

Congressional Closeup by Carl Osgood

Senate Panel Passes DOD Civil Service Reform

The Senate Governmental Affairs Committee passed on June 17, by a vote of 10 to 1, the Senate response to the Pentagon civil service reform being demanded by Secretary of Defense Donald Rumsfeld. At the outset of the debate on the bill, committee chairman Susan Collins (R-Me.) underscored that undertaking reform of the Federal civil service system is "extremely important" and "likely to be a template for the future." She added that it is also "important that this committee," which has jurisdiction over civil service matters, "not cede its authority to the Armed Services Committee."

The main purpose of the exercise appears to have been to give the Senate negotiators on the Defense Authorization bill some leverage with the House in the conference committee. The House bill includes a slightly watered down version of the language that Rumsfeld demanded, but the Senate bill is silent on the matter, and the Senate has not otherwise expressed its will on the matter. Sen. Carl Levin (D-Mich.), a co-author, with Collins, of the reform bill, expressed the hope that the approach in that bill can be taken up in the conference. "This is value added to the conference," he said.

With the exception of Frank Lautenberg (D-N.J.), all the Democrats were on board with the bill, because, as ranking Democrat Joe Lieberman (D-Conn.) put it, "This bill is a balanced, bipartisan plan that would give the department the flexibility it needs without compromising worker rights and protections."

The Senate bill gives the Secretary of Defense far less authority to waive the civil service law than does the House version, and makes some parts, particularly those dealing with labor-management relations, nonwaivable. It also requires the Department to con-

sult with the Office of Personnel Management, the Merit Systems Protection Board, Federal employee unions, and the Congress, as it constructs its new personnel system.

House One-Ups Senate On Child Tax Credit

House Majority Leader Tom DeLay (R-Tex.) answered President Bush's support of the Senate-passed child tax credit extension, by bringing a much larger \$82 billion bill to the floor of the House, on June 12. The House bill maintains the \$1,000 tax credit through 2010, as opposed to the Senate bill, which only offered it for 2003 and 2004. The House bill also raises the phaseout of the so-called marriage penalty to married couples with incomes up to \$150,000, as opposed to \$110,000. Procedurally, the House approved a rule to amend a previously passed House bill, on which the Senate had substituted its own language on the child tax credit.

Democrats blasted the bill from one end to the other, in the context of the rapidly growing budget deficits and unemployment. Rep. Sander Levin (D-Mich.) charged that the GOP's strategy was to kill the Senate-passed bill, which President Bush had already supported. "They are making wimps out of some Republicans," Levin said, "who would like to vote the right way by tying this into a rule. They are making the President issue a statement that contradicts what was said on his behalf."

Rep. Thomas Reynolds (R-N.Y.), a member of the House Rules Committee, at first claimed that offsets were not necessary, because they were already included in the Fiscal Year 2004 budget resolution, and then explained that the Rules Committee's best option was "to stipulate the House prerogative to provide tax relief with

a comprehensive proposal that has broad policy support." The Democrats were not impressed. Minority Whip Steny Hoyer (D-Md.) replied that "with this rule, the GOP leadership wants to send this legislation into conference committee where it hopes to tie up the bill and watch it die a slow death."

Senate Begins Debate On Medicare Drug Bill

A confident Senate Finance Committee chairman Charles Grassley (R-Ia.) on June 16 brought to the floor of the Senate a bill, co-sponsored by Max Baucus (D-Mont.), to add a prescription drug benefit to Medicare. The bill, which passed the committee on June 12 by a 16 to 5 vote, would set up a drug benefit that would be available, whether a Medicare beneficiary joins an approved health maintenance organization, or stays with the traditional fee for service plan. For a premium of \$35 per month, drug coverage would start with a \$275 deductible, then would provide coverage for 50% of costs up to \$3,450, and then no coverage until beneficiary out-of-pocket costs reached \$3,700, and then 90% thereafter.

While Grassley expressed confidence that the bill will be passed, and President Bush has already endorsed it, the Senator also admits that he will have a difficult row to hoe. "I wouldn't want to call it a tough sell," Grassley said on June 13, "but I do have a lot of work to do in my own caucus." He also said he expected the bill to be on the Senate floor for about two weeks, indicating that there might be a large number of amendments offered. "I think Max [Baucus] and I are going to have to take a lot of time and be very patient," he said, "both on the floor and within our respective caucuses, to just answer a lot of questions."