

## PRELIMINARY CBO ESTIMATE OF THE BUDGETARY EFFECTS OF H.R. 4070, THE SOCIAL SECURITY PROTECTION ACT OF 2002—Continued

[\* \* \* Preliminary and Unofficial \* \* \* (Tentative conference)]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5-yr. 2003–07	10-yr. 2003–12
Denial of Title II benefits to fugitive felons and persons fleeing prosecution:												
Social Security benefits (off-budget) .....	-2	-28	-42	-53	-57	-59	-62	-64	-66	-68	-182	-501
Medicare .....		-7	-12	-17	-21	-24	-25	-26	-28	-29	-57	-189
<b>Title III. Attorney fee payment system improvements</b>												
\$75 cap (indexed) on attorney assessments in Title III: Proprietary receipts (off-budget) <sup>a</sup> .....	5	23	24	25	27	28	30	32	31	33	104	258
<b>Title IV. Miscellaneous and technical amendments</b>												
Application of waiver authority to demonstration projects initiated before sunset date: Social security benefits (off-budget) .....				(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Funding of \$1-for-\$2 demonstration projects: Social Security benefits (off-budget) .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Treatment of 'individual work plans' as qualifying plans for purposes of Work Opportunity Credit: Revenues <sup>a</sup> ..	-1	-1									-2	-2
Limited exemption to duration-of-marriage requirement for survivor benefits where deceased worker had been barred from divorcing institutionalized spouse: Social Security benefits (off-budget) .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Permission for Kentucky to operate divided retirement systems:												
Social Security revenues (off-budget) .....	1	1	2	2	2	3	3	4	4	5	8	27
Other revenues (on-budget) .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Social Security benefits (off-budget) .....		(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1		1
60-month employment requirement for exemption from Government Pension Offset: Social Security benefits (off-budget) .....	0	0	-1	-2	-4	-8	-15	-26	-49	-80	-7	-185
Total, direct spending and revenues (effect on deficit) .....	5	-13	-33	-49	-57	-66	-75	-88	-116	-147	-147	-639
On-budget .....	2	-6	-12	-17	-21	-24	-25	-26	-28	-29	-64	-186
Off-budget .....	3	-7	-21	-32	-36	-42	-50	-62	-88	-118	-93	-453
<b>SPENDING SUBJECT TO APPROPRIATION</b>												
Limitation on administrative expenses, Social Security Authorization .....	8	6	4	4	4	4	5	5	5	6	27	51

Assumed enactment date: December 2002. Based on draft language dated November 18, 2002 (1:45 p.m.). Estimates are subject to further review by CBO and JCT.

<sup>a</sup> = Less than \$500,000.<sup>a</sup> Under current law, the Social Security Administration approves and pays attorney fees to successful Title II claimants and retains 6.3 percent to cover its processing costs. CBO expects receipts from that fee (which are recorded as negative outlays) to climb gradually from \$30 million in 2002 to \$55 million in 2012. Thus, a reduction in those receipts is depicted as a positive outlay.<sup>b</sup> Estimate provided by Joint Committee on Taxation.

## AN EMBARRASSING COP-OUT

Mr. KERRY. Mr. President, the Senate should be embarrassed at what we are about to do. It is amazing to me, with the country facing so many important challenges, and a slow economy to boot, that the Senate would consider adjourning for the year without passing the spending bills to fund the Government for the next 11 months. We are putting off until January decisions that should have been made months ago—and as a result, many Government agencies at the Federal, State, and local levels will not see the additional money they have been promised until next spring. That is halfway through the fiscal year.

Let's be clear about what is happening. The Federal Government will spend nearly \$2 trillion this year. Yet we have not passed the appropriations bills because the administration objects to \$9 billion in spending. We are about to pass a continuing resolution that runs through mid-January because the President objects to \$9 billion—less than one-half of 1 percent of Federal spending. And his own party supports much of that spending.

I ask my Republican friends, do they think it will be much easier next year to push through significant spending cuts? Of course not. When offered the opportunity to vote no on spending bills, my Republican friends generally don't. We as Democrats must begin to blow a hole in this ridiculous myth that somehow Republicans don't like spending. They like spending just fine. They may claim to be for smaller government and lower spending, yet Republicans in the Senate have supported appropriations bills more than 85 percent of the time since they first took control in 1995. More and more, the differences between the parties are not over major spending decisions, because almost everyone here votes for all the spending.

The main difference between the parties is that Democrats want to pay for the spending, while Republicans are content to borrow from our children to pay for it. Today's GOP believes in the "free lunch" that we were all taught didn't exist. Future generations will suffer as a result.

What does a long-term CR actually mean for the American people? To start, a long-term CR would undermine the war on terror by denying nearly \$40 billion in additional homeland security funds requested by the President. It would delay billions of dollars in planned increases to ramp up the Coast Guard and the Customs Service, hire hundreds of Border Patrol agents, bolster State and local antiterrorism programs, and step up other domestic security programs. The 11,000 FBI agents who are supposed to be combating the war on terrorism will have to wonder whether they have the necessary resources to fight that war. Many of the requirements of the Transportation Security Act require large expenditures, such as explosive detection equipment at airports—but the money won't be there. The Customs Service will have to defer the scheduled hiring of more than 600 agents and inspectors to serve at the Nation's high-risk land and sea points of entry. The President's budget promised \$3.5 billion in new money to "first responders," but those essential funds for emergency workers have not been approved. Thousands of emergency grants for fire departments, communications equipment, emergency operations centers, you name it—these items cannot be funded at fiscal year 2002 levels.

Or take education. The National Conference of State Legislatures has announced that States face a cumulative \$58 billion budget deficit. Many States are already cutting public education funding, and many others are poised to do so—making inaction by the Federal Government extremely costly to our

kids. Passing a long-term CR will delay increases in funding for critically important education programs such as the title I program and the Individuals with Disabilities Education Act, making it difficult for school districts to plan their budgets for the upcoming school year. The President's budget promised \$3.5 billion in new money to "first responders," but that money for emergency workers hasn't been approved.

Here is what's fascinating. Not a single Republican Senator up for election said they were for less education spending. They all talked about education as a top priority and voiced their support for the No Child Left Behind Act we passed last year. But who are they kidding? Public schools trying to implement the changes required by the law need more funding. For the GOP to support the law that authorizes the spending, but then object to the spending itself, is the height of hypocrisy.

Or take veterans programs, or Federal research spending. If a long-term CR is approved, it would shortchange veterans by funding Veterans Administration medical care at \$2.5 billion less than what is needed to meet their needs. The 4-million veterans who rely on the VA for their health care will have to worry if that care will be available to them. And the Director of the National Institutes of Health has said that he might have to scale back bioterrorism research grants.

Now, we aren't living in a vacuum here. Like many others, I would like to find ways to slow the growth in Federal spending, and I have several ideas for doing so. But this year, the differences are so small relative to the budget that inaction is simply unacceptable.

And here is what's worse. The Republicans, who exhort us to be mindful of how we are spending "the people's

money" now that deficits have returned—these are the same Republicans who voted for \$500 billion in additional deficit-blowing tax cuts in the House, and would have voted for just as much in the Senate if given the chance. This President, who claims to be fiscally responsible and urges us to watch how we spend, sent up a budget this year with nearly \$600 billion in new tax cuts for the well-off and increases in spending of 20 percent since he took office. And we are forced into a budget impasse over \$9 billion.

Let me be clear: When we increase the deficit and add to the debt to pay for new tax cuts or new spending, it is no longer "the people's money." It is our kids' money, and for that reason we should be far more responsible with our fiscal policy than we have been the last 2 years.

Congress has been abdicating its responsibilities by failing to do something about the economy before we leave. There are many good stimulus ideas out there—some of which are affordable, while others could be paid for by scaling back tax cuts scheduled for 2004 or 2006. But as things stand today, the Senate is unlikely to consider any real stimulus until after the State of the Union Address next year which means Congress won't act before February or March, which means that relief won't be in place before next summer. That is inexcusable. The American people shouldn't have to wait 8 months for us to act.

Simply put, to delay action on the budget when the difference is \$9 billion out of \$2 trillion, and when Republicans have voted for more than \$500 billion in additional tax cuts, is an insult. We can do better, and we must.

#### OMB PROPOSED REVISIONS TO A-76 REGULATIONS

Mr. AKAKA. Mr. President, I rise today to express my concern over the administration's proposed changes to the A-76 process, and its impact on the Federal workforce and accountability in contracting decisions. The OMB draft rules issued last week raise serious questions over the transparency of Federal procurement policies and their effect on Federal workers. True competition must be fair to Federal employees, be cost-effective, and promote financial transparency and public accountability.

The proposed regulations to A-76 do not represent fair competition. The regulations would place Federal workers at a severe disadvantage by implementing a competition process where Federal jobs may be eliminated at any time, even before a competition is completed. The process would place greater emphasis on a contractor's past performance but would fail to account for the past performance of in-house employees.

The OMB proposal could threaten cost-effective procurement policies. Under the draft rules, subjective no-

tions of "best value" would replace objective cost-savings in driving decisions for whether Federal work would be performed in-house or by the private sector. Government procurement should be based on sound analysis giving the greatest weight to cost savings. Decisions to contract out Federal jobs, which are based on projections and expectations of performance, risk squandering limited public resources on contractor promises to deliver more work than is needed, at a higher cost to the public.

We must ensure that any changes to A-76 are fair. The OMB proposal would require agencies to complete competitions within a 12-month timeframe. If a Federal agency was unable to finish a competition in this time, OMB could simply out-source Federal jobs to a contractor without competition. Moreover, the draft regulations would support the administration's arbitrary targets for contracting out Federal jobs, which I oppose because these targets artificially impose goals for contracting out. The proposal would also expand the types of Federal jobs that would be subject to public-private competitions, such as supervisory positions.

According to OMB's Office of Federal Procurement Policy, the majority of public-private competitions under the proposed rules would be based on the current lowest cost standard. There would be a pilot project to test the "best value" standard on information technology jobs. However, the use of the "best value" standard approach is controversial and subjective. I would hope that this would be limited to a genuine pilot project and would allow for a careful, objective review of the results.

There are important steps we can take now to improve financial transparency and accountability in Federal contracting while strengthening fairness in public-private competitions. In June of this year, I was pleased to work with Senator KENNEDY to improve financial transparency and cost-savings in contracting policies at the Department of Defense. Our amendment to the DoD authorization bill failed by only one vote. Our amendment would have required cost savings before decisions were made to contract out Government functions. It would have improved financial transparency by establishing measures for the true cost and size of the DoD contractor workforce. Our proposal would have promoted equity in public-private competitions by ensuring that Federal employees had the opportunity to compete for existing and new DoD work and that DoD competed an equitable number of contractor and civilian jobs.

As chairman of the Senate Government Affairs Federal Services Subcommittee and Armed Services Readiness Subcommittee, I look forward to ensuring that Federal contracting policies are conducted in a manner that achieves the best return on the dollar

and is fair to our Federal workforce. It is my intention to work with my colleagues in the 108th Congress to pursue these goals.

#### CREDIT CARD ARMIES—FIREARMS AND TRAINING FOR TERROR IN THE UNITED STATES

Mr. LEVIN. Mr. President, I want to bring the attention of my colleagues to a report released in October by the Violence Policy Center, VPC, entitled *Credit Card Armies—Firearms and Training for Terror in the United States*. This report analyzes the ease with which members of terrorist organizations and criminals gain access to powerful firearms and ammunition. According to the VPC report, terrorist groups with little more than a credit card and a driver's license, can easily obtain military grade firepower, including 50 caliber sniper rifles, assault weapons, and extraordinarily powerful ammunition.

In response to the terrorist attacks of September 11, 2001, the Federal Bureau of Investigation searched the National Instant Criminal Background Check System for information on individuals detained. However, according to a New York Times article, the Department of Justice ordered the FBI to stop using NICS records for investigating suspected terrorists even after the FBI found that at least two individuals detained in relation to the terrorist investigation had been cleared to buy firearms. Further evidence gathered by the Bureau of Alcohol, Tobacco, and Firearms and reported by the New York Times determined that 34 firearms used in crimes had at some point been purchased by an individual on the same list of people detained after 9/11.

The VPC report provides several examples of terrorist groups, from al-Qaida to the Irish Republican Army, using our loopholes in our gun laws to purchase 50 caliber sniper rifles and other military style firearms. We need to pass the Schumer-Kennedy Use NICS in Terrorist Investigations Act and also Senator REED's "Gun Show Background Check Act. These bills would assist law enforcement in identifying prohibited gun buyers and recognizing patterns of illegal purchases and misuse.

In January 2001, regulations issued by the Department of Justice directed the FBI to retain NICS information for a 90-day period. This 90-day period allows local law enforcement and the FBI to check NICS for illegal gun sales to criminals, terrorists and other prohibited buyers, identify purchasers using fake identification, and screen for gun dealers misusing the system. However, in June 2001, the Attorney General proposed reducing the length of time that law enforcement agencies can retain NICS data to 24 hours. This is simply an insufficient amount of time for law enforcement to review the NICS database.