TRIBUTE TO LEON WINSTON AND RAY DEFRESS

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1995

Mr. DAVIS, Mr. Speaker, I rise today to pay tribute to the winners of this year's Fairfax County Don Smith Employees Advisory Council [EAC] Award. The winners are Leon Winston and Ray DeFress. These two men are being honored for consistently going the extra mile for those around them. These two fine men will be honored on Monday, February 27, 1995, at ceremonies at the Fairfax County Government Center.

The Don Smith Award was established by the Fairfax County EAC in 1991 to honor Donald D. Smith, who retired in 1990 after devoting 16 years to the EAC. The award honors employees who have contributed to the well-being of their fellow employees. Recipients receive $1,000 and a plaque.

Ray DeFress, an employee in the real estate assessments office, is being honored for his timeless generosity. Employees know that they can turn to Ray DeFress for a lift or help with a move. He can be found on his lunch hour taking someone to the service station or fixing their car. He is always available to help employees moving from one place or another. He has also raised money for people in need and spent hundreds of dollars of his own money to help people in their darkest hour. He has been a county employee for 26 years, with an exemplary record.

Leon Winston, a custodian at Navy Elementary School in Fairfax, is being commended for his commitment, leadership, hard work, and contribution to a positive work environment, and concern for others. When another custodian became ill, Winston offered to share work hours. He is a favorite with the students at the school, who not only see him as a supervisor but, a friend. He is a man who can always be trusted to always have the school open, even during the strongest snow storms, and clean for the public.

Mr. Speaker, I know my colleagues join me in acknowledging and honoring these two fine men who exemplify all that is right with local government employees not only in Fairfax, but across the Nation. Their honor, voted by their peers, is one for which we can all be proud.

THE SAVINGS AND INVESTMENT LIBERATION BILLS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1995

Mr. CRANE. Mr. Speaker, today I introduce a package of three bills designed to give Americans the freedom to invest and save, without interference from the IRS. Our current tax code acts as an obstacle for individuals to do what they have been counseled to do by their parents for generations—save and invest.

A study by the Tax Foundation revealed that effective tax rates on income from savings and investment are substantially higher than the effective tax rates on income from wages. As a result, the tax burden falls heaviest on those who earn a greater portion of their income from savings and investments—namely entrepreneurs and senior citizens. As a consequence, these high tax rates actually discourage Americans from saving and investing.

Again according to the Tax Foundation, the current estate laws have similar negative effects in the market. Amazingly, the current Federal estate taxes have the same punishing effect on Americans as doubling income tax rates.

As a member of the Ways and Means Committee, I am attempting to put some rationality back in the tax code, and as part of the effort to achieve fundamental reform of the code, I am introducing a package of three bills to do the following:

1. Eliminate dividend and interest taxes on individuals;

2. Repeal estate and gift taxes and the tax on generation-skipping transfers; and

3. Repeal the capital gains tax on individuals.

It is high time we stopped punishing those who save and invest. A typical taxpayer who chooses to save is taxed several times on the same dollar of earned income under the present system. As a result, savings and investment rates in the United States are among the lowest of the world's major industrial powers. Under this legislative package, taxpayers will finally be set free from these redundant taxes.

I encourage my colleagues to support these bills for the benefit of their constituents.

THE PENSION REFORM ACT OF 1995

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1995

Mrs. KENNELLY. Mr. Speaker, I rise today to introduce the Pension Reform Act of 1995.

There can be no doubt that the status of women in America has changed dramatically in this century with these changes having profound implications for the long-term economic security of women. Whereas, heretofore extended families cared for the aged, both male and female; women today are increasingly likely to be alone as they age due to the disappearance of the extended family, mortality rates, and the increased incidence of divorce and single parenthood. And when one considers the average woman earns 68 cents for every dollar earned by the average man, it is easy to understand why the poverty rate is so much higher among older women than older men, 15 percent versus 9 percent. Even more striking is that the median income of women aged 65 and older is $6,425, 56 percent lower than the median income of older men—$11,544.

The Retirement Equity Act of 1984 made an important start. It improves the chance of widows actually receiving a pension by offering survivors protection to employees as soon as they become vested and requiring a wife's notarized signature before her husband can sign away her right to receive a survivor's benefit. The law also makes it easier for a divorced wife to get a share of a court-awarded pension directly from a former spouse's pension plan; lowers the age at which plans begin counting service for vesting credit, and extends the amount of time women can take off for child-rearing without losing credit for prior service.

But the Retirement Equity Act didn't go far enough. Women divorced before its passage have no pension rights. That means that a 56-year-old woman divorced in 1980 is now 65 and has no pension rights. That means we could have a whole new class of poor elderly women. The Pension Reform Act of 1995 would allow pensions not divided at the time of divorce, to be divided now, pursuant to a court order thereby effectively making the Retirement Equity Act retroactive. The Pension Reform Act of 1995 would also require the division of pension assets prospectively unless a domestic relations order provides otherwise.

The Tax Reform Act of 1986 continued the trend of enhanced retirement security for women. It reduced the vesting period, the period of service which must be completed before an employee has a nonforfeitable right to a pension, to 5 years for single employer pensions. This means that employees must be 100 percent vested after 5 years of service or, using an alternative vesting schedule, 20 percent vested after 3 years and 20 percent for each year thereafter. In general, therefore, employees who have been covered by an eligible pension plan for 5 years and work at least 1 hour after January 1, 1989 are automatically vested. This change is particularly important for women as it is estimated that approximately 1.9 million additional workers are now entitled to pensions. Multiemployer pension plans however, are not covered by these new vesting rules. The Pension Reform Act of 1995, would extend the 5 year vesting period to these types of plans as well. This provision was contained in H.R. 4210 and H.R. 11 in the 102d Congress—both were vetoed by the President. It was also contained in H.R. 3419, which was passed by the House of Representatives, but ultimately never reached the President's desk for signature. It is my hope that we can at least enact this provision this year.

Faster vesting also leads the way to greater portability; the ability to carry one's credit for service in an employer-sponsored pension plan from job to job. This is of particular importance to women as they are much more likely to change jobs and interrupt their participation in the work force at one or more times in their lives.

The Tax Reform Act of 1986 also limited integration, a little known, but potentially devastating, mechanism whereby employers may reduce pension benefits by the amount of Social Security to which an employee is entitled. Although originally intended to offset the employer contribution to Social Security, integration has often had the effect of eliminating an employee's entire private pension. In 1986, after much struggle, it was determined that Social Security benefits do not adequately replace the preretirement earnings of low- and middle-income workers. Today, therefore, the law limits integration and assures that all eligible employees receive some minimum level of benefits. However, this protection only applies to benefits earned in plan years beginning after December 31, 1988. The Pension Reform Act of 1995 would extend this protection to all benefits earned since January 1, 1987 and eliminate integration entirely by January 1, 2000.

Under current law of the Railroad Retirement Act a divorced spouse may receive a divorced spouse annuity at age 62 if the employee has attained age 62 and is receiving an annuity. The Pension Reform Act of 1995 would amend the Railroad Retirement Act by eliminating the language that suspends the payment of a divorced spouse annuity when the employee although he or she is age-eligible, chooses not to receive an annuity.

I would urge my colleagues to support this vital piece of legislation.

Thank you.

THE FEDERAL ACQUISITION REFORM ACT OF 1995

HON. WILLIAM F. CLINGER, JR.
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1995

Mr. CLINGER. Mr. Speaker, today I am introducing legislation, on behalf of myself, and National Security Committee Chairman Floyd Spence and International Relations Committee Chairman Benjamin Gilman, to simplify and streamline the Federal procurement process. This legislation will complement the work we started last year with the enactment of the Federal Acquisition Streamlining Act of 1994 [FASA].

There is no doubt that the almost $200 billion spent each year by the Federal Government has been done in an inefficient and Byzantine way. The current system has cost too much, has involved too much red tape, and has ill-served both the taxpayer and industry. FASA was a direct attack on a procurement system that had gone haywire—it applied some common sense approaches to the bureaucracy to reduce the inefficiencies of the system, get some real cost savings for the taxpayer by encouraging competition, and reduce the burdens on both Government contracting officials and those who sell to them.

Reforming the Federal procurement system is an extremely difficult and complex task because the procurement process is itself arcanely difficult and complex. Nevertheless, it is an issue of prime importance to both American business and the American taxpayer.

This bill we are introducing today will serve as the foundation for procurement reforms beyond those provided in FASA. The bill includes two issues which we were unable to resolve to our satisfaction during the development of FASA.

First, the bill would repeal current provisions of law known as ''Procurement Integrity'' and replace these provisions with simple prohibitions and clearer administrative standards. This proposal was developed originally by the Bush administration in 1989 and is supported by the Clinton administration.

The proposal more squarely addresses the same basic concern as current law: the unauthorized disclosure and receipt of procurement-sensitive information. But it does so by focusing on the information to be protected, not—as in current law—on the status of persons who might disclose or obtain the information or the particular stage of a procurement when sensitive information may be created.

The complexity of the current restrictions have frustrated the ability of the contracting workforce—both in Government and industry—to abide by them. Also, while our bill contains remedies similar to those available under the current law, it does not rely on the complex system of certifications demanded by current law to ensure compliance. We believe that statutory certification requirements are unlikely to deter conduct to be proscribed. Moreover, the certifications create considerable administrative burden that the system can no longer afford.

Our legislation also would remove remaining agency-specific post-employment restrictions. These provisions were made unnecessary when Congress passed the Ethics Reform Act of 1989 which included government-wide conflict of interest laws. The accumulation over time of several layers of tailored post-employment restrictions has complicated efforts to provide guidance and advice to those who must abide by the rules, and has frustrated Federal agencies in attracting the highest quality talent from industry and academia.

Second, our bill repeals a current provision of law which disadvantages U.S. companies when selling American products in international markets. Current law requires that a fee be paid to the U.S. Government on foreign sales of products and technologies developed under Government contracts. It may have been an appropriate policy when it was originally adopted in the early 1960's as a way of sharing development costs with U.S. allies. But today, our allies are our competition, and this current policy threatens the future of American workers by making it more difficult for their employers to compete for business in the world marketplace. The Bush administration recommended repeal of this provision, and the Clinton administration currently is recommending its repeal.

Beyond these reforms, we will be calling on the administration, industry and other interested parties to provide additional proposals which will assist us in developing the remainder of our legislative package. Although we do not intend a new procurement reform effort to be as comprehensive as FASA, we must continue to push for reforms which will make the Federal procurement system work better and cost less.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Acquisition Reform Act of 1995''.

SEC. 2. PROCUREMENT INTEGRITY AMENDMENT.

(a) AMENDMENT OF PROCUREMENT INTEGRITY PROVISION.—Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended to read as follows:

''SEC. 27. RESTRICTIONS ON DISCLOSING AND OBTAINING CONTRACTOR BID OR PROPOSAL INFORMATION OR SOURCE SELECTION INFORMATION.

''(a) PROHIBITION ON DISCLOSING PROCUREMENT INFORMATION.—(1) A person described in paragraph (2) shall not, other than as provided by law, knowingly and willfully disclose contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

''(2) Paragraph (1) applies to any person who—

''(A) is a present or former officer or employee of the United States, or a person who is acting or has acted for or on behalf of, or who is advising or has advised the United States with respect to, a Federal agency procurement; and

''(B) by virtue of that office, employment, or relationship has or had access to contractor bid or proposal information or source selection information.

''(b) PROHIBITION ON OBTAINING PROCUREMENT INFORMATION.—A person shall not, other than as provided by law, knowingly and willfully obtain contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

''(c) PROHIBITION ON DISCLOSING OR OBTAINING PROCUREMENT INFORMATION IN CONNECTION WITH A PROTEST.—(1) A person shall not, other than as provided by law, knowingly and willfully violate the terms of a protective order described in paragraph (2) by disclosing or obtaining contractor bid or proposal information or source selection information related to the procurement contract concerned.

''(2) Paragraph (1) applies to any protective order issued by the Comptroller General or the board of contract appeals of the General Services Administration in connection with a protest against the award or proposed award of a Federal agency procurement contract.

''(d) PENALTIES AND ADMINISTRATIVE ACTIONS.—

''(1) CRIMINAL PENALTIES.—

''(A) Whoever engages in conduct constituting an offense under subsection (a), (b), or (c) shall be imprisoned for not more than one year or fined as provided under title 18, United States Code, or both.

''(B) Whoever engages in conduct constituting an offense under subsection (a), (b), or (c) for the purpose of either—

''(i) exchanging the information covered by such subsection for anything of value, or

''(ii) obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract,

shall be imprisoned for not more than five years or fined as provided under title 18, United States Code, or both.

''(2) CIVIL PENALTIES.—The Attorney General may bring a civil action in the appropriate United States district court against any person who engages in conduct constituting an offense under subsection (a), (b), or (c). Upon proof of such conduct by a preponderance of the evidence, the person is subject to a civil penalty. An individual who engages in such conduct is subject to a civil penalty of not more than $50,000 for each violation plus twice the amount of compensation which the individual received or offered for the prohibited conduct. An organization that engages in such conduct is subject to a civil penalty of not more than $500,000 for each violation plus twice the amount of compensation which the organization received or offered for the prohibited conduct.

''(3) ADMINISTRATIVE ACTIONS.—(A) If a Federal agency receives information that a contractor or a person has engaged in conduct constituting an offense under subsection (a), (b), or (c), the Federal agency shall consider taking one or more of the following actions, as appropriate:

''(i) Cancellation of the Federal agency procurement, if a contract has not yet been awarded.

''(ii) Rescission of a contract with respect to which—

''(I) the contractor or someone acting for the contractor has been convicted for an offense under subsection (a), (b), or (c), or

''(II) the head of the agency that awarded the contract has determined, based upon clear and convincing evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting such an offense.

''(iii) Initiation of suspension or debarment proceedings for the protection of the Government for the protection of the Government in accordance with procedures in the Federal Acquisition Regulation.

''(iv) Initiation of adverse personnel action, pursuant to the procedures in chapter 75 of title 5, United States Code, or other applicable law or regulation.