. And the chair now recognizes the ranking member, the gentlelady from California, Ms. Waters.

STATEMENT OF THE HON. MAXINE WATERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. WATERS. Thank you very much. Good morning, Chairman Miller and Ranking Member Brady. I am pleased to join with Chairman Hensarling to testify before you today to discuss the budgetary needs of the Financial Services Committee. As ranking member of the Financial Services Committee, I am very concerned about any proposed reduction in the committee's 2013 budget.

Like Chairman Hensarling, I am new to this position. However, I have been a member of the committee since 1991, and over that time, I have seen just how important adequate staffing and resources are for fulfilling the mission of the committee. I am very lucky that I have a topnotch staff at my disposal. They are experts in financial regulation, housing and community development programs, monetary policy, and a host of other issues.

However, I believe that additional staff and resources are necessary in order for the committee to adequately provide oversight of our financial markets and regulatory agencies. We are currently understaffed, with only 18 staff members out of a possible 28. The workload for these staff members continues to grow. I believe that additional staff members are needed to provide sufficient oversight of major statutes that are just in the process of implementation. These laws include the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Jumpstart Our Business Startups, that is the JOBS Act, and the Biggert-Waters Flood Insurance Reform Act.

Dodd-Frank implementation will be of particular interest to the committee, as it involves critical rulemaking initiatives across nearly a dozen agencies, including the newly established Consumer Financial Protection Bureau. Moreover, I believe that there are opportunities to work with the majority in a bipartisan manner on several issues, including regulatory relief for the Nation's community banks. Additional resources would be helpful in achieving these goals.

The minority receives one-third of the staff slots and total budget, with total control over both categories. You asked me to provide estimates of how the committee would allocate funds assuming an 11 percent budget cut from the total budget authority in 2012, or a 5 percent budget increase over what the committee actually spent in 2012. An 11 percent budget cut would impede my ability to bring on additional staff, that is senior staff members, to support the committee's legislative and oversight agenda. However, a 5 percent increase would allow for additional senior staff.

In addition, I am aware that the majority intends to hold several field hearings this year. While the committee did not allocate funds for travel last year, this year we are allocating funds to allow for additional Democratic participation in any such hearings.

With that, I will yield back, and I thank you very much.

The CHAIRMAN. I thank the chairman and the ranking member for their testimony.

[The statement of Ms. Waters follows:]

Opening Statement of the Honorable Maxine Waters (CA-43)
Ranking Member, Committee on Financial Services
Committee on House Administration
March 5, 2013
11:15am

Good morning, Chairman Miller and Ranking Member Brady. I am pleased to have the opportunity to testify before you today to discuss the budgetary needs of the Financial Services Committee. As Ranking Member of the Financial Services Committee, I am very concerned about any proposed reduction in the Committee's 2013 budget.

Like Chairman Hensarling, I am new to this position. However, I have been a Member of the Committee since 1991, and over that time I have seen just how important adequate staffing and resources are for fulfilling the mission of the Committee. I'm very lucky that I have a top notch staff at my disposal. They are experts in financial regulation, housing and community development programs, monetary policy, and a host of other issues. However, I believe that additional staff and resources are necessary in order for the Committee to adequately provide oversight of our financial markets and regulatory agencies. We are currently understaffed with only 18 staff members out of a possible 28. The workload for these staff continues to grow.

I believe that additional staff members are needed to provide sufficient oversight of major statutes that are just in the process of implementation. These laws include the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Jumpstart Our Business Startups (JOBS) Act, and the Biggert-Waters Flood Insurance Reform Act. Dodd-Frank implementation will be of particular interest to the Committee, as it involves critical rulemaking initiatives across nearly a dozen agencies, including the newly established Consumer Financial Protection Bureau. Moreover, I believe that there are opportunities to work with the Majority in a bipartisan manner on several issues, including regulatory relief for the nation's community banks. Additional resources would be helpful in achieving these goals.

The Minority receives one-third of the staff slots and total budget, with total control over both categories. You asked me to provide estimates of how the Committee would allocate funds assuming an 11 percent budget cut or a 5 percent budget increase. An 11 percent budget cut would impede my ability to bring on additional senior staff members to support the Committee's legislative and oversight agenda. However, a 5 percent increase would allow for additional senior staff. In addition, I am aware that the Majority intends to hold several field hearings this year. While the Committee did not allocate funds for travel last year, this year we are allocating funds to allow for additional Democratic participation at any such hearings.

Thank you.

The CHAIRMAN. And I am interested to hear you both comment about the field hearings. We did look at the amount of field hearings that you had in the last Congress, that the committee had, and can see that you are interested in plussing those up this time. So I appreciate the explanation from both of you about how important field hearings are to your committee.

That is just an observation. I guess my only question would be, as we think about some of the possibilities of utilizing new technologies at all of our committees, when we had the Ways and Means here we were talking about some of the cloud computing and the availability that we might have from some of the House systems here, sort of the enterprise systems that we have within the House structure currently and whether or not our committee could assist you in any of those kinds of things as well, whether it is, you know, House-wide subscriptions or, as I say, cloud computing, some of these enterprise projects, if there is any possibility of us assisting you with resourcing in some of those areas as well.

Mr. HENSARLING. And I am sorry, Madam Chair, was that a question or a statement?

The CHAIRMAN. That is a question. Yes. I don't know if you have anything in mind. If not, I guess I am just offering that up as we have our staffs discuss some of these possibilities, there may be some areas we can assist.

Mr. HENSARLING. Well, Madam Chair, I would like to explore that possibility. And although I am not an IT expert, in speaking to our staff we believe there may be opportunities with respect to data storage where the House could be of greater assistance, and there could be some efficiencies that could be had there. I think that we have availed ourselves of the availability of House-wide subscriptions, some of which I guess would fall into the technology area. And we also, I know, purchase a lot of our equipment through the House telecommunications office. But we will continue to find if there are areas of efficiencies and savings that could be had there as well.

Ms. WATERS. I, too, would be grateful for any assistance that we could receive from you as it relates to IT. I don't know at this point what that is, but I do know, to the degree that we are able to expedite the tremendous responsibilities we have, we could use whatever assistance we can get.

I may take this moment to tell you that I was just talking with the chairman as we sat outside of this hearing room and I talked about the possibility of more field hearings or work. And some of what I am talking about is not necessarily field hearings as much as it is getting out and understanding some of the systems on Wall Street and understanding some of the systems in Chicago.

We are now confronted with the kind of technology where the trading is going on faster than the mind can understand. And this nanosecond trading that they are doing has caused some problems, and I think we are going to see more of that. But we really need to see this at work, and how it works, and what it is doing. And so some of what I am referring to in terms of field hearings really does have to do with systems, trading systems. And I think we really need to be in New York and Chicago, in the futures markets to understand and get a real handle on what is going on.

I also said to the chairman that I note that the New York Stock Exchange has been purchased by ICE, and I understand that there are some systems changes that are being made. I want to know what those are and I want to understand them better. Yes, we would like to have more assistance with IT if we can get it, and perhaps that will be helpful, but I want to go, I want to witness firsthand how some of these systems are working.

The CHAIRMAN. Thank you. The chair now recognizes the ranking member.

Mr. BRADY. Thank you, Madam Chair.

I just want to thank both of you for being here and the job that you do under tough circumstances with the bare bones and maybe getting cut a little bit more. My question is usually the same, but because I am in front of Mr. Vargas I get to ask it before he does. So I am going to just give back the balance of my time, and when he gets recognized in his order he will be able to ask the same question.

The CHAIRMAN. I thank the gentleman. The chair recognizes the gentleman from Mississippi, Mr. Harper.

Mr. HARPER. I just want to thank both of you for the hard work you are doing, the great staff. I know this is not an easy time, and you will deal the best way I am sure you can with whatever figure we do come up with, and wish you well. Thank you.

The CHAIRMAN. The chair recognizes the gentleman from California, Mr. Vargas, for his question.

Mr. VARGAS. Thank you very much, Madam Chair. And the ranking member has a reputation of being very generous to novices. So I appreciate it very much. Thank you very much.

My question is with respect to retention of employees, and also attracting employees under the budget that you have and the projected budgets. I know that the people that work for you are very highly trained, and the opportunities that they have out in the private sector are significant, with a lot more financial gain for them. So what has been your experience and what do you anticipate with the budgets that you have proposed?

Ms. WATERS. Well, if I may, I am very interested in bringing on more senior staff with backgrounds and experience particularly understanding the capital markets, and particularly trading. As I have began to delve into what we are attempting to implement with Dodd-Frank, it is clear that as we talk about transparency with derivatives, we need people who understand the complications of derivatives and the creative ways that derivatives are being used.

When we delve into some of the new tactics of trading and the platforms that we are trying to understand, we really need people who have background and really who have experience. And so we desperately need this. And when we try and compete with Wall Street, with New York, with Chicago, what have you, for these people, it is difficult. It is very hard. But if we are to do a good job here, we have got to go after people, we have got to be able to pay them a decent salary. And our committee depends on knowledge, experience, and talent.

Mr. HENSARLING. As I said in my testimony, Congressman, in anticipation of reaching the moment that potentially we could have

this sequester, in the original staff plan based upon the historic norms of funding, we did not fully ramp up our staff. So I am not so concerned about retention. I have concerns, again, that relative to the tasks that we fill or the responsibilities we have on what is probably oversight of the most sweeping law since the New Deal with respect to capital markets, credit markets, Dodd-Frank, in respect to the work, that we have to do everything we can to ensure we do not replicate the financial crisis of 2008. Yes, I am in full agreement with the ranking member, we want to ensure that we have staff that have expertise in what many members view as a fairly arcane area of legislation. That would be most helpful. Again, I don't have your job. It is a difficult one in trying to balance relative priorities. But I hope we have made a case that, again, the responsibilities of this committee are immense, and relative to that challenge we believe that we are understaffed.

Mr. VARGAS. Madam Chair, I guess I would simply comment that this is an area where I have a little bit of expertise. I was vice president at Liberty Mutual, as well as Safeco Insurance, and the law has changed dramatically and is changing dramatically, especially for large insurance companies, interestingly, too. And this is an area where I think that, I don't know, I certainly would look at their budget in a way that, you know, with Dodd-Frank and the changes that are being made are substantial.

Anyway, I would just make that as a comment. And I appreciate the work that you have done. And I think you have a lot of work ahead of you.

Mr. HENSARLING. Would you care to join our committee with that expertise?

The CHAIRMAN. I appreciate the gentleman's comment. And I think it is true that this committee does have some rather unique challenges going forward. And I think this committee will certainly recognize that and be very aware of the comments and the presentations that you have both made this morning. And we are appreciative of that, and would excuse you. Thank you very, very much. Appreciate it.

Mr. HENSARLING. Thank you.

Mr. HARPER [presiding]. The committee now welcomes Chairman Kline of the Committee on Education and Workforce.

Would the official reporter please enter a page break into the hearings record to begin a new section?

Mr. HARPER. The Committee on Education and Workforce has jurisdiction over our Nation's schools and workplaces. The committee oversees programs that affect hundreds of millions of Americans, from school teachers and small business owners to students and retirees. The committee's priority in the 113th Congress is to build on the vital reforms set in motion during the past decade: pressing for enhanced flexibility and local control in education, modernization of outdated Federal rules that stifle job growth and innovation, and affordable access to health care, retirement security, and training for American workers.

Chairman Kline, we welcome you. You will have 5 minutes to testify before the committee. And you are now recognized.

**STATEMENT OF THE HON. JOHN KLINE, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MINNESOTA**

Mr. KLINE. Thank you, Chairman Miller, Ranking Member Brady, and members of the committee. Thank you for the opportunity to appear here to testify about our committee budget for 2013. I understand that my colleague, Mr. Miller, is on the other side of the Capitol and trying to make his way over here.

In 2012, our committee was allocated \$7,812,094. This represented a 6.4 percent cut in 2012, with an overall 11.4 percent cut for the 112th Congress. We honored this cut by leaving numerous staff positions vacant on the committee. Our staffs took on additional responsibilities and expanded their areas of expertise. In late 2011, we heard rumors of possible additional cuts for 2012, so we put caps on committee travel and committee printing. Due to our prudent planning, we only spent 82 percent of our overall committee budget.

My message to you today is: Don't punish the good actors. Don't punish the good stewards of taxpayer dollars. We can only go so lean for so long. We are asked to testify today to both an 11 percent cut from our 2012 allocation and a 5 percent increase over what we spent in 2012. We recognize the fiscal challenges that exist across this country and we are willing to do our part to contribute to fiscal responsibility.

But I sit here today to warn you that drastic additional cuts to this committee would affect committee product. Mr. Miller and I have great aspirations for this Congress. We want to reauthorize the Workforce Investment Act, Elementary and Secondary Education Act, Higher Education Act, and we also want to reform the multiemployer pension system. But all of this requires extensive committee resources. An additional 11 percent cut from our 2012 allocation or a 5 percent increase from our 2012 actual expenditures spreads us too thin on the work we want to do to achieve the best legislative product and conduct the best oversight.

In particular, deep cuts mean fewer site visits and fewer field hearings. Last year, my staff went on a site visit to a high school in West Virginia to see implementation of the new school lunch standards. They sat with the students and they ate chicken on a biscuit. These real world visits are helpful. They let us bust out of this Federal bubble and see what implementation looks like. It is the best way to see successes and identify challenges.

I feel the same way about field hearings. Field hearings are a small way to take the Capitol on the road. They provide a firsthand look at the issues under our committee's jurisdiction, such as employer-sponsored health care and workforce training. I hope the committee takes these important activities into account as they determine our budget. If we must choose between an 11 percent cut from 2012 allocation and a 5 percent increase over what we spent in 2012, we ask for an 11 percent cut from the 2012 allocation. On this, Mr. Miller and I agree. This treats all committees fairly and doesn't punish the committees who, like us, were good stewards in 2012.

Thank you for the opportunity to testify. I appreciate your time, and would be happy to answer any questions.

The CHAIRMAN [presiding]. Thank you very much, Mr. Chairman.

[The statements of Mr. Kline and Mr. Miller of California follows:]

**Statement of Rep. John Kline (R-MN)
Chairman, U.S. House Committee on Education and the Workforce
Committee on House Administration Hearing on the
“Committee Budget for 2013”
March 5, 2013**

Chairman Miller, Ranking Member Brady, and members of the committee, thank you for the opportunity to appear with my colleague, Senior Democratic Member George Miller, to testify about our committee budget for 2013.

In 2012, our committee was allocated \$7,812,094. This represented a 6.4 percent cut in 2012 with an overall 11.4 percent cut for the 112th congress. We honored this cut by leaving numerous staff positions vacant on the committee. Our staffs took on additional responsibilities and expanded their areas of expertise.

In late 2011, we heard rumors of possible additional cuts for 2012, so we put caps on committee travel and committee printing. Due to our

prudent planning, we only spent 82 percent of our overall committee budget.

My message to you today is: Don't punish the good actors; Don't punish the good stewards of taxpayer dollars. We can only go so lean for so long.

We are asked to testify today to both an 11 percent cut from our 2012 allocation and a 5 percent increase over what we spent in 2012. We recognize the fiscal challenges that exist across this country and we are willing to do our part to contribute to fiscal responsibility. But Mr. Miller and I also sit here today to warn you that drastic additional cuts to this committee would affect committee product.

Mr. Miller and I have great aspirations for this Congress. We want to reauthorize the Workforce Investment Act, Elementary and Secondary Education Act, Higher Education Act, and we also want to reform the

multiemployer pensions system. But all of this requires extensive committee resources.

An additional 11 percent from our 2012 allocation or a 5 percent increase from our 2012 actual expenditures spreads us too thin on the work we want to do to achieve the best legislative product and conduct the best oversight.

In particular, deep cuts mean fewer site visits and fewer field hearings. Last year, my staff went on a site visit to a high school in West Virginia to see implementation of the new school lunch standards. They sat with the students and they ate the chicken on a biscuit. These real-world visits are helpful. They let us bust out of this federal bubble and see what implementation looks like. It's the best way to see successes and identify challenges.

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issues under our committee's jurisdiction, such as employer-sponsored health care and workforce training. I hope the committee takes these important activities into account as they determine our budget.

If we must choose between an 11 percent cut from 2012 allocation and a 5 percent increase over what we spent in 2012, we ask for an 11 percent cut from the 2012 allocation. This treats all committees fairly and doesn't punish the committees who, like us, were good stewards in 2012.

Thank you for the opportunity to testify. I appreciate your time and would be happy to answer any questions.

Statement of
HON. GEORGE MILLER
Senior Democrat
Committee on Education and the Workforce
Before the Committee on House Administration
Hearing on "Committee Budget for 2013"

March 5, 2013

Chairman Miller, Ranking Member Brady, and members of the Committee, thank you for the opportunity to appear before you to review the resources available to the Committee on Education and the Workforce for the 113th Congress.

I wish to thank Chairman Kline for his cooperation on the budget and other administrative matters during the last Congress. And I appreciate his keeping with Committee custom to allocate to us one-third of the total Committee budget and provide us with autonomy over the use of those resources.

Over the last two sessions, we have adjusted to significant cuts in our budget. For example, like the Majority, the Committee Minority has not filled all of its authorized staffing slots. Instead, existing positions have taken on more responsibilities.

We have spent frugally, striving to find savings for the taxpayer. From the minority's side of the budget, we have managed to return approximately \$90,000 in each of the past two years.

I agree with Chairman Kline. Any further budget cuts will be very difficult to manage with our existing staff and committee responsibilities.

Last Congress, we had a very robust hearing schedule. This Congress is no different. In fact, we have begun holding multiple subcommittee hearings simultaneously, in separate hearing rooms.

Especially with the congressional calendar as it is, more subjects can be covered in this manner.

However, our smaller minority staff can be stretched to its limit, in terms of providing logistics, counsel, and other assistance to our members during two separate hearings at the same time. In other words, we cannot afford to lose any staff.

This Congress, there are a number of significant reauthorizations on our plate. The Elementary and Secondary Education Act, the Workforce Investment Act, the Higher Education Act, student loan interest rate provisions, pension law provisions -- the list of expirations and reauthorizations confronting the Committee does not end there.

On all of these matters, to adequately address them, we need to work together in a bipartisan fashion. That's what the American people expect from their Congress.

Being partisan is relatively cheap and easy. The hard work of bipartisanship, on the other hand, takes more time and more resources.

To achieve bipartisan outcomes, members and staff alike, especially committee staff, must spend considerable time researching, writing, briefing, negotiating, drafting, and redrafting, and being thoughtful and creative to pull all the parties together.

We need to attract, train, and retain talented staff to help do this work and do it effectively on a wide array of issues. Further budget cuts will limit our ability to work together efficiently and effectively on all the matters pending before the Committee.

In addition to legislative efforts, our oversight efforts will be more difficult with fewer resources.

Some of our most critical oversight stems from unexpected events – for which we have to incur unexpected costs.

Underground mine disasters, factory explosions, child abuse scandals, and other developments can require oversight and investigative resources over and above normal planning. Travel costs can rise. Contracts with consultants or other outside experts may be necessary.

But further cuts to our budget will not leave much room to maneuver and handle these kinds of investigations effectively.

I respectfully request that you minimize any further cuts to our budget. As for the two scenarios you have asked us to opine upon – an 11 percent cut to last year's budget authority or a 5 percent increase to last year's expenditures – if forced to choose – I join Chairman Kline in strongly preferring the 11 percent scenario.

Tying new budget authority to last year's expenditures unfairly punishes operations that, like ours, strive for efficiency and taxpayer savings.

We've got much to accomplish this Congress and I look forward to working with Chairman Kline wherever possible to ensure the economy and efficiency of our Committee's operations.

Thank you again for the opportunity to testify, and I am happy to answer any questions you may have.

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The CHAIRMAN. I guess my question is, we have been asking similar questions to the other chairmen and ranking members as they testified here about the possibility of our committee actually assisting you, resourcing you a bit with any kinds of new technology that might be able to be utilized your committee, whether that would be sort of the cloud computing, something, for instance, that Ways and Means was very interested in working with us on, or, you know, different kinds of subscriptions that can go House-wide, or various kind of duplicative kinds of things that might be happening at your committee that we could help you resourcing with so you would have a little more cash maybe to spend on your field trips or staffing levels or what have you. I am not sure if that is really a question, it is certainly an observation. If there is anything our committee can help you with, we certainly want to do that.

Mr. KLINE. Well, thank you, Madam Chair. I took that as a question and an offer on your part which we would like to take advantage of. I mean certainly subscriptions are helpful. But, for example, you provide, the House provides the television coverage of our hearings, but don't provide the closed caption coverage. And that would be enormously helpful to us, and particularly I would argue in our committee, where we have jurisdiction over IDEA, for example, it would be very, very helpful. We already spend money out of the committee budget for closed captioning. If that is something the House could take over, it would indeed be helpful. And so that is my response.

The CHAIRMAN. Very good.

Mr. KLINE. And I am urging the committee to help us with that if you can.

The CHAIRMAN. I know that we are taking notes here about that.

Mr. KLINE. I saw that, Madam Chair. I was very pleased to see it.

The CHAIRMAN. And we will certainly take a look at that. The chair recognizes the ranking member.

Mr. BRADY. Thank you, Madam Chair. Just to thank you for coming in front of us and doing the job that you do under some tough circumstances. Appreciate you being here. Thank you.

Mr. KLINE. Thank the gentleman.

The CHAIRMAN. Chair recognizes the gentleman from Mississippi, Mr. Harper.

Mr. HARPER. Thank you, Madam Chair.

And Glad to have you here, Mr. Chairman. Are there any special circumstances that we should be aware of that set the Committee on Education and the Workforce apart from other committees as we are looking at budgeting matters that you think we should be aware of?

Mr. KLINE. I don't anticipate any such special circumstances. I was aware of the committee's interest in this and had a discussion with staff. I don't think there is anything that falls under that category. We are going to continue to follow the aggressive agenda that we have shown for the last Congress and this Congress. But I don't see a special circumstance.

Mr. HARPER. Well, I appreciate your good stewardship in the last Congress, and I know you will do the same this time. Thank you, Mr. Chairman. I yield back.

Mr. KLINE. Thank the gentleman.

The CHAIRMAN. Thanks very much, Mr. Chairman. We appreciate your testimony this morning. And we certainly will take it all under advisement, and we will get back with you. But we certainly appreciate the unique challenges that you face in your committee going forward and want to help resource you as we can.

Mr. KLINE. Thank you, Madam Chair.

The CHAIRMAN. The committee now welcomes the chairman of the Transportation and Infrastructure, Mr. Shuster, and the ranking member, Mr. Rahall. We appreciate you both being here.

We would ask the official reporter to enter a page break in the hearing transcript.

The CHAIRMAN. And I would just say that as a member of the T&I Committee as well, I have often said that when I talk to my constituents about what happens on the T&I Committee, I say you can just think about the economics of our Nation as always follow the transportation grid. Whether it was the wagon trains going out West and the early part of the country opening up, and then the railroads came, and then the Interstates came, and now the aviation links are such a critical component, and shipping as well. And the jurisdiction that you have on your committee is very far-reaching, and I know you have some unique challenges this Congress. And the chair would now recognize the chairman for his opening statement.

Mr. Shuster.

**STATEMENT OF THE HON. BILL SHUSTER, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF PENNSYLVANIA**

Mr. SHUSTER. Well, I thank you, Madam Chair, for the opportunity to be here today, and appreciate your kind words on the committee. I would also say, for 230 years, going back to our Founding Fathers, the commerce, the transportation link has been what has really connected this country physically. So we take it very seriously and look forward to working in this Congress over the next 2 years with a pretty big agenda.

So thank you, Madam Chair and Ranking Member Brady. It is good to see you, my friend from Philadelphia. Members of the committee, thank you for the opportunity to appear here today before you in support of the budget request for the coming fiscal year. The committee is committed to ensuring that every tax dollar goes to good use, both at the agencies we oversee and within our own offices. In an era of constrained budgets, we must focus on spending on those things that are necessary to advance our agenda. The greatest resource and greatest expense of our committee is our knowledgeable and experienced staff. The committee staff not only benefits our members, but also serves as a resource for the entire body.

The Transportation and Infrastructure Committee is looking forward to a productive 113th Congress. We have a lot of work to do. Our legislative agenda for the next 2 years includes addressing the Nation's aging water infrastructure in a Water Resources Develop-

ment Act, reauthorizing of surface transportation programs set to expire next year, reforming passenger rail, and additionally we will seek to bring a FEMA reform bill to the floor. The committee has also developed a significant oversight plan. Last Congress, the committee passed major authorizations that now require oversight. As the current administration implements these laws, we will ensure that they do so in an efficient and cost-effective manner.

Transportation programs are inherently partnerships with States and local interests. What is necessary to develop these programs with folks outside the Beltway is those partnerships. Surveying the country's highways, waterways, railroads, seaports, and airports provide the committee with the context for our policies. It is our responsibility to educate the committee and the House on the national transportation system, and the travel allotment in the budget allows us to do so. Together with my friend and ranking member, Nick Rahall from West Virginia, we have compiled a committee funding request that is \$773 below last year's level. The level is about 5 percent above the previous Congress' actual spending. Last Congress was the only one chaired by my predecessor, and because of his short tenure he made few staffing additions as he transitioned from ranking member to chair. This was reflected in his budget.

With regards to the allocations of resources between the majority and the minority, we will continue to provide two-thirds of the personnel budget to the majority and one-third to the minority. This is consistent with previous Congresses. The majority and minority will continue to fairly share a budget for nonpersonnel expenses.

Finally, Madam Chair, to bring up a subject you and I have talked about on the floor before, before I yield to Mr. Rahall, I am going to ask you all to hear me out on this, the Rayburn House Office Building, as you know, is sometimes very difficult to navigate. And I proposed to the chair that to make it more hospitable, to stencil the names of the corresponding streets onto the walls in the different hallways. I think you would not only help visitors but Members who get lost in that building. So again, I think to better navigate I propose that again to you. I think it would make this committee the hero of Congress. Because I have been around for 12 years, and sometimes I walk out of those committee rooms and go, where am I? And there is no point of reference. So, again, I would propose that would make you all the heroes of Congress if you would help us get through the Rayburn Building.

So again, thank you for providing this opportunity. I would be happy to answer any questions, and yield back.

The CHAIRMAN. I appreciate that.

[The statement of Mr. Shuster follows:]



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

Christopher P. Bertram, Staff Director

Testimony of Chairman Bill Shuster

James H. Zola, Democrat Staff Director

March 5, 2013

Madam Chairman, Ranking Member Brady, and Members of the Committee, thank you for the opportunity to appear before the Committee on House Administration in support of the Committee on Transportation and Infrastructure's budget request for fiscal year 2014.

The Committee is committed to ensuring that every tax dollar goes to good use, both at the agencies we oversee, and within our own offices. We are reducing our overhead. By using less expensive technology options, we have cut both our capital expenditures and operating costs.

In an era of constrained budgets, we must focus our spending on those things that are necessary to advance our agenda. The greatest resource, and greatest expense, of our Committee is our knowledgeable and experienced staff. These subject matter experts provide me counsel on the complex issues within the Committee's jurisdiction. The Committee staff not only benefits our members, but also serves as a resource for this entire body.

The Transportation and Infrastructure Committee is looking forward to a productive 113th Congress. We have work to do. Our legislative agenda for the next two years includes addressing the Nation's aging water infrastructure in a Water Resources Development Act, reauthorizing surface transportation programs set to expire next year, and reforming passenger rail. Additionally, I will seek to bring a FEMA reform bill to the floor.

In addition to our major legislative agenda, the Committee has developed a significant oversight plan. Last Congress, the Committee passed major authorizations that now require oversight. As the current Administration implements these laws, we will ensure that they do so in an efficient, cost-effective manner. We will seek to ensure administration rulemaking follow Congressional intent. The Committee will perform oversight of all the programs under our jurisdiction, including Amtrak, the Coast Guard, and EPA. In addition, much of the \$51 million in emergency supplemental appropriations related to Hurricane Sandy goes to agencies within our purview, and we plan assertive oversight to ensure this money goes to its intended purpose.

Transportation programs are inherently partnerships with states and local interests. It is necessary to develop these programs with outside-the-beltway partners. Surveying the country's highways, waterways, railroads, seaports, and airports provides the Committee with context for our policies. Hearing from users that fund and implement programs of our jurisdiction is

Shuster Testimony

necessary to make informed decisions. It is our responsibility to educate the Committee and the House on the National transportation systems. The travel allotment in the budget allows us to do so.

Together with my friend and ranking member Nick Rahall, I have put compiled a Committee funding request that is \$773,000 below last year's authorized level. This level is about 5% above the previous Congress's actual spending. Last Congress was the only chaired by my predecessor, and because of his short tenure, he made few staffing additions as he transitioned from Ranking Member to Chairman. This was reflected in his budget.

With regards to allocation of resources between the Majority and Minority, we will continue provide two-third of the personnel budget to the Majority, and one-third to the Minority. This is consistent with previous congresses. The majority and minority will continue to fairly share a budget for non-personnel expenses.

Madam Chairman, before I yield back to allow you to hear from Ranking Member Rahall, I would ask you to hear me out on one of my ideas to make the House office builds more hospitable: if House office building walls were stenciled with the names of the corresponding streets, visitors would be able to better navigate this sometimes confusing complex.

Thank you for providing me an opportunity to present the Committee's budget. I would be happy to answer any questions.

The CHAIRMAN. And you know I am a lifetime boater, I always feel like I have a pretty good sense navigational-wide of where I am. I am in the Rayburn, I am always looking for my bread crumbs. And I do sometimes walk out and go, where am I? So I appreciate that—

Mr. SHUSTER. If you stencil those street names up there, you would know where you are all the time.

The CHAIRMAN. And it is all about transportation, how we transit around the campus here, right? So with that, I would recognize the ranking member.

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

Mr. RAHALL. Thank you, Madam Chair, Ranking Member Brady, for this opportunity to be before you today. And I certainly appreciate your comments, Madam Chair, about the bipartisan nature of our Transportation and Infrastructure Committee, upon which you serve. We have worked bipartisanly together as well on National Guard legislation, giving them a seat at the Joint Chiefs of Staff. And both of us being recipients of the Harry Truman Award, the most prestigious award the National Guard gives out. And I am proud to talk with that wherever and whenever I go, and that was a bipartisan effort with you.

During the last Congress, the committee minority was treated fairly. I controlled one-third of the budget for staff salaries and other matters such as equipment and supplies, where it dealt with, on a nonpartisan basis. And as Chairman Shuster, my good friend, has testified, we do not anticipate changing that under his leadership. And I do appreciate his efforts to reach out to the minority on this and so many other issues before our Committee on Transportation and Infrastructure.

Now, you have asked House committees to submit two budget options, one which would provide for an 11 percent reduction from the current spending authorization, the other which would provide for a 5 percent increase from actual total expenses. In the event the 11 percent reduction option becomes final, I would have to reduce my committee staff salaries by \$165,048, if the traditional 10 percent of the budget is dedicated to equipment, supplies, and maintenance.

To put that figure into perspective, Madam Chair and Ranking Member Brady, if that cut is applied equally across the board, each one of my staffers' salary would be reduced by \$6,877. As we all know, on Capitol Hill, in order for us to do our jobs for the American people, it is essential that we are supported by qualified staff. And it is a plus if they are seasoned and they have some institutional knowledge.

In my case, my committee staff director, Mr. Jim Zoia, has been with me for 32 years. My committee chief counsel has served for 20 years. I have two other staffers who have worked for the House of Representatives for 18 and 17 years respectfully. This type of seasoned staff not only serves us all well, it serves me well, but they well serve the entire T&I Committee Democratic Caucus. In each case, these staffers have had more than ample opportunity to leave House employment for more financially lucrative jobs in the

private sector. Instead, they have opted for continued public service.

So I would hope that an 11 percent cut is not the route we would go for committee budgets. Again, I thank you for this opportunity to testify, Madam Chair and Ranking Member Brady, and be glad to respond to questions.

The CHAIRMAN. I appreciate that very much.
[The statement of Mr. Rahall follows.]

Remarks of U.S. Rep. Nick J. Rahall, II
Ranking Member
Committee on Transportation & Infrastructure
before the Committee on House Administration
March 5, 2013

Chairman Miller, Ranking Member Brady and Committee Members –

During the last Congress, the Committee Minority was treated fairly. I controlled one-third of the budget for staff salaries, and other matters such as equipment and supplies were dealt with on a non-partisan basis. I do not anticipate this changing under Chairman Shuster.

You have asked House committees to submit two budget options – one which would provide for an 11 percent reduction from the current spending authorization, the other which would provide for a five percent increase from actual total expenses.

In the event the 11 percent reduction option becomes final, I would have to reduce my committee staff salaries by \$165,048 if the traditional 10 percent of the budget is dedicated to equipment, supplies and maintenance. To put that figure into perspective, if that cut is applied equally across-the-board, each one of my staffers' salary would be reduced by \$6,877.

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So I would hope that an 11 percent cut is not the route we go for committee budgets.

Thank you.

The CHAIRMAN. I actually had the staff pull out some of the detail that you had submitted in regards to some of your field hearings. And first of all, let me just say how appreciative I am of what you have come forward with, with the cuts and everything else. And I think most committees, I guess, but certainly T&I does have a necessity to get out into the field, so to speak, when you are talking about all the various States, I mean every State that we impact, and et cetera, et cetera. So I am just sort looking at some of the detail on that.

And I guess my question is one I have been sort of asking some of the other chairs, and an observation or a question, if whether or not, with some of the new technology that is available, whether our committee can help resource your committee with various kinds of things. And if you don't know the answer to that, I guess I am offering up our staff to work with your staffs about, like, cloud computing, some of the various things. I think apparently you have already got something a little different than cloud. But that is about to stop here on your lifecycle with that. I am not quite sure where it is. But at the expiration of that contract, that would be something we, I think, could really help you with and help with some of the expenses that you have on that. So some of the various services we have within our jurisdiction here to help you, we would like to be able do that if we can. So if you have any questions or comments about different kinds of equipment or technology we can help you with, we want to do that.

Mr. SHUSTER. Sure. I appreciate it. Some of that we have to look into. I know teleconferencing would be something we could do more of, I think help us. When it comes to technology, I am not the person to ask. I can barely use my BlackBerry.

But I also want to concur with Mr. Rahall on the 5 percent increase for us actually is, based upon last year, Chairman Mica gave back so much money, a 5 percent increase is not an increase in our overall budget, It is actually still less than it was last year. So, again, looking at our staffing needs. We are going to do probably 18 field hearings this year, give or take. But the amount of oversight we have to do, we have to do oversight on the FAA bill, oversight on MAP-21. And when I look at, for instance, FAA, we have got between the two of us about 60 or so staff, and the FAA has got 47,000 people. So, you know, we are up against a behemoth when it comes to try to get information and do aggressive oversight. So again, it is something to consider.

The CHAIRMAN. Yeah, and particularly so I think with sequestration, there has been a big focus on what is going on with the FAA and what is actually going to happen out there and the traveling public.

Mr. RAHALL. I associate myself with the comments of Chairman Shuster, Madam Chair. And it is certainly a tremendous offer you have made, and it does merit further exploration. The chairman has mentioned the various oversights we have, and he has only touched the top of the iceberg. There is many, many other safety issues, especially for the traveling public, that we will have to address. And those are major concerns for all of us.

The CHAIRMAN. Appreciate that. The chair recognizes my ranking member, Mr. Brady.

Mr. BRADY. Thank you, Madam Chair.

I just wanted to expand upon what you had said about the staff people. I have been asking the committees the same question. With the cuts that we had and the cuts we may be getting, but we don't know what they may be, are you able to maintain—and it seems that you have because you have a lot of staff members that have been with you for a long time—but it is hard to maintain people with that institutional knowledge without paying them a decent amount of money. I am sure they can go out and get more money doing what they do on the outside rather than be here on the inside and on the Transportation Committee. And also do you have a problem with—asking both of you—do you have a problem maybe even attracting quality staff that would come to work for a small, you know, not a large amount of money anymore? That again that they can make more money on the outside.

It is the staff driven that we all are, and I just think they are the ones that are getting the short end of all of this, and we are getting the short end by not being able to get qualified people to come to work for us, especially fields, especially in transportation. So, I mean, are you having problems keeping—you probably not, but they must be paying a heck of a sacrifice—or even attracting new employees?

Mr. RAHALL. Well, Mr. Brady, I would say that, you know, we have a lot of people willing to work in public service seeking jobs every day. But what I am referring to, and you are as well, are the qualified institutional knowledge that is so effective here on Capitol Hill, those that have, like myself, I guess, been around for a few decades or so. And it is that institutional knowledge, the battles through which many staff have been through, conference committee negotiations, the give and take between the two bodies, the chemistry of the players involved and the bureaucracies involved, that is what is so important to us.

So those that are seeking jobs that I referenced in the beginning of this response don't have that knowledge. And, yes, they are willing to come and work for us at probably minimal wages, but the institutional people require larger pay, obviously. But even that larger pay that we pay them cannot compete with the private sector, and that is a tremendous draw downtown, K Street or whatever street you want to call it. When they come knocking on our staffs' door, it is hard for many of them to turn that down. But they do, there are those that do, such as work on our T&I staff and on my staff. And they are the ones you just have to struggle to keep. And that knowledge is so important to the legislative process.

Mr. SHUSTER. I would agree with Mr. Rahall. We have been able to attract good talent, smart people. But I think long term keeping them it becomes difficult because they can make more money on the outside. And having that institutional knowledge is absolutely critical.

Mr. BRADY. Well, thank you. Thank you, Mr. Rahall, and thank you, Mr. Shuster. It is good to see you sitting there. I was very happy and proud to know a fellow Pennsylvanian was going to chair the Transportation Committee. But more than that, I am sure your dad is proud to have you follow in his footsteps. And they are tremendous size footsteps, sir.

Mr. SHUSTER. I am not even trying to fill them, I am just trying to get in and out of them.

Mr. BRADY. And I am looking forward to seeing him hopefully Saturday night, and give him my best. Thank you.

Mr. SHUSTER. Thanks.

The CHAIRMAN. The chair now recognizes the gentleman from Mississippi.

Mr. HARPER. Thank you, Madam Chair.

And thanks to each of you for the work you are doing. And I know that you have been good stewards of what we are attempting to do here. But as we are trying to set what the funding level will be for your committee for this Congress, are there any special circumstances that haven't been discussed that you think we should be aware of that perhaps hadn't been mentioned?

Mr. SHUSTER. I just think our agenda is pretty significant. I know there is a lot of committees that have, but we have three significant bills we have to do, plus others that we are attempting. And then a pretty broad and large oversight, from MAP-21 to FAA, which I mentioned, which are the bigger ones. But as Mr. Rahall mentioned, there is a number of things that we have to have oversight over that we are aggressively pursuing, and having a pretty aggressive taking the Congress outside the Beltway, because especially what we do with partnering with States and locales, it is important for us to see firsthand. There is no substitute. I can read reports and I can have people tell me about it, but until you go to the Port of Brownsville in Texas and see the kind of operation they have there and the need for the dredging and the widening, and it is \$3 billion to \$4 billion of investment that will come that will help with the U.S. economy, that will help the State of Texas, I think it is important to see it firsthand.

Mr. HARPER. Thank you. And I yield back.

The CHAIRMAN. Thanks very much. And we certainly appreciate both the chairman and the ranking member being here. And we recognize the unique considerations and challenges that the committee has in the 113th here as we go into the budget year, particularly with the sequestration, the oversight responsibilities that you have. And you have laid out some certainly excellent arguments why we need to look at your request. And we certainly will give it every consideration. And we appreciate it. Thanks so much.

Mr. SHUSTER. Thank you, Madam Chair. And I will be happy to help you pick out the paint for that stenciling on the walls of the Rayburn Building.

The CHAIRMAN. With that, the committee will be in recess for 2 hours. We will reconvene at 2. Now, we have a vote series at 2. But I think we will just reconvene at 2. We will see what time they call the votes, and try to get her done here today.

[Recess.]

The CHAIRMAN. The committee will come back to order, and the committee now welcomes Chairman Jeff Miller and Ranking Member Michaud on the Committee on Veterans' Affairs. And I would ask the official reporter to please enter a page break into the hearing to begin a new section.

The CHAIRMAN. The Committee on Veterans' Affairs recommends legislation expanding, curtailing, or fine tuning existing laws relat-

ing to veterans' benefits. The committee also has oversight responsibility of the VA, and of course the committee is the voice of Congress for veterans in dealing with the VA as well. Its priorities for the 113th Congress are to continue to make sure our veterans are afforded the very best and most effective care possible that helps their transitions to civilian life, make sure they are as efficient as possible, and to conduct vigorous oversight of the Department of Veterans Affairs so that it is meeting all the needs of our Nation's veterans. And the committee is very appreciative of both of you coming, and at this time I would recognize the chairman of the Veterans', Mr. Miller from Florida.

**STATEMENT OF THE HON. JEFF MILLER, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF FLORIDA**

Mr. MILLER of Florida. Thank you very much, Chairman Miller and Ranking Member Brady. It is great to be back before you again to discuss the Committee on Veterans' Affairs budget from 113th Congress. My good friend, Ranking Member Mike Michaud, joins me here at the table today. We have submitted our funding request forms for 2013 per your committee's guidance on budget reduction amounts. As in the past, we have no choice but to find those savings from decreasing our personnel budget and continuing to combine and consolidate administrative responsibilities. And we will make some tough decisions on equipment purchases and travel should we receive a further cut.

As you know, the committee has oversight over the entire Department of Veterans Affairs, as well as over various programs serving veterans at the Departments of Labor and Defense, sharing Arlington National Cemetery's oversight and other matters. The Department of Veterans Affairs is the second-largest Federal agency, employing over 300,000 people, with a budget of roughly \$140 billion. Due to budget constraints, we perform our oversight role with only 25 of the committee's 36 staff slots filled, 16 majority and 9 minority.

Further illustrating our lean operations at the committee, we currently have an Oversight and Investigations majority staff of only three. Adding an investigator as a fourth staffer is a necessity during this Congress, and I feel that we also are going to need to hire an additional person in our Health Subcommittee. We currently have only two staffers overseeing the Nation's largest integrated healthcare system, and most member travel in concordance with the committee's oversight duties falls within the Health Subcommittee's jurisdiction, and that preparation falls to this very small staff. Additionally, the very high volume of health-related bills introduced in the House and requiring the analysis of this subcommittee warrants a third committee staffer.

I am very proud that we did in fact return money last Congress, given the committee's commitment to living within its means. We did not fully staff the majority to allow some flexibility within our budget reduction for any unforeseen circumstances and so that we would not find ourselves in the undesirable position of having to let people go. That does not negate the critical need that we have to fill the vacancies that I have previously discussed.

The full committee again has an aggressive oversight plan and has already engaged in oversight in several of the many areas that I have mentioned. As was the case last Congress, we hope to be able to afford each subcommittee chair and ranking member an opportunity to hold a field hearing on oversight matters that are important to their respective subcommittees. We will also be holding full committee oversight hearings as the need arises. This will require the retention of our extremely modest travel budget.

The vast majority of the committee travel in which our members engage is actually funded by the Department of Veterans Affairs, the very agency over which we are charged with oversight. While this may seem ideal, it also puts the Department on advanced notice each and every time that the committee engages in an oversight visit.

Now, turning to equipment, last year we upgraded one-third of our computers, using end-of-the-year available funds, but we will need to upgrade another third this year and then again in 2014. We also replaced a correspondence management system that has not been updated in 8 years and will cost us approximately \$5,000 a month for maintenance and support. The previous system was no longer technically supportable.

This is a small committee charged with an awesome responsibility: oversight of those who care and provide services for our Nation's warriors and their families. In doing so, we have exercised extreme fiscal responsibility, and any further cuts will be challenging. But, in keeping with our practices of the past 2 years, we are anticipating and planning for those cuts. Madam Chairman, you have my assurance that we will continue to account for and stretch every dollar afforded to us as we out-stride the expectations placed upon this committee.

My humble request for you and this committee is that our committee not be punished for our good stewardship of the taxpayers' dollars. I appreciate the opportunity to appear before you today and would gladly welcome any questions that you may have.

The CHAIRMAN. I thank the gentleman.

[The statement of Mr. Miller of Florida follows:]

Honorable Jeff Miller
Chairman
Committee on Veterans' Affairs
House Administration Funding Hearing
1310 Longworth House Office Building
March 5, 2013
Topic: COMMITTEE BUDGET FOR 2013
Up to 5 Mins.

Thank you Chairman Miller and Ranking Member Brady for the opportunity to appear before your committee to discuss the Committee on Veterans' Affairs budget for the 113th Congress.

Ranking Member Mike Michaud joins me here today.

We have submitted our funding request forms for 2013 per your Committee's guidance on budget reduction amounts.

As in the past, we have no choice but to find those savings from decreasing our personnel budget and continuing to combine and consolidate administrative responsibilities. And, we will make some tough decisions on equipment and travel if further cut.

As you know, the Committee has oversight over the entire Department of Veterans Affairs, as well as over various programs serving veterans at the Departments of Labor and Defense, over Arlington National Cemetery, and other matters.

The Department of Veterans Affairs is the second largest federal agency, employing over three hundred thousand people with a budget of roughly one hundred forty billion dollars.

Due to budget constraints, we perform our oversight role with only twenty-five of the Committee's thirty-six staff slots filled; sixteen majority and nine minority. Further illustrating our lean operations, we currently have an Oversight and Investigations majority staff of only three. Adding an investigator as a fourth staffer is a necessity this Congress.

We also need to hire an additional person in our Health Subcommittee. We currently have only two staffers overseeing the nation's largest integrated health

care system. Most Member travel in accordance with the Committee's oversight duties falls within the Health Subcommittee's jurisdiction, and that preparation falls to this small staff. Additionally, the very high volume of health-related bills introduced in the House and referred and requiring the analysis of this Subcommittee warrants a third staff member.

I am very proud that we did return money last Congress given the Committee's commitment to living within its means. We did not fully staff the majority to allow us some flexibility within our budget reduction for any unforeseen expenses, and so that we would not find ourselves in the undesirable position of having to let people go. But, that does not negate the critical need we have to fill the vacancies I have discussed.

The Full Committee again has an aggressive oversight plan and has already engaged in oversight in several of the many areas included. As was the case last Congress, we hope to be able to afford each Subcommittee Chairman and Ranking Member an opportunity to hold a field hearing on an oversight matter important to their respective Subcommittee. We will also hold Full Committee oversight hearings as the need arises. This will require the retention of our extremely modest travel budget.

The vast majority of the Committee travel in which our Members engage is funded by the VA, the very agency over which we are charged with oversight. While this may seem ideal, it also puts the Department on advance notice each time the Committee engages in an oversight visit.

Turning to equipment, last year we upgraded one-third of our computer equipment using end of year available funds but will need to upgrade another third this year and then again in 2014. We also replaced a correspondence management system that has not been updated in eight years and will cost us approximately five thousand dollars a month for maintenance and support. The previous system was no longer technically supportable.

This is a small Committee charged with awesome responsibility: oversight of those who care and provide services for our nation's warriors and their families. In doing so, we have exercised extreme fiscal responsibility. Any further cuts will be challenging but, in keeping with our practices of the past two years, we are anticipating and planning for them.

Madame Chairman, you have my assurance that we will continue to account for, and stretch, every dollar afforded us as we out-stride the expectations placed upon us. My humble request of you, and this Committee, is that our Committee not be punished for our good stewardship of the taxpayers' money.

Thank you for the opportunity to appear before you today.

I would be glad to answer any questions you may have.

The CHAIRMAN. And the chair now recognizes the ranking member, from Maine, Mr. Michaud.

STATEMENT OF THE HON. MICHAEL H. MICHAUD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Mr. MICHAUD. Thank you very much, Chairman Miller and Ranking Member Brady, for this opportunity to appear before you today to speak in support of the proposed budget from the Veterans' Affairs Committee. I am pleased to join with Chairman Miller to support the proposed budget. We approach this effort, as we do everything in the committee, in a bipartisan manner, looking to what is in the best interest of our Nation and our veterans.

I believe our proposed budget is a barebones budget. The committee has already been a good steward of resources afforded to us in the past. We have diligently reduced cost and achieved savings where we could while ensuring that the committee continues to operate on a sound fiscal footing. Much will be expected of this committee during this Congress. With our conflicts drawing to a close in Afghanistan, we must ensure that our returning servicemembers receive the benefits that they have earned in a timely fashion. This will require a lot of oversight and attention by our committee.

In addition, almost all of the Department of Veterans Affairs' major transformational initiatives are planned to come to fruition in 2015. This includes efforts to tackle the claims backlog, homelessness among our veterans, and deliver an integrated Electronic Health Record. As you can read in the newspapers, and if you can see from listening and watching our hearings that have been held so far, many of these initiatives do not seem to be going well. They are not making the progress in a manner that would make us feel comfortable on the Veterans' Affairs Committee that the goals laid out over the next 2 years will be met.

In a tight fiscal environment, among many competing priorities, veterans must remain one of our highest priorities. One important way to achieve this is to ensure that the resources we have provided to the VA are producing outcomes that we have intended. All of this will require an enormous amount of policy guidance and oversight by the committee, and it is essential that we have the necessary resources in order to meet our responsibilities. I believe, along with Chairman Miller, that our proposed budget provides those needed resources.

On a final note, as you know, I became the new ranking member of the committee this year. Change often brings new direction and focus on our efforts on many of the challenges that we have in our veterans community, and I am extremely proud of the dedicated and effectiveness of the staff who have remained with us in and the new staff that I am bringing on board now.

If your committee deems it necessary to effect cost savings by mandating across-the-board cuts, I ask you to take into consideration what effect that will have on personnel and take other actions to ensure that we have the necessary resources in order so that we can continue doing our work. For example, if cuts were made on the basis of actual expenditures for 2012, I believe this would have devastating impact on our committee. Our 2012 actual expenditures, in my view, do not provide an accurate representa-

tion of our resources requirements. If you look at, for instance, on our staff, at one point in time we had a 50 percent vacancy rate. We have hired several new staff members in the last month, but we still face gaps in areas such as oversight and investigations, one of the most critical functions, especially in the light of VA's transformational efforts. Without the proposed payroll I will be forced to reduce salary and even lay off staff.

While I understand the fiscal pressures faced by all of us and by our country, I respectfully request that you support our proposed budget level so that we can play our critical role and essential role in supporting those who have served this great Nation of ours. And with that, Madam Chair, I yield back.

[The statement of Mr. Michaud follows:]

**STATEMENT OF MICHAEL H. MICHAUD
RANKING MINORITY MEMBER
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
BEFORE THE HOUSE ADMINISTRATION COMMITTEE**

March 5, 2013

- Thank you Chairman and Ranking Member for this opportunity to appear before your committee to speak in support of the proposed budget for the Committee on Veterans' Affairs.
- I am pleased to join with Chairman Miller to support the proposed budget. We approached this effort as we do most things in our Committee – in a bipartisan manner, looking at what's in the best interest of the nation and our veterans.
- I believe our proposed budget is a bare bones budget. The Committee has always been a good steward of the resources afforded to us in the past. We have diligently reduced costs and achieved savings where we could while ensuring that the Committee continues to operate on a sound financial footing.
- Much will be expected of this Committee during this Congress. With our conflicts drawing to a close we must ensure that our returning servicemembers receive the benefits they have earned in a timely fashion. This will require a great deal of oversight and attention by our Committee.
- In addition, almost all of the Department of Veterans Affairs major transformational initiatives are planned to come to fruition by 2015. This includes efforts to tackle the claims backlog, end homelessness among veterans, and deliver an integrated Electronic Health Record.
- As you can read about in the newspaper, and as you can see from the hearings our Committee has held, many of these initiatives do not seem to be going well. They are not making progress in a manner that makes

any of us comfortable that the goals laid out in the next two years will be achieved.

- In a tight fiscal environment, among many competing priorities, veterans must remain one of our highest priorities. One important way to achieve this is to ensure that the resources we have provided to the VA are producing the outcomes that we have intended.
- All of this will require an enormous amount of policy, guidance, and oversight by the Committee and it is essential that we have the necessary resources in order to meet our responsibilities. I believe, along with Chairman Miller, that our proposed budget provides those needed resources.
- On a final note, as you know, I am the new Ranking Member for the Committee. Change often brings a new direction and focus to our efforts and many changes to the Minority staff of a committee. I am extremely proud of the dedication and effectiveness of the staff who have remained with us, and the new staff that I am bringing onboard.
- If your Committee deems it necessary to affect cost savings by mandating across-the-board cuts I ask that you take efforts to exempt personnel or take other actions to ensure that we have the necessary resources in order to continue our work.
- For example, if cuts are made on the basis of actual expenditures for 2012, I believe this would have a devastating impact upon the Committee. Our 2012 actual expenditures, in my view, do not provide an accurate representation of our resource requirements for a stable and fully-functioning staff. At one point, we had a 50% vacancy rate. We have hired several new staff members in the last month, but we still face gaps in areas such as Oversight and Investigation – one of our most critical functions especially in light of VA's transformation efforts. Without the proposed payroll, I will be forced to reduce salaries, and even let staff go.

- While I understand the fiscal pressures faced by all of us and by our Country, I respectfully request that you support our proposed budget level so that we can play our critical and essential role in supporting those who have served and sacrificed for our nation.

The CHAIRMAN. I thank both the chair and the ranking member of the Veterans' Committee for coming before us and laying out your case, and think you have made a very strong argument. I often think to myself that I think a society, quite frankly, can be measured in large part by how you treat the vulnerable amongst us. I always say seniors, children, and our veterans. And that particularly so, I think, with all of the brave men and women coming back. Any time any of us thinking we are having sort of a bad day, we could just take a stroll around the physical therapy ward in Bethesda and see what is happening there, or so many of our VA hospitals throughout the entire Nation.

And I was sort of just looking at the detail that you all submitted here for your various field trips. And I guess I would just—field hearings, I should say—I should just applaud you for, I mean, every one of them is at a VA hospital somewhere practically, which is so important that you are able to get out there and see exactly what is happening there or at our cemeteries, national cemeteries for the VA, et cetera. I think those are very important things for you to be doing.

And as we are looking through your budget, I also just want to say I think you are talking, Chairman, about how you upgrade about a third of your equipment each time. That is, I think, a very good way to, I mean, you can't really do it all at one time, but when you do those kinds of things in that very practical manner it is a good way to upgrade equipment, I think.

And the only thing I would say, I don't know if this is a question or observation or just sort of throw something out to you, as you are looking at the possibility of utilizing new technology for the committee, where our committee may be able to help resource you a bit with various things, whether it is using cloud computing, even House-wide subscriptions, there are a lot of areas where you might be able to save a little bit, if you are not utilizing some of the various things. And we are really going to make a big push on trying to do different things here in-house that would save the committees, you know, duplicative kinds of fees, et cetera, so you can resource yourself with staff, making sure you keep, you know, particularly on a committee like yours, that you keep the kind of staff that you have the institutional knowledge, people that understand the systems, and the bureaucracy and the whole maze of what is the Veterans Administration, sometimes how important that is. So we want to help you there. If there anything at all that—

Mr. MILLER of Florida. No. I appreciate the suggestion as well. I believe that the House cloud is a great way to minimize space being used by some very large servers that are in our committee spaces, as well as utilizing a House-wide LexisNexis subscription if offered. We use LexisNexis quite frequently. And so I appreciate that and look forward to any help that your staff can give our staff. We appreciate it. And you will also notice on the field hearings that it doesn't matter if it is a Democrat district or a Republican district, we will go. If it needs to be done, if we need to do a hearing in a specific facility, my ranking member and I have made an agreement that we will go wherever the committee is needed and partisanship aside. We are truly one of the most bipartisan committees on the Hill.

The CHAIRMAN. Appreciate that. And I would recognize my ranking member, Mr. Brady.

Mr. BRADY. Thank you, Madam Chair.

And thank you for what you do. Unfortunately our veterans are getting larger and larger and larger, and we are trying to shrink to smaller and smaller and smaller. And I would also like to applaud you for your field trips, because you are telling our men and women that are in harm's way coming back that we do care. And you are giving them a platform and a reason and be able to let us know just what is on their mind and be able to talk to congresspeople to show that they care.

My question is that—and I heard that you have to lay people off or maybe maintain some people at a lower salary—well, when we have cut our staff it makes it difficult for them to be able to stay here because they can—and I know they are dedicated, they all are—but they can make much more money out there in the private sector doing what they are doing for us. So it is tough to keep them, and then we cut them, it gets tougher, and then, if you have to replace them, to find people with their expertise and you can't pay them enough money to lure them back in and you lose that expertise that they have and it is hard to do that.

So have you had that problem with people that I know they are staying on, but maybe it would be nicer to attract other people with the expertise, you know, the institutional knowledge, that you keep them instead of having them lured away to the private industry? And then hiring other people at a smaller amount of pay that they could probably make in the private industry. That is my problem when we do these cuts. And we are all staff driven, we are all staff driven, you know. And if we can't attract the best and the brightest to do the most important work that we do, we have to take a look at that. So is there any problems, do you find that a problem when people are here, to keep them, and people coming in, to get someone with the right expertise?

Mr. MILLER of Florida. The majority has not been as much of a problem. Obviously we were growing our staff when we took the committee over a couple of years ago. I know it was very different for the minority because they do have some senior individuals that have been there for an extended amount of time. But your comments are well taken. We do have a lot of very qualified staff that have serious expertise in their various areas, and I would not be surprised at all if they are not contacted on a weekly basis by outside groups trying to woo them away from Capitol Hill. I think we are both very fortunate in the fact that the folks we have on our staffs are very dedicated to the task that we have before us. But for us it hasn't been an issue. I am sure it is a little different for the ranking member.

Mr. MICHAUD. Thank you very much, Mr. Ranking Member, for that question. It is a little bit different for the minority. I have reduced staff salary already this year in anticipation of a freeze or a cut on our staff side. In addition, I was able to hire someone, brought in just actually this week, significantly below the standard salary for that position. It is a big concern that I have. When you look at VA, as you heard from the chairman, it is the second-biggest agency is in the Federal Government. And I am very pleased

to have the talented staff that we have on board. My new staff director actually was the deputy under secretary for policy over at the VA. She knows the VA system very well. She worked on the Hill as well. And she can get a job pretty much anywhere she wants to.

Likewise, my new staffer that I just brought, who was the national service officer for the American Legion and the VFW and worked under Secretary Hickey, which when you look at the huge backlog claims that is out there, we need to know what VA is capable of doing and be able to change the direction and use the finite resources VA has.

As I mentioned, I just came on board as ranking member this year, and I think we can do a lot more to make VA a lot more efficient, such as reorganizing the VA system. I have some ideas how we might be able to do that, but that is going to take staff time and energy because I am sure the VA probably will not be as responsive to those changes to make them more efficient.

On the benefits, the Veterans Benefit Management System, yes, it is technology, a computer system, but you also have to look at policy changes and how can we improve that to help with that backlog, and that is going to take time, effort to do that, and that is why we need really good staff. And I am very concerned, since I have reduced salaries already this year among the minority.

Mr. BRADY. Thank you, and thank you for all you do, and thank you for being here today.

Madam Chair, I have no other questions.

The CHAIRMAN. I thank the gentleman, and I thank you both again. And just talking about the VA hospitals, when we think about sort of the signature wound of this theater, the PTSD, and how many are coming home with that that have flooded our hospitals. And my husband is a Vietnam veteran and I have told him. In Vietnam you would have died with those kinds of injuries, but now because of the triage and the ability to get them to Germany, to get them to Bethesda within 24, 48 hours they live, which is a wonderful thing, but we have got to make sure that our VA hospitals are running to the very best of their ability to be able to treat these brave, brave wonderful patriots as they come back. We certainly appreciate your service and your staffs as well, and you have made a very good case here today, and we certainly, the committee, will take all of that under consideration. Thank you so much.

Mr. MILLER of Florida. Thank you.

Mr. MICHAUD. Thank you.

The CHAIRMAN. The committee now welcomes Chairman Rogers of Michigan and Ranking Member Ruppertsberger of the House Permanent Select Committee on Intelligence. And again the official reporter will please enter a page break. We are going to a new section.

The CHAIRMAN. The House Intel is charged with the oversight of the United States Intelligence Community, which includes the intelligence and intelligence-related activities of 17 elements of the United States Government and the military intelligence program. And this committee just wants to welcome both of you gentlemen, and we look forward to your testimony, and we have reviewed what

you have submitted thus far and look forward to hearing a little bit more from you. And at this time I would recognize Chairman Rogers.

**STATEMENT OF THE HON. MIKE ROGERS, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MICHIGAN**

Mr. ROGERS. Thank you, Madam Chair. And it is exceptionally good to see you there in the chair this year. Congratulations.

I can go through the whole comments, Madam Chair, or I thought maybe I would just, you have my statement, maybe I would just cover a couple of quick points I think are important, and then, I know my ranking member, and we are completely on board together in this presentation, and then maybe take some questions if you have them.

A couple of things I think it is important to point out on the committee. First of all, all of our staff, including our research and executive assistants, are required to obtain and maintain a top secret special compartmented information clearance. And because of the committee's security requirements and restrictions, we are not able to supplement our staff with summer or academic year interns or law clerks, we just don't have the same capability or flexibility of other committees. As you can imagine, this limits the hiring pool to those who have and are able to qualify for the highest security clearances and requires us to pay higher salaries. We hire program managers. We have very few junior staff on our committee. We hire individuals per program, FBI, CIA, NSA. On average they have 19 years experience in the intelligence community, have the ability to get a clearance. So we can't really bring them in at the lower pay scale, would not be fair, A, and we would not attract any of the candidates that we need to be professional staff to do this oversight.

So the committee was able to absorb in the 112th Congress an 11 percent cut. It would be very, very difficult for us moving forward at this point. So we tried to find efficiencies. We did, we think, find efficiencies, that we could kind of wring out some savings in the committee. But now it is getting to the point where we can't staff every program that we have at the requirement that we would need, the requirement meaning the individual that has the right set of, A, clearances and, B, experience and capabilities to perform the function. So you can imagine if you are going to walk into the CIA, and FBI, and NSA, if you are going to have the credibility that you need, you need to have people who have the credibility to walk in the door.

And just where we are heading from here and where we have already seen some slowdown, we are continuing our review on the Benghazi terrorist attacks and it is going slower than we want because we can't apply the right personnel resources to the task. The follow-up investigation to the national security threats posed by the Chinese telecommunications companies is going to require more staff application which would take away from other programmatic needs. The review of the Intelligence Community support to the "CFIUS" process. You and I know this better than anyone with the sale of A123 batteries to China. And if we don't get this review and begin to incorporate intelligence concerns on these matters we are

going to lose more great American technology, that taxpayers paid for, to countries like China.

Perform a comprehensive review of the recently proposed Defense Clandestine Service, which is intended to completely reform DOD's human intelligence collection activities, we have lots of concerns. It is going to be manpower intensive. Pursue the passage of a cybersecurity-related information sharing bill, and establish a business advisory team to propose additional reform and integration of the Intelligence Community's organizational and IT structure.

So we need to do all of these things all at the same time. And right now we are not at our full capacity based on the limits that we have had by previous reductions. So at some point we begin to reduce our capability to do the required oversight of our committee. And I am all for cutting waste and I think we have stepped up to the plate. Matter of fact, the ranking member and I have found about \$3 billion across the Intelligence Community that we have been able to save taxpayers over the last few years and still maintain a robust mission, and we have done that on a reduced committee budget.

I do believe that the number that we have proposed today would at least allow us to fill all of the slots that we would be minimally required to move forward on the issues that I just talked about and then maintain current counterintelligence oversight operations, which we do now regularly, covert action, the most sensitive things our committee does on a regular basis, daily for staff, weekly for members, monthly and quarterly for the committee. All of those things still have to happen. And by the way, we are going to produce a budget authorization bill here and get it out on the floor in June. And it all happens at the same time.

If you look at our numbers compared to other committees, I just don't think it meets the priorities of national security if you are talking about reducing our ability to do that as we speak. So I respectfully submit that testimony, ma'am, and I know you have a lot of difficult challenges here facing where you put your resources. I hope you will consider the Intelligence Committee's needs in the national security structure and the importance of our oversight in those deliberations.

The CHAIRMAN. I Thank the chairman.

[The joint statement of Mr. Rogers and Mr. Ruppertsberger follows:]

**Joint Statement of
Chairman Mike Rogers and Ranking Member C. A. Dutch Ruppersberger
Permanent Select Committee on Intelligence
Before the
Committee on House Administration
Committee Budget Request for the 113th Congress, 1st Session
March 5, 2013**

Chairman Miller, Ranking Member Brady, and Members of the Committee, thank you for the opportunity to testify on the Permanent Select Committee's budget request for the first session of the 113th Congress.

As you know, the Permanent Select Committee on Intelligence fulfills two roles critical to the government's continued conduct of successful intelligence activities. First, our Committee serves as a connection between the classified world of intelligence and the American people. The sensitive nature of intelligence sources, methods, and operations requires that much of what the Intelligence Community does remain secret and protected from public disclosure. Yet, in our open society, the American people must have confidence that their elected representatives are not only fully aware, but also fully approve of the government's efforts, having satisfied themselves that these activities are consistent with the Constitution and laws of the United States.

Second, the Committee must continue to ensure that the men and women of the Intelligence Community have the resources, capabilities, and authorities needed to keep our country safe. The United States and its interests around the world face

constant threats from state and non-state actors, ranging from conventional to those asymmetric in nature. Every day, around the world our government's intelligence agencies work to uncover, disrupt, and counter these threats. For continued success against those who seek to do us harm, Congress must provide the Intelligence Community the resources and authorities commensurate with the threats we face. In short, strong and effective oversight contributes to the successful conduct of intelligence activities, and to the safety of the United States, our interests, and our people. And the Intelligence Committee bears a unique responsibility for that oversight on behalf of the House.

It was not long ago that congressional intelligence oversight was hamstrung by crippling partisanship. When the ranking member and I assumed leadership of the Committee in January 2011, we dedicated ourselves to reestablishing the Committee's critical oversight. We believe we have achieved that goal. In the past two years, our work has produced three annual intelligence authorization acts; extended for five years the authorities provided by the FISA Amendments Act; reauthorized other key national security tools for investigators and prosecutors; resulted in House passage of a bipartisan information-sharing bill to improve the nation's cyber security; and identified the threat to U.S. national security posed by Chinese telecommunications companies. At the same time, we reestablished routine, effective oversight of covert action programs, counterterrorism operations, and counterintelligence investigations.

We achieved these successes while initially absorbing a 5% reduction from our authorized funding levels for the 111th Congress and an additional 6.4% decrease during the second session of the 112th Congress. We achieved much of these savings through reduced staffing levels. The Committee is authorized to fill up to

44 staff positions (26 majority, 13 minority, and 5 support staff). Yet throughout most of the 112th Congress, our Committee, which consisted of twenty members, had no more than 29 total staff, and at no time did we employ more than thirty-two staff members. Additionally, during the 112th Congress, the Committee avoided having to make additional investments in computers and equipment as a result of previous improvements to its information technology systems.

In considering the Committee's budget, it is important to note that the nature of the Committee's work imposes unique requirements and thus unique expenses that other Committees do not incur. Our staff are our most important asset. They are professionals with in-depth knowledge of and experience in the Intelligence Community. For example, each member of the Majority's professional budget staff, which oversees the budgets for the seventeen elements of the Intelligence Community, has had experience working in the Community, with an average of almost nineteen years of intelligence and national security experience. Each of our lawyers similarly has held positions within Intelligence Community legal or policy offices and has experience that can only be gained through working in the field of national security law. And all of our staff, including our research and executive assistants, are required to obtain and maintain a Top Secret/Special Compartmented Information clearance. Because of the security requirements and restrictions, we are also not able to supplement our staff with summer or academic year interns or law clerks. In addition to unique staff requirements, the Committee has additional technology and security requirements not common to other committees of the House. For example, the Committee is required to maintain three complete networks, with unclassified and classified computers at each work station. Further, much of the Committee's information technology support must be provided by cleared contractors, imposing additional costs. Each desk must also

have phones for both non-secure and secure conversations; and this past year the Committee had to upgrade its secure phone system, replacing outdated and increasingly unsupported technology with a new method of secure communication that is used across the Intelligence Community. Maintaining these systems imposes unique and additional charges. We also are required to constantly monitor the security of our spaces to ensure that we are adequately addressing the counterintelligence threat. For example, in the 112th Congress we upgraded the Committee's capability to detect electronic eavesdropping threats and therefore better protect the secrets we hold on behalf of the country.

While the Committee absorbed the cuts of the 112th Congress, a further 11% cut would have a significant negative impact on the Committee's operations and undermine our oversight of the government's intelligence activities and operations. Currently, the Committee intends to further pursue the threats revealed by our investigation into the national security threats posed by Chinese telecommunications companies; review the Intelligence Community's support to the CFIUS process; perform a comprehensive review of authorities, resources, and policies associated with the recently proposed Defense Clandestine Service (which is intended to completely reform DOD's human intelligence collection activities); pursue passage of a cybersecurity information-sharing bill; and establish a Business Advisory Team to propose additional reform and integration of the Intelligence Community's organization and structure, all while drafting and passing the Fiscal Year 2014 intelligence authorization bill and conducting our routine oversight of covert action, counterterrorism operations, and counterintelligence investigations. Further, in an uncertain and dangerous world, the Committee must be prepared to review and address national-security events as

they unfold; we must have the resources available to surge in the event of a national-security crisis, which – as the last decade has revealed – is unfortunately not infrequent.

An 11% cut would prevent us from hiring the additional staff and or replace departing staff necessary to complete this work. We would, of course, prioritize the activities we just listed; but some, undoubtedly, would have to be deferred. Additionally, the Committee would also have to further reduce its spending on computers and equipment and would eliminate any upgrades to either its unclassified or classified networks. The Committee would limit its spending on computers and equipment to only that which is required to continue information technology and network maintenance support contracts. Additionally, the Committee may be forced to consider alternate methods for continuity-of-operations replication and backups of its classified network in the event of a disaster.

If the Committee received a 5% increase over its 2012 expenditures, we would apply the additional money to personnel compensation. The addition, however, would not be sufficient to meet all staffing needs. And we would still be forced to cut all other categories of the budget, limiting computers and equipment upgrades, travel, and other Committee needs.

Given these facts and the unique situation of our Committee, we respectfully request that the Committee be authorized a total of \$4,978,280 for 2013. This is \$154,365.12 or 3.2% more than our authorized funding for 2012. We recognize that in our current fiscal environment, all of us must contribute to reducing government spending. Thus, we would still defer any additional information technology or security upgrades. We would use the additional funding instead to

hire needed staff and complete some domestic oversight travel necessary to complete all planned oversight activities.

Thank you for allowing the Ranking Member and me to present our request for 2013. We welcome any questions the Committee might have.

The CHAIRMAN. And the chair now recognizes the ranking member.

STATEMENT OF THE HON. C.A. DUTCH RUPPERSBERGER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. RUPPERSBERGER. A lot of what the chairman said I don't want to repeat. I think the first thing in the last 2 years—6.4 percent, but now where we are in the world responsibilities Intelligence Committee we really need to—3.2 percent increase from 2012.

Now, what are the reasons for that? The Intelligence Committee does oversight of all the intelligence agencies and we also do the budget. We have right now one of the most serious issues before us, are cyber attacks from the Chinese. The Chinese have stolen billions of dollars from us in the last couple of years. Now, our committee and Chairman Rogers and I together have investigated the Chinese, we are calling the Chinese out, but there is a lot of sophisticated cyber attacks that are happening.

We are worried about right now Iran, and we know cyber attacks are coming from there, destructive attacks, because Iran in my opinion is a robust rogue terrorist country, and they don't like the United States. Very sophisticated, and the people that we have on our staff who oversee all of this have to be sophisticated, they have to have the top clearances. And they could go out and make a lot more money in other areas. So we can't afford to lose people.

We also are allowed as of this time, which probably is not enough based on all the things we are doing, 44 staff. We are 29 right now and we are really not asking for anything more, maybe 1 or 2. I just made a replacement as far as my deputy who oversees. And right now if this occurs I won't be able to hire a deputy. We won't be able to do the things we need to do. People on our staff go, they travel to the front line, Iraq, Afghanistans, the Pakistans and those different areas. So we are saying from a national security point of view it is very, very important that we allow to do the things we need to do.

I think I can stop there because the chairman has addressed the issues basically. It is a priority of the national security and we feel we have maintained our budgets the last couple years. Also this committee, until Chairman Rogers and I have gotten into the leadership, for almost 7 years they weren't able to pass a budget. This is important because the stakes are so high that we are able to do the correct oversight and that the agencies have the confidence in our committee to move forward. But if we don't have the ability, with 29 people, to oversee the entire Intelligence Community.

The other issue I want to get into, because people don't talk about it a lot, and that is the issue of space. One of the reasons we are the most powerful country in the world is because of our space program. As a result of what the Russians did with Sputnik, that scared the United States and got us to worry about the Russians controlling the skies. So JFK put billions of dollars into space, and we have spent more on space, which is paying off now, than any other country. The Chinese are aggressively pursuing space, they are going to the moon and they are attempting to de-

velop a control program. We can't let that happen, we can't be weaker. Space and cyber and all these things come together. The average person doesn't realize the GPS systems, all the things that are occurring. And that doesn't even include the intelligence we are getting to see what North Korea is doing, seeing what Iran is doing, and all these other areas.

So we are asking just for a small group. We are all fiscally responsible, we have cut billions of dollars. And again in the last 2 years we have cut 6.4 percent. But where we are as a country now and where the threat is, we are asking for 3.2 percent over 2012. Thank you.

The CHAIRMAN. Thank you both. You made a very compelling case. And I think about you can have all the conventional armaments that you want, that you could possibly buy, but there is no second for human intel, there is just no second. And that was a very vivid demonstration, whether it was bin Laden or Saddam even. I mean, all of that was really human intel.

In fact, let me also just compliment you, I am not just saying this because you are sitting here, but it is widely acknowledged throughout the Congress of how you two gentlemen have worked together in such a bipartisan way on our commonality there for national security through the Intelligence Community and what you have done there. But you just talk to any of the Joint Chiefs or anybody, you talk about what keeps them up at night, it is cybersecurity and the ability for them to be hacking in. And when you see some of our friends like China actually using their intel, their military and their intel, their intelligence, to take our intellectual property and various things, it is really quite disconcerting.

So I think the kind of oversight that you are producing, and I appreciate the cuts that you have taken in the past, as you have pointed out, and as you are looking, and as going forward you do have some unique challenges I think on your committee and your priorities, like a cybersecurity bill and some of these various things that certainly this committee will take into account. You are a smaller committee, really, from your budgetary standpoint, et cetera. And like all committees really it is principally staff, your expenditures.

But one thing that I would just sort of throw out, either as an observation or sort of an offer to you, if there is anything that our committee can do to assist you resourcing when you are utilizing on the committee some new technologies, whether that is cloud computing, whether it is House-wide subscription services, I mean, you can save really some dollars there that you could put into getting yourself a deputy and make sure you have the right people that you need on staff when you are hiring somebody at that level to be able to do the kind of oversight we have tasked your committee with. So if there is anything at all that our committee can do to assist you, have your staff talk to my staff and we certainly want to do that.

Mr. ROGERS. Five bucks under the mattress, we will take it.

The CHAIRMAN. And I know that is true about you.

Mr. RUPPERSBERGER. You kind of said what keeps you up at night. We kind of say a joke. Three things that keep us up at night, Mike and I, and we are also the gang of 8: spicy Mexican food,

weapons of mass destruction, and cyber attacks. Those are the two areas that are really difficult. But thank you for those comments and we appreciate it.

The CHAIRMAN. Thank you. And I would recognize our ranking member.

Mr. BRADY. Thank you, and thank you for being here today, appearing in front of us, and thank you for the job that you do. You have answered my question.

Mr. RUPPERSBERGER. Do you have your mike on?

Mr. BRADY. It is supposed to be on. Thank you. You can't hear me? You can't hear me say thank you? You want to hear it again?

You answered my question about being able to hire quality people and then be able to keep quality people that are going to take a pay cut that are already hired. And I think that it is incumbent upon ourselves and this committee to make that point extremely hard as it pertains to your committee, because it is awful important.

Thank you. And I have no other questions, Madam.

The CHAIRMAN. Thank you both very much. Again, you have made a really compelling case and we are going to take everything you have said into serious consideration, do the very best that we can for you.

Mr. ROGERS. On the IT front, we have made significant investment in technology. We are trying to find those resources where we can, but one of the problems we have on the IT front is we maintain both classified servers and unclassified servers. Our IT expense is actually higher than the average committee, there is only one other that I can think of that might even come close, that might be Armed Services, just because of the nature of the material that we have and the obligation to secure that material. So we do have that added cost that I don't think was factored in originally when they designed the committee.

The CHAIRMAN. Okay, very good. Thanks so much, gentlemen.

The committee now welcomes Chairman Issa and Ranking Member Cummings of the Committee of Oversight and Government Reform. Again the official reporter will enter a page break who are making the recordings there.

The CHAIRMAN. The Committee on Oversight and Government Reform has jurisdiction over the District of Columbia, the government procurement process—if you could close those back doors there please, thank you—Federal personnel system, the Postal Service, and other matters. Its primary responsibility is oversight of virtually everything that the government does from national security to homeland security grants, from Federal workforce policies to regulatory reform, information technology, procurements at individual agencies, to government-wide data security standards.

Again, I am sure in the 113th you are going to be look at rooting out waste, fraud and abuse, and those kinds of things. And we certainly look forward to both of your testimonies here today, gentlemen, as the committee takes into consideration the challenges that your committee is facing as we go forward. And with that the chairman would recognize the chair of the Government Oversight Committee, Mr. Issa.

**STATEMENT OF THE HON. DARRELL ISSA, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. ISSA. Thank you, Madam Chair. And I would ask unanimous consent that our joint statement be considered for both of us.

The CHAIRMAN. Without objection.

Mr. ISSA. And I will be brief in summarizing, Madam Chair, as you know from your time on the committee, the Oversight Committee is unique in that we do not oversee a part of government, but in fact all of government. It gives us a unique relationship with 73 inspectors general, the GAO, and particularly the ability to look for the kind of duplication and cross-agency waste that in fact is not a Republican issue or a Democrat issue, it is the result of decades of building infrastructure, whether it is 44 different programs to do the same thing but spread over multiple agencies, or in fact the stovepiping. For example, just in IT, information technology, we have \$81 billion a year spent and yet we only have one CIO, one chief information officer in all of government that actually has budget authority. In agencies there were as many as 40-some individuals who have the term chief information officer with none of them having budget authority and none of them ultimately being accountable.

Our committee over both Republican and Democratic chairs has found waste that is often as much as 1,000 times what our budget is, on our roughly \$6 million budget, and we would ask that it be considered to be increased at a time in which what we are trying to do is find that waste, find that duplication, and in fact reverse it.

Now, just to give some examples that both of us are aware of, we have found as a committee just today an example where one of our major Cabinet positions failed to even follow up until after the statute of limitations expired \$415 million worth of overpayments, just one agency. That agency has a \$2 billion reduction, and one-quarter of it was not even pursued to try to get the reclaiming up until after statute of limitations expired.

Earlier this month we became aware and worked jointly on a couple of States in which there were abuses under Medicaid. These were abuses in which the Federal Government was a willing participant in overpayments over a period of multiple administrations and nearly 2 decades. CMS, as the responsible party, was in fact going to negotiate and change over time payments on things that were supposed to be capped at \$700 per person that we are paying as much as \$5,700 per person, representing over \$15 billion.

We are not casting blame over anybody, but once discovered it was only through our committee's hard work that we were able to save at least \$600 million just in this 2-year period by ensuring that that overpayment stopped immediately. It is those kinds of things that cause you to make an investment in our committee. And in fact the reason that we worked hard to make sure we had a joint statement is this is the part we primarily offer you. We are a unique committee, we look for waste, fraud and abuse, and at a time in which you are trying to find win-wins, we can help provide them.

The one point I hope we all have, and, Madam chair, you are very aware of this, we are not a spending committee, we are a sav-

ings committee, that is what we exist for. And we believe, just like the \$2 billion that we invest in our inspectors general throughout government, that we save so many multiple times that, that any cutting back of the IGs is in fact, cutting back of us is in fact an opportunity to lose the very auditors that will guarantee you multiple savings.

In closing, we see savings, we see opportunities. Our committee alone internally has managed to be able to do a great deal with less over the last 2 calendar years. I might note, though, there are some institutional changes that will be needed, such as going to VoIP rather than conventional phones. Going perhaps, and we have talked to your staffs, to per diem for many of the people who have government work being done on phones would cut our \$80,000—just my side—\$80,000 budget as much as in half by allowing us to provide similar reimbursement for government use on personal phones as we provide for government use on personal cars. That kind of change throughout Congress would represent millions of dollars a year in savings.

As you know, currently only Members of Congress are allowed to have their phones, whether campaign or personal, on the House system. By definition, the secure question has already been answered by those personal phones being there, the dual use has been answered, but we haven't facilitated that and dozens of other savings that we believe we could have. We would like to work with the committee to allow us and other committees to find similar savings, but we must ask that you not allow the audit committee to be reduced when in fact we can return you more than 1,000 times our budget.

[The joint statement of Mr. Issa and Mr. Cummings follows:]

March 5, 2013

**Budget Request for the 113th Congress to the Committee on House Administration
Joint Statement of Chairman Darrell Issa and Ranking Member Elijah Cummings**

Chairman Miller, Ranking Member Brady: we would like to thank you for allowing us to testify today on the Oversight and Government Reform Committee's budget for the 113th Congress. We are submitting joint testimony to you today because of the importance of adequately funding the Oversight and Government Reform Committee.

Our Committee's primary function is to expose and address waste, fraud, abuse and mismanagement in our federal government. Our Committee is a unique body with a specific mandate to seek out and identify areas where our government is mismanaging or wasting the American people's tax dollars. We do not oversee just one federal agency or even a handful – we oversee the entire federal government and workforce.

As has been exhaustively documented, our federal government wastes billions of dollars each year, either through mismanagement or through outright stupidity. One of the most respected IG's, Earl Devaney, who the President appointed to oversee stimulus spending, testified before our Committee that based on a report published by the Association of Certified Fraud Examiners (ACFE), US organizations including government lose 7 percent of revenues to waste, fraud and mismanagement.

Over the past two years, the Oversight Committee, working with whistleblowers, the GAO, and the Inspectors General community have identified billions in federal tax dollars that can be better utilized or used to reduce the federal debt.

Last Year, the Committee became aware of gross overpayments being made through Medicaid and through aggressive oversight forced a

resolution to the overpayments. This resolution is estimated to save federal taxpayers billions of dollars.

When we became aware that the General Services Administration was spending lavish amounts of taxpayer funds on travel to conferences held in Las Vegas and other locations, our Committee's oversight made a real and immediate difference. Following our actions, the White House issued an executive order requiring agencies to reduce spending on travel and conferences to 20 percent below FY 2010 levels. Although the President's actions are welcomed, the problem of excessive conference spending has not been resolved. Our Committee remains committed to uncovering conference spending waste that is still pervasive throughout the federal government.

The bottom line is we need more oversight, not less. In recent years, this Committee has absorbed budget cut after budget cut – yet again, we are being asked to try and do more with less, which only compounds the challenges of conducting our oversight function.

At a time when the national debate is about saving money and spending wisely, can anyone really make a credible case for cutting oversight resources? After all, a key distinction is that we are not a spending Committee, we are a savings Committee.

The Oversight Committee is in a unique position in that for every dollar you invest in us, we return it one hundred--or perhaps one thousand--times over in potential savings.

Because of the enormity of our mission, it is imperative that we have the resources needed to do our job to keep pace with the growth in government spending.

Over the past Congress, we have had to reduce our spending – primarily through staff attrition. The fewer staff we have means fewer oversight and investigative activities we can pursue. While some people

may be okay with a scaled down Oversight and Government Reform Committee – it's the American people who pay the price.

The House's investment in the Committee on Oversight and Government Reform will lead to cost-savings and real reform for the American taxpayer.

We thank you for your time, and we look forward to taking your questions.

The CHAIRMAN. I thank the gentleman.

The chair now recognizes the ranking member, Mr. Cummings.

STATEMENT OF THE HON. ELIJAH CUMMINGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. CUMMINGS. Thank you very much, Madam Chair, Ranking Member Brady, other members of the committee. I am pleased to join my colleague, Mr. Issa, in our joint statement. And I just want to add a few things to what he has said.

You know, just this morning, we had an interesting thing happen. We had the IG for the Department of Education come in. And it was so interesting how her situation sort of parallels ours. She basically said that because of the sequester and because of the cut-backs in her money, she can't do certain—she said she has some criminal investigations she can't even deal with. She doesn't have the personnel to deal with them and can't allocate people to do that.

We have left some investigator positions open because we don't have the money already. When I first came into this position, my employees took—most of them took a 5 percent cut. And that was 2 and a half years ago. And the interesting thing is every time I come to these—not just this hearing, but I sit and I listen to what employees go through, you know, I think about the fact that these people come to work because they believe in government. I guarantee you, you ask your staff, those people sitting right behind you, them, those, they will tell you, it is not the money. It is not the benefits. It is because they believe in doing something for public service. And they want to make a difference. And we want to make a difference.

And you know, Chairman Issa talked about the GAO, us just highlighting that, I guarantee you has had a phenomenal effect on every single agency. As a matter of fact, the President right around that time, remember, Chairman Issa, put out an order to reduce spending on these conventions; I think it was about 20 percent. Is that right?

Mr. ISSA. Exactly.

Mr. CUMMINGS. And so it does pay for itself.

The question is, I think it is a key question that we need to ask ourselves, are we going to sit back and let these things go on? In other words, not have the watchdog or have a watchdog with no teeth? Or are we going to try to do the things that are practical and that make sense to save the resources?

And again, Mr. Brady, Ranking Member Brady, I had an opportunity to kind of listen in on the last hearing, we are losing experienced people. They don't always tell you why they are leaving. But one of the words that I hear around here a lot is uncertainty. You know, when somebody is trying to raise their family, they figured out they are already sacrificing, they don't know whether they are going to have to take a cut in their pay, whether their pay is going to be frozen, they are trying to figure out how they are going to pay the babysitter and all that, the last thing they want is uncertainty.

And I realize that we are going through some very, very difficult times. But at some point, we have got to ask ourselves where does

the cutting get to a point where it basically becomes counter-productive? And I would plead with you to look at, not just our committee, but other committees so that Congress can do its job effectively and efficiently. It is one thing to have resources and spend them unwisely. It is another thing to have resources and spend them effectively and efficiently.

Almost every single hearing that we have in our committee, I say to some point, I say it to my staff all the time, every action that we take should be done in an effective and efficient manner, period. And so I would just ask you to use that measuring stick when you consider the things that Chairman Issa said and things that I am saying and looking at what we are trying to do.

Clearly, we have seen many cases, and I am sure you all have seen this, too, where because we mandate that witnesses, that people come before us, and maybe a subpoena or what have you, but one of the things that I have noticed and I know the chairman has noticed this, too, it is very interesting that so many changes happen just before the hearing. Folks come in, we may have been complaining for a year, and the next you know, because they know they are coming before us, the next thing we know, they have got all kinds of changes, things that we could not even legislate if we wanted to.

And so again, I would hope that you would give consideration to our requests. And like Chairman Issa said, we actually need more money, not less.

Thank you very much. I yield back.

The CHAIRMAN. Thank you very much, both of you, gentlemen.

I appreciate the ranking member making the statement people change just before they come before the hearing. It is amazing sometimes when the Sun shines in on what kind of behavior you find there. So your committee is an extremely critical component, really, of everything that goes on in government. And certainly during this time of trying to do more with less, it is very important that that kind of oversight is exercised appropriately to save taxpayers' dollars and to root out some of this waste that we find and fraud certainly as well. I would just, sort of looking through some of the detail that you offered up here to the committee, staff, I was just asking them, I was looking, and I made this comment to some of the other chairmen as well, you know, in an age of technology, where always the staff is the overriding principal percentage of your staff budget, of course, your committee budget, is staff, but when we think about some of the emerging technology and various kinds of things that perhaps our committee could help your committee with. I was going to mention cloud, but it looks like you are already using the cloud computing. But then you do something a little differently with Web development, which is something perhaps we could help you with. I am not sure. But I am just sort of offering this up. If there is anything that we can do from our committee standpoint of things that you might be doing that are duplicative on the committee that would free up a little cash for staff, et cetera, we certainly want to make that offer and be happy to talk to you at length or in any ways that we can help you with. We have some various enterprise solutions that the committee has

been doing very aggressively. And we are going to really try to ratchet it up here on the committee as well.

Mr. ISSA. And Madam Chair, two areas, one I already mentioned, if we could switch to a reimbursement system so that particularly light users but people who do need to be—we can't mandate that private individuals spend money on behalf of the government. So when somebody has a requirement to be able to get House email or a direct voice contract, we only have one solution right now, which is to give them a government phone. If we were given the ability, like we do with an automobile, we don't buy an automobile for everybody that uses it for official use. Changing the system so that you could have an appropriate reimbursement for their shared use of their personal phone would be huge for us.

Like I say, it would be a big chunk of my \$80,000; commensurately probably about \$40,000 for the ranking member. And that goes over all the committees.

Secondly, you did mention cloud computing. One of the inherent problems we have in the House, and I don't want to disparage House Administration, your IT folks, but they have a "make the system bulletproof" mentality. So the Wi-Fi, which is top notch, doesn't actually work that well, and it still causes people to use Mi-Fis and other technology. But also, we have no interactive capability. When we developed the Madison Project some time back, actually, I paid for it out of my personal pocket because there was no blog, if you will, no interactive capability possible within the House.

One of the things that the House could do which could be a win-win is look at those .gov activities which do not have to be directly connected to the House system—in other words, our exchange system is deliberately behind a firewall with certain protections—but House activities, hundreds of them, including, to be honest, our personal Web sites, could all be bid out to any number of other services, and I don't want to name names in here, but you know the various companies that specialize in it.

At the same time, it would allow for products to be purchased. And I will just give you one example. I am using Amazon for a reason because they were before our committee. Amazon actually sells its services in minutes of use. So some examples where we have very little use but we need a site, they are much cheaper than we would possibly be because we are paying for incremental use. And they are scalable to a huge amount at the time that there is a hearing or something else. At least beginning the process of asking how much of it doesn't have to be done behind infrastructure here would be helpful to us all.

But at the end of the day, our problem is that we save you as much as a thousand times what we cost you, and part of it is because we leverage those 12,000 men and women of the Inspector General's Office. We really implore you to hold us accountable but in fact to realize that the kinds of savings we give is often in the entitlements, which aren't even subject to sequestration. If we save you Medicare or Medicaid money, it is money net saved in an area in which we don't currently have any authority to reduce spending, except by reducing waste.

The CHAIRMAN. I really appreciate your idea about the per diem for the phones. I hadn't really thought about that. But that is a very, very good idea. It is something we are certainly going to take a look at.

Mr. CUMMINGS. Just the outside vendor, you know, we are paying an outside vendor for Web hosting services. And, you know, your Web assistance team might be helpful to us there. We understand they are still working through the little kinks and whatever. But that would be helpful, Madam Chair.

The CHAIRMAN. Okay. Appreciate it.

The chair now recognizes my ranking member, Mr. Brady.

Mr. BRADY. Thank you.

Thank you both for being here today. And you made my point, and my question, are we attracting quality people? And when we attract the quality people, do we keep them, because we wind up cutting their salaries and they can make much more money elsewhere? So that is the point I keep stressing with every panel. Thank you. Thank you for being here. I have no more questions.

The CHAIRMAN. Okay.

Mr. ISSA. Doesn't the freshman, Mr. Vargas, have a question?

Come on, Juan, throw one at me, please. This is your first chance.

The CHAIRMAN. Mr. Vargas of California.

Mr. VARGAS. Well, first of all, it is a pleasure to see you, Congressman Issa, from San Diego. It is an honor.

My question is the question that the ranking member has already asked. I have been asking the same question. I apologize I wasn't here earlier for your full testimony. But are we able to retain the excellent personnel that you have? And are we able to attract excellent personnel, knowing that they can go into the private sector and make multiples of what they are making in the committee?

Mr. ISSA. Well, Mr. Vargas, the fact is that the ranking member said it very well, given a fairly stable budget and predictability, we can. We are always going to have the reality that, for example, the ranking member's staff director was hauled away by the President when he got sworn in. I just lost my general counsel to the Leader's office. I lost another chief individual to Senator McCain's office. Mobility occurs here.

But we do maintain, on both sides of the aisle here, we maintain some very good and dedicated people. But we have to be able to tell them with some certainty how we are going to work for multiple Congresses. Because most of my people didn't come in with me. And I think the same is somewhat true of the ranking member. These are mostly career people. We have very few true political appointees. As a matter of fact, our head of all of our parliamentary activities and so on, she has transcended multiple administrations. She does a great job. Her team does a great job. That is one of the challenges. Career people, we want to maintain them. And particularly when you want to look at investigators who will investigate repeatedly areas like that. So it is a great question.

We don't need a lot more money. What we would say, though, is that every time you give us more money, we can show you, through our oversight and investigations, where we will uncover—a hun-

dred times is an underestimate—as much as a thousand times. And the same is true of the IGs, very documentable about how much we actually find that leads to real recoveries.

Mr. CUMMINGS. You know, I think that we can—there are always people coming along who I think want to move into government. As I said a little bit earlier, though, sometimes you don't really know why people are leaving.

And you know, one of the things I have noticed, Congressman, and I talk about this to my constituents, that a lot of people who come to us are taking a pay cut. And a lot of them—the reason why I am so adamant about defending public employees is because they tell me things like this, they want to feed their soul. And so they want to do something that is meaningful. They want to, at the end of the day, be able to look in the mirror and say, you know what, I made a difference for a whole lot of people.

And I just think in fairness to them, those kind of people, we do need, as the chairman said, we need to provide some type of certainty. I am sure my employees now are just wondering, you know, what is going to come out of this hearing? Who is going to have to go? Are their paychecks going to be slashed?

And I always try to keep in mind that a lot of these people are struggling. You know, I mean when somebody, one of my assistants was telling me what it costs for her just to have a babysitter—I mean, I don't know if you know this, but a babysitter is almost as much as it costs to go to college. And so you have two or three kids, forget about private schools and things of that nature.

So what I am saying is I think we owe them that. They have dedicated themselves to public service. They want to make a difference. They give their blood, sweat and tears to our Nation. They never get any medals, never get any awards. But the least thing we could do is give them some kind of certainty.

Mr. VARGAS. Thank you.

Again, it is a pleasure to see you. They are well trained I know when they go along.

Mr. CUMMINGS. Oh, yeah. Oh, yeah.

The CHAIRMAN. Thank both the chairman and ranking member.

Mr. CUMMINGS. That is why everybody steals them.

The CHAIRMAN. Thanks so much, gentlemen, for your testimony. We certainly will take everything under advisement here. You made a very compelling case. Thank you very much.

Thank you very much. The committee now welcomes Chairman McCaul and Ranking Member Thompson of the Committee on Homeland Security. And again ask the official reporter to enter a page break as we move into the next committee here.

The CHAIRMAN. This committee was established in 2002. And it has jurisdiction to provide congressional oversight for the U.S. Department of Homeland Security, certainly to help better protect the American people against a possible terrorist attack. The committee's priorities for the 113th are to continue to prevent terrorist attacks on our homeland, secure our borders, protect against cyber attacks, manage the Department of Homeland Security with a business model approach, and to ensure our counterintelligence efforts are as effective as possible. And I am delighted to have both

of you gentlemen here before this committee, since I have an opportunity to serve on the Homeland Security Committee as well.

And I certainly at this time recognize the chairman, Mr. McCaul.

**STATEMENT OF THE HON. MICHAEL MCCAUL, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. MCCAUL. I thank you, Madam Chair Miller and Ranking Member Brady.

I apologize for my voice. My five kids passed something onto me at home. I want to thank the members on the Committee on House Administration as well for the opportunity to testify before you today.

You asked us to prepare three sets of potential budget allocations for the 113th Congress. The first represents a budget of actual funds spent in the 2012; the second an 11 percent reduction in the 2012 authorized amount; and the third represents a 5 percent increase from actual spending in 2012.

Before I address your requests, I would like to thank the committee for the funds the committee has already received to date, that we received in the 113th Congress. We recognize that in this current environment, every dollar we receive represents taxes paid by the American people. We are stewards of their money. And we are obligated to spend it wisely. And I am committed to doing so on this committee.

Among our many responsibilities is an equally important obligation to oversee the Department of Homeland Security, which is the third largest department in the Federal Government, and help develop the laws and policies that guide DHS and help secure the Nation. I can think of few responsibilities more important to this Congress and this Nation.

So I am here to express gratitude. I am also here to explain why we must not allow any further reduction in the committee's funding. As you may know, during the 112th, the committee experienced a 14 percent reduction in its funding levels from the previous Congress. As a result, the committee's majority and minority staffs had to reduce the number of its personnel, reduce staff salaries, left unfilled staff positions vacant, ended stipends for interns, and limited the committee's travel and purchases in a fiscal way.

Currently, the Committee on Homeland Security is operating on a budget below that allocated, and this is a very important point, below that allocated in 2006. Madam Chair, that was 7 years ago. And I would submit the threats are much greater today than they were 7 years ago. And at the same time, our current staffing levels include 15 additional personnel from the 2006 levels.

You all know the oversight and legislative responsibilities of your respective offices and committee assignments. These efforts require significant resources if we are to fulfill our responsibilities in a meaningful way. As the new chairman on the committee, I feel a particularly strong obligation to ensure we fulfill these in as robust manner as possible. To that end, we are focusing on developing strong legislation in areas related to cybersecurity, border security, and DHS authorizations. We will continue and enhance the committee's oversight of the department as a whole, with a particular emphasis on its management practices. This is a primary focus for

the committee. DHS is plagued with inefficiencies in its procurement processes, technology development, human resource practices, and general management. DHS lacks a permanent general counsel, inspector general, and a commissioner for Customs and Border Protection to just name a few examples of the vacuum in senior management levels.

The situation is unconscionable. It needs to be addressed. I believe it is time that DHS start acting as more than just a holding company for 22 separate agencies. It is time for DHS to act and function as a unified department. Conducting the appropriate oversight and developing legislation to help DHS achieve that mandate is among my highest priorities. This effort requires sufficient staffing and resources to do so. Our people are our most precious assets, and the committee has an excellent staff on both sides. We may not always agree on policy all the time, but in a true spirit of bipartisanship, we make every effort to minimize the committee's resources where possible. The committee has made every effort to limit its expenses. Indeed, we will soon return nearly \$400,000 of our budget from 2012. But please do not punish us going forward for acting in a fiscally responsible manner. To limit our budget for 2013 to the amount spent in the 2012 represents a reduction of 6 percent from last year. An 11 percent reduction from our 2012 authorized budget represents nearly \$850,000 in this committee's budget.

You will hear more specifically from my ranking member, Mr. Thompson, on how these reductions will impact the minority staff. But I can tell you, on the majority side, we already experience difficulty in offering competitive salaries. And we have lost a couple really good hires this Congress because of that fact. With further reductions in our budgets, we will have to continue to leave unfilled positions vacant, limit our ability to travel on committee business and conduct field hearings, and further limit our ability to replace aging office equipment and limit the purchase of necessary supplies, technology services, and other things.

DHS includes nearly 225,000 personnel at 22 separate agencies operating across the Nation and across the globe. The department's creation was an enormous undertaking, with huge management and programmatic challenges. Recognizing those challenges and the time it would take, the Government Accountability Office in 2003 determined that the creation of the department would be high risk, meaning the potential for waste of taxpayer dollars was likely. A decade later, GAO has again concluded in its recently released biannual report that DHS remains at high risk in implementing key management initiatives critical to its mission outcomes. As the report noted, serious deficiencies still exist in how the department buys technologies to secure the homeland, manages its finances and data, and deals with low morale scores.

To further highlight the need for rigorous oversight, in 2004, DHS had a budget of \$39 billion. Now it has a budget at the department of \$60 billion. Even the department's most ardent supporters would not argue that it is where it needs to be. Much work remains to be done to ensure the department continues maturing and further enhancing the Nation's security. Our committee has a total authorized combined staff of 75 to oversee the department.

And no matter how you slice it, those numbers are already pretty slim to do the committee's work in an effective and meaningful way.

Madam Chair and Ranking Member Brady, I thank you for the opportunity to speak with you today, and I am happy to answer any questions you may have. Thank you.

[The statement of Mr. McCaul follows:]

TESTIMONY OF
CHAIRMAN MICHAEL T. McCAUL
COMMITTEE ON HOMELAND SECURITY
BEFORE THE
COMMITTEE ON HOUSE ADMINISTRATION
MARCH 5, 2013

Thank you Chairman Miller, Ranking Member Brady, and Members of the Committee on House Administration, for the opportunity to testify before you, today.

You asked us to prepare three sets of potential budget allocations for the 113th Congress. The first represents a budget of actual funds spent in 2012, the second represents an 11% reduction in 2012's authorized amount, and the third represents a 5% increase from actual spending in 2012.

Before I address your requests, I would like to thank the Committee for the funds the Committee on Homeland Security has received to date, and for those amounts we will receive in the 113th Congress. We recognize that every dollar we receive represents taxes paid by the American people. We are stewards of the peoples' money, and we are obliged to spend it wisely. I am committed to do so. Among our many responsibilities is an equally important obligation to oversee the Department of Homeland Security (DHS), the third largest department in the federal government, and to help develop the laws and policies that guide DHS and help secure the nation. I can think of few responsibilities more important to this Congress and the nation. So while I am here to express our gratitude, I am also here to explain why we must not allow any further reduction in the Committee's funding during the 113th Congress.

As you may know, during the 112th Congress, the Committee on Homeland Security experienced a 14% reduction in its funding levels from the previous Congress. As a result, the Committee's majority and minority staffs had to reduce the number of its personnel, reduced staff salaries, left unfilled staff positions vacant, ended stipends for interns, and limited the Committee's travel and purchases in a most frugal way.

Currently, the Committee on Homeland Security is operating on a budget below that allocated in 2006. At the same time, our current staffing levels include 15 additional personnel from the 2006 levels. You all know the oversight and legislative responsibilities of your respective offices and committee assignments. These efforts require significant resources if we are to fulfill our responsibilities in a meaningful and effective way. As the new Chairman of the Committee on Homeland Security, I feel a particularly strong obligation to ensure we fulfill our responsibilities

in as robust a manner as possible. To that end, we are focused on developing strong legislation in the areas related to Cyber-Security, Border-Security, and DHS authorization(s). We will continue, and enhance, the Committee's oversight of the Department as a whole, with a particular emphasis on its management practices. This is a primary focus for the Committee. DHS is plagued with inefficiencies in its procurement processes, technology development, human resources practices, and general management. DHS lacks a permanent General Counsel, an Inspector General, and a Commissioner for Customs and Border Protection, to name just three examples of a vacuum at the most senior management levels in the Department. This situation is unconscionable and needs to be addressed. It is high time DHS started acting as more than just a holding company for 22 separate agencies. It is time for DHS to act and function as a unified department. Conducting the oversight and developing the legislation to help DHS achieve that mandate is among my highest priorities. This effort requires sufficient staffing and resources to do so.

Our people are our most precious assets and the Committee has an excellent staff on both sides of the aisle. We may not always agree on policy, but in a true spirit of bipartisanship, we make every effort to maximize the Committee's resources and act jointly whenever possible. I believe this is essential to maintaining the Committee's ability to conduct strong oversight and develop meaningful legislation that will become the law of the land.

The Committee has made every effort to limit its expenses. Indeed, we will soon return nearly \$400,000 of our budget from the 2012. Please do not punish us going forward for acting in a fiscally responsible manner in the 112th Congress. To limit our budget for 2013 to the amount spent in the 2012 represents a reduction of 6% from last year. An 11% reduction from our 2012 authorized budget represents nearly \$850,000 in the Committee's budget. You will hear more specifically from Ranking Member Thompson on how these reductions will impact the minority staff. On the majority side, we already experience difficulty in offering competitive salaries. With further reductions in our budgets, we will have to continue to leave unfilled staff positions vacant, limit our ability to travel on committee business and conduct field hearings, and further limit our ability to replace aging office equipment, and limit the purchase of necessary supplies, technology services, and subscriptions essential to the Committee's activities.

DHS includes nearly 225,000 personnel at 22 separate agencies operating across the nation and around the globe. The Department's creation was an enormous undertaking, with huge management and programmatic challenges. Recognizing these challenges and the time it would take, the Government Accountability Office (GAO) in 2003 determined that the creation of the Department would be "high risk" meaning the potential for wasted taxpayer dollars was likely. A decade later, GAO has again concluded in its recently released biennial report that DHS remains "high risk" in implementing key management initiatives critical to mission outcomes, and in the efficient and effective use of the Department's resources. As the report noted, serious deficiencies still exist in how the Department buys technologies to secure the homeland, manages its finances and data, and deals with low morale scores.

To further highlight the need for rigorous oversight, in 2004, DHS had a budget of \$39 billion. Now, it has a budget of almost \$60 billion. Even the Department's most ardent supporters would not argue that it is where it needs to be. Much work remains to ensure the Department's continuing maturity and to further enhance the nation's security. We owe the American people nothing less.

Our committee has a total authorized combined staff of 75 to oversee the Department and its activities. No matter how you slice it, those numbers are already pretty slim to do the Committee's work in an effective and meaningful way and to fulfill our obligations to the American people.

I thank you for this opportunity to speak with you about these important issues. I am happy to answer any questions you may have.

The CHAIRMAN. Thank the chairman.

And I would recognize now at this time the ranking member, Mr. Thompson.

STATEMENT OF THE HON. BENNIE G. THOMPSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. THOMPSON. Thank you very much, Chairman Miller and Ranking Member Brady, for this opportunity to talk to you about committee funding for 2013.

In 2011, the Committee on Homeland Security's budget was cut by 6.8 percent. Last year, our budget was cut again by 6.4 percent. Each year, those were between majority and minority, according to our two-thirds/one-third share. Yesterday, we learned that our 2013 allocation would be further reduced by 8.2 percent or more than \$200,000 for the Democrats. This cut would put the committee more than 20 percent below its funding level for the 111th Congress.

After reducing the size of my staff, cutting salaries, streamlining office expenses, and curtailing travel, it is fair to say we are doing more with less. Last year, the committee worked hard to see that the Department of Homeland Security received adequate congressional oversight. We pushed for implementation of the hundred percent cargo screening mandate signed into law in 2007. We forced the agency to be more responsive to Member requests after Hurricane Sandy hit the Northeast. We called for transparency within the Secret Service after its latest scandal. We also worked to improve our border security both on the southern and northern border, Madam Chair, and strengthened our cyber networks, work that will continue this Congress.

These efforts and many others are taking place at a time when we must remain as vigilant as ever to protect the homeland. In order to do that, we need sufficient resources. I would like to be able to have staff to travel and not be limited to what they can learn in the confines of Washington, D.C. I would like to be able to replace aging equipment later this year. I would also like to remain a competitive choice for bright young staffers who have options for where they will work. Further budget cuts would complicate these goals.

Thank you, again, Madam Chair and ranking member, for the opportunity to testify. And I look forward to answering any questions that you may have.

The CHAIRMAN. I appreciate, gentlemen, both of you coming, and your testimony here today. And I appreciate how fiscally conservative the committee has been in the past, and your comments not to penalize you for showing that good stewardship of the resources that the House has given the committee over the past.

One thing I would say, and I appreciate very much the chairman and both the ranking member mentioning some of your oversight responsibilities of the committee in particular. You think about the committee, really, and the Department of Homeland Security forming, after 9/11, 22 various agencies and is now one of the largest agencies within the government structure, and still I think both sides would agree probably not the best cohesive management

structure, so the oversight is very, very necessary. And I appreciate those kinds of things.

One thing I had said to some of the other committees, and I think it is true with this committee as well, if there is something that we can do from the House Administration Committee, various kinds of enterprise projects that this committee has undertaken in the past and we intend to ratchet up now that may have application within the Homeland Security Committee for a whole raft of various things, for instance like the cloud computing. I was looking at some of the detail that you have given to the committee here. You actually, I think the committee right now is paying for private vendors for three different services actually that the House could possibly provide to the committee. So I am not so much sure if this is a question or something I am sort of throwing out there we want to work with you on. Whether it is cloud computing, systems management, and your Webcasting, and even archiving the videos. And the amount that the committee is spending on those kinds of services could be a couple of staff people I think even. So I am just saying perhaps there is something—and I may be reading it wrong—but as I look through some of the detail that we put here, I guess I am just offering if there is any area at all that the committee can assist you with, particularly as a new chairman while you take a look at all of these various things, we certainly want to be able to be in a position to do that, resource you as we can, certainly.

Mr. MCCAUL. May I respond?

Thank you for that offer.

As you know, I am new to the chairmanship, so I am seeing this all for the first time, and I appreciate that offer, and I look forward to working, following up with you on that.

In fact, when I asked about IT cloud, I was told the committee didn't have that, although I know from my own cybersecurity background that the House had an IT cloud. So I don't understand why the committees would be any different from that. And that is certainly something we can work on.

The CHAIRMAN. Very good. I look forward to doing it.

I would now recognize the ranking member.

Mr. BRADY. Thank you, Madam Chair.

Just to thank you for appearing before us and testifying. And myself and Mr. Vargas are on the same page. We have the same concerns in mind. So, with that, I would like to yield my time to Mr. Vargas to share our concerns.

The CHAIRMAN. Mr. Vargas.

Mr. VARGAS. Thank you, Madam Chair. And thank you, again, for your graciousness, Ranking Member.

You really did answer my question. It was the issue of retaining personnel and also attracting personnel. I think the quote was that they are our most precious asset, is personnel. Then you did mention it has been somewhat difficult. I guess I would ask you to maybe expand a little bit on that.

Mr. MCCAUL. Well, not to get into specific cases and names—

Mr. VARGAS. No.

Mr. MCCAUL [continuing]. But we have one individual currently who has a very good background within the department, who works for a business consulting firm, as we look to hire a policy ad-

viser on management issues, which, you know, is critical to this department. We have to oversee the third largest department in the Nation. So we thought it would be smart to bring in someone with not only DHS background but real world business management experience to help us, you know, in addition to the GAO and the IG, look at the department to find inefficiencies and how we can save the department money so we can redirect its moneys and efforts toward high priority issues like cybersecurity or like border security.

Right now, I mean, candidly, I had the interview, offered him the job. I thought he had accepted. He is now on the fence because of the salary. So that is just one specific example of several where we may lose really good talented individuals that could help this committee do its job.

And let me say, you know, Mr. Thompson has been ranking member for quite some time on the committee. I am new as chairman. But you know, this committee has gone through a lot of growing pains. We have had to, you know, defend our jurisdictional boundaries when other committees want to take advantage of it.

I don't think we need turf wars after 9/11, particularly in the Congress. And we are just trying to do what this committee was originally designed to do and set up to do, and that is to protect the American people. And if we can't do that, if we are hamstrung from a budgetary standpoint and we can't fulfill that mission, it is not the department not doing it; it is the Congress not fulfilling its mission. And so I really appreciate you bringing up that question. Thank you.

Mr. VARGAS. Thank you, sir.

Mr. THOMPSON. Well, the retention of qualified staff, as well as the ability to bring on qualified staff, is essential to the work of this committee. And you can only do that with an adequate budget. You pay for what you get. And if we are looking to be rigorous in our oversight of this department, then we need the ability to have a competent staff to allow this committee to do its work.

Mr. MCCAUL. If I could follow up just to your point again, the amount of money that I think—and Mr. Thompson and I are committed to the accountability issue. We may disagree on some things, but not many. We fervently agree on the accountability. The amount of money that we can save the American taxpayer by doing our oversight responsibilities appropriately would be far beyond the numbers we are looking at on these sheets. A \$60 billion department, they have almost doubled in size since the inception, while this committee is going back to 2006 levels. So, anyway, thank you for the question.

Mr. VARGAS. No, thank you very much for your answers.

Thank you, Madam Chair, I appreciate it. I yield back.

The CHAIRMAN. I thank both the chairman and ranking member.

Gentlemen, you have made an excellent case. And again, I am personally well aware of what your challenges are, as I am very proud to sit on the committee and work with both of you. And it is a very bipartisan committee, works extremely well. But it has huge challenges ahead. And so I am appreciative of that. And we will certainly take everything you said under serious consideration here. Thanks so much.

Mr. MCCAUL. Thank you so much.

The CHAIRMAN. The committee now welcomes Chairman Upton—didn't mean to make you jump there, Mr. Chairman—and Ranking Member Waxman of the Committee on Energy and Commerce.

Again, the official reporter would enter a page break as we go to the next group here.

The CHAIRMAN. The Committee on Energy and Commerce has jurisdiction over the Nation's telecommunications, consumer protection, food and drug safety, public health research, environmental quality, energy policy, and interstate and foreign commerce. It oversees multiple Cabinet-level departments and independent agencies, including the departments of Energy, Health and Human Services, Commerce and Transportation, as well as the Environmental Protection Agency, and the Federal Trade Commission, and Food and Drug Administration, and the Federal Communications Commission, and on and on and on.

I know I am missing a number of things. But this is a committee that has incredible challenges facing it in the 113th, as you exercise your oversight and new legislation, et cetera. There is so much of the legislation that does come to the House floor that emanates out of your committee. And this committee is well aware of that and has evaluated the testimony and the backup for all of that that you have already given to our committee. We certainly look forward to your testimony here today and appreciate your attendance.

With that, the chair would recognize Chairman Upton.

**STATEMENT OF THE HON. FRED UPTON, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MICHIGAN**

Mr. UPTON. Well, thank you, Madam Chair.

I, too, apologize for my cold that I think I must have gotten from Mr. McCaul just passing through the door.

You know, no one is immune from belt tightening, and our committee has taken our fair share of budget reductions and, obviously, will continue to do so. Like others, we absorbed a 5 percent cut from our 111th congressional level and another 6.4 percent cut in 2012.

To absorb those cuts, we took a lot of steps. We left a number of senior staff vacancies unfilled. We have consolidated staff positions. We have made significant reductions in field hearings, site visits, all other types of travel. Reduction on many subscriptions. We have clamped down on office supplies. We purchased refurbished print cartridges. And we have moved to paperless hearings. I have told my members that they need to learn how to use their iPad.

Those steps are also key to our planning for the 2013 budget. We prepared two budgets, as you requested, an 11 percent reduction from the 2012 authorized funding level, and a 5 percent increase over actual 2012 spending.

Needless to say, absorbing an 11 percent funding reduction on top of the cuts that we took over the last 2 years would affect our work. But we are going to do our part. Mr. Waxman and I are committed to working together on the types of operational savings that we outlined.

However, in an 11 percent reduction you will see that it cuts deeply beyond operations and into personnel costs and essential

functions. In contrast, any additional resources, for example, the 5 percent increase over the 2012 spending, would be used for targeted spending that would increase our legislative output and support oversight and investigations, particularly going after fraud and abuse.

We have many important issues on the docket for this year, supporting and overseeing a dramatic shift in the American energy resources, reforming Medicare and Medicaid, finally reforming the broken Sustainable Growth Rate for Medicare physician payments, oversight and legislative solutions for public health threats, monitoring implementation of the health care law, modernizing environmental programs, assessing the challenges and opportunities facing American manufacturing, and identifying solutions to spur job growth, reassessing how our government uses scarce spectrum resources, and engaging the private sector and government in our efforts to improve cybersecurity.

I note that Mike Rogers from Michigan serves on our committee.

That is just a sampling of our plans. So we are going to make the most of our resources allotted to our committee.

I would be glad to discuss in greater detail any questions you might have, and yield to my friend, Mr. Waxman.

[The statement of Mr. Upton follows:]

**Statement before the Committee on House Administration
Funding for the Committee on Energy and Commerce, 113th Congress
Fred Upton, Chairman
March 5, 2013
Statement Submitted for the Record**

Good afternoon, and thank you for the opportunity to testify alongside Ranking Member Waxman regarding the Energy and Commerce Committee's budget for 2013. It's a great pleasure to see another Michigander in the chairman's chair.

In this budgetary environment, where we are tightening our belts across the federal government, Congress cannot be an exception. Over the last two years, the Energy and Commerce Committee has absorbed the 5 percent reduction applied for the full 112th Congress allocation and the subsequent 6.4 percent additional reduction for 2012 while working hard to maintain active and effective legislative and oversight functions. I'd like to share briefly how we managed the previous reductions.

Our committee has worked in a bipartisan fashion to reduce expenses without reducing our output. Staff vacancies are left unfilled, positions have been consolidated, and detailees and fellows are used to support our core staff. The number of field hearings and site visits has been reduced, and the cost of those events we do convene outside of Washington, D.C. are held to a minimum. We have reduced subscriptions, cut back on office supplies, and sought low-cost alternative products such as refurbished print cartridges to make every penny count. Let me share one specific example our committee has recently begun to implement.

For the 113th Congress, Ranking Member Waxman agreed to work with me to implement a *paperless hearings policy*. For years, the committee would routinely print hard copies of witness testimony – copies for staff during briefings, copies for members during the hearing, copies for members of the media, copies for the public. Imagine the millions of pages printed over the course of a Congress – pages that often end up in the recycle bin without being read.

We thought it was a simple and sensible cost-saver to simply stop making the excess copies and allow the public, the press, and members of our committee to access testimony online. While making accommodations for individuals with special needs or other unique circumstances that may require paper, I'm pleased that we are well on our way to significantly reducing copier fees while maintaining a high level of transparency and ensuring the public can access our work online.

While these incremental reductions in operating expenses do add up, the bulk of our budget continues to be focused on maintaining the experienced and expert staff that is so essential to our operations. This is especially true going forward. As I mentioned at the outset, we have taken significant actions to reduce our staff expenditures over the last two years, and under the funding scenarios being contemplated, this will continue. For the majority, as of February 1, 2013, our salary costs are 11 percent lower than our actual 2012 costs in this category. While belt tightening is to be expected, I would express a word of caution about the eventual toll on both the majority and the minority as we leave positions unfilled.

My goal, shared by the Ranking Member, is to fulfill the responsibilities of our committee in the most efficient manner possible. While Henry and I may disagree on certain policy matters, we are united in our request to you to provide the resources necessary to ensure our committee can continue to advance legislative solutions, examine new ideas, and conduct rigorous oversight of the issues within our jurisdiction. From energy to health care, the environment to technology, manufacturing to communications networks, we have a big job to do and we need the resources to do it well.

Our budget submission offers a detailed explanation of our proposed committee operating expenses under the 11 percent reduction from the 2012 authorized level and the 5 percent increase over the 2012 actual spending level. As you can see, the second scenario affords us the opportunity to increase the number of field hearings and site visits to gather important information from the people our policies affect, as well as to restore at least some of the staff positions that have been pared back in recent months. In both scenarios, we propose to continue policies we've implemented over the last two years to substantially reduce operational costs in other categories, because we believe that even with additional resources available, we can and must be as efficient as possible in our operations.

Again, I thank you for the opportunity to testify alongside my Ranking Member, and I would be pleased to answer any questions you may have.

The CHAIRMAN. Thank the chairman.

And the chair now recognizes the ranking member, Mr. Waxman.

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

Mr. WAXMAN. Chairman Miller, Ranking Member Brady, other members of the committee, I appreciate this opportunity to testify on the proposed budget for the Committee on Energy and Commerce in the 113th Congress. And I am pleased to be here with Chairman Fred Upton. We come with a united message.

At the outset, I want to commend Chairman Upton for the fair way in which he has treated the minority last year. On our committee, the tradition has been that the minority gets one-third of the resources after accounting for shared employees. Chairman Upton has followed that tradition. He has allowed the minority to control how we spend our budget to meet the needs of our members. And I greatly appreciate the comity he has shown us in handling the committee budget.

We both are committed to working together to reduce costs sensibly and to operate as efficiently as possible. Like the majority, we have also reduced subscriptions, cut back on office supplies and remain focused on making sure that every penny in our budget counts.

I support the chairman's proposal for paperless hearings, and I hope we can find additional ways to use technology to reduce our operating expenses.

Despite our joint commitment to operate more efficiently, the big problem we are facing now is to meet our growing legislative responsibilities with a shrinking budget. We may disagree on the benefits of the Affordable Care Act, but the ACA is now the law of the land. The Energy and Commerce Committee is responsible for overseeing both the new health exchanges and the expansion of Medicaid. These two programs will dramatically expand our oversight responsibilities, yet we are being asked to do so with a shrinking budget and a smaller staff.

We face the same problems in other areas of our jurisdiction. We have enormous energy challenges in the U.S. Yet, at the same time, we are being asked to respond to these growing challenges, our budget and staffing continue to be cut. Over the last 2 years, our budget has been cut by over 15 percent in real dollars. That may be pennywise, but it is pound foolish.

On the minority side of the committee, we have 39 staff slots. But if we have to operate with an 11 percent cut, as contemplated in one of the budget scenarios you asked us to complete, we will be able to fill only 80 percent of these positions. There is no way we can do our job ensuring that the taxpayers are protected with one out of every five slots unfilled.

And I want to give you some concrete examples. The committee recently received an enormous set of documents from the Food and Drug Administration in response to our bipartisan investigation of the circumstances surrounding a deadly meningitis outbreak caused by contaminated drugs from a compounding pharmacy. These injections have so far killed 48 people, sickened over 700 people in 20 States. We need to understand how this tragedy oc-

curred and what role FDA plays in ensuring the safety of compounded drugs. Ultimately, our investigation will be critical to the consideration of possible changes to the FDA law to prevent a repeat of this tragedy.

At the same time, in the wake of the Newtown tragedy, the committee is examining mental health, mental illness, violent behavior, mental health treatment and research, and Federal programs that provide care for the mentally ill. The goal of this effort is to provide recommendations to reduce violence and improve and enhance the capacity of the Nation's mental health system. Yet, on the minority side, we are going to be operating with only three professional investigators. That is not enough staff to meet these pressing responsibilities.

I recognize that we are now living under the sequester. Our committee must do its part. But I hope you realize that further cuts to our committee would be counterproductive. The taxpayers need us to make sure our health, energy, communications, and consumer protection agencies are doing their job. Thank you for this opportunity to testify. And I would be happy to answer questions.

[The statement of Mr. Waxman follows:]

**Statement before the Committee on House Administration
Funding for the Committee on Energy and Commerce, 113th Congress
Henry A. Waxman, Ranking Member
March 5, 2013**

Chairman Miller, Ranking Member Brady, and other members of this Committee, thank you for the opportunity to testify on the proposed budget for the Committee on Energy and Commerce in the 113th Congress. I am pleased to be here with Committee Chairman Fred Upton. We come with a united message.

At the outset, I want to commend Chairman Upton for the fair way in which he treated the minority last Congress. On the Energy and Commerce Committee, the tradition is that the minority gets one-third of the resources after accounting for shared employees. Chairman Upton has followed that tradition. And he has allowed the minority to control how we spent our budget to meet the needs of our members. I greatly appreciate the comity he shows us in handling the Committee budget.

Chairman Upton and I are committed to working together to reduce costs sensibly and to operate as efficiently as possible. Like the majority, we have also reduced subscriptions, cut back on office supplies, and remain focused on making sure that every penny in our budget counts. I support Chairman Upton's proposal for paperless hearings, and I hope we can find additional ways to use technology to reduce our operating expenses.

Despite our joint commitment to operating efficiently, the big problem we are facing now is how to meet our growing legislative responsibilities with a shrinking budget

We may disagree on the benefits of the Affordable Care Act, but the ACA is now the law of the land. The Energy and Commerce Committee is responsible for overseeing both the new health exchanges and the expansion of Medicaid. These two programs will dramatically expand our oversight responsibilities, yet we are being asked to do so with a shrinking budget and a smaller staff.

We face the same problems in our other areas of jurisdiction. We have enormous energy challenges in the United States. Yet at the same time we are being asked to respond to these growing challenges, our budget and staffing continue to be cut. Over the last two years, our budget has been cut by over 15% in real dollars. That may be pennywise, but it is pound foolish.

On the minority side of the Committee, we have 39 staff slots. But if we have to operate with an 11% cut -- as contemplated in one of the budget scenarios you asked us to complete -- we will be able to fill only 80% of these positions.

There is no way we can do our job ensuring that the taxpayers are protected with one out of every five slots unfilled.

Let me give you a concrete example. The Committee recently received an enormous set of documents from FDA in response to our bipartisan investigation of the circumstances

surrounding a deadly meningitis outbreak caused by contaminated drugs from a compounding pharmacy. These injections have so far killed 48 people and sickened over 700 people in 20 states. We need to understand how this tragedy occurred and what role the FDA plays in ensuring the safety of compounded drugs. Ultimately, our investigation will be critical to the consideration of possible changes to FDA law to prevent a repeat of this tragedy.

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Yet on the minority side, we are soon going to be operating with only three professional investigators. That's not enough staff to meet these pressing responsibilities.

I recognize that we are now living under the sequester and our Committee must do its part. But I hope you realize that further cuts to our Committee would be counter-productive. The taxpayers need us to make sure our health, energy, communications, and consumer protection agencies are doing their jobs.

Thank you for the opportunity to testify today. I would be happy to answer any questions.

The CHAIRMAN. Thank you, both of you gentlemen, for your presence here today and the good presentation that you have made.

I guess one thing, and I sort of asked this of some of the other committees, as well as the ranking member, you mentioned particularly about the possibility of utilizing additional technology to save a little bit of cash. Maybe you can use that money toward staff. And you are saying one in five is vacant at this point, which is pretty high. I understand that, considering the kind of challenges you are mentioning. You mentioned about the meningitis. I think Michigan had the highest death rate, actually, of those folks. It has been a front page story all over our area. So I am very appreciative of what you are saying there as far as the oversight and investigating those kinds of things.

But I am not sure if I am asking you a question or just offering, certainly, anything that we can do from the House Administration Committee to assist E and C with various kinds of technology. If I could, just a couple in particular, I was looking at some of the detail that you had submitted to the committee here. There are a couple of different things where you are paying a private vendor for some things that we may be able to help you with. Whether that is Web site development or systems management, a couple of those kinds of things, possibly. If you are satisfied with what you are doing, that is fine. But there may be areas where we are able to resource you a bit. And we want to do that. This committee has been very aggressive from the former chairmen and ranking members certainly who have been here, but we want to really ratchet that up a bit, too, particularly now with sequestration and these kinds of very restrictive financial world that we are living in right now. We think we may be able to help some of the committees. So I just throw that out there. If there are ways we can help, we want to.

Mr. WAXMAN. Thank you.

Mr. UPTON. I would just note that improving the Wi-Fi system that we have on Capitol Hill would be of an enormous benefit. I know that when I sent the word out to our members at the end of last year that we were going to try to move to paperless hearings, so I brought my iPad in—and you know, we got some of the older Members in the House, the Dean of the House, John Dingell. We have got Ralph Hall, who will be 80—or excuse me, 90 years old on May 3rd—

The CHAIRMAN. Oh, to be 80 again.

Mr. UPTON. They are both in their 80s now and moving on, which is a good thing in terms of age, better than the alternative, but they have to use an iPad. And rather than printing—you know, we have 54 members on our committee—54 copies of the testimony of, you know, the two or three hearings that we have every day, it is a large resource. And so I brought my iPad in to do it the first time, guess what? I didn't get a signal. Couldn't get a signal in our hearing room from the service provider that I had. So improving Wi-Fi will be a big help, not only to just help reduce our costs but for our constituents who want to watch these hearings. We had a great one earlier today in Oversight on mental health issues. And again, being able to put that testimony on the Internet for anyone to watch as they watch C-SPAN to see what is being said is a tre-

mendous advantage. And at the end of the day, saves us a lot of money. So that would be a big help.

The CHAIRMAN. I appreciate that. I am making a note as you are talking about it. We certainly will look into that. It is a very good point.

Mr. WAXMAN. I want to point out that when we tried to update our Web sites, we went to HIR. They have terrific people there, but they were so backlogged, it took us 18 months before they were able to help us. And we had to go to a private vendor for that. So maybe some of your offers of support would be very helpful to us. And we welcome it.

The CHAIRMAN. We appreciate that. As a new chairman, I am going to take a look at that as well. So we appreciate those comments, sir. Because really, this committee has done remarkable work in the past. We always say the largest room is the room for improvement for all of us, right? So we just want to be able to resource you as we can. At this time, I would recognize the ranking member, Mr. Brady.

Mr. BRADY. Thank you, Madam Chair. Just to thank the chairman and ranking member for appearing here today and giving us your testimony. Thank you.

The CHAIRMAN. You done? Okay. All right. I am back here telling the staff, did you take notes of those comments that they made? So very good.

Mr. WAXMAN. Excuse me. I have just been informed that I said it was an 18-month, it was a 6-month to a 12-month delay. So anyway.

The CHAIRMAN. Still.

Mr. WAXMAN. I don't want HIR to—

The CHAIRMAN. I know. We all went 18 months, oh, my gosh.

Mr. WAXMAN. I added them up.

The CHAIRMAN. All right. But still we are going to take a look at that, because we want to—I mean, this is the Members' committee, and the ranking member and I have had a lot of conversations about various things that we can do to help Members, majority, minority, and we want to be able to that. That is a long time to be waiting, 6 months, 12 months, right? We want to do better.

So thank you. I appreciate both of you attending. Thanks.

The committee now welcomes Chairman Royce and Ranking Member Engel of the Committee on Foreign Affairs. Again, I would ask the official reporter to enter a page break as we enter a new section.

The CHAIRMAN. The Foreign Affairs Committee jurisdiction relates to our foreign policy, war powers, treaties, executive agreements, the deployment and use of the United States Armed Forces, the enforcement of U.N. sanctions, arms control, disarmament issues, the U.S. Agency for International Development, and foreign assistance.

The committee's priorities for the 113th will be to continue to focus on the effectiveness of the U.S. foreign policy, the review of agencies and programs operating under permanent statutory authority, and the elimination of programs and expenditures that are inefficient, duplicative, or outdated.

So we certainly welcome both of you to the committee here. We have already looked at your testimony that you have entered and some of the background for the various resourcing that you are asking for, for your committee's services. And this is an extremely important committee that you are the chair and ranking member of. We are well aware of that.

So, with that, the chair would recognize the chairman, Mr. Royce, for his testimony. And we appreciate both of you gentlemen coming.

STATEMENT OF THE HON. EDWARD R. ROYCE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. ROYCE. Thank you, Chairman Miller. We appreciate your patience with this and this opportunity, and Ranking Member Brady. We appreciate it very much to talk about our work.

I am the new chairman of the committee. My colleague, Mr. Engel, is the new ranking member. So we are new to the positions here, but not to each other, having served together for many years, and having spent much time together on a recent CODEL. I am confident that we will have the strong working relationship needed to be a very effective committee.

Madam Chairman, as a Member who has always acted and voted in a fiscally conservative manner, I would like to commend the committee for taking a close look at how the 2012 committee funds were spent before considering our 2013 funding. Budgets are tight for all Americans, and we must continue to set an example of fiscal discipline. As a new chairman, I didn't put together the 2012 budget. However, I have reviewed the numbers. And I believe that the committee was fiscally responsible.

As you can see from the packet that we provided to your staff, for 2012, we spent 98 percent of our budget authorization. On the breakdown of actual spent, funds were put to sound use in the budget categories, and we responsibly returned a surplus of \$157,000. So the past chairman was a good steward.

In addition to being good stewards, we have an obligation to effectively carry out our committee's responsibilities. And key among those is oversight of the State Department and other government departments and agencies and the grant programs that are funded with taxpayers' money. So tens of billions of dollars are spent in these areas, and it is our job on this committee to make sure that it is all accounted for and that it is being spent judiciously. Following oversight, the committee plans on being extremely active legislatively, including producing bills to sanction Iran; and a bill to sanction North Korea; to reform the Broadcasting Board of Governors; to reauthorize the State Department; to increase our economic competitiveness by reforming export controls; and improve embassy security. Our investigative team continues to look at lessons learned from Benghazi. Unfortunately, there is no shortage of crises in the world demanding our attention.

Field hearings are also important to the committee in terms of us meeting our responsibilities. Southern California is home of the Nation's largest Taiwanese American population. With the restart of U.S.-Taiwan trade negotiations, a field hearing to hear from this community on how to boost economic ties with Taiwan is particu-

larly warranted. Seven committee members are from this area. And we plan on holding a similar field hearing in Florida to look at trade with Latin America.

Another fact to consider is that we are a must stop in this Capitol for innumerable foreign officials, innumerable heads of state who come through here. And they want to come to the U.S. Congress and talk with committee members about U.S. relations with their home countries. We want to be there for them. And our leadership, frankly, expects us to be there to meet with them. And we recently hosted the U.N. Secretary General, an expense, but a worthwhile one here in this Capitol. Nearly 30 of our members attended.

So my concern is that with a potential loss of 11 percent of our 2013 funding, that would be over \$900,000 in 2013 alone. We will not be able to carry out these responsibilities in the manner in which they should be carried out. Strong oversight requires high caliber staff, with experience in intelligence, law enforcement, and private sector fields. I have attracted such staff; one individual with extensive CIA field experience and another with time spent as a major investment bank—as an investigator. These individuals took pay cuts to join our staff. And I would like to be able to retain them and attract others.

But the committee currently has six unfilled positions that we will not be able to fill if we were to absorb an 11 percent cut. Also, in anticipation of budget cuts in 2013, we eliminated a subcommittee, a reduction of three majority subcommittee staff positions in so doing, as well as an administrative staffer. So we are working to reduce costs and streamline our committee's organizational structure.

I would also like to express my concern that the budget of this committee includes the salary and administrative expenses for the House Democracy Partnership, as well as the Tom Lantos Human Rights Commission. I believe that both of these entities should be funded independently. But for now, please account for the fact that our committee provides considerable support, funding, for these two groups.

In conclusion, Member Engel and I are raring to go. We organized earlier than ever, have held several important hearings and last week introduced the Royce-Engel Nuclear Iran Prevention Act. We are asking you for the resources that we need to succeed.

And I thank you, Madam Chairman, and I thank the ranking member as well.

[The statement of Mr. Royce follows:]

Chairman Ed Royce
Statement before the House Committee on Administration
March 5, 2013

Chairman Miller, Ranking Member Brady, Committee Members, Thank you for the opportunity to discuss the Foreign Affairs Committee's work.

I am the *new* Chairman of the Committee; my colleague, Mr. Engel is the *new* Ranking Member. We are new to our positions, but not to each other. Having served together for many years, and having spent much time together on our recent CODEL, I'm confident we'll have the strong working relationship needed to be an effective committee.

Madam Chairman, as a member who has always acted and voted in a fiscally conservative manner, I'd like to commend the Committee for taking a close look at how 2012 Committee funds were spent, before considering our 2013 funding. Budgets are tight for all Americans, and we must continue to set an example of fiscal discipline.

As a new Chairman, I didn't put together the 2012 budget. However, I have reviewed the numbers and believe that the Committee was fiscally responsible. As you can see from the informational packet we provided to your staff, for 2012 we spent 98.13% of our budget authorization. On the breakdown of actuals spent, funds were put to sound use in our budget categories. We responsibly returned a surplus of over \$157,000. The past Chairman was a good steward.

In addition to being good stewards, we have an obligation to effectively carry out our Committee's responsibilities. Key among those is oversight of the State Department, other government departments and agencies, and grant programs funded with taxpayer money. Tens of billions of dollars are spent in these areas, and it's our job to make sure that it's all accounted for and that it's being spent judiciously.

Following oversight, the Committee plans on being extremely active legislatively, including producing bills to sanction Iran and North Korea, reform the Broadcasting Board of Governors, reauthorize the State Department, increase our economic competitiveness by reforming export controls, and improve embassy security. Our investigative team continues to look at lessons learned from Benghazi. Unfortunately, there is no shortage of crisis in the world demanding our attention.

Field hearings are also important to the Committee meeting its responsibilities. Southern California is home to one of the nation's largest Taiwanese American populations. With the restart of U.S.-Taiwan trade negotiations, a field hearing to hear from this community on how to boost economic ties with Taiwan is particularly warranted. Seven Committee members are from

this area. We plan on holding a similar field hearing in Florida to look at trade with Latin America

Another fact to consider is that we are a “must stop” for innumerable foreign officials and political figures. They want to come to the U.S. Congress and talk with Committee Members about U.S. relations with their home countries. We want to be there for them, and our leadership expects us to be. We recently hosted the UN Secretary General -- an expense, but a worthwhile one. Nearly thirty of our Members attended.

So, my concern is that with a potential loss of 11% of our 2013 funding --over \$900,000 in 2013 alone—we will **not** be able to carry out these responsibilities in the manner in which they should be carried out. Strong oversight requires high caliber staff with experience in intelligence, law enforcement and private sector fields. I have attracted such staff: one individual with extensive CIA field experience and another with time spent at a major investment bank. These individuals took pay cuts to join our staff; I would like to be able to retain them, and attract others.

But the committee currently has 6 unfilled positions that we will not be able to fill if we were to absorb an 11% cut. Also, in anticipation of budget cuts in 2013, we eliminated a subcommittee (a reduction of 3 majority subcommittee staff positions), as well as an administrative staffer. So we are working to reduce costs, and streamline our Committee’s organizational structure.

I would also like to express my concern that the budget of this committee includes the salary and administrative expenses for the House Democracy Partnership and the Tom Lantos Human Rights Commission. I believe that both of these entities should be funded independently. But for now, please account for that fact that our Committee provides considerable support to these two groups.

In conclusion, Member Engel and I are raring to go. We organized earlier than ever, have held several important hearings, and last week introduced the Royce-Engel “Nuclear Iran Prevention Act”. We are asking you for the resources we need to succeed.

Thank you Madame Chairman, and each of your committee Members, for the time that you are giving this very important task.

The CHAIRMAN. I thank the gentleman.
And the chair now recognizes the ranking member, Mr. Engel.

STATEMENT OF THE HON. ELIOT L. ENGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. ENGEL. Thank you very much, Chairman Miller, Ranking Member Brady.

Thank you for inviting me to testify. And I thank you for doing yeoman's work and listening to everybody testify. I want to enthusiastically endorse everything that Chairman Royce has said. I couldn't agree with him more. We are working together in a bipartisan manner. We both believe that foreign policy needs to be bipartisan wherever possible, and are working very hard to make it bipartisan in every way.

Ed and I have already established a very good relationship. And I look forward to working with him as a friend and partner in the weeks and months ahead. So I endorse everything he had to say.

As I said, I have always believed that foreign policy should be as bipartisan as possible. And we are working together to address a huge number of important and complicated issues, ranging from the Iranian and North Korean nuclear programs to the civil war in Syria, the conflict in Mali, Chinese hacking of our computer networks, the transition in Afghanistan, and the list goes on and on. I think that we and our staffs get a lot done for the good of the country and the world.

But our ability to do that will be severely undermined if we have to absorb yet another round of significant cuts to the committee budget. Already, as the chairman pointed out, in the past 2 years, we faced budget cuts of 5 percent and 6.4 percent. In each of those cuts, the Democratic staff was forced to take significant pay cuts. We also have three vacant staff slots that we aren't able to fill as a result.

Mr. ENGEL. With the further budget cut of 11 percent, staff would be forced to take yet another substantial salary reduction, even larger than those in the past 2 years. This will obviously hurt morale and cause experienced staff to leave for the private sector and make it harder to attract new talent.

But even more importantly, further cuts will make it virtually impossible for the committee to conduct effective oversight at the State Department, USAID and other Federal agencies under our jurisdiction. I think we can all agree in Congress, no matter what party we are from, that our committee has this important work to do, the oversight of the State Department, USAID and other Federal agencies.

Among the other things, these cuts would undermine our ability to ensure that every reasonable step has been taken to guarantee the safety and security of our diplomats. At the end of the day, this lack of oversight will end up costing the taxpayers much more than they will save in any additional reductions to or budget.

Madam Chair, and Mr. Ranking Member, I think sequestration is bad policy. I voted against it, and I continue to believe that indiscriminate, across-the-board cuts are a terrible and counterproductive way to deal with our fiscal situation. I understand the

need to tighten our belts, just like millions of Americans have been forced to do.

Over the past 2 years, our committee has done just that; we have cut through the fat and even the muscle, and now we are down to the bone. At this point, we are well beyond the point at which we can do more with less. If this happens, now we will have to just do less with less. And I would argue that bad for U.S. foreign policy and the prosperity and security of the American people.

So, again, I thank you for inviting me to testify. I wholeheartedly agree with the chairman, and I hope you will take this under very serious consideration. Thank you.

[The statement of Mr. Engel follows:]

Ranking Member Eliot L. Engel
Statement before the Committee on House Administration
March 5, 2013

Chairman Miller, Ranking Member Brady, thank you for inviting me to testify today. I'd also like to thank my Chairman, Ed Royce, for working with me in a bipartisan manner. Ed and I have already established a very good relationship, and I look forward to working with him as a friend and partner in the weeks and months ahead.

I've always believed that foreign policy should be as bipartisan as possible, and we're working together to address a huge number of important and complicated issues, ranging from the Iranian and North Korean nuclear programs, to the civil war in Syria, the conflict in Mali, Chinese hacking of our computer networks, the transition in Afghanistan, and the list goes on.

I think we, and our staffs, can get a lot done for the good of the country and the world. But our ability to do that will be severely undermined if we have to absorb yet another round of significant cuts to the Committee budget.

Already, in the past two years, we've faced budget cuts of 5% and 6.4%. In each of those years, the Democratic staff was forced to take significant pay cuts. We also have three vacant staff slots that we aren't able to fill.

With a further budget cut of 11%, staff would be forced to take yet another substantial salary reduction – even larger than those from the past two years. This will hurt morale, cause experienced staff to leave for the private sector, and make it harder to attract new talent.

But even more important, further cuts will make it virtually impossible for the Committee to conduct effective oversight of the State Department, USAID and other federal agencies under our jurisdiction.

Among other things, these cuts would undermine our ability to ensure that every reasonable step has been taken to guarantee the safety and security of our diplomats.

At the end of the day, this lack of oversight will end up costing the taxpayers much more than they will save with any additional reductions to our budget.

Mr. Chairman, I think sequestration is bad policy. I voted against it, and I continue to believe that indiscriminate, across-the-board cuts are a terrible and counterproductive way to deal with our fiscal situation.

I understand the need to tighten our belts, just like millions of Americans have been forced to do. Over the past two years, our committee has done that – we've cut through the fat and even the muscle, and now we're down to the bone.

At this point, we're well beyond the point at which we can do more with less. Now we'll just have to do less with less. And I would argue that's bad for US foreign policy and the prosperity and security of the American people.

Thank you again for inviting me to testify.

The CHAIRMAN. I want to thank both gentlemen for appearing before the committee. We have looked at what you submitted to the committee and will continue to evaluate it, as we do in the overall for everyone.

One thing I guess I was not aware of, I am having the committee take a look at here, that the chairman pointed out, I did not realize the House Democracy Assistance Commission is actually under your budget as well as the Lantos Foundation. I am not sure how much that costs the committee. I don't know if you even know the answer to that right now. We are trying to look at it.

Mr. ROYCE. We are providing staffing for that.

The CHAIRMAN. Yes, that is a fantastic thing, but it could be quite labor intensive, I would think as well. I didn't realize it was part of your budget. I am not sure what we can do about that immediately, but it does seem like it ought to be able to be broken out or something, it seems like it should be recognized as something that you have absorbed there. Although there are a lot of kinds of services that House Admin or whatever the whole House really does provide when you do that, I mean, whether it is the Library of Congress for some of these emerging democracies, et cetera, services through the Library of Congress or some of the various things that would be an assist.

But certainly, I don't know if I am asking you a question, but I am trying to absorb what you told me, and we will see what that means.

I think what you have looked at as far as you mentioning some of these field hearings, I think those are very important things that you have identified.

Mr. ROYCE. Yes.

The CHAIRMAN. I would also say this, as early as today, I had a group in, some folks that were here for the AIPAC that talked about both of you gentlemen and how excited they are and the committee continuing a very bipartisan approach to some legislation that you mentioned that is coming out and how important it is with the challenges the entire planet is facing and how important it is your committee is taking a lead on some of those things. So I know you have incredible challenges this year.

The only other thing I would say, again, I am not sure if it is a question or just something I want to throw out there for you that I mentioned in some of the other committees as well; this committee has a history of being on the leading edge of trying to have services that we can resource the various committees with and we really want to ratchet that up in various ways with utilizing new technologies, existing technologies, emerging technologies that can help the committee. I think you are already using the cloud computing, but we have some enterprise types of projects that we are trying to use. And I was just looking here, and I know that your committee actually switched to the House-provided Web site development just last month, so good.

Mr. ROYCE. That is true, Madam Chairman.

We are also moving to reduce printing costs by requiring members to use iPads to review hearing testimony and committee memos and suggested questions and so this will have enormous savings. You referenced the House Democracy Partnership and

Tom Lantos Human Rights Commission. That share of our budget just for the salaries is \$235,000 a year alone. So I appreciate you being sensitive to the fact that we do carry these additional costs for these additional purposes here within this budget and appreciate your consideration.

The CHAIRMAN. I appreciate that. At this time, I would recognize the ranking member.

Mr. BRADY. Thank you, Madam Chair.

And thank you, Mr. Chairman and ranking member, for appearing in front of us. My question is real quick; with the budgetary cuts, how much of a problem is it for you to be able to attract quality people to go to work for your committee? And how much does it affect you able to keep them working for your committee when you have people who come to work and, like you say and a lot of our chairman and ranking member say, that they do it because they have a passion and they want to be a public servant and want to help out. Well, that's all well and good but that gets old pretty quickly. And then not only can't you give them what they are worth or even give them a raise, now you are cutting their salary. So how hard is it to get quality people, and how hard is it to keep them?

Mr. ROYCE. I think I can speak to that, because there is a tremendous feeling of patriotism—I am thinking for the moment about the individual with extensive CIA field experience, who came to work for us and took a pay cut to do it, because of the feeling she felt that these issues were so important, she wanted us to have her expertise. And indeed, to not be able to retain her, for example, would be a great loss to the committee.

I think of the fellow who had the experience as an investigator with a major investment bank, who we are using on precisely the kinds of investigative work that this committee must succeed at, again, already taking a pay cut in order to take this job because it is important work he feels should be done for the United States, but at this point, those cuts have been implemented, and that is why we ask for your consideration. It is exactly the issue you raised. We want to make certain that those individuals who will make a sacrifice and come up here and work for reduced wage will stay with us. There is a question of how deeply we can cut.

Mr. ENGEL. You know, obviously, as we said before, both Ed and I are new to being the leaders of our respective parties on the committee. My predecessor was Howard Berman, who, since I have been on the committee for many, many years, I watched his staff and was very pleased with the professionalism and how hard they work. I made a decision to basically keep his staff in tact because they do such an effective job and work for much less than they could easily get out—if they went to the public sector. And my worry would be that if some of them have to start leaving, which they will have to do having absorbed two cuts, then it is really going to be very difficult to retain them. And then, when you get new people, if you are going to get people that are going to be paid less, they are not going to be as experienced, and the whole committee will suffer at a time when the chairman and I are trying very hard in a bipartisan manner to do these kinds of oversight investigations, which is really what our committee does. This com-

mittee, probably almost more than any other committee, one of its very important purposes is to investigate the State Department and all the other agencies. If we lose the ability to retain good staff because of that, I think the committee work will be all that much poorer.

Mr. BRADY. And when you lose them, you also lose their knowledge.

Mr. ENGEL. Definitely.

Mr. BRADY. Their institutional knowledge goes with it.

Thank you.

Mr. ENGEL. Thank you very much, both of you, thank you.

Mr. ROYCE. Thank you.

The CHAIRMAN. I am going to look into this, and I don't know if we can change it in the immediacy here, but I think your point about the various Democracy Assistance, et cetera, if you think about what is happening with our individual MRAs is whatever happens with the committees as well—I mean, the House, we took the 5 percent, and then we took the 6.4, and now we are taking 8.2, we are below 2008 levels. At the same time, the executive branch has actually expanded their spending by 16.7 percent I think during that time.

And I am only saying that in light of this particular thing. I think an argument could be made some of these salaries possibly could be paid for from the State Department budget, really. Would you have any comment on that, or you don't have to comment if you don't want to?

Mr. ENGEL. No, I agree. And it is not only the executive branch; it is the Senate as well. If we don't have the ability to retain good staff because we can't pay them what they want to be paid, they will either gravitate to the private sector if they are just interested in making money, but if they want to stay in government, they will go to the Senate and to the White House. I think that leaves us all in the House of Representatives a lot poorer in more ways than one.

The CHAIRMAN. Okay, gentlemen.

We really appreciate your time and attention to the detail. We appreciate your answers to the questions. We will give everything serious consideration, and we appreciate it very much.

Mr. ROYCE. Thank you.

Mr. ENGEL. Thank you very much.

The CHAIRMAN. At this time, we are going to recess our hearing, and the committee will reconvene tomorrow at the appointed time and will continue. Thank you.

[Whereupon, at 4:29 p.m., the committee was adjourned.]