

projected funding comes down, and it is like trying to stuff 10 pounds of manure into a 5-pound bag.

Front loading is a wasteful and destructive practice.

The worst part about it is that the military does not get what it needs to do its job.

With the *Seawolf* and the F-22, the military will never get enough subs and fighters to modernize the force as we know it.

The GAO's ongoing historical studies of procurement programs show that the Department of Defense pays more but gets less.

For example, 130 percent is paid for 80 percent of a program. We must find a way to control this monster. Leadership, integrity, courage, and good information—that is what is needed. With leadership and good information, Pentagon managers might have the courage to make the hard choices needed to squeeze all of the programs into the money sack that we finally approve.

More money cannot be the answer because we all know that the Pentagon has an insatiable appetite for more money and, quite frankly, we cannot appropriate enough money to satisfy the appetite of the Defense to spend. Caspar Weinberger taught us that lesson the hard way.

Mr. President, that famous budget analyst over there at DOD, Chuck Spinney, whom I spoke about a couple speeches ago, the man who got his picture on the front cover of Time magazine, is still cranking out his spaghetti diagrams. He is doing it over there in the bowels of the Pentagon. His new briefing is called "Anatomy in Decline."

Like before, his data is derived from the future year defense plans. It sounds like the same old story to me, but we need to be sure. I believe that Chuck Spinney has a great deal of credibility, but I suppose since so many people in this body might not agree, then we have to do other work to make sure that it is backed up.

Senator ROTH and I have asked the General Accounting Office to conduct an independent analysis and validation of the data and methodology used in this new Spinney study. Hopefully, the General Accounting Office will help put the problem in a very much understandable perspective.

Mr. President, I would now like to wrap up my thoughts on the integrity of the Department of Defense budget. In a nutshell, Mr. President, we have financial chaos at the Pentagon.

We have meaningless accounting numbers. We have meaningless budget numbers. We have meaningless cost estimates. To make matters worse, the numbers are not just meaningless; they are also misleading and they are deceptive. Bad financial information leads to bad decisions. And there is no accountability for fiscal mismanagement.

The top leadership in the building has been aware of the problems for a

long time. Even former Secretary Les Aspin talked about his fiscal horror show. Secretary Perry has also talked about his.

Despite all the hand wringing in the Pentagon, despite all the misleading accounting and the misleading budget information, it still all continues to be tolerated at the top levels.

It is almost a joke. Officials openly laugh about it. The chief financial officer of any company would be fired on the spot for presenting such inaccurate and misleading fiscal data. He or she might even be jailed.

Now I know that the new comptroller over there, Mr. Hamre, is trying to fix the problem. But trying is not enough, although I do give him good marks, marks for being well intentioned and trying to overcome all the obstacles that are over there for the comptroller to do the job that he is charged with doing.

I say "trying is not enough" because he has to do it, and heads will have to roll because this job is done. Bad accounting and budget numbers keep Congress and the American people in the dark. That is an undemocratic process of our constitutional responsibility of control. It is undemocratic because it is unaccountable to the people.

We have a duty and a responsibility to the citizens of this country to give them a complete and a very accurate accounting of how we are spending their money.

Today, we are unable to do that as far as the Defense budget is concerned. We do not know how the money was used last year, and we do not know how the money will be used next year.

My message, Mr. President, is quite simple: If we do not know where we are and we do not know where we have been, we cannot possibly figure out where we are going. In regard to this defense issue, we could be lost. We cannot make good budget decisions until we get some good numbers.

Until the Department of Defense budget shambles is cleaned up, I do not think anyone knows for sure how much is needed for national defense right now.

Yet the President wants to put \$25 billion more in, and people in this body want to put still, on top of that, another \$55 billion. Why would we want to throw more good money after bad? It is beyond me, Mr. President.

I hope some of my colleagues on this side of the aisle will join me in being a frugal hog. That means opposing any increase in the defense budget. Instead, we should work hard for better management, more accurate information, and for sure, accountability. Otherwise, we are all doomed to repeat the mistakes of the 1980's.

Mr. President, I yield the floor, as I have concluded my statements on the integrity, or lack thereof, of the Defense Department budget.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGULATORY TRANSITION ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 415, AS MODIFIED

Mr. NICKLES. Mr. President, I ask unanimous consent that I may modify amendment No. 415, which was previously agreed to.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, No. 415, as modified, is as follows:

On page 13, beginning on line 1, strike all through line 22 and insert in lieu thereof the following:

"(2) SIGNIFICANT RULE.—The term "significant rule"—

(A) means any final rule, issued after November 9, 1994, that the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget finds—

(i) has an annual effect on the economy of \$100,000,000 or more or adversely affects in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

(ii) creates a serious inconsistency or otherwise interferes with an action taken or planned by another agency;

(iii) materially alters the budgetary impact of entitlement, grants, user fees, or loan programs or the rights and obligations or recipients thereof; or

(iv) raises novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in Executive Order 12866.

(B) does not include any agency action that establishes, modifies, opens, closes, or conducts a regulatory program for a commercial, recreational, or subsistence activity relating to hunting, fishing, or camping."

Mr. NICKLES. Mr. President, I might mention, this modification is just changing paragraph and page in the amendment that has already been agreed upon.

Mr. JOHNSTON. I have a question about the effect of the Nickles-Reid substitute on a regulation by the Department of Transportation to reduce the liability limit of deepwater ports like the Louisiana Offshore Oil Port [LOOP]. As the Senator may be aware, the Oil Pollution Act of 1990 established a new Federal regime governing liability for oilspill damages and clean-up. As part of that regime, liability limits were established for different types of vessels and facilities and, in the case of deepwater ports, the liability limit was established at \$350 million. Recognizing that this limit might

be inordinately high, however, the Oil Pollution Act required that the Department of Transportation undertake a study and propose a lower limit if appropriate. The Coast Guard study was completed in October 1993. It concluded that the use of deepwater ports is the least risky means of importing crude oil to the United States and that a lower liability limit is appropriate. The rulemaking to lower LOOP's liability limit was initiated on February 8, 1995. It could reduce the liability limit from its present level at \$350 million to \$50 million—a \$300 million difference, yet the economic impact of this change, as I think the committee intended it to be measured, will be much more limited, consisting primarily of the lower annual insurance costs LOOP will incur which reflect the lower risk associated with deepwater ports such as LOOP. Am I correct in understanding that the proposed rule to lower LOOP's liability limit would not be considered a significant rule under the substitute, and therefore would take effect without a 45-day delay?

Mr. NICKLES. The Senator has an excellent point. Although our substitute provides that the administrator of the Office of Information and Regulatory Affairs makes the determinations of what will qualify as "significant rules," it appears clear on its face that in this case, the measurement of the economic impact of the regulation would be the cost savings to LOOP, not the dollar amount by which its liability limit is reduced, and therefore in my opinion, it probably would not be considered a significant rule by OIRA for purposes of this legislation.

Mr. JOHNSTON. I thank the Senator for his interpretation of the standard of measurement for economic impact and its application to the rule reducing LOOP's liability limit.

Mr. NICKLES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 417 TO AMENDMENT NO. 410

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from Michigan [Mr. LEVIN], for himself and Mr. GLENN, proposes an amendment numbered 417 to amendment No. 410.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14 of the amendment, line 2, strike the period and insert: ", except that such

term does not include any rule of particular applicability including a rule that approves or prescribes for the future rates, wages, prices, services, or allowances therefor, corporate or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing or any rule of agency organization, personnel, procedure, practice or any routine matters."

Mr. LEVIN. Mr. President, agencies issue probably thousands of rules each year that pertain only to one person or business. These are rules that are issued on a routine basis—opening a bridge, changing a flight path, exempting a person from meeting general standards that do not apply to that person's particular situations. I do not think these rules are included in that 4,000 count that we sometimes use as the rules that would be covered by this legislative review provision.

These are the rules of specific, particular applicability that have no general applicability, and that it is not our intent, I believe—I should not say that, but I do not believe it is the intent of the makers of the substitute here—to cover by the substitute.

So this amendment makes it clear that these rules of particular applicability and these routine rules are not covered by this legislative review substitute.

I believe the amendment has been cleared by the managers of the bill?

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate my colleague's amendment. We have worked with him and his staff on this amendment. We have no objections and urge its adoption.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I compliment the Senator from Michigan for his work on this. He has worked long and hard on rules and regulations in the Governmental Affairs Committee. This is one example of how thorough he is in these areas.

Even though we can pass laws—we can pass rules and regulations—there are coincidences that apply in particular cases or places, or things are found to be unfair with the local people. And, where that can be corrected, it should be corrected.

This provides for that kind of a correction where otherwise people would be dealt with very unfairly by their government. We are trying to make this as fair as possible for everybody.

That is what the Senator from Michigan is doing. I compliment him and am glad to cosponsor his amendment.

Mr. LEVIN. I thank the Senator from Ohio.

Mr. President, I do not know of any further debate on the amendment.

The PRESIDING OFFICER. Without objection, the amendment (No. 417) is agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

REINVENTING GOVERNMENT

Mr. DASCHLE. Mr. President, a little while ago the majority leader spoke on the floor regarding the administration's Reinventing Government proposal.

The majority leader suggested that the President has jumped on the budget-cutting bandwagon and that he has done so in response to the November 1994 election.

Mr. President, the President and the Vice President, since before the November 1992 election, have stated and proven their commitment to the process of streamlining government. The proposal announced yesterday has been labeled "REGO II," because it is the second phase in a Reinventing Government process that began over 2 years ago.

Through that process headed by Vice President GORE, we have already taken steps to cut back the Federal Government. The Federal work force is today the smallest it has been since John Kennedy was in the White House. The proposal announced yesterday would cut \$13.1 billion and eliminate 4,805 Government positions over the next 5 years.

Reinventing Government has been an ongoing, thoughtful process based on careful analysis of the ways with which to cut the bureaucracy while ensuring the Government's ability to meet our policy goals.

To suggest that the President or the Vice President have jumped on the bandwagon is off base.

The majority leader also suggested that the rescissions bill the Senate is about to consider will provide immediate savings and is, therefore, superior to the President's Reinventing Government proposal.

First, Mr. President, the administration's Reinventing Government proposal and the rescissions package are not in competition. It is not an either/or. We can and should cut waste and streamline Government whenever and wherever it makes sense and fits within our national priorities.

But if the comparison is going to be made, it should be accurate. I would hate for anyone to be left with the impression that the Republican rescissions package provides over \$13 billion in cash savings in fiscal year 1995, because it does not.

According to the Congressional Budget Office, the proposal would cut \$13.2 billion in budget authority in fiscal year 1995, but the outlay savings would be \$11.48 billion spread over the next 5 years. The analysis from CBO shows that, while \$13.2 billion in budget authority would be cut in fiscal year 1995,