

Mr. Speaker, I yield back the balance of my time.

Mr. PETRI. Mr. Speaker, I thought I would have another speaker in the form of the gentleman from Missouri (Mr. BLUNT), who is the author of this bill, but he is at the White House at an important meeting, and I am sure he will insert remarks in the RECORD outlining his support for this legislation.

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of the Real Interstate Driver Equity Act of 2001, H.R. 2546, as amended by the Senate.

This legislation has been under consideration for more than 3 years now, and I am glad that we have been able to find a fair and agreeable solution in the waning days of the 107th Congress.

I want to especially recognize my colleague from Missouri, Mr. BLUNT, who sponsored this bill and has championed the cause of for-hire motor carriers. I believe this legislation will remove barriers to passenger choice and effective management of transportation services.

Mr. ANDREWS. Mr. Speaker, let me begin by thanking the gentleman from Missouri Mr. BLUNT, without whom this legislation would not have gotten on the floor; his legislative skill and his partnership in this effort are truly appreciated, and I thank the gentleman for his work.

I also want to thank my friend and constituent Don Kensey who first brought this to my attention several years ago in my office in New Jersey with various members of the National Limousine Association and the South Jersey Limousine Association.

I am extremely pleased to see that the other body has favorably passed H.R. 2546. The Real Interstate Driver Equity Act, REAL Act, embodies the tireless efforts of many interested parties in upholding Congress' longstanding commitment to the free-flow of goods and services across this Nation. The unnecessary burdens of interstate restrictions on the sedan and limousine industry, of which over 80 percent are small businesses, will now be removed with the passage of H.R. 2546.

In a time where there is much uncertainty about the state of our economy, this legislation provides small business owners with a chance to compete on a fair playing field. Fairness, that is long overdue.

Again, I would like to extend my many thanks to the gentleman from Missouri, Mr. BLUNT, other colleagues and my constituents for their underlying help in bringing the REAL Act to the House floor today. I urge my colleagues to give an affirmative vote and pass this legislation.

Mr. BLUNT. Mr. Speaker, traveling by limousine is increasingly popular among business travelers who appreciate the security and predictability that come with pre-arranged limousine and sedan service. Women are increasingly turning to these services because they provide a measure of safety and security that is not always found by hailing a cab in a strange city.

A substantial portion of their service occurs interstate. Limousine and other prearranged ground transportation service providers are frequently assessed registration and licensing fees by these other states. Enforcement of these requirements, including vehicle impoundment and heavy fines, has caused tremendous hardship to drivers and owners of

these businesses, many of which are small, single vehicle operations, over 80 percent, are 1- to 3-car operators grossing less than \$500,000 a year.

H.R. 2546 rectifies this burden. It prohibits states other than a home licensing state from enacting or enforcing a law requiring a fee or some other payment requirements on vehicles that provide prearranged ground transportation service.

H.R. 2546 prohibits States or localities from restricting limousine or sedan services if: (1) the service is registered with the Department of Transportation as an interstate carrier; (2) the company meets all the requirements of the state in which they are domicile or do business; and (3) the limousine or sedan service is engaged in providing pre-arranged transportation from one state to another, including round trips.

Mr. PETRI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KOLBE). The question is on the motion offered by the gentleman from Wisconsin (Mr. PETRI) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2546.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PETRI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2546.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

IMPROPER PAYMENTS INFORMATION ACT OF 2002

Mr. HORN. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 4878) to provide for estimates and reports of improper payments by Federal agencies.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Improper Payments Information Act of 2002".

SEC. 2. ESTIMATES OF IMPROPER PAYMENTS AND REPORTS ON ACTIONS TO REDUCE THEM.

(a) **IDENTIFICATION OF SUSCEPTIBLE PROGRAMS AND ACTIVITIES.**—The head of each agency shall, in accordance with guidance prescribed by the Director of the Office of Management and Budget, annually review all programs and activities that it administers and identify all such programs and activities that may be susceptible to significant improper payments.

(b) **ESTIMATION OF IMPROPER PAYMENT.**—With respect to each program and activity identified under subsection (a), the head of the agency concerned shall—

(1) estimate the annual amount of improper payments; and

(2) submit those estimates to Congress before March 31 of the following applicable year, with all agencies using the same method of reporting, as determined by the Director of the Office of Management and Budget.

(c) **REPORTS ON ACTIONS TO REDUCE IMPROPER PAYMENTS.**—With respect to any program or activity of an agency with estimated improper payments under subsection (b) that exceed \$10,000,000, the head of the agency shall provide with the estimate under subsection (b) a report on what actions the agency is taking to reduce the improper payments, including—

(1) a discussion of the causes of the improper payments identified, actions taken to correct those causes, and results of the actions taken to address those causes;

(2) a statement of whether the agency has the information systems and other infrastructure it needs in order to reduce improper payments to minimal cost-effective levels;

(3) if the agency does not have such systems and infrastructure, a description of the resources the agency has requested in its budget submission to obtain the necessary information systems and infrastructure; and

(4) a description of the steps the agency has taken to ensure that agency managers (including the agency head) are held accountable for reducing improper payments.

(d) **DEFINITIONS.**—For the purposes of this section:

(1) **AGENCY.**—The term "agency" means an executive agency, as that term is defined in section 102 of title 31, United States Code.

(2) **IMPROPER PAYMENT.**—The term "improper payment"—

(A) means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and

(B) includes any payment to an ineligible recipient, any payment for an ineligible service, any duplicate payment, payments for services not received, and any payment that does not account for credit for applicable discounts.

(3) **PAYMENT.**—The term "payment" means any payment (including a commitment for future payment, such as a loan guarantee) that is—

(A) made by a Federal agency, a Federal contractor, or a governmental or other organization administering a Federal program or activity; and

(B) derived from Federal funds or other Federal resources or that will be reimbursed from Federal funds or other Federal resources.

(e) **APPLICATION.**—This section—

(1) applies with respect to the administration of programs, and improper payments under programs, in fiscal years after fiscal year 2002; and

(2) requires the inclusion of estimates under subsection (b)(2) only in annual budget submissions for fiscal years after fiscal year 2003.

(f) **GUIDANCE BY THE OFFICE OF MANAGEMENT AND BUDGET.**—Not later than 6 months after the date of enactment of this Act, the Director of the Office of Management and Budget shall prescribe guidance to implement the requirements of this section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentlewoman from Illinois (Ms. SCHAKOWSKY) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

GENERAL LEAVE

Mr. HORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4878.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, each year the Federal Government wastes countless billions of dollars on improper payments. I say "countless billions" because we do not know the magnitude of the problem. Incredible as it might seem, Federal agencies are not required by law to calculate how much money they spend improperly.

What we do know is that improper payments are a very serious problem in the Federal Government, based on the few voluntary estimates that some agencies submit for a handful of programs. The General Accounting Office, headed by the Comptroller General of the United States, who is very impartial and utilizes a nonpartisan, neutral approach, they looked at them and he says that there is \$20 billion in improper payments annually. The Office of Management and Budget recently updated the annual figure to about \$33 billion of improper payments.

Staggering as these amounts are, they likely represent only the tip of a very enormous iceberg.

For example, the Department of Health and Human Services reported making improper payments of more than \$12 billion in its Medicare fee-for-service program last year, but the Department does not even attempt to estimate improper payments made in the Medicaid program.

The obvious first step toward reducing this outrageous waste of taxpayers' money is to understand the extent of the problem. We must find out which programs are at risk and the causes of those risks. Only then can we develop cost-effective solutions.

Mr. Speaker, H.R. 4878, the "Improper Payments Information Act of 2002," takes this important first step. The bill requires Federal agencies to estimate the improper payments made in their programs. The bill also requires agencies to tell Congress and the American taxpayers what steps they are going to take to reduce those improper payments.

The Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations, which I chair, has held numerous hearings over the years on various aspects of improper payments. These hearings have demonstrated the overwhelming need for H.R. 4878.

The administration strongly supports this legislation, H.R. 4878, and the bill has achieved broad bipartisan support in Congress. Our subcommittee's ranking member, the gentlewoman from Illinois (Ms. SCHAKOWSKY), is a cosponsor of this legislation. So is our chairman of the full Committee on Government Reform, the gentleman from Indiana (Mr. BURTON), and also my colleague, the gentleman from California (Mr. OSE).

On July 9, the House passed H.R. 4878 by voice vote under suspension of the rules. On October 15, the Senate passed an amended version of this bill by unanimous consent.

The Senate then added the amendments which tightened up the bill in several ways. They imposed an annual March 31 deadline for agencies to report their estimated improper payments to Congress. The amendments also require that the reports include the root causes of the improper payments and the results of any action agencies have taken to correct the problem. In addition, the Senate amendments require the Office of Management and Budget to provide guidelines to implement the bill within 6 months of its enactment.

In one respect, the Senate amendments are less stringent than the House bill, than the original bill. The amended bill requires agencies to report on their actions to reduce improper payments for any program in which the annual improper payments are estimated at \$10 million or more.

The House-approved bill had a lower threshold. However, I believe the Senate's amended threshold is excellent and reasonable.

Mr. Speaker, I would point out that the bill's threshold is simply the minimum requirement for reporting at less than the \$10 million amount. It does not or should not prevent agencies from voluntarily reporting on significant improper payments, even if they do not rise to the bill's minimum requirement.

Mr. Speaker, I urge my colleagues to concur with the Senate amendments and send this bill to the President.

Mr. Speaker, I would like to thank the people on the staff on our side, Bonnie Heald, the Staff Director of the subcommittee; Henry Wray, Senior Counsel who did most of the work; Dan Daly, Counsel; and we thank a lot Hank Savage, Assistant Counsel from the Office of Legislative Counsel.

Mr. Speaker, I reserve the balance of my time.

Ms. SCHAKOWSKY. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to again be on the floor with the gentleman from California (Mr. HORN) to move this bill on improper payments. We worked together to move this bill through the House last July and we are here today to accept the changes made by the Senate.

The Senate has asked that the reports on improper payments be limited to agencies where the aggregate amount is \$10 million or more, rather than the \$1 million in the original House bill. In addition, the Senate has clarified the timing of the reports coming to Congress. I concur with these changes.

There was one change proposed by the Senate following advice from the General Accounting Office that I found perplexing. The GAO proposed that agencies could avoid reporting on im-

proper payments if the agency concluded that the cost of estimating the level of improper payments was not "cost beneficial." In other words, if an agency does not know how many improper payments it is making, it can somehow conclude that it is not worth knowing how many improper payments it is making. I was concerned that the provision simply created another loophole for agencies to avoid addressing this problem, and I am pleased that the Senate chose not to include this provision.

Finally, Mr. Speaker, I would like to reiterate a point I made last July. In programs that provide payments directly to the poor, improper payments often result from the complexities of the program rules or from errors in administering the program. These kinds of errors should not become another burden on the poor. I hope these agencies will take the opportunity created by this bill to find ways to avoid these kinds of errors and, if they occur, to consider the impact on the needy recipient and assure that any negative impact is minimized.

I thank the gentleman from California (Mr. HORN) for his hard work on this bill and for working in such a collegial manner throughout the process of passing this legislation. I would also like to end in the gentleman's tradition by thanking the professional democratic staff David McMillan for his work on the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. HORN. Mr. Speaker, I have no other requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 4878.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 4628, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2003

Mr. ROEMER. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby notify the House of my intention to offer a motion to instruct conferees tomorrow on H.R. 4628, the Intelligence Authorization bill, which has been in conference since October 3, 2002. The form of the motion is as follows:

I move that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill, H.R. 4628, be instructed to take such actions as may be appropriate to ensure that a conference report is filed on the bill prior to November 14, 2002.

Mr. Speaker, this motion simply instructs the conferees on the Intelligence Authorization bill to complete