

Senate and use your leverage. It looks like this is one of those times.

Mr. President, let me conclude on a more positive note. I hope that my colleagues in the majority party will send this bill to the President today. I hope that it will come back to us right away, and I "hope and pray," in the words of the Chaplain, that we will reach agreement and pass a disaster relief bill and that we will get help to people in Minnesota and in the Dakotas.

Mr. President, these are good people, really good people. They have really been through a lot and they deserve our help. They don't deserve what we are doing to them right now.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WELLSTONE. Mr. President, while it has been called to my attention that, in speaking quickly, I might have also called the leadership a disaster. That was not my intention.

I will make sure that my remarks do not reflect that. I think it is a disaster here, what is going on. But I want to make it clear that nothing I said was intended in that way.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

Mr. INHOFE. Mr. President, I ask unanimous consent that I be recognized to speak as if in morning business.

The PRESIDING OFFICER. We are in morning business. The Senator may proceed.

#### THE EMERGENCY SUPPLEMENTAL

Mr. INHOFE. Mr. President, I know there is some misunderstanding over what is happening right now in terms of this emergency supplemental, and I believe maybe some clarification would be in order.

The very distinguished Senator from Minnesota spent 30 minutes expressing his anxiety over the passage of this emergency supplemental legislation. Let me assure you, Mr. President, if you were listening to that, that there are not any people in North Dakota or in Minnesota right now who are going without the emergency provisions that are authorized. And, as a matter of fact, there are some things that won't

really be done, such as the outright replacing of infrastructure and some of those things.

So it is not as if those people are being ignored. It is not as if we went off and took a vacation during the time that was happening.

But I think it is important to mention a couple of other things that are in this emergency supplemental. I am hoping that the President won't veto it. It is not at all unusual that the bill is not sent to the President. If it were sent to the President after it was only passed on Thursday night, by Monday morning, then, that would probably set some new kind of a record around here. Things don't move that fast. There is nothing unusual about the fact that this bill has not been sent to the President. But this presupposition that the President is going to veto it, I think, is really wrong. I think the President will have to look very closely at whether or not he wants to veto this emergency legislation.

For one thing, it is the President that got us into the situation that we are in in Bosnia right now. But we should never have sent troops over to Bosnia when you have a military budget that is suffering and while we have great threats that are out there to send troops on humanitarian missions and peacekeeping missions all around the world where we don't have strategic interests at stake.

I can remember 18 months ago standing on this floor when the President of the United States said that the cost in Bosnia would be somewhere between \$1.5 and \$2 billion. At that time I said, "I bet it will be \$8 billion before it is over." Guess what? It is already passing through \$6.5 billion. And some of the money that is in this emergency supplemental is going to be going to support the effort in Bosnia. It has already been paid.

But this is replenishing, the same as it is up in North Dakota and for some of the flood victims. They have been addressed. Problems have been addressed. Of course, we do need to replenish that emergency fund, which we intend to do.

But I think the main thing is the idea that the President is going to automatically veto this. I think you know that the automatic continuing resolution is on this, which I think is very, very good. It wasn't too long ago that the President shut down the Government and blamed the majority party for it, and if we had this continuing resolution in place, that couldn't happen again. All we want to do is to be sure that we are going to be able to carry on Government and let Government operate in the event there is an impasse between Congress and the President of the United States on some appropriations bills. That is exactly what this is all about. So, if we had the continuing resolution that is passed, which is a part of this emergency supplemental legislation, then the continuing resolution will provide that

Government won't shut down, that it will continue to operate at last year's funding level, which I think is very reasonable. We don't want to shut down Government. That way, we can ensure it won't happen. That is all in this emergency supplemental.

So I am hoping, of course, that the President doesn't use the automatic continuing resolution as an excuse to veto this bill, because if he does, what he is saying is, I want Government to be able to be shut down. It is as simple as that.

Lastly, I say that I have the utmost respect for the Senator from Minnesota. Quite often you see different philosophies expressed on this floor. Of course, his is quite different than mine. I think the basic difference is that when we look at money that Government spends, we look at it as coming from the taxpayers rather than just some big pot of money that is owned by Government. So we have conservatives and we have liberals. And the distinguished Senator from Minnesota, Senator WELLSTONE, is very liberal, and we are very conservative.

So this is a forum where those things can be heard. I think, in good time, the President will get this emergency supplemental, and I am certainly hopeful that the President will not veto the supplemental.

I yield the floor.

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

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. THOMAS. Mr. President, I would like to speak as if in morning business for about 5 minutes.

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

Mr. THOMAS. I appreciate very much the Senator from West Virginia yielding to give me the opportunity to do this.

#### FREEDOM FROM GOVERNMENT COMPETITION ACT

Mr. THOMAS. Mr. President, I come to the floor today to talk about a problem that I think we have in this country in terms of the organization of Government, in terms of the future role of Government, in terms of where we want to be with respect to Government and the private sector, and specifically Government's competition with the private sector. This competition, of course, takes many forms, but the basic premise is that the Federal Government provides commercial goods and services in-house instead of going to the private sector and contracting out for these needs. This is called insourcing, and it leads to larger

and larger Government. It is my view that given limited Federal resources we ought to set priorities as to where we spend money and find ways to meet these commercial needs more reasonably, more efficiently by contracting.

Insourcing, of course, tends to stifle job creation in the private sector. It weakens economic growth. It erodes the tax base, of course. It hurts small businesses and costs taxpayers money.

There is a great deal of talk that goes on in this country about downsizing, about reinventing Government, but the fact is very little of that actually goes on. The Clinton administration has talked some about how there are fewer employees in the Federal Government than there used to be, but almost all of that is a result of base closures in the Department of Defense and RTC when it finished its work with regard to the savings and loan scandal. The fact is that Government expenditures and Government continue to grow and will, indeed, continue to grow under the budget that was approved recently.

But more specifically, I want to talk just a moment about legislation that I have introduced called the Freedom From Government Competition Act that would address this problem. Congressman DUNCAN from Tennessee has an identical bill in the House. I use an example that just happened that I think we ought to reevaluate, one that we ought to look at, one where we ought to say wait a minute, what is going on here? This is an example of unfair competition in the private sector, and in fact it was on the front page of the Washington Post on May 22, 1997. I ask unanimous consent that the article be printed in the RECORD.

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

[From the Washington Post, May 22, 1997]

WHEN THE GOVERNMENT HIRES THE  
GOVERNMENT

(By Rajiv Chandrasekaran)

When the Federal Aviation Administration announced last fall that it was looking for someone new to operate its computer systems for payroll, personnel and flight safety, several of industry's biggest players came knocking.

Computer powerhouses International Business Machines Corp., Unisys Corp., Computer Science Corp., and Lockheed Martin Corp. all bid for the juicy contract, worth as much as \$250 million over eight years.

The winner, announced Friday, turned out to be an organization well known in Washington, though not for its computer experience; the U.S. Department of Agriculture.

In a surprising decision being lauded by the Clinton administration but derided by the computer services industry and some members of Congress, the FAA's number-crunching will be handled by a USDA computer center in Kansas City, MO.

The contract, which many observers predict could alter the landscape of competition between the public and private sectors, is one of the largest ever awarded to a government agency in a head-to-head contest with industry.

The center is one of several federal facilities that have been allowed, and even en-

couraged, to compete for business from other agencies in recent years as part of the administration's effort to "reinvent" government. The USDA center's bid was nearly 15 percent lower than those from the private sector, said Dennis DeGaetano, the FAA's deputy associate administrator for acquisitions.

"This shows that there are some organizations that are both efficient and effective within the federal government," said Anne F. Thompson Reed, a USDA spokeswoman. "We're giving the taxpayer a good value."

The administration, particularly Vice President Gore's National Performance Review project to streamline the way federal agencies operate, views such competition between government and industry as a cost-effective way for some facilities to bring in new work—and money—to offset the effects of budget cuts.

But federal contractors, many of which have their headquarters in the Washington region, contend that the new competitors will reduce the dollar amount of computer services the government buys from the private sector, estimated at more than \$21.3 billion this fiscal year, industry executives argue that federal agencies, which don't have to pay taxes and which account for overhead expenses such as electricity differently, receive an unfair competitive advantage.

They also question whether the government's technical expertise matches up to industry's. The government is "not as tech-savvy, not as agile, not as aggressive" as the private sector, said Bert M. Concklin, president of the Professional Services Council, a Vienna-based association of federal contractors.

The FAA decision already has come under fire from some congressional Republicans, who argue that many other USDA computer systems are grossly mismanaged.

The General Accounting Office's director of information resources management, Joel C. Willemssen, told a congressional subcommittee last week, "USDA's inadequate management of information technology investments resulted in millions of taxpayer dollars being wasted."

In response to previous congressional inquiries, the department in November put on hold all computer purchases exceeding \$250,000 until it revamps its information technology management structure.

"The bottom line is: 'Can they do it better than the private sector?' The evidence we've seen suggests that there are a lot of reasons to question that assumption," Rep. Robert W. Goodlatte (R-Va.), chairman of the House Agriculture Committee's subcommittee on department operations, nutrition and foreign agriculture, said yesterday. "This could be a case of the blind leading the blind."

Concklin and other industry leaders also contend that the FAA contract was improperly awarded because it skirted a set of rules established by the Office of Management and Budget for public-private competition. They also allege that the USDA's bid was not scrutinized as much as those from private firms.

"We seriously doubt that the USDA proposal was visited with the same precision and critical eye that was visited on the private-sector proposals," Concklin said.

The FAA's DeGaetano denied that a double standard was used, but he said yesterday that the agency's chief acquisitions executive, George Donohue, decided to temporarily suspend work on the contract while the agency investigates whether OMB rules were followed. DeGaetano also said the agency wants to respond to industry concerns "over the fairness of contracting with another government agency" before allowing the USDA to begin work.

But DeGaetano emphasized that "this doesn't mean we're rescinding the award."

He said the Agriculture Department won the award based on its low bid and its track record of handling work for other agencies.

The Kansas City center, called the National Information Technology Center, operates most of the USDA's big computer projects, as well as obscure programs, including a timber-management system for the Forest Service and a database of plants for the Natural Resource Conservation Service. The center has handled computer services for other government agencies for the past decade, but not as the result of a contract competition with the private sector, Reed said.

The center, known in Beltway parlance as a "revolving-fund agency," functions as a quasi-private entity within the Agriculture Department. It operates by charging its "customers"—various arms of the USDA and other agencies—for the services it provides, money that is used to pay the center's salaries and operating costs.

But because the center by law can't make a profit—nor can it seek commercial work—administration officials say its services can be as much as 20 percent less expensive than those of private contractors. "The point of these operations is to bring down the costs for government," said John A. Koskinen, OMB deputy director for management.

Private contractors, however, contend that such government operations, even if they have separate budgets, do not have to pay for overhead costs and taxes in the same way.

"The cost structures are totally different," said Olga Grkavac, a vice president at the Information Technology Association of America, an industry group based in Arlington. "It's not a level playing field. How can you have a fair competition?"

Industry executives say they didn't pay much attention to legislation that set up such competition, namely the 1994 Government Reform Act, which established six pilot revolving-fund projects. "We never thought it would happen," said Pat Ways, a group vice president at Computer Sciences, "A government data center that's more qualified than a commercial one?"

At the same time, federal contractors don't have a spotless reputation. Almost every large company that performs work for the government has been accused, at one time or another, of cost overruns and delivering faulty systems.

USDA officials maintain the agency's computer center will be able to handle the FAA's work, which includes maintaining personnel and payroll records, financial information, and a large aviation safety database. The center will largely use existing mainframe equipment but may need to hire additional staff, officials said.

"We're definitely qualified to do this job," Reed said.

Particularly worrisome to the information technology industry, however, is the fact that the FAA contract had been handled by a private firm, Electronic Data Systems Corp.

Ways said government competition for contracts could put his company in the "awkward position" of competing with its customers for new business. Computer Sciences, for instance, performs work for the USDA, he said.

The contract is expected to renew a long-standing Washington debate about the rules of competition between government and industry, say several observers. On one hand, several Republican legislators and industry executives believe that the government shouldn't perform functions that can be handled by the private sector. A bill introduced by Sen. Craig Thomas (R-Wyo.) would bar federal agencies from bidding for work that could be handled by outside contractors.

Administration officials acknowledge that private contracts could suffer in the new

competitive landscape, but they contend that might not be such a bad thing.

"Ultimately, the government is not always going to win and the private sector isn't either," said Michael D. Serlin, a former National Performance Review official who now works as a consultant on federal contracting issues. "If the result is genuine competition, however, it's the taxpayer who's the winner."

Mr. THOMAS. The FAA recently announced it was awarding a contract of about \$150 million for data processing and information technology to the Department of Agriculture. The problem is that there are plenty of private-sector groups that are more efficient or more capable of doing that job.

When you think of technology, do you think of the Department of Agriculture? I do not think so. When you talk about doing payrolls and managing the FAA's technology, do you think of the Department of Agriculture? I do not think so. That is because information technology is not part of the Department of Agriculture's core mission.

The folks down at OMB and the Clinton administration will tell you it is a great thing; it is encouraging entrepreneurial Government. But I think we ought to be encouraging private business and entrepreneurial enterprise, not Government. By recruiting contracts from other agencies to offset budget cuts, we are maintaining big Government at the expense of businesses in the private sector, especially small businesses. We are also cheating the taxpayer. Studies have shown that outsourcing can save the Government up to 30 percent. Congressman DUNCAN and I wrote to the President the day this article appeared to protest his plans on reinventing Government.

Mr. President, I ask unanimous consent that a copy of that letter be printed in the RECORD.

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

U.S. SENATE,

Washington, DC, May 22, 1997.

Hon. WILLIAM J. CLINTON,  
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to express our strong concerns regarding a recent decision by the Federal Aviation Administration (FAA) to award a large information technology (IT) contract to the Department of Agriculture. We are concerned that American taxpayers may be shortchanged by this proposed contract. We seriously question whether your plans for "reinventing" government should include federal agencies unfairly competing with the private sector to provide commercial goods and services to other government agencies.

The current process for evaluating whether or not the federal government should perform commercial functions is woefully inadequate. Federal agencies have an unfair advantage in these competitions because the government's true costs are generally understated due to the absence of an activity-based accounting system. The federal government doesn't pay taxes and it accounts for overhead expenses differently than private sector firms. Most alarming, it is our understanding that the A-76 process was pos-

sibly circumvented entirely, so that no rigorous competitive analysis was performed at all.

In addition, the FAA appears to have decided to ignore the past performance of the Department of Agriculture in the IT area. Just last week, the Department was criticized by the General Accounting Office (GAO) for "inadequate management of information technology investments that resulted in millions of taxpayer dollars being wasted." In addition, in response to previous congressional inquiries, the Department of Agriculture recently put on hold all computer purchases exceeding \$250,000 until it revamps its information technology management structure.

As you know, we recently introduced legislation in the U.S. Senate and House of Representatives, S. 314 and H.R. 716, that would eliminate unfair government competition with the private sector. Our legislation corrects the problems with the A-76 process and stops "entrepreneurial" government by creating a "best value comparison" in which many factors, such as qualifications, past performance and a fair cost accounting system, are used to determine which entity will provide the best value to the American taxpayer.

We encourage you to reevaluate the decision to award this contract to the Department of Agriculture based on the criteria laid out in S. 314 and H.R. 716. We look forward to your prompt reply.

Sincerely,

CRAIG THOMAS,

U.S. Senator.

JOHN DUNCAN,

U.S. Representative.

Mr. THOMAS. Unfortunately, this reinventing Government is not achieving its purpose. It is recreating big Government. The current A-76 process, which is the system that is supposed to be used to decide if a function can be done more cost effectively and more efficiently in the private sector, may not even have been used by the FAA before awarding the contract to the Department of Agriculture. And when A-76 is used, it does not provide a level playing field for comparing Government and the private sector. Finally, the GAO has strongly criticized the Department of Agriculture's management of its current information technology. We shouldn't be giving them more work when they can't handle their current assignments.

So my legislation would address these issues. The legislation would stop entrepreneurial Government dead in its tracks, create a best value comparison between Government and private enterprise based on fair accounting systems, based on qualifications, based on past performance.

There are certainly activities within the Government that are inherently Government functions and should be done by the Government, but there are many others that are commercial in nature. They are as commercial as anything in the private sector could be. So this legislation will lead to more efficient Government, will inject fair competition into Government monopolies and continue to reserve a Government role for inherently governmental functions. It also will encourage more and more contracting with the private sec-

tor for more efficiency and giving American taxpayers more bang for their buck.

So I urge my colleagues to join me in supporting this good Government, common sense of reform.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

#### WEST VIRGINIA POULTRY FARMERS COMMITTED TO STEWARDSHIP

Mr. BYRD. Mr. President, the Sunday, June 1, 1997, edition of the Washington Post featured a front-page article on pollution in the Potomac River from poultry production. The story was prompted by a ranking by American Rivers, which is a national environmental organization, of the Potomac River on the group's annual list of the 10 Most Endangered Rivers in North America, and inspired by American Rivers' interpretation of a 1996 U.S. Department of Agriculture study that detected nutrient and bacterial contamination in the waters of the South Branch of the Potomac.

American Rivers' annual promotion of its top 10 list is an effort to advance public awareness about the fragility of the Nation's water resources, a laudable goal, and newsworthy, as well.

Regrettably, however, the media missed the real story of worth, namely, the exemplary efforts by a nonpartisan coalition of public officials and West Virginia family farmers to balance economic interests with environmental goals. And, more importantly, the media missed the spirit of cooperation needed to accomplish these goals through the voluntary implementation of farm management practices identified in USDA's 1996 study as improving the efficient use of farmland and reducing threats to the Potomac River.

I might add that, contrary to the negative impression left by the Washington Post writer, the heart of this industry is situated in the charming town of Moorefield. This is an area which was settled in the early 1700's and contains a federally designated historic district. Moorefield's antebellum homesteads and streets are enriched by the presence of hard-working family farmers, who not only earn a real day's wage, but also represent the backbone of our Nation's economy and spirit of community.

The poultry industry has dramatically expanded in the Potomac Headwaters, from production at approximately 46.6 million birds in 1992 to 90 million birds in 1996. Recognizing the potential growth of the industry, as early as 1990, a cooperative program between Federal and State agencies was launched to design and implement the best soil and water conservation management practices. Rapid growth of any industry usually is not achieved