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CONGRESSIONAL RECORD — SENATE

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- (C) fuel cells;
(D) diesel engines; and
(E) gas turbines.

(6) **INSTRUMENTATION AND CONTROL.**—Reduction of system operating costs and improvement of system availability by developing new sensors and control systems that will enhance the commercial application of coal utilization technologies and systems.

(7) **SUPPORTING RESEARCH AND DEVELOPMENT.**—Characterization of the various liquids and solid wastes generated by the use of coal, and development of processes that will assure the disposal of such wastes in an environmentally acceptable manner. Development of processes that facilitate the cost-effective recovery of raw materials from coal utilization wastes. Materials research shall be conducted to ensure that advanced process concepts can be supported with available engineering materials.

(b) The Coal Science Research Program shall be—

(1) carried out through the Energy Technology Centers, the National Laboratories, the university community, and the private sector; and

(2) administered by the Assistant Secretary for Fossil Energy.

ENGINEERING DEVELOPMENT PROGRAM

SEC. 6. (a) The purpose of the Engineering Development Program shall be to establish proof-of-concept and producing developed processes and coal systems at a scale large enough to permit ready commercialization by the private sector. The program shall be structured and implemented to achieve the following objectives within five years of enactment of this Act:

(1) construct a fine coal preparation and cleaning process facility of no more than 500 tons per day (the facility should be constructed in such fashion as to allow the addition of advanced chemical coal cleaning);

(2) retrofit an oil-fired boiler of at least 100 MWe (Megawatts electricity) using deeply cleaned coal;

(3) demonstrate a regenerable flue gas desulfurization system of at least 50 MWe;

(4) demonstrate a combined SO_x (sulfur dioxide)/NO_x (nitrogen oxides) removal system of at least 50 MWe;

(5) conduct a furnace retrofit of in-bed sulfur control technology of at least 50 MWe;

(6) demonstrate an atmospheric fluidized-bed combustion system of at least 100 MWe;

(7) demonstrate a repowering application of a pressurized fluidized bed combustor of from 50 to 100 MWe;

(8) demonstrate a repowering application of combined cycle coal gasification of from 50 to 100 MWe;

(9) develop and test a coal-fueled gas turbine in a second generation combined-cycle system of at least 50 MWe;

(10) develop and test an industrial-scale coal-fueled gas turbine suitable for industrial cogeneration of at least 5 MWe; and

(11) test a utility phosphoric acid fuel cell system using coal-derived gas at a size of 10 to 50 MWe.

(b) The Engineering Development Program shall be administered by the Assistant Secretary for Fossil Energy. The program shall be structured and implemented such that there are sufficient incentives to attract private sector participation. Funds appropriated for the program shall be available on a cost-sharing basis between the Federal Government and non-Federal participants in the program.

FIVE-YEAR PLAN

SEC. 7. (a) As a part of the National Coal Science, Technology, and Engineering Development Program the Secretary of Energy, with the cooperation of the Assistant

Secretary for Fossil Energy, shall prepare a five year National Coal Science, Technology, and Engineering Development Research Plan. The plan shall include—

(1) identification and definition of the near- and mid-term opportunities for expanding the use of coal in the industrial, electric utility, and other sectors of the economy;

(2) a detailed description of the specific activities which have been, or will be, developed by the Department of Energy to address these opportunities and carry out the mandates of this Act;

(3) a statement and explanation of specific priorities and objectives, timetables for achieving such objectives, and a research strategy for achieving such objectives and the mandates of this Act; and

(4) A detailed description of the resource requirements for the implementation of the plan, and a description of the manner in which those resources will be deployed.

(b) The plan shall be submitted by the Secretary of Energy to the President and the appropriate committees of the Congress within six months of enactment of this Act.

ANNUAL AND FINAL REPORTS

SEC. 8. (a) At the end of each of the five fiscal years after the date of enactment of this Act, the Secretary of Energy shall submit an annual report to the President and the appropriate committees of the Congress. The report shall include a detailed description of the program and activities undertaken for that fiscal year, and the achievements and progress toward the objectives defined in the 5-year plan pursuant to this Act.

(b) Within 90 days of the end of the fifth fiscal year after the date of enactment of this Act, the Secretary of Energy shall submit to the President and the appropriate committees of the Congress a report identifying the achievements of the program, and identifying and defining further research needs and opportunities for promoting the expanded use of coal.

AUTHORIZATIONS

SEC. 9. (a) There is authorized to be appropriated for the Coal Science Research Program, \$75,000,000 to be available for the fiscal years 1985 through 1989.

(b) There is authorized to be appropriated for the Process Science and Engineering Research Program, \$200,000,000 to be available for the fiscal years 1985 through 1989.

(c) There is authorized to be appropriated for the Engineering Development Program, \$500,000,000 to be available for the fiscal years 1985 through 1989.

The PRESIDING OFFICER. The Democratic leader still has over a minute of time remaining.

Mr. BYRD. I thank the Chair. I yield, if I may yield, that to the distinguished Senator who already has an order.

RECOGNITION OF SENATOR COHEN

The PRESIDING OFFICER. Under the previous order, the Senator from Maine is recognized for not to exceed 16 minutes.

REAUTHORIZATION OF THE OFFICE OF FEDERAL PROCUREMENT POLICY

Mr. COHEN. Mr. President, I rise this morning to bring to the attention

of my colleagues what I consider to be a serious setback for procurement reform.

Last week—4 days before the authorization for the Office of Federal Procurement Policy was to expire—the Department of Defense prevailed upon some to block floor consideration of the reauthorizing legislation. The Department's 11th-hour attack against the OFFPP has succeeded in jeopardizing the very existence of this worthwhile office. While the OFFPP is funded for the next 45 days under the continuing resolution, its authorization has now expired, and it may be closed for good if the Department has its way.

Most of my colleagues are probably unfamiliar with the OFFPP and the crucial role it plays in promoting reforms in the way our Government purchases goods and services. The OFFPP is a small office of only 40 people with a budget of \$2.5 million and part of the Executive Office of the President. The OFFPP was established by Congress in 1974 to provide overall direction of Federal procurement policy. It serves as a link among the private sector, the Congress, and the executive branch in the continuing effort to improve Federal contracting procedures.

Why has the Department of Defense aimed its guns at this small office? Because the Department believes that it should be strictly accountable for its procurement policies.

In its own estimation, DOD's record is "ninety-nine and forty-four one-hundredths percent pure," and therefore, it has no need to abide by any Government-wide procurement reforms. According to more objective sources, however, there is much room for improvement.

Recent horror stories on DOD spare parts procurement—in which a 4-cent diode cost \$110 and a 12-foot measuring tape cost \$430—exemplify this point. Many small businesses are willing and able to bid on spare parts for major DOD systems, but are precluded from doing so by the DOD's noncompetitive procurement practices.

Despite the statutory requirement that agencies promote the use of full and free competition in the procurement of goods and services, sole-source contracting is the rule at DOD, not exception. In fiscal 1982, DOD awarded more than 60 percent of its contract dollars noncompetitively.

DOD's justification for going sole-source in a majority of these contract awards was simply that "competition is impracticable." Oftentimes DOD's need to award a contract by the end of the fiscal year becomes the motivation behind unnecessarily restrictive specifications that subsequently render competition impracticable.

This apparently was the case during the last day of this fiscal year when the Defense Department awarded \$3.2 billion—worth a remarkable 44.2 percent of the total—of its contract dollars noncompetitively.

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up spending, in which agencies rush to spend all their available funds at the end of the fiscal year for fear of not receiving full funding the next year, represented the largest single-day defense expenditure since American fighting in Vietnam was ended. It is my understanding that the majority of these contracts were awarded once again noncompetitively.

The OFPP has tried to curb wasteful year-end spending. In 1981, the Office issued a policy directive outlining specific steps for all agencies to take to prevent hurry-up spending. The directive included several recommendations made by the Governmental Affairs Oversight Subcommittee as a result of its extensive hearings on unnecessary year-end buying. Evidently, the Department of Defense has chosen to ignore OFPP's directive.

This is not the first time that DOD has failed to comply with a Government-wide directive. In fact, the Department of Defense has repeatedly tried to sabotage the OFPP's procurement reform efforts. It is no secret that the DOD fought the creation of the Office in 1974, tried unsuccessfully to persuade the administration to abandon the reauthorization this year, and will always oppose the existence of a central procurement policy office committed to reform.

What makes this battle of the OFPP and the Pentagon significant is the potential savings at stake. The Federal Government spent more than half of its discretionary budget last fiscal year on the direct purchase of goods and services from the private sector. I am convinced that significant economies can be realized through the effective implementation of procurement reforms, particularly in the DOD, which comprises approximately 80 percent of the Federal procurement budget. The Congressional Budget Office found, for example, that the increased use of competition in contracting would save over \$2 billion annually.

Without a strong OFPP to serve as a catalyst for procurement reform, however, these savings will never be realized. The individual procuring agencies have not been, and cannot be expected to be, a meaningful source of procurement reform. Their energies must of necessity be channeled to make procurement decisions on a day-to-day basis. In contrast, the OFPP has a Government-wide perspective, insulated from parochial interests. The OFPP is able to synthesize the interests of all the individual procurement agencies, the Congress, and the vendor community.

Given DOD's resistance, however, procurement reform has proved to be tantamount to the task facing Sisyphus as he pushed the rock uphill, never to reach the top. The late Senator Scoop Jackson, whose knowledge of the Department of Defense was unsurpassed, had the perseverance in the 1960's to battle the Department and at least get the stone rolling. Senator

Jackson was the author of the legislation establishing the Commission on Government Procurement, which first recommended the creation of a central procurement policy office.

The Commission based its recommendation on the rationale that "effective management of the procurement process requires a high degree of direction and control of basic policy."

The Commission saw an urgent need for a central policy office—independent of any agency having procurement responsibility, empowered with directive rather than merely advisory authority, responsive to Congress, and consisting of a small, highly competent cadre of seasoned procurement experts.

Senator Jackson supported the Commission's work, stating:

The time has come for a close, hard look at the statutes, regulations, procedures, and practices governing Federal procurement. There are loopholes in the laws, inconsistencies in the regulations, conflicts in the procedures, and variations in the practices. The mountain of procurement paperwork grows taller, the maze of procedures more complicated with each passing day.

Unfortunately, Senator Jackson's statement still rings true. The need for reform is today even greater than when he made his statement years ago. During the past decade, the dollar value of Government contracts has nearly tripled to \$160 billion, and more than 130,000 Federal employees are now involved in the procurement process. The magnitude and budgetary significance of Federal contracting, plus the lack of progress in reforming the system, mandate the existence of a strong procurement policy office.

The legislation that I have introduced would not only reauthorize the OFPP, but strengthen the Office by restoring its regulatory authority over Government-wide procurement policies. Without regulatory authority, the Administrator is not considered a credible actor in the formulation of Government-wide policy. Lester Fetting, a former OFPP Administrator, testified during the Oversight Subcommittee's April hearing why this authority is needed. He said:

Without that directive authority in statute behind the Administrator, even the most mundane chores are difficult. Effectively spearheading a particular reform simply could not be done without it. Why? Because there would be no clout, no threat, that OFPP could do anything but accede to the lowest common denominator of agency recalcitrance. The Administrator's kit of bureaucratic tools, in the end, would be devoid of any wrench big enough to give him or her the necessary leverage.

Let me be clear on what "regulatory authority" means. If DOD, NASA, and GSA are successful in maintaining the Federal Acquisition Regulation, OFPP's regulatory authority would not be used. It would remain a club in the closet, only to be brought out when there is conflict between the regulation-writing agencies, or as is more common, when agencies refuse to take

action on a procurement reform. If, however, the agencies fail to agree or act on a Government-wide procurement issue, the OFPP could issue the regulation.

Uniformity in Federal procurement procedures is a highly desirable goal. While some agency-specific regulations will always be necessary, basic contracting procedures should not vary widely from agency to agency. For a small contractor trying to do business with the Federal Government the bewildering maze of procurement regulations is the major obstacle. The new FAR system (Federal Acquisition Regulation) is a giant leap forward in simplifying, streamlining, and consolidating procurement regulations. But, as the General Accounting Office points out, regulatory authority for the OFPP is necessary to prevent the FAR from crumbling.

The Department of Defense has raised the specter of an OFPP wildly out of control, issuing regulations that would jeopardize our national security. This argument ignores the facts and the safeguards contained in my bill.

The OFPP is not an independent regulatory agency that can issue regulations at will. It is part of the Executive Office of the President; its Administrator is appointed by the President, confirmed by the Senate, and answers to the Director of the Office of Management and Budget as well as to the President and Congress.

It is a small office that relies heavily on interagency task forces—frequently staffed by DOD officials—to develop a consensus on Federal procurement policies.

It cannot interfere with any procurement regulation which the Department of Defense determines is necessary because of its unique needs. The OFPP's role is limited to regulations which are Governmentwide in application.

It cannot interfere with any agency's decision on a specific contract. The Office could not dictate to the Department of Defense which paper clip or weapon system it should purchase.

My legislation contains another safeguard against the OFPP abusing its regulatory power. The bill requires the OFPP to submit any major policy or regulation to the Senate Governmental Affairs Committee and the House Government Operations Committee 30 days prior to its effective date. I have offered to broaden this reporting language to permit the Senate and House Armed Services Committee to also review proposed OFPP regulations. This mechanism would permit Congress to block any ill-conceived Government-wide regulation before it went into effect.

Despite these safeguards against abuse, the Defense Department still opposes the restoration of regulatory authority and has gone to great lengths to kill the bill. I have even been advised that DOD officials have

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told defense contractors that supporting regulatory authority for the OFFPP would jeopardize their future relationship with the Department. The DOD's attempts to torpedo this legislation represent one of the most pernicious subversions of the legislative process that I have ever encountered. If OFFPP is killed, I intend to lay its corpse at the Department of Defense, whose shortsighted turf battles have continually impeded efforts to reform the procurement process.

The reauthorization of the OFFPP, with regulatory authority, enjoys widespread support. S. 1001 was reported unanimously by the Governmental Affairs Committee, and is co-sponsored by Senators ROTH, CHILES, DANFORTH, LEVIN, BINGAMAN, and SASSER. The bill has been strongly endorsed by the General Accounting Office, the U.S. Chamber of Commerce, the American Bar Association, the three former Administrators of the OFFPP, former members of the Commission on Government Procurement, and several contracting associations.

I ask unanimous consent that letters from these organizations and persons be included in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. COHEN, Mr. President, I hope that my colleagues will support procurement reform by backing the OFFPP reauthorization. I am pleased to yield at this point in time to a leader in the procurement reform effort, Senator CHILES, of Florida.

EXHIBIT 1

COMPTROLLER GENERAL
OF THE UNITED STATES

Washington, D.C., September 30, 1983.

HON. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of
Government Management, Committee
on Governmental Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: I am writing to express our support for the continued authorization of the Office of Federal Procurement Policy.

We at the General Accounting Office have made many reviews of the Government's procurement activities and have worked closely with OFFPP since it was established. From our experience and perspective, we feel that OFFPP has made significant progress in improving the Government's procurement processes. It would be unfortunate for the Office to expire just when its efforts hold considerable promise for yet further improvements.

I know you have been supportive of the OFFPP and I hope you will continue to lend this strong support to the continued authorization of the OFFPP. Letters similar to this have been provided to other interested Members of Congress.

Sincerely,

CHARLES A. BOWSHER,
Comptroller General of the United States.

AMERICAN BAR ASSOCIATION

October 4, 1983

HON. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of
Government Management, Committee
on Governmental Affairs, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the American Bar Association, I am writing to express strong support for S. 1001, legislation to extend the Office of Federal Procurement Policy (OFFPP) for an additional 5 years.

S. 1001 restores to the OFFPP essential statutory functions in the establishment of policies, regulations, procedures, and forms that conform to and enhance good procurement practices by all agencies of the Executive Branch. We believe the restoration of OFFPP's regulatory authority is an important step in the continuing efforts to improve the federal procurement process.

The ABA endorsed the establishment of OFFPP by Congress in 1974. We testified earlier this year in support of S. 1001, as did the General Accounting Office and most witnesses representing organizations that do contract business with the government. ABA believes the OFFPP is a valuable and needed asset in the continuing effort to reform and improve the federal procurement process.

We are hopeful that after extensive hearings by the Oversight of Government Management Subcommittee of the Governmental Affairs Committee, and the issuance of a favorable report by the full Committee (No. 98-214), S. 1001 can be placed on the agenda for prompt Senate action. It is particularly important that the Senate act on this bill in order to assure there is a focal point for addressing procurement reforms. The House already has passed a similar bill, H.R. 2293.

Prompt action by the Senate, and resolution of the differences between the two bills, will provide needed assurance of Congress' commitment to simplifying the federal procurement system and increasing the use of competitive procurement procedures.

Sincerely,

ROBERT D. EVANS.

CHAMBER OF COMMERCE
OF THE UNITED STATES

Washington, D.C., October 3, 1983.

HON. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of
Government Management, Committee
on Governmental Affairs, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the U.S. Chamber, which is composed of more than 207,000 members, I am writing to express support for S. 1001, "Office of Federal Procurement Policy Act Amendments of 1983." This legislation would reauthorize, for five years, the Office of Federal Procurement Policy (OFFPP), which has played a vital role in improving procurement. Further, it has served as a single contact point for the business community on procurement issues within the Executive branch.

The chamber is the largest federation of business and professional organizations in the world, and is the principal spokesman for the American business community. More than 90 percent of the Chamber's members are small business firms having fewer than 100 employees. Yet, virtually all the nation's largest industrial and business concerns are also members. We are particularly cognizant of the problems of small businesses, as well as issues facing the entire business community.

We strongly endorse reinstating the regu-

latory authority of OFFPP as provided in section 5 of S. 1001. This would enhance OFFPP's ability to lead the various government agencies in developing procurement policy.

In 1969, Congress created the Commission on Government Procurement to study all aspects of procurement by the federal government, and to make recommendations for increasing economy, effectiveness and efficiency in the procurement of goods and services. This Commission submitted its final report in 1972, recommending that an Office of Federal Procurement Policy be established to provide uniform direction for procurement by all federal agencies. In response to this recommendation, Congress passed the Office of Federal Procurement Policy Act (P.L. 93-400) in 1974, establishing OFFPP in the Office of Management and Budget. OFFPP was reauthorized for four years in 1979 and has continued to seek improvements in the federal procurement process.

OFFPP has served as a focal point for the development of procurement policy, and as the motivating force for development of a uniform Federal Acquisition Regulation (FAR), issued recently. FAR will provide, for the first time, a uniform system of procurement regulations for all agencies, which will be supplemented only with essential additional agency provisions. It is, therefore, particularly imperative that OFFPP be reauthorized and that its regulatory authority be restored.

Thank you for your consideration of our views.

Cordially,

HELMON DAVIS.

AMERICAN ELECTRONICS ASSOCIATION

Washington, D.C., October 5, 1983.

HON. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of
Government Management, District
Senate Office Building, Washington,
D.C.

DEAR MR. CHAIRMAN: The American Electronics Association strongly endorses S. 1001 as reported by the Senate Governmental Affairs Committee, and the House counterpart measure, H.R. 2293. In particular, AEA believes that it is essential that the Office of Federal Procurement Policy (OFFPP) be given regulatory authority to implement government-wide procurement policy and to resolve inter-agency disputes.

AEA represents over 2,300 member companies nationwide, and over 400 financial, legal and accounting organizations which participate as associate members. AEA encompasses all segments of the electronics industry, including manufacturers and suppliers of computers and peripherals, semiconductors and other components, telecommunications equipment, defense systems and products, instruments, software, research, and office systems. The AEA membership includes companies of all sizes from "start-ups" to the largest companies in the industry, but the largest number (80%) are small companies employing fewer than 200 employees. Together, our members account for 63 percent of the worldwide sales of the U.S. based electronics industry.

As you are aware, President Reagan signed Executive Order 12853 on March 17, 1982 to provide a uniform, more efficient procurement system government-wide. Among the directives included in that Executive Order was a provision "to provide broad policy guidance and overall leadership" to the OFFPP. Since the issuance of

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the Federal Acquisition Regulations (FAR), it is more important than ever that the need for such leadership and guidance be recognized. Further, it is essential that this leadership be centralized and apply to all federal agencies. In other words, OFPP already is established with the mandate to oversee government-wide procurement policy. It now needs the authority to ensure implementation of such policy.

The Department of Defense maintains that providing regulatory authority to OFPP infringes on its independence. It also maintains that it can conduct its own procurement reforms without the need for outside oversight. However, as the House Government Operations Committee notes in its report on H.R. 2293, "the Department has little to show for its efforts and has proved incapable of reforming its own procurement activities." That report goes on to state that the Council on Economic Priorities cited the Pentagon for "fail[ing] to correct the most persistent causes of cost growth: lack of competition in contract awards; contracting practices that reward cost maximization; simultaneous design and manufacture, or 'concurrency'; disorganized program management and decision-making . . ."

OFPP initially had regulatory authority under its original 1974 authorization. This authority was taken away, largely as a result of efforts by the Pentagon. AEA believes that OFPP's regulatory authority should be reinstated, especially since the issuance of the FAR. Without authority to ensure implementation of government-wide procurement policies and to resolve differences among government agencies, OFPP could issue all the high-minded policies it wants. But it would only be blowing smoke.

The Office of Management and Budget itself has tacitly recognized this paradox when it resorted to using the regulatory authority vested in the Office of Information and Regulatory Affairs (OIRA) in ensuring the issuance of the FAR.

In conclusion, there is no reason to believe that the nature of OFPP's activities would change if its regulatory authority were reinstated. It is and should be only capable of issuing general guidance. This is what it did from 1974 until 1979, when its regulatory authority was taken away. However, without providing OFPP with regulatory authority, there is no reason to believe that the FAR or any other government-wide procurement policy will be able to be anything but a meaningless paper exercise.

Sincerely,

KENNETH C. O. HAGERTY,
Vice President, Government Operations.

NATIONAL COUNCIL
OF TECHNICAL SERVICE INDUSTRIES,
Washington, D.C., October 3, 1983.

HON. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of
Government Management, Committee
on Governmental Affairs, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: The National Council of Technical Service Industries (NCTSI) appreciates your efforts to improve procurement practices of the Government, and supports your bill, S. 1001, on the reauthorization of the Office of Federal Procurement Policy (OFPP). The OFPP offers a forum in which the issues of Federal procurement can be addressed and a point of responsibility within the Government where procurement problems receive a knowledgeable hearing. While the performance of OFPP over the past nine years can best be described as mixed, and certainly not favorable from the viewpoint of the private sector, we need it as the sole Federal office concerned with procurement.

The regulatory authority which OFPP had during the period 1974-1979 certainly needs to be reauthorized. This requirement is emphasized by the general disregard Executive agencies have shown for the Office of Management and Budget (OMB) Circular A-76 requirement to prepare a detailed schedule for the review of each commercial and industrial activity and to conduct such reviews within three years. Although the Defense Department and the National Oceanic and Atmospheric Administration have conducted some reviews, no agency is even close to compliance.

You are also to be commended for your request to the Controller General to look into the progress on procurement reform under Executive Order 12352. The same general disregard has been shown for this Order as for OMB Circular A-76. While regulatory authority for OFPP theoretically may not be needed to insure implementation of OMB Circular A-76 and E.O. 12352, the record of compliance to date suggests such authority is needed.

Overseeing the procurement of commercial goods and services is a Governmental function which requires great skill and managerial ability. The proposed Federal Procurement System and revised Federal Acquisition Regulations require the OFPP for successful implementation.

Your bill, S. 1001, is needed. We support you and wish you success in getting it passed.

Sincerely,

GEORGE A. DAoust, Jr.,
Executive Director.

CORPORATIONS CURRENTLY MEMBERS OF THE
NATIONAL COUNCIL OF TECHNICAL SERVICE
INDUSTRIES

ARA Services, Inc.
Boeing Computer Services Company.
Boeing Services International, Inc.
Burns & Roe Services Corporation.
Caloum Corporation.
Cerberonics, Inc.
Chemfix Technologies, Inc.
Computer Sciences Corporation.
Comsis Corporation.
Control Data Corporation.
Federal Electric Corporation—A Subsidiary of International Telephone and Telegraph Corporation.
Hughes Aircraft Company.
Kentron International, Inc.
Lear Siegler, Inc.
Lockheed Corporation.
Northrop Services, Inc.
Northrop Worldwide Services, Inc.
Raytheon Service Company—A Subsidiary of Raytheon Corporation.
RCA Service Company—A Division of RCA.
Rural Metro Fire, Inc.
United Information Services, Inc.
Vinnell Corporation.

PROFESSIONAL SERVICES COUNCIL,
Washington, D.C., October 3, 1983.

To: Members of the U.S. Senate.
From: Virginia Littlejohn, Executive Director.

Subject: Reauthorization of the Office of Federal Procurement Policy (OFPP).

The Professional Services Council is a trade association of professional and technical services firms and associations, representing small and large businesses, with a common interest in improving the Federal government's methods of procuring professional services.

PSC strongly endorses S. 1001, reauthorizing the Office of Federal Procurement Policy (OFPP), as well as reinstating its regulatory authority as provided in Section V of S. 1001.

A meaningful OFPP will serve as a focal point for the development of procurement policy and play a vital role in simplifying and improving federal procurement policy.

We urge your support and assistance on the reauthorization of OFPP. Thank you.

THE INTERNATIONAL
COMMUNICATIONS
INDUSTRIES ASSOCIATION,
Fairfax, Va., October 4, 1983.

HON. WILLIAM S. COHEN,
Committee on Governmental Affairs, Chairman,
Subcommittee on Oversight of
Government Management, Hart Senate
Office Building, Washington, D.C.

DEAR CHAIRMAN COHEN: On behalf of the International Communications Industries Association, I am pleased to convey to the Senate our support for S. 1001 as reported (Senate Report 98-214, September 1, 1983).

We have dealt with the Office of Federal Procurement Policy since it was created and we continue to feel that the OFPP serves a useful public purpose and should not be abolished or diminished in any way.

As the National Audio-Visual Association, we supported the creation of OFPP in the early 1970's. It was our view at that time that General Services Administration and the Department of Defense operated far too independently making it difficult for companies selling identical products and services through two different procurement systems. While progress has been made by OFPP, there still remains much to be done.

Prior to OFPP, there was no point in the Executive Branch beyond those two agencies where outside organizations such as ours could bring issues to a focus and find resolution of public policy problems. Usually, we were forced to take our problems to Congress.

It is difficult to imagine the Office of Management and Budget containing the word "Management" in its title without clear regulatory authority in the multi-billion dollar procurement policy area. S. 1001, as reported, provides the correct measure of regulation and management authority for OFPP.

Therefore, we strongly recommend that the Senate adopt S. 1001. We feel confident that in doing so the Senate will be assuring itself that most procurement policy differences among agencies are ironed out before these problems are referred to Congress.

We appreciate your leadership on S. 1001 and we look forward to seeing this bill, with regulatory authority for OFPP, passed by the Senate in the near future.

Warmest regards.

Sincerely,

KENTON PATTIE,
Senior Staff Vice President.

COMPUTER AND
BUSINESS EQUIPMENT
MANUFACTURERS ASSOCIATION,
Washington, D.C., October 5, 1983.

HON. WILLIAM S. COHEN,
Dirksen Senate Office Building,
U.S. Senate, Washington, D.C.

DEAR SENATOR COHEN: The Computer and Business Equipment Manufacturers Association (CBEMA) would like to re-state its support for your legislation, S. 1001, to reauthorize the Office of Federal Procurement Policy.

We feel that the reauthorization of OFPP is a matter of great importance to the Government's procurement process. CBEMA has for some time actively supported OFPP. In addition to responding to your letter dated April 7, 1983, we presented a statement in support of reauthorization before the Senate Subcommittee on Federal

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Spending Practices and Open Government on March 9, 1972, and provided detailed comments to OFFP's Proposal for a Uniform Federal Procurement System submitted by OFFP to the Congress on December 9, 1981.

In our letter to you dated April 22, 1983 we stated that we were in support of the reauthorization of OFFP for an additional five years. We arrived at that number because we firmly believe that at least five years is necessary to implement and maintain any well conceived changes to the procurement process. Additionally, we stated in our letter that we believe it is necessary that OFFP be given directive authority. We maintain that the office should be granted strong positive authority. However, you will recall that the issue of directive vs. regulatory authority was addressed and clarified by you and Senator Chiles during your hearings on April 27, 1983. During that exchange, it was decided that by the use of the term directive authority, what is essentially desired is regulatory authority. For the record, we would like to join you in strongly recommending that OFFP be granted regulatory authority.

The need for OFFP to have regulatory authority is clear. OFFP has been unable to successfully propose a single statute uniform procurement system, implement a single set of Federal Acquisition Regulations, and it was unable to maintain fixed timeframes in revising and publishing the FARs. Because of this lack of strong authority Federal procurement management has become indecisive and fragmented. There is an obvious need for a strong procurement office which is what OFFP was intended to be.

CREMA appreciates your efforts to improve the Federal procurement system. If we can be of any additional assistance please feel free to call upon us.

Very truly yours,

VICO E. HENRIQUES,
President.

NATIONAL ASSOCIATION OF
PHOTOGRAPHIC MANUFACTURERS, INC.
HARRISON, N.Y., October 5, 1983.

HON. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of
Government Management, Committee
on Governmental Affairs, Dirksen
Senate Office Building, Washington,
D.C.

DEAR SENATOR COHEN: The National Association of Photographic Manufacturers (NAPM) is a voluntary association composed of companies engaged in manufacturing photographic products. Membership in the Association is open to both domestic and non-domestic manufacturers. Shipments by domestic NAPM member companies account for over 90 percent of all photographic products manufactured in this country on a dollar basis and represents a broad cross section of the products of the photographic industry.

While the majority of photographic products are sold into the private sector, a large number of agencies of the Federal government purchase a wide variety of photographic equipment, sensitized materials and chemicals that are manufactured by our member companies. It is because of this government procurement activity that we are writing you in support of S. 1001, which, if enacted, would reauthorize the Office of Federal Procurement Policy (OFFP).

Our support for this legislation which you sponsored is based upon several factors, not the least of which is an assessment of the past performance of OFFP in providing overall direction of procurement policies and procedures by government agencies. It

is our opinion that, in this regard, OFFP has proven its value many times over in eliminating confusion and reducing variations between agencies to the mutual benefit of the government and private industry.

With the current emphasis on maintaining the return on government spending and with government procurement activity measured in billions of dollars, it appears to us that the reauthorization of OFFP would well prove to be an investment worth many times its relatively small budget.

We also believe that it only makes good sense that there be an independent group within the Office of Management and Budget with a charter directed at coordinating and improving the economy, efficiency and effectiveness of the procurement processes by providing this overall direction in the form of policies and regulations to the various agencies as they establish their procurement policies. In this regard, we believe it is important that OFFP have regulatory authority as was the case prior to 1970.

We strongly support your efforts and appreciate the opportunity to express our views in that regard. We would be pleased to elaborate should you deem it desirable.

Sincerely,

JOSEPH T. MORRIS,
Executive Vice President.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Without objection, the Senator from Florida may speak out of sequence.

Under the previous order, the Senator from Florida is recognized for 15 minutes.

REAUTHORIZATION OF THE OFFICE OF FEDERAL PROCUREMENT POLICY

Mr. CHILES. Mr. President, I want to join with Senator Cohen in his remarks on S. 1001, the Office of Federal Procurement Policy's reauthorization.

The Senator has made two basic sets of points. First, he brought to the Senate's attention that a duly considered and reported bill by the Committee on Governmental Affairs has been blocked from consideration on the Senate floor by the chairman of the Armed Services Committee, who was prevailed upon by the Defense Department. That came 4 days before the existing authorization expired.

It is a procedural observation that the Senator makes which has plenty of precedents in this body. Such "holds" are not uncommon. I do feel compelled to note however, that while I have high regard for the sophistication of the Defense Department's legislative activities, this maneuver was a little less than subtle.

The Senator and the Committee on Governmental Affairs have done their homework on this bill. I genuinely doubt that the Department will bring forth any "new" arguments that are not already on the record. So, on the procedural point, I want to express my view and appeal to my colleagues that this bill is entitled to consideration by the full Senate. There are Senators ca-

pable of speaking on either their own initiative or on behalf of the Defense Department, that may want to offer amendments or vote in opposition. That is fair. But the Senator from Maine is entitled to have his bill considered here in the Capitol, not killed across the river in the Pentagon.

Second, the Senator discussed the merits of the Office of Federal Procurement Policy. Why should that small White House shop next to the President be reauthorized?

Let me add some historical perspective to help clarify the substantive issue about which the Defense Department is so concerned. I can assure my colleagues that reauthorization of a strong OFFP does not present a threat to our national security. The head of the Office is appointed by the President, confirmed by the Senate, and is housed with the Director of OMB. Failure to reauthorize OFFP however, does preclude an opportunity to bring about Government-wide management savings in what is now some \$100 billion a year the Government spends buying goods and services. Every 1 percent that is over a billion and a half dollars—I believe you are talking about a potential 5 to 10 percent range of savings with a strong, viable Office of Federal Procurement Policy.

Back in 1974, I sponsored the legislation which originally created OFFP. The idea for a small but strong central manager for what was then a \$60 billion procurement policy had grown out of a recommendation from the Federal Procurement Commission. The Commission was created by a law in 1969 which was sponsored here in the Senate by Scoop Jackson.

The Procurement Commission concluded in 1972 that there was a need to raise the visibility of the procurement function both within agencies and in the White House, or the problems associated with different procurement practices, duplicative regulations, and each agency going its own way would get worse and more expensive. The regulatory and paperwork maze facing the business person who wanted to do business with the Government was wasteful and worked to discourage competition and small business participation.

The OFFP was put next to the budget process in OMB and given regulatory authority by Congress so it could exercise clout and resolve the turf wars that inevitably occur in large bureaucracies. You are going to have disputes between Defense and Labor, on such things as labor surpluses and Davis-Bacon interpretations, between Defense and the Small Business Administration on small business participation, between Commerce and Defense on such things as patent law interpretations. I should add other agencies are not fond of OFFP either for similar reasons. But what often happens in these policy battles is that nobody makes a decision. A wasteful

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vacuum is created. Everybody keeps going their own way. That is why the Congress gave OFPP regulatory authority in 1974. The idea was to get these bureaucratic fights resolved, or, alternatively, raise their visibility so they could be focused upon by the Congress and/or the President.

I sponsored the 1979 reauthorization of OFPP as well. Then the House view that regulatory authority was not needed prevailed. Thereafter, OFPP was basically ignored by the agencies and was not able to accomplish a more limited mission of developing an executive branch consensus for a uniform procurement statute proposal to Congress.

That experience was persuasive. Without the regulatory authority, OFPP is not a credible interagency coordinator. This year the House has passed a companion reauthorization bill and regulatory authority is in it. It is in the bill Senator COHEN has reported. Neither in 1974 nor 1979 did the Armed Services Committees of either House obtain a referral of this legislation. It was not obtained in the House this session.

The Department of Defense opposes the regulatory authority. Put simply, that is why we have not, as yet, considered this legislation on the Senate floor. They opposed it in 1974; they opposed it in 1979; and they tried to get the administration to abandon reauthorization efforts this Congress.

The reasons on each occasion have been very similar. The DOD is going to resist OFPP because, among other things, OFPP is a congressional creature that facilitates and encourages more congressional oversight. I agree with that, even if the oversight comes from committees other than Armed Services, and I think it is a good thing, not a bad.

It is a little bit like the Inspector General Act we passed in 1978. None of the agencies wanted an Inspector General that had to report to Congress as well as their own Secretary. DOD successfully resisted then, and they are not very happy with the weaker kind of Inspector General they have now. But I think what is going on over there is helping to focus the Congress attention on where it should be—not hurting.

Second, Defense does not like someone who might be as close to the President as they are—particularly when you get down to the day-to-day Assistant Secretary issues—to be able to force a decision and arbitrate. Again, OFPP tends to have an overall perspective, more like the President's than a functional agency perspective. When it comes to the issue of whether or not what is good for the Government as a whole is good for DOD, the Department of Defense wants to decide that by itself. I believe a system that is more likely to give the President and the Congress a role is a better idea. The more sunshine to these decisions, the better.

This is an "institutional" point of view on the Department's part. Deputy Secretary Paul Thayer reflects this view today. But were he still presiding at the Chamber of Commerce as he was before he entered the Defense Department, he would probably be as supportive as that organization is of this legislation. Apart from the taxpayer, it is the businessperson who is interested in selling to the Government that suffers the most from the fragmentation and inconsistency that exists in Federal procurement. Keep in mind that many do not even bother to try to do business with the Government.

When that many do not bother to try, there is no competition and that means the Government has to pay more for its goods and services.

Mr. President, there is that saying "the more things change, the more they are the same." That is kind of what I feel when you look at the situation Senator COHEN and I are trying to bring to our colleagues attention today.

I am not interested in knocking the Defense Department just for the sake of it. But I have experienced this issue before and I think the merits are on the side of reauthorizing a strong OFPP. I think, too, we should recognize the Department's agenda, and not let it deter us from considering this legislation before the full Senate on the floor.

Thank you.

Mr. HUDDLESTON. Will the Senator yield?

Mr. CHILES. I yield.

Mr. HUDDLESTON. If the Senator has finished that subject, would he yield to me the time he has remaining on his special order?

Mr. CHILES. I so yield.

The PRESIDING OFFICER. The Senator from Kentucky.

IMMIGRATION REFORM

Mr. HUDDLESTON. Mr. President, already this morning the action by the Speaker of the House (Mr. O'NEILL) in setting aside for this session of Congress the immigration bill has been referred to by both the majority leader of the Senate and the distinguished minority leader (Mr. BYRD).

Senator BYRD suggested that in view of the fact that this body has already passed that particular legislation twice by substantial margins, and that there is a need for immigration reform in this country, we ought to seek ways of either reenacting that legislation and sending it back to the House, or possibly—and I support this endeavor—finding some House-passed measure that is of particular significance and adding to it that piece of legislation.

As one who has for a number of years been closely involved in trying to develop a reasonable program of immigration reform, I was shocked by the arbitrary and ill-advised action of the Speaker of the House, and particularly

some of the statements he made in justifying the actions that he took.

I do not know where he heard the phrase that the particular legislation under question would "force Hispanics to wear a tag around the neck," and likening that to the actions of Adolf Hitler against the Jews.

If that ill-informed statement were not beneath the dignity of the Speaker to utter, it is beneath the dignity of this Senator to comment on any further, except to say that it does belie a total lack of understanding about what the bill does and what it is intended to do.

The Speaker also said that he could find no constituency for that particular bill.

The Speaker is dead wrong.

Mr. CHILES. Will the Senator yield at that point?

Mr. HUDDLESTON. I yield.

Mr. CHILES. The Senator has been the leader over many years in trying to bring to the attention of the Senate and the country the need for an immigration policy. He only continues today something that he has been doing for many, many years. I share his disappointments. I just wanted to comment on one point of the constituency, that there is no constituency for the bill.

The Speaker needs to come to my State if he says there is no constituency for this bill. He does. We welcome him there. He comes to our State sometimes.

I can assure the Speaker, and certainly the Senator from Kentucky knows from his own experience, that in Florida, having suffered the ravishes of what happens because of our failure to have an immigration policy and the hardships and the other problems that we have suffered, there is a constituency that is sort of equal to the 10.5 million people who are in our State now in the feeling that any sovereign nation needs to have an immigration policy and needs to be able to decide or elect to decide who comes to their State. There is certainly constituency in my State.

I must say I also believe as the Senator has said, that we need to find an appropriate vehicle to give the House a chance to be able to consider this bill. I share that sentiment.

Mr. HUDDLESTON. I thank the distinguished Senator from Florida.

What the Speaker apparently is not aware of, is that recently reliable professional polling has taken place on this issue. The result is that a vast majority of the Hispanics in this country and the blacks in this country support the immigration reform that would control illegal entry into the United States and provide sanctions for those who knowingly hire illegals.

It is reasonable that they do, because they are the ones who are suffering and being disadvantaged because of unlimited illegal entries into the United States.