

committee, and to mention that it was after Senator LIEBERMAN began his initiative to create such a Department that it began to pick up, not only in the Senate but with the administration, too. He has crafted, I believe, a strong piece of legislation for the Department of Homeland Security.

This evening I rise to express my strong support for Senator LIEBERMAN's substitute. I have strong respect for the senior Senator from West Virginia but I will vote against his amendment. Senator LIEBERMAN has done a great service to his country by holding hearings and debating extensively the structure of a Department of Homeland Security. Without his determined effort, the President might never have conceded the need for such a department. As Senator THOMPSON has noted, the Governmental Affairs Committee debated in great deal the structure of such a department. Numerous changes were made to the President's proposal which have substantially improved it.

I rise to discuss the flexibilities available at the Federal Aviation Administration and the Internal Revenue Service. My colleagues have criticized the legislation before us for not providing the same flexibilities available to the FAA and the IRS. The most important factor in the personnel systems at these two agencies is the involvement of federal employee unions.

In April 1996, at Congressional direction, FAA was allowed to develop its own personnel and compensation systems, to give the agency more flexibility because of its daily interaction with the fast-paced and rapidly-growing aviation industry. The Secretary of Transportation argued strongly that the agency needed flexibility to pay people what the job required and to move them where the work was needed, without the restrictions of standard government personnel procedures.

While the FAA was given wide authority to develop their personnel system, the FAA still must negotiate with its federal employee unions in developing and making changes to the personnel management system. The FAA system contains provisions protecting a large portion of the rights of federal workers. These include whistleblower protections, including the provisions for investigation and enforcement; veterans' preference; anti-discrimination; compensation for work injury; retirement, unemployment compensation, and insurance coverage; and review of employee matters by the Merit Systems Protection Board.

In addition, employees subject to major adverse personnel actions may contest the action through any contractual grievance procedure.

And because the FAA is not subject to federal pay rate regulations, the federal employee unions are allowed to bargain over wages at the FAA as they do in the private sector.

Such bargaining rights are not provided in the President's original Homeland Security bill or the House passed

bill. In fact, both bills would allow even current collective bargaining rights to be waived.

Despite this praise of FAA flexibility, just last year, the Republican-led House Appropriations Committee concluded that FAA's personnel reform has been a failure. At that time, the most recent FAA employee attitude survey showed severe levels of employee dissatisfaction, even as compensation levels rose to make DOT the highest-paid cabinet level agency in the Federal Government.

Fewer than one in ten employees felt that personnel reform had been successful at eliminating bureaucracy or helping accomplish FAA's mission. Fewer than one in five felt the agency rewards creativity and innovation—even though personnel reform allows the agency great flexibility in this area.

A review of staffing at air traffic control facilities indicates that reform has not been used to place employees where they are needed. These findings were supported by an independent study conducted by the National Academy of Public Administration, which found that FAA hasn't met many of the key goals of personnel reform.

In addition, the House Committee believed that Congress should carefully review the effects of personnel reform leading up to reauthorization of AIR 21 in fiscal year 2004 to gauge whether the experiment should be continued.

According to the GAO, the decentralized personnel structure that resulted from FAA's reform has caused moral problems, communication gaps and inconsistencies in technical advice and leadership within FAA organizations, and insufficient understanding throughout the workforce about the intent of reforms. As a result of these problems, FAA lacks a broad base of support and accountability for reform initiatives among employees below the highest management levels.

More recently, TSA, which uses the FAA's pay banding system, has caused great concern with the high salaries given to federal law enforcement officers that are higher than those currently earned at other federal agencies. Such a system has contributed to the loss of law enforcement officers at the Capitol Police, the U.S. Park Police and the U.S. Secret Service.

The IRS was granted additional flexibilities to address its unique workforce as well. The IRS personnel flexibilities include: critical pay authority; enhanced recruitment, retention, and relocation authority; enhanced authority for performance awards to senior executives; and exceptions to Title 5 rules in filling Senior Executive Service positions which are reserved for career employees.

Additional flexibilities are granted to the IRS which can only be applied to union represented employees subject to a written agreement between the union and the IRS. This includes streamlined demonstration project authority; vari-

ations to the performance appraisal and awards sections of Title 5; variations from Title 5 pay and classification systems for pay banding; and variations from Title 5 hiring rules.

However, the IRS' progress on reform seems welcome to all but those who work inside the agency. In response to the agency's 2001 employee climate survey, 42 percent of employees said the organizational changes have had a negative effect on them, compared with 24 percent who reported positive effects and 34 percent who reported no effect. Such dissatisfaction does nothing to help retain employees when the federal government is facing a human capital crisis.

While there has been an increase in customer satisfaction with the IRS, the widespread personnel reshuffling has yet to guarantee that the IRS is matching its workforce to its workload appropriately. Over the past four years, the backlog of taxpayer requests for compromise settlements with the IRS on the amount of back taxes they owe tripled, even though the staff devoted to the backlog has doubled. A General Accounting Office review found that putting staff on the compromise program may be hurting other collection programs. The large percentage of bad information given to taxpayers by IRS employees also shows that the right people with the right skills are not in place in customer service jobs—though the IRS is retraining customer service representatives to improve accuracy.

As we are debating the creation of a new Department of Homeland Security, we must make sure that providing new flexibilities does not compromise the mission of the agency. In providing the agency with the tools to effectively manage their workforce, we must make sure that agencies have a strategy in place to meet their missions and keep employees satisfied. If our dedicated workers do not feel valuable to the agency, the mission will fail. Without sufficient union participation and civil service protections, our homeland will not be secure.

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

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

MORNING BUSINESS

Mr. REID. I ask unanimous consent the Senate now proceed to a period of morning business with Senators allowed to speak therein for a period not to exceed 5 minutes each.

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

BUDGET SCOREKEEPING REPORT

Mr. CONRAD. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under Section 308(b) and in aid of Section 311 of the Congressional Budget Act of 1974, as amended.

This report shows the effects of congressional action on the 2002 budget through September 11, 2002. The estimates, which are consistent with the technical and economic assumptions of H. Con. Res. 83, the Concurrent Resolution on the Budget for fiscal year 2002, show that current level spending in 2002 is below the budget resolution by \$12.1 billion in budget authority and by \$18.8 billion in outlays. Current level revenues are below the revenue floor by \$0.4 billion in 2002.

I ask unanimous consent to print the following in the RECORD.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 13, 2002.

Hon. KENT CONRAD,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached tables show the effects of Congressional action on the 2002 budget and are current through September 11, 2002. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of H. Con. Res. 83, the Concurrent Resolution on the Budget for Fiscal Year 2002.

Since my last report dated May 22, 2002, the Congress has cleared and the President has signed the following acts that changed budget authority, outlays, or revenues for 2002: the Mychal Judge Police and Fire Chaplains Public Safety Officer Benefits Act of 2002 (P.L. 107-196), the 2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States (P.L. 107-206), and the Trade Act of 2002 (P.L. 107-210). The effects of these actions are identified in Table 2. At the re-

quest of the Budget Committee, the funds designated as contingent emergencies in P.L. 107-206 have been removed from current level. The President announced that these funds will not be released.

Sincerely,
BARRY B. ANDERSON
(For Dan L. Cippen, Director.)

Attachments.

TABLE 1.—SENATE CURRENT-LEVEL REPORT FOR SPENDING AND REVENUES FOR FISCAL YEAR 2002, AS OF SEPTEMBER 11, 2002

(in billions of dollars)			
	Budget resolution	Current level ¹	Current level over/under (—) resolution
On-budget:			
Budget authority	1,705.3	1,693.2	— 12.1
Outlays	1,652.8	1,634.0	— 18.8
Revenues	1,629.2	1,628.8	— 0.4
Off-budget:			
Social Security outlays	356.6	356.6	0.0
Social Security revenues	532.3	532.3	0.0

¹ Current level is the estimated effect on revenue and spending of all legislation that the Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made.

Source: Congressional Budget Office.

TABLE 2.—SUPPORTING DETAIL FOR THE SENATE CURRENT-LEVEL REPORT FOR ON-BUDGET SPENDING AND REVENUES FOR FISCAL YEAR 2002, AS OF SEPTEMBER 11, 2002

(in millions of dollars)			
	Budget authority	Outlays	Revenues
Enacted in previous sessions:			
Revenues	n.a.	n.a.	1,671,726
Permanents and other spending legislation	991,545	943,568	n.a.
Appropriation legislation ¹	1,008,487	996,258	n.a.
Offsetting receipts	— 322,403	— 322,403	n.a.
Total, enacted in previous sessions	1,677,629	1,617,423	1,671,726
Enacted this session:			
An act to amend the Higher Education Act of 1965 to establish fixed interests rates (P.L. 107-139)	— 195	— 180	0
Job Creation and Worker Assistance Act of 2002 (P.L. 107-147)	6,049	5,820	— 42,526
Farm Security and Rural Investment Act of 2002 (P.L. 107-171)	2,464	1,610	0
Clergy Housing Clarification Act of 2002 (P.L. 107-181)	0	0	*
Mychal Judge Police and Fire Chaplains Public Safety Officer Benefits Act of 2002 (P.L. 107-196)	2	2	0
2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States (P.L. 107-206)	25,317	7,938	0
Trade Act of 2002 (P.L. 107-210)	84	24	— 416
Total, enacted this session	33,721	15,214	— 42,942
Entitlements and mandatories: Difference between enacted levels and budget resolution estimates for appropriated entitlements and other mandatory programs	— 18,119	1,389	n.a.
Total current level	1,693,231	1,634,026	1,628,784
Total budget resolution	1,705,311	1,652,820	1,629,200
Current level over budget resolution	n.a.	n.a.	n.a.
Current level under budget resolution	12,080	18,794	416
Memorandum: Emergency designations for bills in this report	54,963	37,825	39,465

¹ Excludes administrative expenses of the Social Security Administration, which are off-budget.
Note.—n.a. = not applicable; P.L. = Public Law; * = less than \$500,000.
Source: Congressional Budget Office.

LOCAL LAW ENFORCEMENT ACT
OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred April 13, 2002 in Temecula, CA. Two black women were assaulted in a restaurant parking lot. The assailants, described as a group of drunken white men, surrounded the victims' car, pounded dents into it, taunted the women with racial slurs, and attacked one of them physically, ripping her clothing.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of

hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

NEW ADMINISTRATION REGULA-
TIONS TO CUT SERVICES TO
VETERANS

Mr. ROCKEFELLER. Mr. President, I rise today to speak about the latest action by the Administration to cut services to veterans.

For years when we looked at the health care budget, we focused on the declining veteran population and declining demand. We are in a totally different predicament today. More veterans are turning to the VA health care system, and that is a success story. In recent months, however, unacceptably long waiting times for care have mate-

rialized. Cutting services to veterans who now depend more upon VA, is a perverse reaction to the problem.

In 1996, Congress enacted eligibility reform which allowed all veterans to come to the VA health care system. At the time, I spoke about the dilemma that we would face in opening up the doors and providing a rich benefit package and how, down the road, we would have to face the consequences.

In my view, the administration has a choice: Either own up to the demand for health care services and provide funding—my preference—or manage enrollment. The administration has chosen a completely different course.

In its budget request, the administration proposed charging a \$1,500 deductible to higher-income veterans as a means to "reduce demand." In July, VA issued a mandate prohibiting all enrollment-generating activities, such as health fairs. Yesterday, regulations