

keep working to move amendments and to see if we can find a time to get votes. I reiterate, I am not making any commitments on times, and I am not going to be threatened in how we do this. But I am prepared to work in good faith with both sides of the issue and both sides of the aisle, and I think that is all that can be expected of me at this time.

With that, Mr. President, unless there are further questions, I will observe the absence of a quorum so the managers can return to the floor and proceed.

The PRESIDING OFFICER (Ms. SNOWE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 5279

Mr. KERRY. Madam President, is there any time remaining?

The PRESIDING OFFICER. There are 5 minutes left to the opposition.

Mr. KERRY. Who is considered the opposition here?

The PRESIDING OFFICER. The Senator from Alabama.

Mr. KERRY. That is the only time remaining?

The PRESIDING OFFICER. That is correct.

Mr. KERRY. Madam President, I ask unanimous consent simply for 1 minute to explain.

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

The Senator from Massachusetts.

Mr. KERRY. Madam President, this is a very straightforward vote on whether or not we are prepared, finally, to include black and smokeless powder in a study by appropriate law enforcement authorities of the United States. A study to determine whether it can contain taggants so that we can investigate pipe bombs and other bombs in the United States. Law enforcement has sought this for 17 years. It is a very simple vote. There is an adequate offset in the IRS. They have cut the bills funding by \$1 billion already. The most that this will cost is \$21 million and of course we hope it will be less, but any argument to the contrary that suggests you cannot find the \$21 million that have been offset here is simply unacceptable. So we ask colleagues to vote for this appropriate study.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Madam President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Alabama has 3½ minutes.

Mr. SHELBY. Madam President, I will be brief on this. We have just been told the administration does not support the offset proposed by the Senator from Massachusetts on this.

I yield the remainder of my time.

I move to table the amendment.

Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 57, nays 42, as follows:

[Rollcall Vote No. 287 Leg.]

YEAS—57

Abraham	Frist	Mack
Ashcroft	Gorton	McCain
Baucus	Gramm	McConnell
Bennett	Grams	Murkowski
Bond	Grassley	Nickles
Brown	Gregg	Nunn
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Coats	Heflin	Santorum
Cochran	Helms	Shelby
Cohen	Hutchison	Simpson
Coverdell	Inhofe	Smith
Craig	Jeffords	Snowe
D'Amato	Kempthorne	Specter
DeWine	Kerrey	Stevens
Domenici	Kyl	Thomas
Exon	Leahy	Thompson
Faircloth	Lott	Thurmond
Frahm	Lugar	Warner

NAYS—42

Akaka	Feingold	Levin
Biden	Feinstein	Lieberman
Bingaman	Ford	Mikulski
Boxer	Glenn	Moseley-Braun
Bradley	Graham	Moynihan
Breaux	Harkin	Murray
Bryan	Hollings	Pell
Bumpers	Inouye	Reid
Byrd	Johnston	Robb
Chafee	Kassebaum	Rockefeller
Conrad	Kennedy	Sarbanes
Daschle	Kerry	Simon
Dodd	Kohl	Wellstone
Dorgan	Lautenberg	Wyden

NOT VOTING—1

Pryor

The motion to lay on the table the amendment (No. 5279) was agreed to.

Mr. SHELBY. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Madam President, I ask unanimous consent the pending business be set aside.

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

EXCEPTED COMMITTEE AMENDMENT, BEGINNING ON PAGE 129, LINE 20 THROUGH PAGE 130, LINE 18

Mr. FEINGOLD. Madam President, I intend to move to table the committee

amendment beginning on page 129, and ask that it be in order to consider that committee amendment at this time.

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

Mr. LOTT. Madam President, as I indicated, I will move to table the committee amendment that strikes a House provision capping the number of political employees who are appointed by the President. The effect of tabling the committee amendment will be to retain the House language and therefore limit the number of executive branch political appointees.

I am pleased to be joined in this bipartisan effort by both Senators from Arizona, Mr. MCCAIN and Mr. KYL, my neighbor from the neighboring State of Minnesota, Mr. GRAMS, and the Senator from Pennsylvania, Mr. SANTORUM.

Madam President, the House language we seek to retain caps the number of political appointees at 2,300. The CBO estimates that doing so will save \$228 million over the next 6 years. This bipartisan proposal is broadly supported for both its deficit reduction and its policy implications.

Madam President, it has been endorsed by the Citizens Against Government Waste, and similar versions of this provision have been included in the CBO's deficit reduction proposals, as well as the budget assumptions of the other body. The other body passed this exact provision on a vote of 267-150, with strong bipartisan support.

I note that this is a more modest provision than the one the Senate passed last year as part of the fiscal year 1996 Treasury-Postal appropriations bill. At that time, we in this body capped the executive branch political appointees at 2,000, a level that in practice would have required a reduction that would have been 60 percent greater than the reduction we are proposing today, the reduction that has already been approved in the House version of this legislation.

The provision is also consistent with the recommendations of the Vice President's National Performance Review which called for reductions in the number of Federal managers and supervisors. That report argued that over-control and micromanagement not only stifled the creativity of line managers and workers, they "consumed billions per year in salary, benefits, and administrative costs."

Madam President, that assessment is especially appropriate when we think about and look at the issue of political appointees. Between 1980 and 1992, the number of political appointees in our executive branch grew by more than 17 percent, over three times as fast as the total number of executive branch employees. Since 1960, political appointees have grown in this country in the executive branch by a startling percentage of 430 percent. While we have made significant strides in the last few years in slowing and even reversing the growth

in the total number of Federal employees, our progress with respect to political appointees has lagged behind.

Madam President, the exploding number of political appointees was a target of the 1989 National Commission on the Public Service which was chaired by former Federal Reserve Board chairman Paul Volcker. As the Commission noted, Presidents must have the flexibility to appoint staff that are ideologically compatible. Political appointees, of course, can be enthusiastic sources of fresh ideas, and they do bring many times meaningful experience from the private sector into an administration. Equally as important, political appointees help ensure Government response to the policy priorities that were actually mandated by the electorate at the ballot box.

You cannot say that no political appointees are needed. It is very important if our election of a President is to have real meaning. However, Madam President, as the Volcker Commission found, far from enhancing responsiveness, the mushrooming number of Presidential appointees actually undermined effective Presidential control of the executive branch. The Commission noted that the large number of Presidential appointees simply cannot be managed effectively by any President or by any White House. There are just too many.

Altogether, the Volcker Commission argued that the lack of control and focus may dilute the President's ability to develop a coherent and coordinated program, and to hold Cabinet Secretaries accountable. The Commission found that the excessive number of appointees are actually a barrier to critical expertise, distancing the President and his principal assistants both from the most experienced career officials and from the front-line workers. These are the people who are often the best positioned to make the critical assessments of Government policy.

The problem of distancing that was raised by the Volcker Commission has been chronicled in more detail by Paul Light in his book "Thickening Government." Light found that the increasing number of political appointees are arrayed in layer upon layer of management, layers that did not exist 30 years ago. He found in 1960 there were 17 layers of management at the very top level of Government; by 1992 there were 32 layers. Compounding the problem, Light notes that the 32 layers do not stack neatly on top of one another in a unified chain of command. Some layers come into play on some issues, but not on other issues. Mr. Light asserts that as this sediment has thickened over the decades, Presidents have grown increasingly distant from the lines of Government, and the front lines from them. He adds that Presidential leadership, therefore, may reside in stripping Government of the barriers to do its job effectively.

Madam President, many will recall the difficulties, for example, that the

current administration has had in filling even some of the more visible political appointments. A story in the *National Journal* in November 1993 focusing upon the delays in the Clinton administration in filling political positions noted that in Great Britain the transition to a new government is finished a week after it begins. A speedy transition is possible because the British Government runs on a handful of political appointees. According to Paul Light, they have about one-tenth as many career executives, and only five layers of management between the Minister and the British equivalent of the Deputy Assistant Secretary, compared to more than 16 layers here in a comparable situation.

By contrast, the transition of U.S. administrations over the past 35 years has seen increasing delays and logjams and perfectly illustrates another reason why the number of these political appointee positions should be cut back. Madam President, the average length of time from inauguration to confirmation of top-level executive positions has steadily risen from 2.4 months under President Kennedy, to 5.3 months under President Reagan, to 8.1 months under President Bush, and now to a pretty staggering 8.5 months, on average, under President Clinton.

The consequences of having so many critical positions unfilled when an administration changes can be serious. In the first 2 years of the Clinton administration, there were a number of stories and problems created by delays in making these appointments.

From strained relationships with foreign allies over failures to make ambassadorial appointments, to the 2-year vacancy that we all read about at the top of the National Archives, the record is replete with examples of agencies left drifting while a political appointment was delayed. Obviously, there were many situations where the delays were caused by circumstances beyond the control of this administration. And, of course, the figures I just read indicated that this has been a problem in many administrations. It is just that, over time, with each administration, regardless of party, it has gotten somewhat worse.

Nonetheless, it is clear that with a reduced number of political appointments to fill, the process of selecting and appointing individuals to key positions in a new administration is very likely to go more smoothly and to be enhanced.

Madam President, let me also stress that the problem is not simply the initial filling of a political appointment, but also the problem of keeping somebody in that position for a reasonable period of time. Between 1970 and 1986, the tenure of a political appointee was, on average, 20 months, and even shorter for schedule C employees.

In a recent report, the General Accounting Office reviewed a portion of these positions for the period of 1981 to 1991, and found high levels of turn-

overs—seven appointees in 10 years for one position—as well as delays, usually of months but sometimes years, in filling vacancies.

As I have noted before on this floor, this proposal may not be popular with some within this administration and perhaps some in the other party who hope to win back the White House in the upcoming election.

I want to stress that I do not believe the effort to reduce the number of political appointees should be a partisan issue. It is because the only way we are ever going to have control over this is by a bipartisan commitment in the House and the Senate to do something about the exponential growth in the number of political appointees.

So I was pleased to introduce earlier in the 104th Congress legislation that would have implemented the recommendations of the Volcker Commission, and that would have capped the political appointees at 2,000. And I was proud to have as cosponsors of that measure my friends, the senior Senator from Arizona and also his colleague and my friend, the junior Senator from Arizona.

As I mentioned earlier, this body adopted that provision to last year's fiscal year 1996 Treasury-postal appropriations bill. It had bipartisan sponsorship. So this body has already gone on record in favor of the cap at 2,000. But what we are trying to do by tabling the committee amendment today is to at least get us down to the 2,300 that the other body has already supported in this legislation we are considering today.

(Mr. THOMAS assumed the chair.)

Mr. FEINGOLD. Mr. President, the sacrifice that the deficit reduction efforts require really have to be spread among all of us. That has already been felt by many people all over this country and many Government workers all over this country. This measure requires us to bite the bullet and impose limitations upon political appointments that both parties would probably want to retain.

The test of a commitment to deficit reduction, however, is not simply to propose measures that impact somebody else. As we move forward to implement the recommendations of the National Performance Review Board to reduce the number of Government employees and streamline agencies and make Government more responsive, we should also take this opportunity today to right-size the number of political appointees, to implement the policies of any administration, without, at the same time, unnecessarily burdening the Federal budget.

Mr. President, I urge my colleagues to support this bipartisan effort. I thank the Chair and yield the floor.

Mr. KERREY. Mr. President, I listened, I regret to say, only to about the last half of the Senator's statement. If he doesn't mind, I would like to ask a couple of questions. First of all, my memory, such as it is, says that there

was not a rollcall vote on this last year, is that correct?

Mr. FEINGOLD. That is correct.

Mr. KERREY. You have cited a Volcker Commission report repeatedly here. Can you describe the details of that commission and how many people were on it? Do you have any other cites besides the Volcker Commission to base this on?

Mr. FEINGOLD. In addition to Mr. Volcker's commission, which was cited by a number of articles, I also cited the work of Mr. Light, who wrote a more extensive book about this subject called "Thickening Government," which I quoted at length. It was described that the growth of these political appointments has outstripped growth in other areas of Government. Therefore, while we have cut back on some of our Federal employees, this area continues to grow. I can certainly provide the Senator with the details of the Volcker Commission and Mr. Light's book.

Mr. KERREY. The one statement that the Senator from Wisconsin made that causes me to have some concern is the statement that I believe the Volcker Commission said that political appointees actually make it more difficult for the President to carry out whatever it was he or she campaigned upon. One of the facts here is that this would take it from 2,800 down to—

Mr. FEINGOLD. The current estimate, if I may say to the Senator from Nebraska, is about 2,900, but it varies and the Congressional Budget Office estimates that it averages around 2,700 or 2,800. The effect of this would be, as I understand it, to require, within the next year, a reduction of between 400 and 500 positions.

Mr. KERREY. So that the public can put this into perspective, there are 1.971 million Federal employees. Right now, there is an allowance for 3,400. I think we are at 2,800 now. This would take us down to 2,300.

My concern with the Senator's amendment is based upon having been elected for 4 years as Governor, where I came into office with very little opportunity for appointments below the top slot. It made it difficult, therefore, to come in, having promised to do something, for example, with agriculture, with taxes, or with some other area of government, and carry that out. The public expected me to be able to do it. But, in fact, I would come in with very little real power, because there was little opportunity to bring people in who agreed with the positions that I had taken during the campaign itself.

That is why I was concerned when I heard that. It runs against my own common experience, my own personal experience. It does not seem to me that running at the current level of 2,800, with 3,400 being the cap, that does not seem, on the surface, to be like a thickening of the Government. It is less than half of 1 percent—current political appointees. I know the administra-

tion raised concerns, not just for themselves but for whoever might follow, that this could impede their ability to carry out whatever he or she campaigned upon. It seems to me the people expect him to be able to come in and run the bureaucracies with the people that have similar views to theirs.

Mr. FEINGOLD. Mr. President, I appreciate the comments of the Senator from Nebraska, of course. I respect very much his distinguished tenure as Governor of Nebraska and his knowledge of the importance of having a political presence within any kind of executive administration, if you want to implement the policies you run on.

I indicated that, and it was also indicated from the Volcker Commission, and others' comments to that effect.

The question is what level? What I have indicated here and want to repeat is that that clearly has been a greater theme of government with respect to political appointees than other people in executive positions. It has grown 17 percent, while in the nonpolitical area it has only grown approximately 5 percent. That is the question.

Clearly, I say to the Senator from Nebraska, Mr. President, there must be some point at which there are too many political appointees—perhaps 10,000, or 8,000. At some point there are too many people. What these reports have suggested, almost ironically, is that, if you get too many political appointees, the chief executive of a State or the Federal Government cannot even keep track of them so that it actually can backfire on them. It could actually end up being worse than having the right mix between civil service career people and political appointees.

In response to the earlier question, as I understand it, there were six members of the task force within the Volcker Commission that examined the specific issue of political appointees. The chairman of that task force was Elliot Richardson. Among the members were Robert McFarlane, Walter Mondale, Benjamin Read, Anne Wexler, and Alan Wolff, and they came up with this conclusion that we ought to go to 2,000 again.

To reiterate, my amendment—actually the House amendment that I simply want to restore—would not take this to 2,000 as I originally hoped. It would simply take us to the 2,300 figure.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I still have some questions about this. I come at this with some background of long-standing. The Volcker Commission report is about 7 years old at this time. I had hearings on it when it first came out of the Governmental Affairs Committee. I am very familiar with the Volcker Commission report. It came out in 1989, I believe. I had hearings on it in the Governmental Affairs Committee at the time it came out because

I, too, was concerned about the growth of Government. We had hearings and worked on some ways to peel back on some political appointees to hit the proper balance that needs to be hit.

I do not believe, however, that just mandating it, as we are doing with this particular proposal, is the way to go at this thing. I think it is in many ways unnecessary and unwarranted because the proposed legislation would enforce an arbitrary cap. And it is arbitrary. It is not done going department by department and agency by agency, and saying, "Here are some that are excess; here are some that are not." Doing a study that way just lops off about a third, or 30 percent the total number of political appointees, without saying who is going to do this job or whether their job can be done by somebody else or absorbed by people in the regular civil service ranks, or whatever.

Let me just say that President Clinton has taken the lead to reduce Federal employees while making Government work better. The President's plan has carefully analyzed the Federal Government, and it has recommended specific and pragmatic ways to reduce the number of Government employees. The plan makes 180 specific recommendations to streamline the Government and deliver more services for less money.

By contrast, the proposed legislation singles out political appointees while failing to account for how the arbitrary number of remaining appointees will manage the Government. As far as reducing Government and cutting costs, we began 3 years ago when President Clinton began the effort to reduce Government.

We are all familiar with the National Performance Review under the direction of the Vice President. His goal was to create a Federal Government that works better and costs less.

Under the NPR—let us see how we have done with the NPR. After 3 years in office, the President is well ahead of schedule to reduce the size by 272,900—that was the goal by the end of this year—or about a 12-percent reduction in the Federal workforce. In fiscal year 1995, 185,000 full-time equivalent positions were cut. By the end of fiscal year 1996, 214,000 will have been cut. So we are well on the way to cutting that 272,900. So we have reduced. We are about two-thirds of the way toward the goal in one-third of the time that we thought it was going to take.

In the Reagan and Bush administrations, from 1980 to 1992, we saw an increase of 67,000 in the Federal civilian workforce. That was an increase of 3.1 percent. This administration has cut the number of on-board Federal employees by 225,000 in 3 years. It is a decrease of 10 percent. A similar reduction has occurred in the percentage of political appointees.

So it has been across the board. It has not been only civil service. It has also been the political appointees. There are approximately 6 percent

fewer political appointees in this administration than there were during the previous administration.

This is an important thing to note. The last time American taxpayers saw levels of Federal employment this low was during the administration of President Kennedy.

This administration established a plan to reduce not only the size of the Government but also the number of programs, the number of regulations, and the way Government works to develop new partnerships. Even though the current level of appointees in this administration is below that of the Bush administration in 1992, the proposed legislation would force a 30-percent reduction of political appointees in addition to the reductions that have already been accomplished.

The National Performance Review accomplishes the goals of this proposed amendment. I have been much involved with the NPR. President Clinton has sought to reduce the cost of Government to the American public while providing higher quality services. The National Performance Review has carefully analyzed the Federal Government and has recommended specific, pragmatic ways to reduce the number of Government employees, including political appointees, to manage with fewer layers of middle management, and to reduce Government regulations. For example, President Clinton has reduced the number of Department of Agriculture agencies from 43 to 29 and plans to close or consolidate 1,200 field offices.

I think the proposed amendment looks only at one frame of really the big picture. The proposed amendment singles out political appointees. By singling out political appointees, it examines only one-sixth of 1 percent of the total Federal employees. About half of the political appointees are schedule C employees who are junior and midlevel staff. These are not all senior-level managers even though they may be political appointees.

This administration has instead focused on all Federal employees by removing layers of management to offer lower level employees greater responsibility. It also decentralized decision-making and increased the scope of managers' control.

Political appointees execute the policy priorities voiced by the American public at the ballot box. Political appointees play a key role in carrying forward policy priorities. The Clinton administration has an obligation to ensure that the Government is a well-managed instrument of the public interest in carrying out programs important to the public. Political appointees are entrusted with managing the priorities of the American public.

So just arbitrary cuts in the number of political appointees endanger the administration's ability to respond to policy priorities created both by law and the American public at the ballot box.

Mr. President, there was a statement made about how the British functioned and how their Government operates and how they can turn around the Government in a much shorter time than we can. That is very true. Perhaps there are some areas where we can learn from the British and other parliamentary forms of government. But they operate on a parliamentary form of government quite different from ours. Indeed, they are a democracy, but their functions of government are completely different than ours where we split the powers out and have the powers of government balance each other between the executive and legislative branches. Then ours is monitored by the judicial branch, of course, when there are any challenges to this. But in a parliamentary system theirs is centered in that Prime Minister, and a Prime Minister is normally far more powerful than any American President. We may be a bigger country and a bigger economy, but as far as the authority to commit the affairs of government in a certain direction, a Prime Minister speaks with authority for his or her government with a shadow Cabinet out there in the offing. That is the reason they always can turn over faster than we can. In a parliamentary form of government, the Prime Minister can say, "Here is what is going to happen," and that is a commitment of government, or that person is turned out of office when there is a new election or the party turns him or her out of office.

And so a Prime Minister, as far as getting things done, and as far as the hierarchy, the bureaucracy of Government to back that person up, there is less turnover in that type system than there is normally in our type system with all of its remainder of powers back and forth.

The loyal opposition in a parliamentary situation has a cabinet, a shadow cabinet standing there waiting to come in. They know right then who their appointees are going to be, if there are going to be many at all, and the actual form of Government goes on. The full-time civil servants are lifetime, usually spend a lifetime career in those particular positions.

Now, let us look back at the NPR a minute, the National Performance Review. We worked very closely with the National Performance Review in the Governmental Affairs Committee. We provided some of the legislation, the legal authority for buyouts, for early outs, for early retirements, but done with fairness—done with fairness.

We have cut out a lot of those positions. And as I just read a moment ago here, we have, indeed, cut out a number of the political appointees with that, and that was done at the initiative of the administration, to cut some of those out, cut out some of these layers of management.

I know Paul Light, in reference to his work. I have his book and have read his book. He was on our committee staff at

one time and went from the committee staff, I think, to the position he has now where he has authored a lot of articles, and so on, has done an excellent job in what he has done. So I am thoroughly familiar with Paul's work. I know him personally. He has done a good job in pointing out a lot of these things. We do, indeed, have to be working toward the end he points out in the book of this layering of Government, the many layers and levels that we have to fix if we truly are going to have efficiency in Government.

But as my distinguished colleague from the Nebraska, the floor manager of the bill, pointed out a few moments ago, political appointees in our system come in not just as political favors to give somebody a Government job. They are put in over the normal civilian bureaucracy, the civil service, so that the policies of the new President can be implemented; you have people in each one of these departments or agencies to do exactly that, to see that the President's policies are carried out. They are the implementers.

Now, do we have too many implementers? Well, I would not quarrel that maybe we do, but I think to just arbitrarily say we are going to lop off a third of these because we do not like that big number out there is a pretty shortsighted way to go at this thing.

How do we make that kind of change, just whacking away at the management levels that the President uses for control in these different agencies and departments? How do we just whack away at them without knowing what the impact is going to be? I guess I would feel much better about it if we had had some hearings on this and have some specificity about where we are going to see these cuts occur, how they are going to do this. Maybe it will work in some departments; in other departments, it might be catastrophic.

I do agree very much with the distinguished Senator's comments about the turnover in the political appointees once they are in office, and that disturbs me mightily because we did some studies on that and have GAO figures on it. I do not have the current figures with me to be up to speed on this.

Well, I guess I do. Staff just handed me a comment on this.

Turnover rates of political appointees: Appointees average 2 years of service. When NPAS vacancies occur, it often takes months, if not years, to fill the slots. Some positions go unfilled for months, if not years. By the time you get up to speed on major issues and budget procurement and financial management, you are on the way out, and that is no way to run the Government.

So when I have conducted hearings in the past, when we have had people come up for confirmation before the committee, I have always asked them for a commitment. I asked them for a personal commitment that they are in for this term of office of the President. Everyone I have run into so far, all those who have been through confirmation—we had, I think it is, 40 or 40-some

who have come before our committee—everyone has given me that commitment. I do not think anyone has violated it.

So we are doing our little bit to get this constancy of Government in there also, which I think is very important. I think it is about half of the appointees are gone within 28 months, or something like that, I think, is the current figure. That is in the ballpark anyway. We would have to get more detailed figures on that.

In fact, we had a hearing on this back a few years ago; I was concerned enough. We had GAO do a study, and they came up and gave the results to us. We were trying to make sure whatever administration, Republican or Democratic, it got a commitment from their political appointees coming in not just to get a new entry in their dossier or in their record but came in to do their job to the end of that administration's 4-year term, whatever it might be.

So I would feel better about this proposal if we had had some hearings or we had details on exactly who was going to be affected—most, how the President is expected to do his job if he does not have his political appointments in there to carry out the policies that he has been elected to put into effect in Government, and I do not think we have that.

So I hate to oppose this, but I have to, in all good conscience, do that because I do not like this sort of, what I call, a meat-ax approach to Government, just say we do not like the number of employees; we will whack a third of them off.

That is basically what we are doing with this. It sounds great. Political appointees, everybody would probably agree they are the most expendable people in Government, but they are not really. Whether it is a Republican administration or Democratic administration, there are people out there in Government as political appointees, either Secretary, Under Secretary level or whatever, who are implementing the policies the administration had just been elected to put into practice.

So just to say that because they are political appointees we automatically can do away with approximately a third of them I do not think is realistic. So I have to oppose this. This will probably be popular enough—we are going to have a vote on it—to go through, but I urge my colleagues to think twice about this before they vote for something like this.

We are progressing in this direction. The administration has had well over 200,000 positions cut. We are at the lowest employment level since John F. Kennedy. We are bringing the employment of Government down not only in civil service but in these political appointments.

A number of those positions, as I said earlier, have already been eliminated by the National Performance Review and more are coming. That, to me, is

the way to go at this thing—keep the course we are on of cutting down civil service. Right now, we are ahead of schedule on reaching that cut of 272,900 that the administration set as a goal after they did their assessment of all the civil service and of all the Government positions.

I hope we will vote this down so that we do not do more damage here than we are doing good. We are heading in the right direction right now, and to just automatically say we are going to arbitrarily pick a number off the top of our head and whack away is the wrong way to go, and I urge my colleagues to vote against the amendment.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Let me, first of all, say that there is no one who has shown more commitment to Government efficiency and making sure we have spent our tax dollars properly than the Senator from Ohio, so it is no fun disagreeing with him on an issue like this.

Let me, as I must, respond to a few of the points he made.

First of all, to hear some of the comments from the Senator from Ohio and some of the questions of the Senator from Nebraska, you would think what we are proposing to do is to essentially eliminate all political appointees.

That is not what we are doing. The figure that has been bantered about is we are cutting the number of political appointees by a third, but that is not the case. The estimate we have is that the number averages about 2,700 or 2,800 political appointees. The effect of this amendment would take it down to about 2,300.

That is far less than one-third. It is more like 17 percent or something close to it. I understand the comparison between the rounding off at 3,000 versus the original bill at 2,000 would have produced that result, but that is not the effect here. Neither I nor Mr. Volcker's commission or Mr. Light at any point suggested you do not need political appointees. In fact, I took great care in my original remarks to indicate that you absolutely do need some political appointees. You must have them in order to implement the political will that accompanied a Chief Executive's election to office. So there is no disagreement on that point. The only question is what is the proper level, and that goes to the second question.

Are we, as the Senator from Ohio suggested, singling out political employees for a cut? Or is it just the opposite, that they have been singled out for protection? Federal employment in general, in this area, only went up 5 percent between 1980 and 1992; political employment has gone up 17 percent. It is awfully hard to explain to the people back home, while various local jobs at the Federal level as well as so many other things are cut, this area continues to grow and grow quickly.

I think it is interesting the very period that figure comes from, the 17 per-

cent growth, is the 12 years we are always talking about out here—what happened between 1980 and 1992 with our Federal deficit. That was the period of exponential growth in the deficit and that is what we have been trying to remedy. It seems to me this is admittedly small in the big picture but, again, one example of how things got out of control. In effect, blank checks were being written all over this Government, including in the area of constantly adding political appointees.

That leads me to the point I want to stress to my friend from Ohio. He is absolutely right, the progress that has been made by this administration is tremendous. I am very proud of it. I would like to think I have had a small part in it. The Vice President's national performance review has been key. The reductions have been very impressive. Every American should be proud that, overall, we have made great progress, as the Senator from Ohio has suggested. All I am trying to do by this amendment is to round it out; to make sure it does look, in the words of the Senator from Ohio, fair; that it just did not happen to civil service people but it also happens to political appointees.

I think it is most unfortunate to speak of the great reductions that have been made in one area and then find the area where reductions have not been made at all is the most sensitive area, of political appointees.

So, some of the language that has been used to describe this amendment—being unfair or arbitrary or taking a meat-ax approach—I think, is wrong. This is very consistent with the philosophy and spirit of the national performance review.

I want to respond to the Senator from Ohio by pointing out four ways in which this is not at all a meat-ax approach.

First, I reiterate, this does not eliminate all political appointees. It reduces them from a figure of about 2,800 now to about 2,300.

Second, it does not have to happen tomorrow. The President has an entire year to get down to this figure. That is the effective date of the amendment. It is not immediate.

Third, and this is a question the Senator from Ohio properly raised and it deserves an answer. We put no constraints in this provision on how the President is to do this. We do not micromanage it. We do not say that some specific number has to come from this department or this area of political appointees. We give the President full discretion to make this determination, as it generally should be. Sometimes I get concerned. We have experienced this, for example, in the area of foreign policy, where some folks in this body were trying to micromanage the State Department in every respect. That is wrong. But it is appropriate for us, in the appropriations process, to set an overall level, a maximum number of political appointees, and then say: Mr.

President, we want you to reach that level within a year; we, of course, will understand you will make your own determinations how this is to happen.

Finally, though it may not be the most important, because I think the Government efficiency aspect and cutting spending are both critical, I think a last point needs to be emphasized from my earlier presentation. That is these experts, Mr. Volcker, Mr. Light and others, concluded not only that we did not need all these folks, necessarily, to have a Federal Government that can implement the policies of the President, but that it actually is harder for a President to be effective, or a Governor to be effective, when there are too many political appointees to manage; when there are so many they become a life and an entity of their own and the President no longer has the time nor the ability to manage all of that.

That is the title of Mr. Light's book, "Thickening Government, Federal Hierarchy and the Diffusion of Accountability." We are noting here, not only about limiting the number of employees, we are talking about making sure the political appointees who are put in their positions are actually accountable to the Chief Executive who was elected and whose policies we are concerned about continuing. This is not a hatchet job or meat-ax approach. It is a modest amendment. It gives the President a year to go forward with this change and I think it is perfectly consistent and would be a proud addition to the President's tremendous record and progress, not only on reducing the number of Federal employees, but his magnificent record on reducing the Federal deficit from what would have been \$300 billion and is now estimated to be only about \$117 billion, moving in the right direction for the coming fiscal year.

I yield the floor.

Mr. KERRY. I am pleased to join once again with my colleague from Wisconsin, Senator FEINGOLD, in reducing waste from the budget and streamlining government. Senator FEINGOLD and I have stood shoulder to shoulder on a number of occasions to cut corporate welfare and to reduce the Federal deficit.

Just a few months ago, we were joined by Senator MCCAIN and Senator THOMPSON in a bold attempt to reduce unnecessary and wasteful corporate welfare in the Federal budget by \$60 billion over the next 6 years. It is sometimes difficult to stare down the special interests and take aim at the excess in our budget, but I am determined to continue the fight to ensure our children a debt-free future. Mr. President, I appreciate having the Senator from Wisconsin as a comrade in arms.

Last year, I introduced a bill which reduced spending by more than \$90 billion by the year 2002. One provision of that bill calls for a reduction of political appointees in the Federal Govern-

ment to 2,000. The proposal by the Senator from Wisconsin is not quite as ambitious, but it is a fine start to rein in the surge in political appointees.

Mr. President, let me be clear on this point: The great growth of political appointees has not occurred under the Clinton Administration. As a matter of fact, Vice President Gore has been a stalwart in reducing the size of government. Facing the legacy of 12 years of irresponsible growth in government under the Reagan-Bush Administrations, our current Vice President has worked with the Congress to reduce the federal payroll to the size it was when John Kennedy was in the White House.

This amendment supports the spirit of the Vice President's efforts and reflects my efforts to curtail the growth of political appointees in the Federal Government.

Mr. President, in my home state of Massachusetts, political appointees are known as walruses, and I am pleased to help retire a few walruses today. We need to reduce Government responsibly at the Federal level and I hope the states follow our leadership.

I urge my colleagues to support this amendment, and join us in reducing the size of government and the level of unnecessary Federal spending.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I would like to inquire of the Senator from Wisconsin how much time does he think he will debate this?

Mr. FEINGOLD. I am prepared to make the motion to table.

Mr. SHELBY. How about the Senator from Ohio?

Mr. GLENN. About 5 minutes.

Mr. SHELBY. Mr. President, I thank the Senators, both the Senator from Ohio and Wisconsin.

The language the Senator is attempting to restore here is a hot political topic, to say the least. The debate about it will, no doubt, be one of the main points the media reports in the bill. It will make, no doubt about it, the papers and the nightly news, if it is adopted.

This amendment is great political rhetoric. We all have talked about too many political appointees in the past, depending on who was the President of the United States. Right now, there are about 2 million civil employees in the executive branch of Government. Political appointees are responsible for final decisionmaking there, as we know. We might not always like what they do, but how many of us can say we have not questioned actions of the career bureaucracy? Do we want to have a system like Great Britain and Japan and others, in which their career bureaucracy runs the Government? I hope not. Political appointees, on the other hand, are accountable. They are accountable for the decisions they make. I believe, overall, the civil bureaucracy is not.

The American people, I think, deserve accountability from their Gov-

ernment officials. By reducing political appointees and increasing the size and the power of a faceless bureaucracy, we are reducing accountability. Do we want to do that? We may need to adjust where they are, but is one-tenth of 1 percent too much for political representation? I hope not. I hope my colleagues, at the proper time, will vote against the motion to table this amendment, as I agree with the Senator from Ohio, this is not the time and this is not the place.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I have just a few comments here and then we will be finished with this.

I ask unanimous consent to have printed in the RECORD an article out of the Washington Post from back in 1994, April 21, 1994, called "The Permanent Non-Government."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 21, 1994]

THE PERMANENT NON-GOVERNMENT

This is no way to run a government. Indeed, to judge from a General Accounting Office study release yesterday, it's a small miracle that the government runs at all. The study, conducted at the request of Sen. John Glenn, found that political appointees stay on the job for only 2.1 years. In other words, they usually leave about the time they might be expected to have figured out what they're doing.

For some big jobs in troubled agencies, the turnover rates are actually worse. The Federal Aviation Administration has had seven appointed and four acting administrators in the past 15 years; the Federal Housing Administration has had 13 commissioners within the past 14 years. And to point out just how bad it can get, Sen. Glenn, the chairman of the Senate Governmental Affairs Committee, noted that within an 18-month period in 1991 and 1992, three different people served in the Education Department as assistant secretary for post-secondary education.

President Clinton has been unusually dilatory in filling government jobs, but the problem of getting people to stick around is not new—the GAO study covered 10 years and three administrations. And once people leave, it takes a long time to get new people behind their desks—from six to 20 months depending on the agency. This all adds up to a big problem, since a president has just four years to make a mark on the government. As Sen. Glenn said in a letter to Mr. Clinton, "the fact remains that when senior positions are in a constant state of flux, it diminishes the ability of any president to carry out an agenda, to bring needed change in the way government works, or to ensure that the long-term interests, including the use of hard-earned taxpayer dollars, are properly managed." Among other things, Sen. Glenn urged Mr. Clinton to seek long-term commitments from his appointees and "fill vacant positions expeditiously."

This is sound advice, especially the part about the vacancies. But the study ought to force a broader inquiry by the reinventing government crew in Vice President Gore's office. Obviously not all of the jobs in question are equally important, nor are the turnovers equally damaging. For some appointees, 2.1 years in government may turn out to be two years too long. And there's nothing wrong with a successful deputy assistant secretary rising to become an assistant secretary. But

taking hold of the government and giving it direction is a difficult task.

Sen. Glenn's study suggests that the entire appointment and confirmation process could use radical streamlining—people will serve in their posts longer if they get there faster. The relationship between civil servants and political appointees also needs fixing. With this kind of turnover, top civil servants have to spend an inordinate amount of time "educating" political appointees about their jobs. Yet the United States has tended to reject the British model of having a shallow layer of political appointees on top of a large mandarin class. But if we don't like the British model, how can we make the one we have created work better? Sen. Glenn deserves some answers.

Mr. GLENN. It goes into some of these things about the high turnover rate that we have of these appointees that come in. I think that is almost scandalous in the turnover rate.

Since I mentioned this a moment ago, we have had a chance to look up the figures here. Back in May of 1994, I had hearings on this subject. We looked into what had happened over the past decade. In fact it covered an 11-year period, back through the Reagan and Bush years. I am not pointing it out just politically, because I think the same kinds of figures apply, maybe slightly reduced, in the Clinton years so far, also.

At that time, over that 11-year period, during the Reagan and Bush years, 30 percent of political appointees had left the Government within 18 months of their appointment. Almost one-third of the people did not even stay beyond 18 months after being politically appointed. And 50 percent—this was the average for that 11-year period—50 percent of the political appointees were out of Government 27 months after their appointment.

You know, a person comes in here and it takes them a little while to find out where the washroom is and who they write to and hiring their secretary and one thing or another, so the first 2 or 3 months they are here they are not as productive as they should be. And once they decide they are going to leave, they are out there and they are short-timers, as we used to say in the service. Because they are short-timers and you cannot expect anything out of them, so do not give them anything real to do. So, take that 6 months out of the service; 30 percent are gone after 18 months, you get 1 year out of these people and you cannot expect the President's appointees, whether it is Reagan, Bush or anybody else, to do a good job in implementing their policies if their political appointees are going to turn over in that fast a period of time.

I don't have complete, up-to-date, current figures that compare with those. I think it has improved a little bit, but I think it is still one of the major problems we face in administering Government, is getting these political appointees, not just reducing their overall numbers, but getting them to come in and stay long enough to do the job for which they were appointed to

do. I just wanted to get those figures in the RECORD.

I gave all my reasons for opposing this before. I would feel much better if we had hearings and detailed the exact effect of this thing. I urge my colleagues to vote against the amendment.

I yield the floor and yield back whatever time I have remaining.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, very briefly, again I salute the Senator from Ohio for his knowledge in this area. It is extensive and a great contribution to Government efficiency.

I want to be clear. The great growth in this area did not occur under President Clinton. I am, of course, a Democrat supporting his reelection, and I am in no way pointing my finger at this administration. The facts don't show that at all. This has been a gradual process over the years which both parties participated in. I want to be clear about that.

I also want to point out, because I was very appreciative of the figures just placed in the RECORD, yes, there is a high turnover rate. This is something I mentioned in my remarks.

I will add, I gave a number of reasons why I didn't think we had a harsh provision. That turnover rate means it is going to be very easy, comparatively speaking, for the President to deal with this. If that is the turnover rate during the course of the next year, a lot of those folks who turn over won't have to be replaced. In other words, we're not talking here about mass firings; we are talking about not replacing, in many cases, those who have simply chosen to leave after a brief tenure.

Mr. President, if it is consistent with the managers' wishes, I now intend to move to table.

Mr. President, I now move to table that portion of the committee amendment beginning on page 129, line 20 through line 18 on page 130.

Mr. SHELBY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the committee amendment beginning on page 129, line 20 through page 130, line 18. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "nay".

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 62, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—36

Baucus	Grams	McCain
Biden	Grassley	Nickles
Bingaman	Gregg	Pressler
Bradley	Harkin	Santorum
Brown	Hutchison	Smith
Bryan	Inhofe	Snowe
Coats	Kassebaum	Specter
Cohen	Kerry	Thomas
Coverdell	Kohl	Thompson
DeWine	Kyl	Warner
Feingold	Leahy	Wellstone
Frist	Lugar	Wyden

NAYS—62

Abraham	Faircloth	Lott
Akaka	Feinstein	Mack
Ashcroft	Ford	McConnell
Bennett	Frahm	Mikulski
Bond	Glenn	Moseley-Braun
Boxer	Gorton	Moynihan
Breaux	Graham	Murkowski
Bumpers	Gramm	Murray
Burns	Hatch	Nunn
Byrd	Heflin	Pell
Campbell	Helms	Reid
Chafee	Hollings	Robb
Cochran	Inouye	Rockefeller
Conrad	Jeffords	Roth
Craig	Johnston	Sarbanes
D'Amato	Kempthorne	Shelby
Daschle	Kennedy	Simon
Dodd	Kerrey	Simpson
Domenici	Lautenberg	Stevens
Dorgan	Levin	Thurmond
Exon	Lieberman	

NOT VOTING—2

Hatfield Pryor

The motion to lay on the table the excepted committee amendment beginning on page 129, line 20 through page 130, line 18 was rejected.

The PRESIDING OFFICER. The question is on agreeing to the excepted committee amendment.

The excepted committee amendment on page 129, line 20 through page 130, line 18 was agreed to.

Mr. SHELBY. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. What is the pending business?

The PRESIDING OFFICER. The committee amendment with the second-degree amendment from Senator KASSEBAUM.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent the Kassebaum amendment temporarily be laid aside.

Mr. SHELBY. Reserving the right to object at this time, I object.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from New Jersey has the floor.

Mr. LAUTENBERG. Mr. President, is the question, then, the matter of finishing amendments or some other procedural thing that has to be attended to?

Otherwise, Mr. President, I have been waiting here for about 2 hours.

Mr. SHELBY. I respond to the Senator from New Jersey that I have a

couple of things. I would like to adopt the committee amendment, the motion failed to table a few minutes ago, and I would like to move to reconsider the vote. I have a unanimous-consent to modify an amendment. It will take 2 minutes at the most.

Senator SPECTER also has been trying to speak.

Mr. LAUTENBERG. I have been waiting for recognition. I ask unanimous consent to permit the manager to dispose of the committee business with the right to regain the floor after the manager has disposed.

Mr. SPECTER. Reserving the right to object, I worked it out with the manager 5 minutes to speak after he finished the business matters. If I could be incorporated in that, I shall not be long. I would not raise an objection. I worked it out with the manager.

Mr. LAUTENBERG. Mr. President, it is my understanding that recognition is given based on the request from the floor. Now, I do not want to get stuck on this too much but I have been waiting a long time. I would indulge the Senator from Pennsylvania if I have an assurance that it would be no more than 5 minutes of time that he would occupy.

I would be happy to modify my unanimous-consent agreement if that is the understanding we can get.

Mr. SPECTER. Mr. President, that is what I understand.

Mr. LAUTENBERG. Therefore, Mr. President, I ask unanimous consent that the manager have the opportunity to clear up committee business, that the Senator from Pennsylvania be recognized for not more than 5 minutes, and that I then regain the right to the floor.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SHELBY. Mr. President, I ask unanimous consent to set aside the Kassebaum amendment temporarily.

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

AMENDMENT NO. 5273, AS MODIFIED

Mr. SHELBY. Mr. President, I ask that a modification be made to amendment No. 5273, which was previously adopted. This has been cleared by the ranking member, Senator KERREY. I send the modification to the desk.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The amendment (No. 5273), as modified, is as follows:

At the end of title V of the bill, insert the following new sections:

SEC. 5. COMMEMORATIVE COIN PROGRAM REFORM.

(a) COMMEMORATIVE COIN PROGRAM RESTRICTIONS.—Section 5112 of title 31, United States Code, as amended by sections 524 and 530 of this Act, is amended by adding at the end the following new subsection:

“(m) COMMEMORATIVE COIN PROGRAM RESTRICTIONS.—

“(1) MAXIMUM NUMBER.—Beginning January 1, 1999, the Secretary may mint and issue commemorative coins under this section

during any calendar year with respect to not more than 2 commemorative coin programs.

“(2) MINTAGE LEVELS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), in carrying out any commemorative coin program, the Secretary shall mint—

“(i) not more than 750,000 clad half-dollar coins;

“(ii) not more than 500,000 silver one-dollar coins; and

“(iii) not more than 100,000 gold five-dollar or ten-dollar coins.

“(B) EXCEPTION.—If the Secretary determines, based on independent, market-based research conducted by a designated recipient organization of a commemorative coin program, that the mintage levels described in subparagraph (A) are not adequate to meet public demand for that commemorative coin, the Secretary may waive one or more of the requirements of subparagraph (A) with respect to that commemorative coin program.

“(C) DESIGNATED RECIPIENT ORGANIZATION DEFINED.—For purposes of this paragraph, the term ‘designated recipient organization’ means any organization designated, under any provision of law, as the recipient of any surcharge imposed on the sale of any numismatic item.”

(b) RECOVERY OF MINT EXPENSES REQUIRED BEFORE PAYMENT OF SURCHARGES TO ANY RECIPIENT ORGANIZATION.—

(1) CLARIFICATION OF LAW RELATING TO DEPOSIT OF SURCHARGES IN THE NUMISMATIC PUBLIC ENTERPRISE FUND.—Section 5134(c)(2) of title 31, United States Code, is amended by inserting “, including amounts attributable to any surcharge imposed with respect to the sale of any numismatic item” before the period.

(2) CONDITIONS ON PAYMENT OF SURCHARGES TO RECIPIENT ORGANIZATIONS.—Section 5134 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(f) CONDITIONS ON PAYMENT OF SURCHARGES TO RECIPIENT ORGANIZATIONS.—

“(1) PAYMENT OF SURCHARGES.—Notwithstanding any other provision of law, no amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item shall be paid from the fund to any designated recipient organization unless—

“(A) all numismatic operation and program costs allocable to the program under which such numismatic item is produced and sold have been recovered; and

“(B) the designated recipient organization submits an audited financial statement that demonstrates to the satisfaction of the Secretary of the Treasury that, with respect to all projects or purposes for which the proceeds of such surcharge may be used, the organization has raised funds from private sources for such projects and purposes in an amount that is equal to or greater than the maximum amount the organization may receive from the proceeds of such surcharge.

“(2) ANNUAL AUDITS.—

“(A) ANNUAL AUDITS OF RECIPIENTS REQUIRED.—Each designated recipient organization that receives any payment from the fund of any amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item shall provide, as a condition for receiving any such amount, for an annual audit, in accordance with generally accepted government auditing standards by an independent public accountant selected by the organization, of all such payments to the organization beginning in the first fiscal year of the organization in which any such amount is received and continuing until all amounts received by such organization from the fund with respect to such surcharges are fully expended or placed in trust.

“(B) MINIMUM REQUIREMENTS FOR ANNUAL AUDITS.—At a minimum, each audit of a designated recipient organization pursuant to subparagraph (A) shall report—

“(i) the amount of payments received by the designated recipient organization from the fund during the fiscal year of the organization for which the audit is conducted that are derived from the proceeds of any surcharge imposed on the sale of any numismatic item;

“(ii) the amount expended by the designated recipient organization from the proceeds of such surcharges during the fiscal year of the organization for which the audit is conducted; and

“(iii) whether all expenditures by the designated recipient organization during the fiscal year of the organization for which the audit is conducted from the proceeds of such surcharges were for authorized purposes.

“(C) RESPONSIBILITY OF ORGANIZATION TO ACCOUNT FOR EXPENDITURES OF SURCHARGES.—Each designated recipient organization that receives any payment from the fund of any amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item shall take appropriate steps, as a condition for receiving any such payment, to ensure that the receipt of the payment and the expenditure of the proceeds of such surcharge by the organization in each fiscal year of the organization can be accounted for separately from all other revenues and expenditures of the organization.

“(D) SUBMISSION OF AUDIT REPORT.—Not later than 90 days after the end of any fiscal year of a designated recipient organization for which an audit is required under subparagraph (A), the organization shall—

“(i) submit a copy of the report to the Secretary of the Treasury; and

“(ii) make a copy of the report available to the public.

“(E) USE OF SURCHARGES FOR AUDITS.—Any designated recipient organization that receives any payment from the fund of any amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item may use the amount received to pay the cost of an audit required under subparagraph (A).

“(F) WAIVER OF PARAGRAPH.—The Secretary of the Treasury may waive the application of any subparagraph of this paragraph to any designated recipient organization for any fiscal year after taking into account the amount of surcharges that such organization received or expended during such year.

“(G) NONAPPLICABILITY TO FEDERAL ENTITIES.—This paragraph shall not apply to any Federal agency or department or any independent establishment in the executive branch that receives any payment from the fund of any amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item.

“(H) AVAILABILITY OF BOOKS AND RECORDS.—An organization that receives any payment from the fund of any amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item shall provide, as a condition for receiving any such payment, to the Inspector General of the Department of the Treasury or the Comptroller General of the United States, upon the request of such Inspector General or the Comptroller General, all books, records, and work papers belonging to or used by the organization, or by any independent public accountant who audited the organization in accordance with subparagraph (A), which may relate to the receipt or expenditure of any such amount by the organization.

“(3) USE OF AGENTS OR ATTORNEYS TO INFLUENCE COMMEMORATIVE COIN LEGISLATION.—No portion of any payment from the fund to any

designated recipient organization of any amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item may be used, directly or indirectly, by the organization to compensate any agent or attorney for services rendered to support or influence in any way legislative action of the Congress relating to such numismatic item.

"(4) DESIGNATED RECIPIENT ORGANIZATION DEFINED.—For purposes of this subsection, the term 'designated recipient organization' means any organization designated, under any provision of law, as the recipient of any surcharge imposed on the sale of any numismatic item."

(3) SCOPE OF APPLICATION.—The amendments made by this section shall apply with respect to the proceeds of any surcharge imposed on the sale of any numismatic item that are deposited in the Numismatic Public Enterprise Fund after the date of the enactment of this Act.

(4) REPEAL OF EXISTING RECIPIENT REPORT REQUIREMENT.—Section 302 of Public Law 103-186 (31 U.S.C. 5112 note) is repealed.

(c) QUARTERLY FINANCIAL REPORTS.—Section 5134 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(g) QUARTERLY FINANCIAL REPORTS.—

"(1) IN GENERAL.—Not later than the 30th day of each month following each calendar quarter through and including the final period of sales with respect to any commemorative coin program authorized on or after the date of enactment of the Treasury, Postal Service, and General Government Appropriations Act, 1997, the Mint shall submit to the Congress a quarterly financial report in accordance with this subsection.

"(2) REQUIREMENTS.—Each report submitted under paragraph (1) shall include, with respect to the calendar quarter at issue—

"(A) a detailed financial statement, prepared in accordance with generally accepted accounting principles, that includes financial information specific to that quarter, as well as cumulative financial information relating to the entire program;

"(B) a detailed accounting of—

"(i) all costs relating to marketing efforts;

"(ii) all funds projected for marketing use;

"(iii) all costs for employee travel relating to the promotion of commemorative coin programs;

"(iv) all numismatic items minted, sold, not sold, and rejected during the production process; and

"(v) the costs of melting down all rejected and unsold products;

"(C) adequate market-based research for all commemorative coin programs; and

"(D) a description of the efforts of the Mint in keeping the sale price of numismatic items as low as practicable."

(d) CITIZENS COMMEMORATIVE COIN ADVISORY COMMITTEE.—

(1) FIXED TERMS FOR MEMBERS.—Section 5135(a)(4) of title 31, United States Code, is amended to read as follows:

"(4) TERMS.—Each member appointed under clause (i) or (iii) of paragraph (3)(A) shall be appointed for a term of 4 years."

(2) CHAIRPERSON.—Section 5135(a) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(7) CHAIRPERSON.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Chairperson of the Advisory Committee shall be elected by the members of the Advisory Committee from among such members.

"(B) EXCEPTION.—The member appointed pursuant to paragraph (3)(A)(ii) (or the alternate to that member) may not serve as the Chairperson of the Advisory Committee, beginning on June 1, 1999."

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 5. MINT MANAGERIAL STAFFING REFORM.

Section 5131 of title 31, United States Code, is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

Mr. SHELBY. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

NO INTELLIGENCE FAILURE IN SAUDI ARABIA

Mr. SPECTER. Mr. President, I thank the distinguished managers and my colleague from New Jersey for a brief opportunity to comment about a trip which I made to Saudi Arabia, to Dhahran on August 25 and Riyadh on August 26, and a report made by the staff of the Intelligence Committee.

Mr. President, the Khobar Towers at Dhahran, Saudi Arabia, was the scene of a tragic terrorist attack killing 19 Americans and wounding hundreds of other Americans. There has been a suggestion made that there was an intelligence failure leading to that attack. In my capacity as chairman of the Intelligence Committee, the committee has made an exhaustive study of this subject, and I made a personal visit to Saudi Arabia, to Dhahran on August 25 and Riyadh on August 26, and my personal conclusion, backed up by the staff report, was that there was no intelligence failure.

In fact, in the preceding year, there had been more than 100 intelligence reports on alerts of a general nature, and very specific reports on an alert to the danger of a car bomb at Khobar Towers. That was the essence of a report by the Office of Special Investigations of the U.S. Air Force in January 1996. There had been previous reports about terrorist attacks at Khobar Towers—the same report about a car bombing, which, in fact, did take place in Riyadh on November 13, 1995, claiming the lives of five Americans; the State Department alert on June 13, just 12 days before the terrorist attack; and a report by the Defense Intelligence Agency on June 17, just 8 days before the attack, which emphasized the vulnerability of the area and the necessity for increased security. Specifically, what the DIA report said about Khobar Towers, with a large picture, was, "A pattern appears to be developing that warrants improved security efforts."

Notwithstanding these warnings, improved security efforts were not undertaken by the Pentagon, by ranking military-civilian DOD authorities.

I visited the scene, Mr. President, and was amazed to see how close that fence was to those towers—less than 60 feet away, which was an open and notorious invitation to terrorism. For anybody to say, on the basis of this record, on the basis of what I have personally observed, and on the basis of a staff re-

port by the Intelligence Committee, that there was intelligence failure is, simply stated, preposterous. It was obvious that that fence had to be moved back. That issue has been raised in hearings before the Senate oversight committees and has not yet been answered by top officials in the Pentagon.

Requests have been made for the oversight committees to be informed about what military personnel made what request of Saudi officials and what the responses of those Saudi officials were, and no information has been provided to the oversight committees. The Intelligence Committee asked ranking DOD officials what the obligation was to report up the chain of command any failure by Saudi officials to move the fence back, and that has not been done.

But on the face of this record, Mr. President, it is plain that there has not been a failure of intelligence on the terrorist attack at Khobar Towers on June 25, 1996.

The United States Code requires that the oversight Intelligence Committee be informed of significant intelligence failures. My conclusion is that there was no such intelligence failure, but, in fact, there was a failure of DOD officials to follow up on a well-known and obvious terrorist threat.

I ask unanimous consent that the full text of the report by the staff of the Intelligence Committee be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE SUMMARY

In the wake of the June 25, 1996, deadly bombing at the Khobar Towers housing complex Saudi Arabia, the Senate Select Committee on Intelligence staff undertook an inquiry to determine the adequacy of the intelligence concerning the terrorist threat situation in Saudi Arabia. The Committee staff reviewed the collection posture, the analytical products available and the dissemination of threat information.

CONCLUSION

The Khobar Towers tragedy was not the result of an intelligence failure.

Threat level

Intelligence regarding the terrorist threat in Saudi Arabia was sufficient to prompt the Defense Intelligence Agency (DIA), in July 1995, to raise the Terrorist Threat Level for Saudi Arabia From Low to Medium.

Reporting from enhanced intelligence efforts following the November 13, 1995 bombing of the Office of the Program Manager, Saudi Arabian National Guard (OPM-SANG), in which 5 Americans were killed by a car bomb, prompted DIA to raise the Threat Level to High, where it stayed until the Khobar Towers bombing.

The threat in Saudi Arabia is now considered Critical—the highest Threat Level on the Department of Defense scale.

Collection

The U.S. intelligence Community in Saudi Arabia gave its highest priority to the terrorist target and aggressively collected against a range of internal and external threats including Iran, Hizballah, and others.

Analysis

From April 1995 through the time of the Khobar Towers bombing in June 1996 the intelligence analytic community published