

employees to similarly graded positions or detail them from other agencies or within the Department and the employees who refuse reassignments or details may be terminated, 5 CFR part 335;

Retrain, reassign and reshape their workforce;

Choose whether to fill a vacant position from the outside or the inside, eliminate positions due to changes in programs, lack of funding, reduction in workload, reorganizations, privatization, "divestiture,," or contracting out; establish personnel ceilings, or decide to re-employ a returning worker; determine the job or jobs to be eliminated in the context of a reduction in force, and unilaterally reassign employees to vacant positions in the agency;

Have additional management rights including: promotions; adverse actions, suspensions for 14 days or less; suspension for more than 14 days; removals; demotions, reductions in grade or pay; permit the return of a career appointee from the Senior Executive Service, SES to the GS or another pay system; the power to reassign, transfer, and detail or fire of a career SES employee; determine the substance of a position description, its performance standards of an employee's position, and award, or not award, performance payments;

Decide whether employees have earned pay increases known as "step" increases, based upon performance, and are able to grant employees additional financial "incentive awards" such as performance-based cash awards, special act or service awards, and quality step increases; and

Decide whether to award recruitment, retention, and relocation bonuses worth up to 25% of base salary.

In addition, the Lieberman substitute provides additional flexibilities Governmentwide. The Voinovich-Akaka amendment, which was included in the Lieberman substitute unanimously by the Governmental Affairs Committee, allows agencies to hire candidates directly and bypass the current requirements under Title 5 once OPM has determined that there is a severe shortage of candidates for the position.

This provision allows agencies to streamline its staffing procedures by authorizing use of an alternative method for selecting new employees instead of the traditional rule of three. This will make the Government more competitive with the private sector by improving the Federal hiring process. Under the new system, the agency may divide applicants into two or more quality categories based on merit and select any candidate from the highest category while maintaining veterans hiring preference.

The amendment provides Governmentwide authority for Voluntary Separation Incentive Payments and Voluntary Early Retirement Authority, two provisions currently in place in limited situations. The expansion of

this authority would give agencies the flexibility required to reorganize the workforce should an agency need to undergo substantial delayering, transfer of functions, or other substantial workforce reshaping. The provision would allow agencies to reduce high-grade, managerial, or supervisory positions, correct skill imbalances, and reduce operating costs without the loss of full time positions.

To address the impending human capital crisis, the government will need to retain Federal employees with institutional knowledge. To assist in this effort, the amendment increases the cap on the total annual compensation of senior executive, administrative law judges, officers of the court, and other senior level positions to allow career executives to receive performance awards and other authorized payments.

The Akaka-Voinovich amendments also helps ensure that we have a world-class Federal workforce and can retain talented Federal employees who wish to continue their education. This provision reduces restrictions on providing academic degree training to Federal employees and requires agencies to facilitate online academic degree training.

As a result of the current flexibilities and those provided in the Lieberman substitute, it is curious why the President continues to demand additional flexibilities. As I have previously stated, studies indicate that the flexibilities at the Federal Aviation Administration and the Internal Revenue Service have not provided the intended results and employee morale is very low. With such uncertainty in additional flexibilities and the great importance of this new agency, I question the need for such a broad grant of power. I believe the existing flexibilities and the Voinovich-Akaka provisions provide agencies the tools that they need to manage effectively their workforce. I urge my colleagues to support the Lieberman substitute and vote for cloture.

#### CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

#### CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Lieberman substitute amendment No. 4471 for H.R. 5005, Homeland Security legislation.

Jean Carnahan, Herb Kohl, Jack Reed (RI), Richard J. Durbin, Kent Conrad, Paul Wellstone, Jim Jeffords, Max Baucus, Tom Harkin, Harry Reid (NV), Patrick Leahy, Jeff Bingaman, Barbara Boxer, Byron L. Dorgan, Mark Dayton, Debbie Stabenow, Robert Torricelli, Mary Landrieu, Joseph Lieberman, Robert C. Byrd.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call under the rule is waived.

The question is, Is it the sense of the Senate that debate on the Lieberman amendment No. 4471 to H.R. 5005, an act to establish the Department of Homeland Security, and for other purposes, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

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

The yeas and nays resulted—yeas 50, nays 49, as follows:

[Rollcall Vote No. 218 Leg.]

#### YEAS—50

Akaka	Dodd	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	Mikulski
Bingaman	Feingold	Murray
Boxer	Feinstein	Nelson (FL)
Breaux	Graham	Nelson (NE)
Byrd	Harkin	Reed
Cantwell	Hollings	Reid
Carnahan	Inouye	Rockefeller
Carper	Jeffords	Sarbanes
Cleland	Johnson	Schumer
Clinton	Kennedy	Stabenow
Conrad	Kerry	Torricelli
Corzine	Kohl	Wellstone
Daschle	Landrieu	Wyden
Dayton	Leahy	

#### NAYS—49

Allard	Frist	Nickles
Allen	Gramm	Roberts
Bennett	Grassley	Santorum
Bond	Gregg	Sessions
Brownback	Hagel	Shelby
Bunning	Hatch	Smith (NH)
Burns	Helms	Smith (OR)
Campbell	Hutchinson	Snowe
Chafee	Hutchison	Specter
Cochran	Inhofe	Stevens
Collins	Kyl	Thomas
Craig	Lott	Thompson
DeWine	Lugar	Thurmond
Domenici	McCaIn	Voinovich
Ensign	McConnell	Warner
Enzi	Miller	
Fitzgerald	Murkowski	

#### NOT VOTING—1

Crapo

The PRESIDING OFFICER. On this vote, the yeas are 50, the nays are 49. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that Senator REED of Rhode Island be recognized for up to 10 minutes to speak as in morning business; that when he has completed his remarks, a quorum call be entered, and that when the quorum call is ended, the Senator from Connecticut, as manager of the pending legislation, be recognized.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Rhode Island.

#### THE ECONOMY

Mr. REED. Mr. President, I thank the Senator from Connecticut for his gracious intervention on my behalf. We

are debating today homeland security. We are also engaged in another significant debate about international security in the context of Iraq and the war on terror. But as Senator DASCHLE reminded us, we also have to be concerned about economic security in the United States.

Frankly, the economic numbers we have been seeing lately do not give much confidence to the American people that their economic security is being protected. As the vice chairman of the Joint Economic Committee, I have the opportunity to review, along with the staff, the reports that are coming in about our economy. It is clear that GDP is growing, but too slowly to make much of a dent in the unemployment rate. People who have lost their jobs face a much more difficult job market, and many are beginning to exhaust their unemployment benefits.

Everyone is facing increased premiums for health care. Employers are cutting back their contributions to health programs. They are being stressed in terms of adequately funding pension programs. These are the real concerns of Americans today all across this country.

When we look at the numbers, when we look at the reports, the conclusion is, obviously, we are still in an economic slump. Indicative of this are the figures I have on this chart. This is the record of job growth, but it is not growth at all, it is job loss during the Bush administration. In January 2001, there were 112 million jobs, today, August 2002, 110 million jobs—a loss of over 2 million jobs that have not yet been replaced in this economy.

The unemployment rate in August was 5.7 percent. That is one and a half percentage points higher than it was when President Bush took office. The number of unemployed Americans was more than 2 million higher in August than it was when President Bush took office, as indicated by this chart.

There is also another telling statistic that is within these unemployment numbers. The number of long-term unemployed Americans—those who have been unemployed more than 26 weeks—has increased significantly. This chart reflects that increase. In January of 2001, 648,000 Americans had been unemployed more than 26 weeks; in August 2002, 1,474,000 Americans were unemployed more than 26 weeks—a significant jump. It is significant not just in terms of numbers but in terms of something else: Americans exhaust their basic unemployment benefits after 26 weeks. Unless we have an extended benefit program in place, after 26 weeks American workers have no support as they look for jobs, as they try to support their families, as they try to make ends meet. This problem is not going away.

Although as part of the stimulus package we have passed extended benefits, they are scheduled to expire at the end of this year, so we have a real obli-

gation in these remaining days to protect a basic tenet of economic security in this country, and that is to provide extended unemployment benefits.

The 1,474,000 will increase, and these individuals will not have the support they need to provide for their families. The little bit of growth we have seen so far is not going to head off a jobless recovery.

It should be noted that when President George Herbert Walker Bush was President and we were in a recessionary period in 1991, the unemployment rate rose another full percentage point in the 15 months after the GDP started to grow again. So we can likely see increased unemployment.

There are forecasters who have suggested our economic growth will be about 2.8 percent for the rest of the year—that is the Blue Chip consensus forecast—but the economy has to grow at more than 3 percent to generate the kind of new jobs that will reverse this unemployment situation. No consensus forecaster fully expects that type of growth going forth. As a result, most economists suggest and predict that unemployment rates will rise to 6 percent. Again, this is a real challenge to the safety and security of the American family, just as real as the threats we are debating in terms of homeland security and international security.

The conclusion, as one looks at these numbers and the economic performance from the time the President took over, is that President Bush's economy looks a lot like his father's economy. It is in recession, unemployment is growing, it will continue to grow, and yet there has not been an adequate response to this problem by the White House. He seems to have one proposal with respect to every economic question, and that is cutting the taxes of the wealthiest Americans.

As this chart indicates, this is the effect of the proposed tax cuts of President Bush, tax cuts that were enacted last year. At year 10, when they are fully realized, the average benefits, based on income level, will be as portrayed in this chart. The lowest 20th percentile of Americans will receive about \$66 a year in benefits. It goes up to about \$375 for individuals making around \$20,000, \$600 for those making about \$39,000 a year. The real gain, the real benefit, goes to the very wealthiest Americans—\$55,000 roughly, on average, for the top 1 percent. That is their annual savings for the tax benefits generated by the Bush tax proposal. This is not fair, and it is not smart. Unless we get all Americans participating fully in our economy, having the disposable income to go to the store to keep consumption up, to keep demand up, we are not going to have an economy that works for any American. Indeed, this is a glaring example of what some criticized Democrats for—class warfare. What is more unfair, inequitable, and slanted toward a class than this tax cut which favors the wealthiest Americans?

In addition to these tax numbers, we have to understand that these tax cuts have put enormous pressure on other programs that are decisive for every American, but particularly important for low-income Americans: Medicaid Programs, Medicare Programs, a host of other programs that need Federal support. That support has been strained dramatically because of the pressure of the tax cut.

We are at a point now where we have to act. We have to act in the very short run to restore extended unemployment benefits for the growing number of long-term unemployed Americans. We have to act, also, to resist the temptation to make all of these tax benefits permanent. However unfair this situation is, it will be compounded, and it will be compounded dramatically, if we make the tax cuts of the last year permanent.

We have to go ahead and focus on those issues that are critical to the welfare of the American family today, for their economic security today. We have to be concerned about pensions, their strength. We have to protect, I believe, Social Security, which is the bedrock of America.

I wonder how many employees of Enron and WorldCom and other companies 2 years ago would have considered their Social Security as just a trivial benefit compared to their expanded and ever-growing 401(k) plans. Today, I suspect, they see their Social Security benefit, their defined benefit, as a lifeline, allowing them to make ends meet, or at least giving them a little extra to get through.

We have to be strong in terms of protecting the bedrock program, Social Security. We have to be concerned about rising health care premiums and prescriptions drug costs. None of these problems can be addressed unless we provide the leadership, the resources, and the attention the American people demand.

Let me conclude by saying, again, there is at least one thing we must do in the next several weeks: Extend long-term unemployment benefits. Unemployment, long term, is growing. It will continue to grow for many months. American workers deserve the opportunity for some support as they look for new jobs. They deserve the opportunity to help their families as they get through a very difficult period of time.

I yield the floor.

#### MORNING BUSINESS

Mr. REID. Mr. President, under the previous order, we go into a quorum call and, following that, Senator LIEBERMAN will be recognized. I ask unanimous consent that the Senate now proceed to a period of morning business until 3 p.m. today, and, following the morning business being terminated, the Senator from Connecticut, Mr. LIEBERMAN, the manager of the bill, be recognized.