

A BILL

To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

section 291(b) of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note), is amended by renumbering paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and by inserting the following new paragraph:

"(1) An annuity (except a deferred annuity under section 234) which -

'(A) is payable from the fund to a participant who retires, or to the widow or widower of a deceased participant under section 232; and

'(B) has a commencing date after the effective date of the then last preceding annuity increase under section 291(a)(2);

shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under section 291(a)(2). In the administration of this paragraph, a participant or a deceased participant shall be deemed, for the purposes of section 221 (h), to have to his credit, on the effective date of the then last preceding annuity increase under subsection 291 (a)(2), a number of days of unused sick leave equal to the number

of days of unused sick leave to his credit on the date of his separation from the service."

SEC. 2. The amendments made by this Act shall apply only with respect to annuities which have a commencing date after the effective date of the first annuity increase under section 291(a)(2) which occurs on or after the date of enactment of this Act.

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effective date and receive not less than he would have received had he retired by the effective date.

The present cost-of-living provisions, providing that the employee must retire prior to the effective date, always produce a great influx of retirement applications immediately before the effective date. For example, the last two increases, effective on November 1, 1969, and August 1, 1970, produced 25,000 and 19,800, retirement applications over the normal number of applications received.

This places tremendous burden on the Civil Service Commission to process these forms. A result is delayed annuity payments at a time when they are most needed by annuitants. S. 1681, by permitting an employee to delay retirement, would distribute more evenly the Commission's workload and thereby speed processing of retirement applications.

Employing agencies would also benefit by the enactment of this legislation. As a result of present "bunching" of retirements immediately prior to an increase effective date, many persons are reemployed as annuitants to complete projects and permit the agency to secure replacements.

COST

Assuming that a 5 percent cost-of-living annuity increase is effective in each fiscal year 1971 through 1980, the unfunded liability would be increased by a little over \$92 million. The annual cumulative interest payment due the fund from the Secretary of the Treasury at the end of fiscal year 1981 would be a little over \$3 million.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the assistant minority leader desire to be recognized under the standing order?

Mr. GRIFFIN. Yes, Mr. President.

MILITARY SELECTIVE SERVICE ACT—SENATOR MANSFIELD'S AMENDMENT NO. 86

Mr. GRIFFIN. Mr. President, although I have the greatest respect and affection for the majority leader, I must say that the timing of the Mansfield amendment could not have been more unfortunate or inappropriate. This Senate is in danger of going down in history as a Senate which derailed the most promising, disarmament talks of our times.

Only this morning, Soviet Party Leader Brezhnev spoke of his interest in negotiating troop withdrawals in central Europe. What possible incentive would he have to pledge Warsaw Pact withdrawals if the Mansfield amendment should be adopted?

Many people may not realize it, but a 50-percent reduction in American forces in Europe would probably require a thin-out of our 6th Fleet. The President simply could not draw down the entire cut from ground forces in Europe. But in any event, such a sudden cut would drastically and unilaterally weaken our military position with respect to the Middle East just at a most promising moment in the long quest for peace between Israel and the Arabs.

The Mansfield amendment is a proposal which would dislodge some of the most important elements of our overseas alliance system—our deterrent against conventional warfare in Europe

as well as our deterrent against a big-power war in the Middle East.

Mr. MANSFIELD. If the assistant minority leader will yield, may I say that I was interested in the proposal made by Premier Brezhnev, which I only became aware of just before the Senate convened this morning.

Let me express the hope that this proposal be pursued expeditiously by the administration. If I know President Nixon, I am certain that it will be viewed with the most serious consideration and good faith. It is indeed encouraging and, if ultimately successful, it will bring about a major achievement which the President and many of us here have been seeking to obtain.

At the same time, I would hope that my amendment would be considered on its own. By itself, I believe it has overwhelming merit. I think it should be accepted by the Senate.

Mr. MATHIAS. Mr. President, will the Senator from Michigan yield?

Mr. GRIFFIN. I yield to the Senator from Maryland.

Mr. MATHIAS. I want to join the distinguished Senator from Michigan, the acting minority leader, in the views that he has just voiced on the impact of the Brezhnev statement. This has a significant bearing on the pending business of the Senate.

I think it gives us a new view and a new hope that mutual and balanced force reductions are a possibility. I do not believe that we want to pursue any will-o'-the-wisp, but the fact that this has come about at this moment is a fortunate circumstance.

I do not believe it should be either undervalued or overvalued but should be placed in its proper perspective and, as the assistant Republican leader has just said, we should review it as it is.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The time of the assistant minority leader has expired.

Under the previous order, the Senator from Utah (Mr. Moss) is recognized for not to exceed 15 minutes.

DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT ACT—AMENDMENT

AMENDMENT NO. 91

Mr. MOSS. Mr. President, beginning with the 89th Congress, I have introduced bills to establish a Department of Natural Resources and Environment, and I did so again this year.

Today I submit an amended version of that bill. Its provisions differ somewhat from those of its predecessors, but the essential structure remains the same. The purpose of submitting an amendment to the bill is to make it conform in a number of particulars with the Natural Resources Department bill submitted by the Nixon administration.

The amended provisions will be discussed later.

The Senate has heard all too often the grim recital of fouled rivers, smoky skies, scarred hillides, crowded national parks, disappearing wetlands, and en-

long been advocated by far-sighted citizens. Moreover, most studies undertaken over the last several decades have led to strong recommendations for consolidation.

But these pleas have fallen on deaf ears. Often it has been argued that however logical such an arrangement might be, the necessary extensive changes would inflict unacceptable wounds on the conservation establishment.

Despite such opposition, however, the pressure of events has moved us in that direction.

I have discussed previously in the Chamber the evolution of the Department of the Interior. Originally, it was a catchall for agencies handling domestic problems. It has evolved, however, into an organization chiefly concerned with management, protection, and administration of natural resources—timber, forage, water, minerals, wildlife, and with the marketing of power and the promotion of outdoor recreation opportunities. The recent Secretaries—Udall, Hickel, and Morton—have looked upon their organization as a resources department. But they have lacked the authority and the designated responsibility to make it one, since resource functions of great magnitude have remained outside Interior. They have been generals commanding only half the troops. The other half have been deployed elsewhere on the field, ordered by different officers.

President Nixon's support of the concept of a Department of Natural Resources offers a shining opportunity to begin anew—to start at the beginning, so to speak, and do this job right.

THE RAPE OF OUR ENVIRONMENT

Fundamental considerations support the establishment of a Federal resources department.

First, perhaps is the terrible toll American progress has exacted from the natural environment.

Just 167 years ago, Lewis and Clark bade goodbye to St. Louis and began their 8,000-mile journey through the wilderness.

St. Louis was then the last outpost of civilization. The existence of the awesome barrier of the Rocky Mountains was hardly suspected. A prime object of their mission was to locate the "Great River of the West," which, it was mistakenly believed, emptied into the Pacific Ocean and completed a navigable route across the continent.

In the next 110 years, we drove the Indian and the buffalo from the plains, the beaver from the mountain streams, and the passenger pigeon from the air. We spanned the continent with rails and built a mature industrial economy.

In the 60 following years we increased the number of automobiles from 540,000 to 71,500,000—157 times increase. And we completed the settlement of 123 million persons west of the Appalachians.

Having done so much in so little time, it is little wonder that we have skinned and exhausted the land—to use Theodore Roosevelt's phrase.

The Senate has heard all too often the grim recital of fouled rivers, smoky skies, scarred hillides, crowded national parks, disappearing wetlands, and en-

ment Operations Committee unanimously.

Mr. Speaker, I want to fully endorse the statement of the distinguished chairman of the Government Operations Committee in support of H.R. 4848 which he and I introduced.

Chairman HOLIFIELD and I have long been associated with efforts "to promote economy, efficiency, and effectiveness in the procurement of goods, services, and facilities by and for the executive branch of the Federal Government" as the policy statement reads in the act establishing the Commission on Government Procurement. Upon the establishment of the Commission, he and I were appointed to it by the Speaker of the House. Since then, we have done our best to see that the Commission performed as well as possible the difficult assignment with which it was charged by the Congress.

As the chairman pointed out, the organization of the Commission, the development of its study program, and the establishment of its study groups took longer than originally anticipated. On the basis of my close observation of the performance to date of the Commission and staff, I can report unequivocally that there has been no undue wastage of effort or resources. Indeed, I feel the Commission and staff have done an excellent job of structuring the study effort. I believe the extra time required for these initial phases of the Commission's work was absolutely essential if we are to receive from the Commission the quality effort required.

Mr. Speaker and my colleagues, we need the detailed study being planned by the Commission if we are to have "economy, efficiency, and effectiveness" in Federal procurement. I urge the House to pass H.R. 4848, which will allow the Commission the time necessary to prepare its report.

Mr. Speaker, I urge my colleagues to support and approve the extension as contained in the bill H.R. 4848.

Mrs. DWYER. Mr. Speaker, I rise in support of H.R. 4848, to provide for an extension of the date on which the Commission on Government Procurement shall submit its final report. This bill has the unanimous support of the Government Operations Committee on which I have the honor of serving as ranking minority member. I wish also to express my complete faith and trust in the work of the two Members of the House, the gentleman from California (Mr. HOLIFIELD), and the gentleman from New York (Mr. HORTON), who have given so much of their time and effort to the legislation establishing the Commission, and, now that they are members of the Commission, to the work of that body. Their presence on the Commission assures us of a high-quality report.

The SPEAKER. The question is on the motion of the gentleman from California that the House suspend the rules and pass the bill H.R. 4848.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill was passed.

GENERAL LEAVE TO EXTEND

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LIBERALIZATION OF ELIGIBILITY FOR COST-OF-LIVING INCREASES IN CIVIL SERVICE RETIREMENT ANNUITIES

Mr. WALDIE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7964) to liberalize eligibility for cost-of-living increases in civil service retirement annuities, as amended.

The Clerk read as follows:

H.R. 7964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8340(c) of title 5, United States Code, is amended—

(1) by renumbering paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively; and

(2) by inserting immediately above paragraph (2) (renumbered as such by paragraph (1) of this section), the following new paragraph:

"(1) An annuity (except a deferred annuity under section 8338 of this title or any other provision of law) which—

"(A) is payable from the Fund to an employee or Member who retires, or to the widow or widower of a deceased employee or Member; and

"(B) has a commencing date after the effective date of the then last preceding annuity increase under subsection (b) of this section;

shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under subsection (b) of this section. In the administration of this paragraph, an employee or a deceased employee shall be deemed, for the purposes of section 8339(m) of this title, to have to his credit, on the effective date of the then last preceding annuity increase under subsection (b) of this section, a number of days of unused sick leave equal to the number of days of unused sick leave to his credit on the date of his separation from the service."

Sec. 2. Section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, the United States Postal Service shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to active and retired Postal Service officers and employees, and to their survivors, when such increase results from an employee-management agreement under title 39, or any administrative action taken pursuant to law, which authorizes increases in pay on which such benefits are computed.

"(2) The estimated increase in the unfunded liability, referred to in paragraph (1) of this subsection, shall be determined by the Civil Service Commission. The United States Postal Service shall pay the amount so determined to the Commission in thirty equal annual installments with interest computed at the rate of 6 percent per annum. The first payment thereof shall be made on the first day of the fiscal year in which an increase in pay becomes effective."

fiscal year in which an increase in pay becomes effective."

Sec. 3. Section 1005(d) of title 39, United States Code, is amended by adding at the end thereof the following new sentence: "The Postal Service shall pay into the Civil Service Retirement and Disability Fund the amounts determined by the Civil Service Commission under section 8348(h) (2) of title 5."

Sec. 4. The amendments made by the first section of this Act shall apply only with respect to annuities which have a commencing date after the effective date of the first annuity increase under section 8340(b) of title 5, United States Code, which occurs on or after the date of enactment of this Act. The amendment made by section 3 of this Act to section 1005(d) of title 39, United States Code, as enacted by the Postal Reorganization Act (84 Stat. 732; Public Law 91-375), shall become effective on that date on which the other provisions of such section 1005(d) become effective.

The SPEAKER. Is a second demanded?

Mr. SCOTT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. WALDIE. Mr. Speaker, I yield myself such time as I may consume.

(Mr. WALDIE asked and was given permission to revise and extend his remarks.)

Mr. WALDIE. Mr. Speaker, I take this time to briefly explain the dual purpose of the legislation under consideration, and to urge its unanimous adoption and early enactment.

The bill before the House is based, in part, upon an administration recommendation. By letter dated March 25, 1971, addressed to the Speaker of the House, the Chairman of the U.S. Civil Service Commission submitted for the consideration of the Congress, and recommended favorable and expeditious action on a proposal which is incorporated in the first section of H.R. 7964, S. 1681, a bill which is devoted solely to the matter covered by the first section of H.R. 7964, was passed by the Senate last Friday.

The civil service retirement law provides for the automatic upward adjustment of annuities when the cost of living, as determined by the Bureau of Labor Statistics' nationwide Consumer Price Index, goes up at least 3 percent over the price index for the month used as the basis for the most recent adjustment, and stays at or exceeds 3 percent for 3 successive months. Since this feature of the law become operable in 1965, six cost-of-living increases have already been authorized, with the seventh increase scheduled the first of next month, June 1, 1971.

Under existing law, in order to be eligible to receive any such increase, an employee must retire no later than the last day of the month preceding the month in which the particular increase becomes effective. For example, in order to get the upcoming June 1, 1971, increase in annuity, an employee must retire no later than May 31, 1971. However, if he continues to work after that date and retires some months later, he may receive an annuity benefit smaller than he would have received had he retired on May 31. Although his additional service and higher average salary

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will result in a larger "earned benefit" than would otherwise have been earned on May 31, it will take him from 3 to 10 months, depending upon his particular service history, to recoup the 4½-percent increase he could receive by retiring on May 31.

Similarly, for a widow to receive the 4½-percent increase in her annuity, her employee-husband must die before June 1. Should his death occur on or after June 1, the widow, ironically, will not be entitled to the increase.

One of the purposes of H.R. 7964 is to eliminate the anomaly of an employee who is separated for retirement—either voluntarily, involuntarily by reductions in force, on account of disability—on or soon after the effective date of an increase receiving a smaller annuity than one who retires before the effective date, despite the fact that he may have as much or more service and an equivalent or larger average salary. The parallel anomaly with respect to widows of deceased employees will likewise be removed. The bill corrects this inequitable condition by guaranteeing that an employee who retires on or after the effective date of a cost-of-living increase, and the spouse of an employee who dies thereafter, will receive an annuity at least as large as would have been paid had retirement or death occurred immediately prior to such effective date.

Additionally, present law works to "cluster" an abnormal number of retirements immediately prior to the effective date of every cost-of-living increase. Normally, the normal flow of retirements from Government service would average about 5,000 each month. However, in practice, employees who had been contemplating retiring within 6 months or so after such an event advance their retirement to just before the effective date so as to derive the benefit of the cost-of-living increase. To illustrate, the most recent increase, which was triggered last August 1, produced approximately five times the number of retirements that occur in a normal month. Similar experience is reflected on all such occasions, and results in placing a burdensome workload upon the Civil Service Commission in adjudicating a peak load of claims; causes months of delay in the issuance of annuity awards and benefit payments; increases the administrative costs of the program by requiring overtime pay to process the workloads; and adversely affects the operations of Federal agencies when an inordinate number of employees suddenly decide to retire.

The legislation will serve to alleviate these adverse effects by moderating the peaking of retirements just before increases become effective, and by reducing the disruption in agency operations on such future occasions.

The committee has amended the introduced bill to reaffirm and strengthen the policy it laid down in the last Congress with respect to the financial stability of the civil service retirement fund. By enacting the Daniels-McGee Act of 1969, the Congress established the policy that the costs of future unfunded liabilities in the Fund which re-

sult from increases in pay upon which annuities are computed shall be fully financed. When enacting pay legislation the Congress recognizes the resultant costs which accrue to the retirement system and, by amortization, assumes the responsibility of paying for them in equal annual appropriation installments over 30-year periods. Adherence to that policy, where the Congress controls the pay-fixing machinery, precludes further increases in deficiencies which existed prior to the enactment of the financing provisions of Public Law 91-93.

However, since the recently enacted Postal Reorganization Act transfers the pay-fixing authority for postal employees to the new Postal Service, the Congress has no control over nor any longer has responsibility for costs resulting from negotiated agreements or administrative actions of that independent agency. Although postal employees will continue to participate in the civil service retirement system, the Postal Reorganization Act was somewhat deficient in failing to require the Postal Service to be liable for funding of the retirement costs associated with its pay-fixing authority.

It is in this latter respect that our committee's version of the legislation differs from the Senate-passed version. It is the consensus of our committee, however, that the Postal Service, as a self-sufficient entity, should bear the responsibility for additional retirement costs it incurs to the retirement fund by virtue of its own actions.

Accordingly, the committee amendment will require the Postal Service to pay into the retirement fund, in a manner similar to that by which the Congress fulfills its obligations, moneys to amortize any unfunded liabilities which are attributable to postal salary increases.

Mr. Speaker, this legislation was unanimously approved by the committee. I, therefore, urge its unanimous adoption by the House.

Mr. CHAPPELL. Mr. Speaker, will the gentleman yield?

Mr. WALDIE. I yield to the gentleman. (Mr. CHAPPELL asked and was given permission to revise and extend his remarks.)

Mr. CHAPPELL. Mr. Speaker, as the ranking member of the Retirement Subcommittee, and having had the privilege of chairing the subcommittee's hearing on this legislation, I rise in wholehearted support of H.R. 7964.

As the gentleman from California has indicated, because of the anomaly of the present law, an employee who retires soon after the effective date of a cost-of-living increase receives a smaller annuity than does an employee with the same service beginning date and 3-year salary average who retires on or before the effective date. Thus, even though the employee who retires after the effective date has more service—he receives a lesser annuity.

This, of course, is patently unfair and should be corrected.

The Civil Service Commission, in advising the House on the passage of H.R. 7964, has testified that the present law produces a "bunching" of

retirements immediately before the effective date of every cost-of-living annuity increase. This "bunching" results in administrative problems and heavy expense by the Commission in attempting to cope with the abnormal number of retirements.

The retirement at one time of a number of key personnel also works hardships on Government agencies.

The costs resulting from this modification in the retirement law will be largely offset by reduced expense incurred by the Civil Service Commission.

The Commission has estimated that interest payments on the additional unfunded liability in the retirement fund will begin at \$53,000 in fiscal year 1972 and will rise to a highest expense of \$265,000 in fiscal year 1980. The Commission reports that these costs will be offset by a savings of some \$250,000 in administrative expenses which must be incurred at every cost-of-living annuity increase, due to the "bunching" of retirements by personnel who retire before the effective date of the increase in order to qualify for it.

In amending the subcommittee-reported bill, the full Committee on Post Office and Civil Service clarifies and confirms the principle to which the Congress subscribed in enacting the Retirement Financing Amendments of 1969, and remedies a deficiency in the Postal Reorganization Act of 1970. The Postal Reorganization Act is premised upon the Postal Service becoming a self-sufficient entity, with Congress no longer playing a role in fixing the pay of postal employees.

Although employees of the Postal Service will continue to be subject to the civil service retirement program, and the Postal Service, as the employer, will contribute its share of the normal costs of the program, no financing provision was made in Reorganization Act to cover any unfunded liabilities that will be created by that independent entity in granting future salary increases under its pay-setting authority.

The committee amendment remedies that particular deficiency, and restates the intent of the Congress that any newly created unfunded liabilities in the retirement system which arise from increases in employees' pay shall be fully funded under the amortization principle adopted by the 91st Congress in enacting title I of Public Law 91-93.

I subscribe to the dual purpose of the bill, Mr. Speaker, and I urge the House to lend its unanimous support to this legislation.

Mr. SCOTT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of the bill, H.R. 7964, and join the distinguished chairman of the subcommittee in the remarks he has made in favor of its enactment.

Mr. Speaker, this measure was recommended by the Civil Service Commission. Thereafter it was unanimously passed by our committee. There was a difference of opinion within the committee as to the procedure under which the amendment was adopted by the full committee. However, the reporting of the bill, as amended

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by the committee, was by a unanimous vote of 19 to 0.

Mr. Speaker, as the Members know, under the present law there is a cost-of-living increase every time the cost of living rises by 3 percent or more, and an additional 1 percent is added for the delay in effecting the change in the cost-of-living increase.

At the present time it is expected that on June 10 of this year there will be a cost-of-living increase, but in order for a government employee to obtain this cost-of-living increase, he must retire not later than May 31. This results in a large number of people retiring on the last day that they can retire and still obtain this cost-of-living increase in compensation.

The proposals before us now would change this requirement and would spread the time within which an employee could retire and still obtain the cost-of-living increase.

The measure provides that after the effective date of the bill no one retiring after the day that the cost-of-living increase is effective shall receive less in retirement pay than they would have received had they retired prior to the effective date.

Enactment of this bill will help the Civil Service Commission in computing annuities in that they can do this over a wider period of time. It will also help the executive departments and independent agencies in that they will not have a large number of employees retiring at the same time. This will mean that work within the departments and agencies can proceed in a normal way without being handicapped by a large number of retirements within a short period of time.

Mr. Speaker, I believe this is a good bill and I again join the chairman of the subcommittee in urging that we have a unanimous vote in favor of the passage of this proposal.

Mr. Speaker, the second phase of the bill relates to the postal service. It provides that the postal service shall contribute to the unfunded liability in the same manner in which the Congress, through its appropriations committee, contributes on behalf of other civilian Government employees when additional benefits are provided. This is something, I believe, our committee and the Congress neglected to do when the postal reform measure was passed during the 91st Congress.

There are roughly one-fourth of all Government employees, amounting to something over 700,000 Government employees, who work for the postal service. We tried during the 91st Congress to make the retirement fund actuarially sound. I think we did a good job on that, but now we are faced with the possibility that the new postal service will not contribute its portion to the unfunded liability. This is just a part of plugging the leak in the present law so that we will keep the fund sound.

I think it is a sound measure because if we are going to have a retirement fund, we need to have the money available to pay the retiree when he leaves the Federal service. Certainly we do not want to reverse the congressional action of

the last Congress in providing for the soundness of the retirement fund. I urge the approval of this bill.

Mr. Speaker, I yield to the gentleman from Maryland.

Mr. HOGAN. Mr. Speaker, I appreciate the gentleman's yielding, and I commend him for his remarks.

Mr. Speaker, I rise in support of H.R. 7964, which will correct an anomaly that exists with respect to cost-of-living adjustments in civil service retirement and survivor annuities.

This legislation has the support of the Nixon administration as well as the unanimous support of our Post Office and Civil Service Committee. It has been co-sponsored by the distinguished chairman of our committee, Mr. DULSKI, myself, and many of our committee members.

Mr. Speaker, this is good, common sense legislation, and will aid the U.S. Civil Service Commission to handle its administrative duties better and at the same time assure Federal employees who retire after the effective date of a cost-of-living annuity adjustment to insure that their civil service annuity shall not be less than the increased annuity which would have been payable had the employee retired immediately prior to the effective date of that adjustment.

For too long a period now under the present cost-of-living provision, employees and the Commission have shared in a most unfortunate situation. Certain employees who retired after the effective date of the cost of living adjustment have received an annuity less than that of another Government employee who has identical service, tenure and salary base but who retired on or prior to the effective date of the cost of living adjustment. The Commission on the other hand has had the burdensome and costly problem of administering an inordinate number of applications prior to the effective date of the cost-of-living adjustment.

As an example, August 1, 1970, the latest cost-of-living adjustment produced 19,000 retirements in addition to the 5,000 or less that occur in a normal month. This bunching of retirements also creates a major problem in the Federal agencies throughout the Government because valued employees working on current projects who retire must be rehired on a consultant basis to finish their work.

Mr. Speaker, enactment of this legislation will help to eliminate these problems.

I urge prompt passage of H.R. 7964.

(Mr. HOGAN asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, it is not my intention to in any way interfere with the processing of this bill which I supported in committee, and do so here this afternoon. However, I submitted supplemental views to the committee report of Members to questions which I feel, at this moment, have been unanswered.

My views, as contained in the committee report follow:

SUPPLEMENTAL VIEWS OF HON. EDWARD J. DERWINSKI ON H.R. 7964

I appreciate the fact that when this legislation is considered on the Floor, the main thrust of discussion will probably be directed at the Committee amendment which requires the Postal Service to assume the responsibility for any increases in the unfunded liability of the Civil Service Retirement Fund as a result of negotiated pay increases. However, I wish to alert the Members to the basic policy concept embraced by the bill, with the thought that the path we are taking should be clearly outlined.

In simple terms, the bill allows an employee to retire after the effective date of a cost of living increase and still receive an adjusted annuity which would be no less than the one he would have received had he retired prior to the effective date of the cost of living adjustment.

In practicality, what we are doing is erasing any differential between the active and retired employee so far as cost of living adjustments are concerned. This is the point I hope that all the Members will understand.

Admittedly, the Civil Service Commission justifies this action on the ground that it would level out the peaking of retirements which are triggered by cost of living annuity increases.

Be that as it may, consideration should be given to whether cost of living increases should only go to retired Federal employees living on fixed incomes and who are the real victims of inflation.

The history of cost of living annuity increases may throw some light on the answer. In 1962, when the cost of living increase language originated, there was an actual requirement, because of the wording of the law, that an annuitant be on the rolls for at least 15 months in order to qualify for the increase.

Then, in 1965, along with other amendments to the Retirement law, we eliminated this 15-month requirement and, in effect, permitted the cost of living allowance to go to all employees who are on the rolls the day before the increase becomes effective.

One of the results of the 1965 change was that this type of "bonus increase" encouraged eligible employees to retire on a given date and clear out on a periodic basis employees who would otherwise hang on indefinitely.

Now, with this bill, we change that policy and remove the incentive to the employee to fix a retirement date.

While I supported the amended bill as it came from the Committee, the three-day span in which the legislation was considered in public hearings, subcommittee markup, and full committee markup was certainly not sufficient time to thoroughly air this policy change. Therefore, I take this means to alert the Members in the event that we are faced with troublesome consequences sometime in the future.

EDWARD J. DERWINSKI, M. C.

(Mr. DERWINSKI asked and was given permission to revise and extend his remarks.)

Mr. WALDIE. Mr. Speaker, I yield to the distinguished chairman of the Post Office and Civil Service Committee, the gentleman from New York (Mr. DULSKI).

(Mr. DULSKI asked and was given permission to revise and extend his remarks.)

Mr. DULSKI. Mr. Speaker, I rise in support of H.R. 7964, which liberalizes retirements for cost-of-living increases in civil service retirement annuities. I sponsored this bill on

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the basis of an official recommendation by the Chairman of the United States Civil Service Commission. The bill was ordered reported by our committee with an amendment by a record vote of 19 to 0.

The primary purpose of this bill is to eliminate the inequity that exists under the present Civil Service Retirement Law in connection with cost-of-living adjustments in annuities, and administrative problems that have arisen whenever such adjustments are made.

Under existing law, an employee who retires soon after the effective date of a cost-of-living increase actually receives a smaller annuity than does an employee of the same age, length of service, and average salary who retires before the effective date of that increase.

The present law produces a "bunching" of retirements immediately before the effective date of every cost-of-living increase. This bunching of retirement applications adversely affects the administration of the Civil Service Retirement System and results in additional administrative expenses of approximately \$250,000 each time there is a cost-of-living annuity increase. The additional expense is due mainly to the overtime which is necessary to process the increased number of retirement applications.

The provisions contained in the first section of H.R. 7964 will operate to eliminate this problem.

Another purpose of the bill under sections 2 and 3, which were added by the committee amendment, is to require the Postal Service to pay into the retirement fund amounts necessary to cover the unfunded liability which occurs whenever Postal Service employees are granted an increase in pay.

I supported the committee amendment on the basis that it is consistent with the congressional policy established under the Postal Reorganization Act. That policy is that all costs of postal operations are to be an obligation of the Postal Service to be covered by postal rates and fees or appropriations made specifically to the Postal Service.

Under this policy any new increase in the unfunded liability of the civil service retirement fund occasioned by pay increases for postal employees should be an obligation of the Postal Service, but the existing law does not require such obligation to be paid by the Postal Service. Sections 2 and 3 of the reported bill will correct this omission in the Postal Reorganization Act. For each dollar increase in pay for Postal Service employees the unfunded liability in the civil service retirement fund increases by \$2.61. Each 1 percent increase in postal pay increases the payroll cost by approximately \$65.5 million, and the unfunded liability by \$171.3 million. Under this legislation, the increase in unfunded liability resulting from each 1-percent increase in postal pay will require payments by the Postal Service at the rate of \$9 million per year for 30 years.

This morning I received a report from the Postmaster General on these provisions. He does not oppose the provisions but recommends that action be deferred

until hearings can be scheduled and testimony received from the Civil Service Commission, the Postal Service, employee representatives and representatives of mailers. A copy of the Postmaster General's letter dated May 14, 1971, will be inserted at the end of my statement.

Mr. Speaker, our committee held months of hearings in 1969 before the congressional policy on the obligation of the Postal Service was established. I feel sure that the members will agree that this policy would not be changed by scheduling additional hearings on this proposal. I see no reason to delay enactment on these provisions to schedule such hearings.

Mr. Speaker, I also received a communication this morning from the president of the Board of Education of the District of Columbia recommending that this legislation include an amendment extending the same cost-of-living annuity benefits to teachers of the District of Columbia. The teachers have a retirement system that is practically identical to the civil service retirement system and without such amendment the teachers who wish to have the benefits of the cost-of-living increase effective June 1 must retire on or before May 31 prior to completion of the full school year during June. Mr. Speaker, had I known of this inequity I would have consulted with the District of Columbia Committee, which has jurisdiction over District of Columbia teachers' retirement system, and if they had agreed I would have favored adding an amendment to this legislation. Unfortunately, it is too late now to add such an amendment to the legislation. A copy of the letter from the president of the Board of Education of the District of Columbia is attached to my statement.

The statement and letter follows:

THE POSTMASTER GENERAL,
Washington, D.C., May 14, 1971.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and
Civil Service, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for a report on an amendment offered by Mr. Gross to H.R. 7964, a bill "To liberalize eligibility for cost-of-living increases in civil service retirement annuities."

The amendment to the bill would require the Postal Service to make 30 equal annual payments to the Civil Service Retirement Fund to cover increases in the unfunded liability of the Fund due to pay increases granted postal employees as a result of employee-management agreements or as a result of other administrative action.

The amounts the Postal Service would be required to pay under the amendment could reach very large proportions. Under conditions prevailing at the present time, according to information provided by the Chief Actuary of the Civil Service Commission, each one percent of a pay increase will cause a liability to the Fund of approximately \$9 million per year for thirty years.

We appreciate this opportunity to comment on the amendment to H.R. 7964. However, we believe that because of the importance of this amendment to the Postal Service, involving potential payment of many hundreds of millions of dollars, hearings should be held and testimony received from the Civil Service Commission, the Postal Service, employee representatives, and representatives

of mailers should be received and considered before final action is taken. Regardless of what policy the Congress ultimately decides to adopt on this subject, careful consideration of legislation in this area would appear to be warranted.

Accordingly, for the reasons indicated, we respectfully recommend that action on the amendment to H.R. 7964 be deferred until hearings have been held and interested parties have been given an opportunity to express their views.

The Office of Management and Budget has advised that there is no objection to the submission of this report to the Committee from the standpoint of the Administration's program.

Sincerely,

WINTON M. BLOUNT.

BOARD OF EDUCATION OF THE
DISTRICT OF COLUMBIA,
Washington, D.C., May 13, 1971.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and
Civil Service, House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DULSKI: Although the District of Columbia Teachers' Retirement System is separate from the Civil Service Retirement System, it is practically identical to the Civil Service System and as a matter of Congressional policy, it is kept consistent with the Civil Service System. [See Senate Report No. 91-839 and House Report No. 91-849 on the District of Columbia Retirement Amendments of 1970 (P.L. 91-263)]. Thus under present law, Teacher Retirement Act annuities as well as Civil Service annuities are adjusted whenever the Consumer Price Index shows a three percent increase over the base amounts for three consecutive months. Such adjustment is scheduled for June 1, 1971. Present employees who have sufficient credit to retire must retire on or before May 31 in order to be entitled to this cost-of-living adjustment.

The school educational employee who is eligible to retire is currently placed in a very unfortunate position. It would be to his monetary advantage to retire on or before May 31, but it is to the advantage of the school system to have such person complete the full school year. It is, therefore, strongly recommended that in the best interest of the school system legislation should be enacted which would allow employees who retire on or after June 1, 1971, to receive the same annuity increment as granted those who retire prior to June 1.

Enactment of such legislation will remove an arbitrary cut-off date and thereby allow school employees to retire at the conclusion of the school year without loss in retirement benefits.

Because of the Congressional policy of keeping benefits under the District of Columbia Teachers' Retirement Act consistent with those afforded the classified employees of the Federal and District of Columbia Government by the Civil Service Retirement Act, I would like to urge your committee to include appropriate D.C. Teachers' Retirement Act amendments in the same bill which amends the Civil Service Retirement Act. In this way, the D.C. Teachers' Retirement Act amendments could become effective at the same time as the Civil Service Retirement Act amendments.

In this particular case, a change in the D.C. Teachers' Retirement Act would need to be made almost concurrently with amendments to the Civil Service Retirement Act if school employees are to have the same benefits as are available to Civil Service employees. If there is a time lag in passage, some teachers will have had to make their retirement decision without the option this suggested legislation would provide.

consideration be given to incorporating into the Civil Service Retirement amendments, identical amend-

ments to the District of Columbia Teachers' Retirement Act so that the latter act may be amended as expeditiously as possible in conformity with Congressional policy to provide school personnel with the same retirement benefits as Civil Service employees.

Sincerely yours,

(Mrs.) ANITA F. ALLEN,
President, Board of Education.

Mr. WALDIE, Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New Jersey (Mr. DANIELS), chairman of the Subcommittee on Retirement, Insurance and Health Benefits.

Mr. DANIELS of New Jersey. Mr. Speaker, having had the honor of chairing the Subcommittee on Retirement, Insurance, and Health Benefits in the three previous Congresses and, thus, having played a large role in the enactment of legislation updating the automatic cost-of-living and financing provisions of the civil service retirement law, I rise in support of H.R. 7964, as amended by the Committee on Post Office and Civil Service.

Perhaps a brief review of the legislative history underlying the particular provisions to which we are today addressing ourselves may be of assistance in evaluating the merits of the Committee's proposal.

First, the cost-of-living annuity adjustment feature of the law was initially established by the 1962 amendments to the Retirement Act. It provided that whenever the Consumer Price Index of the Bureau of Labor Statistics shall have risen by an average of 3 percent or more for a full calendar year above its average for 1962, a comparable percentage increase would have become effective on April 1 of the following year. It also provided similar increases when a like increase in living costs might occur in subsequent years, but stipulated that any such increases would apply only to those persons who had been on the retirement rolls at the beginning of the calendar year preceding the year in which the increase would become effective—a period of 15 months.

By mid-1965 it became apparent that the cost-of-living provision had not operated as effectively as was anticipated in 1962, and that while living costs were steadily rising, annuitants would receive no increase until April of 1966. As its first order of business, the newly created Subcommittee on Retirement, Insurance, and Health Benefits devoted its attention to correcting that obviously disappointing result by approving legislation to accelerate the effective application of the cost-of-living principle to a more sensitive monthly price index indicator, in lieu of the existent unrealistic average calendar year indicator. The revision, subsequently enacted as Public Law 89-205, provided for reflecting cost-of-living adjustments more currently—or whenever the Consumer Price Index rises by 3 percent or more for 3 consecutive months after any previous increase resulting from this feature.

However, gearing the provision to a monthly indicator gave rise to the question of applicability—that is, how long should a person be on the annuity rolls before he or she might derive the benefit of a cost-of-living increase? Should he

be required to have been an annuitant for 15 months, 1 year, 6 months, or less, in order to enjoy the benefit of the changes proposed? After thoroughly considering various alternatives, it was the consensus of the Members of the 89th Congress that the question of applicability be resolved in the most liberal and administratively feasible manner—namely, that any such increases be applied to all annuities which commence on or before the effective dates of the adjustments. By prescribing such a policy we placed the employee in a position of being able to make his own considered judgment as to when it might be most appropriate and advantageous to exercise his option to retire. Essentially, it is this liberal policy which gives rise to the situation we are attempting to alleviate by H.R. 7964.

Second, the 91st Congress addressed itself to a long-standing problem—the financial condition of the Civil Service Retirement System. The enactment of Public Law 91-93, on October 20, 1969, established a three-pronged program designed to provide in full for the permanent financing of the system, so as to assure that the necessary money is available when needed to pay the annuities of Government retirees and survivor annuitants—in full and on time.

One of the major provisions of that legislation dealt with the recognition of currently accruing retirement costs, such as the costs of future incremental unfunded liabilities which will result from general salary increases for the active work force. In essence, the Congress takes cognizance of the fact, when enacting salary increase legislation, that each dollar of increased pay has an eventual retirement cost of more than \$2.50. By recognizing such related costs, the Congress assumes full responsibility for the additional deficiencies it thus creates in the retirement fund. It fulfills that responsibility by authorizing direct appropriations to the fund, amortizing those additional costs in equal annual installments over 30-year periods. The effect of this particular funding practice precludes further deficiencies that would otherwise result, as distinct from growth of the existing unfunded liability attributable to legislation enacted in the past and for which adequate financing was not provided.

Since the enactment of Public Law 91-93 the Congress, through its appropriations process, has been living up to its commitments to amortize the retirement costs it incurs by granting salary increases. In other words, we are exercising fiscal responsibility with respect to our own actions—actions over which the Congress is able to exercise a control. However, passage of the Postal Reorganization Act last year divested the Congress of its control over the pay-fixing authority for employees of the new Postal Service. Such authority is now vested in the U.S. Postal Service, with Congress no longer being a party to pay increases negotiated by employee-management agreements or by administrative action on the part of the Postal Service. Concurrently, the Congress disavowed itself, at least by implication, of any responsibility for financing the retirement

costs which will ultimately result from negotiated wage agreements and administrative salary increases in that independent agency.

It is to this particular problem that the committee's amendment to the introduced bill is addressed. I wish to commend and congratulate the distinguished gentleman from Iowa (Mr. GROSS), the ranking minority member of the committee, for his foresight and good judgment in offering the amendment which remedies a deficiency in the Postal Reorganization Act and reaffirms the committee's policy, as subscribed to under Public Law 91-93, that any new unfunded liabilities which result from increases in salaries shall be recognized and paid for by the party responsible for their creation. Under the amendment, the costs so incurred will, and properly so, be borne by the U.S. Postal Service.

Mr. Speaker, I urge the unanimous adoption of H.R. 7964.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. WALDIE, Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GROSS, Mr. Speaker, will the gentleman yield?

Mr. DANIELS of New Jersey. I am pleased to yield to the gentleman from Iowa, the ranking minority member of the committee.

Mr. GROSS. I should like to commend the gentleman for the excellent job he and his subcommittee did in the last Congress, when he and his subcommittee secured the enactment of Public Law 91-93.

I would also like to ask the gentleman if it is not true that if the amendment to this bill is not passed the Postal Service will not be paying the true cost of future pay raises given to postal employees?

Mr. DANIELS of New Jersey. I would say the gentleman's observation is absolutely correct.

Mr. GROSS. Is it also not true, because of the specific wording of Public Law 91-93, that some interpretation could now be made that the future unfunded liabilities created by the Postal Service might not be paid at all?

Mr. DANIELS of New Jersey. I agree that such an interpretation could be made. The committee amendment, of course, is specifically designed to preclude such a possibility.

I want to compliment and congratulate the gentleman from Iowa for his good judgment in proposing the amendment to this bill.

Mr. GROSS. And I am sure the gentleman from New Jersey is fully aware of the bonuses which the Postmaster General intends to give to all postal employees in the headquarters and regions who retire between May 15 and June 16, and that these bonuses are in addition to the 4½-percent cost-of-living increase. Does the gentleman not agree if the Postal Service can find the money to pay these unwarranted and unearned bonuses that it can find the money to pay its own debts to the Civil Service retirement fund?

Mr. DANIELS of New Jersey. I do understand, from what I heard over the weekend, that the Postmaster General

does propose to pay a half-year's salary to those employees who are involved in his reduction in force.

I wholeheartedly agree with the gentleman that provision should be made in this law that future unfunded liability should be paid by the Postal Service. Again I commend the gentleman for his foresight and good judgment in proposing the amendment which would make it specifically clear as to the liability of the new Postal Corporation.

Mr. GROSS. I thank the gentleman very much.

Mr. WALDIE. Mr. Speaker, I have no requests for additional time.

Mr. SCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. BROYHILL).

Mr. BROYHILL of Virginia. Mr. Speaker, I rise in support of H.R. 7964. I am one of the cosponsors of this legislation, and I was one of the original proponents of the purpose of the bill, having first introduced similar legislation in 1969.

I am speaking mainly, Mr. Speaker, about section 1 of the bill, which corrects a very serious inequity in existing law. It is a rather silly and ridiculous inequity.

When Congress first provided for automatic increases in civil service annuities whenever the cost of living, as determined by the nationwide Consumer Price Index, equals a rise of at least 3 percent over the index for the month on which the most recent increase was based, we overlooked an inequity we were creating which has adversely affected thousands of our retired civil servants since that year, 1965.

Under the automatic cost-of-living statute, increases were authorized in 1965, 1967, 1968, twice in 1969, and 1970. Another increase of 4.5 percent is scheduled for June of this year. But in order to be eligible for this coming increase, an employee must, under existing law, retire no later than May 31. Similarly, for the widow of an active employee to be entitled to the increase, her husband must die before June 1. For if an employee continues in Federal employment beyond May 31 and retired or dies thereafter, he or his widow will receive an annuity benefit smaller than they would have received before the May 31 increase.

The present law has proven injurious to both the Government and the retirees adversely affected. On each occasion when a cost-of-living adjustment as been triggered, many employees who planned to retire at an indefinite period within the next few months, have pushed their retirement date forward in order to obtain the additional benefits, causing a tremendous workload on the Civil Service Commission in processing retirements, serious delays in adjudication of annuity claims and commencement of benefit payments, and sudden loss in many agencies of too many valuable employees who decide to retire on short notice without completing projects on which they are working. I understand that during the 2 months period immediately prior to the August increase last year, there were 29,000 retirements compared to an average 9 to 10,000 every 2 months.

If an employee, because of devotion to his Government and to the project on which he is working, chooses to remain to its completion, he not only loses the benefit of the cost-of-living adjustment initially, but it may be up to 10 months or more before his increased service and probably larger high 3-year average would offset the adjustment he has lost.

Mr. Speaker, I had hoped this legislation would reach the floor under a rule permitting amendments, as I have heard many expressions of concern from teachers in the District of Columbia who would like to have been included in its provisions. Were it possible for me to do so, I would have offered an amendment to include them, as they are particularly vulnerable to the provisions of the existing laws because their contracts terminate each June 30, making it necessary for them to either retire 1 month before the end of the school year or be penalized for not doing so. I am hopeful that our colleagues in the other body will have time to consider their plight, and will be able to include them along with our Federal employees in the provisions of this legislation.

Mr. Speaker, I believe this is a good bill, and long overdue. And I urge its enactment.

Mr. SCOTT. Mr. Speaker, I yield the gentleman from Iowa (Mr. Gross) such time as he may consume.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I will take but little time on this bill. The bill and the committee amendment have been adequately explained and, as indicated, the amended bill was reported unanimously from our committee by a record vote of 19 yeas and no nays.

With respect to the committee amendment, I would like to simply observe that its intent is strictly in line with the general intent of the Postal Reorganization Act—that the Postal Service be self-sustaining. Certainly, it is entirely consistent with all of the numerous public statements made by the Postmaster General that the new Postal Service should not in any way be subsidized through the use of general funds of the Treasury. In fact, the limited public service and "revenue foregone" appropriations that were authorized in the legislation finally enacted were included over his strenuous objections. Therefore, it would seem to me that if the Postmaster General were to be entirely consistent, he would endorse the committee amendment instead of opposing it, which I understand he is now doing.

In this connection, I might also point out that there has been some speculation in the press and elsewhere that the committee amendment might delay the bill so that it cannot be enacted and become effective prior to the June 1 cost-of-living annuity increase. Since the Senate has already passed the bill, I see only one possible reason why this legislation cannot be enacted and sent to the President for his signature prior to June 1. That reason is the refusal of the Senate to pass the bill because of opposition to it by the Postmaster General.

I hope that such is not the case and that the Postmaster General will not now oppose the self-sustaining concept for the Postal Service that he so vigorously and consistently advocated over a period of nearly 2 years.

However, if by opposing the amendment and a conference is required with the Senate and if the legislation is delayed beyond June 1, then I think it is most appropriate that the blame be placed where it rightly belongs. The record is certainly clear that the House is acting promptly and responsibly.

Mr. SCOTT. Mr. Speaker, I have no further requests for time.

Mr. WALDIE. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. WALDIE) that the House suspend the rules and pass the bill H.R. 7964, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. WALDIE. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 1681) to liberalize eligibility for cost-of-living increases in civil service retirement annuities.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1681

An act to liberalize eligibility for cost-of-living increases in civil service retirement annuities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8340(c) of title 5, United States Code, is amended—

(1) by renumbering paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively; and

(2) by inserting immediately above paragraph (2) (renumbered as such by paragraph (1) of this section), the following new paragraph:

"(1) An annuity (except a deferred annuity under section 8338 of this title or any other provision of law) which—

"(A) is payable from the Fund to an employee or Member who retires, or to the widow or widower of a deceased employee or Member; and

"(B) has a commencing date after the effective date of the then last preceding annuity increase under subsection (b) of this section;

shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under subsection (b) of this section. In the administration of this paragraph, an employee or a deceased employee shall be deemed, for the purposes of section 8339(m) of this title, to have to his credit, on the effective date of the then last preceding annuity increase under subsection (b) of this section, a number of unused sick leave equal to the number of days of unused sick leave to his credit on the date of his separation from the service."

SEC. 2. The amendments made by this Act shall apply only with respect to annuities which have a commencing date after the effective date of the first annuity increase under section 8340(b) of title 5, United States Code, which occurs on or after the date of enactment of this Act.

AMENDMENT OFFERED BY MR. WALDIE

Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. WALDIE: Strike out all after the enacting clause of S. 1681 and insert in lieu thereof the provisions of H.R. 7964 as passed by the House.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7964) was laid on the table.

GENERAL LEAVE

Mr. WALDIE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 7964 and to include extraneous matter in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

TO PROVIDE FOR A NATIONAL ENVIRONMENTAL DATA SYSTEM

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 56) to amend the National Environmental Policy Act of 1969, to provide for a national environmental data system, as amended.

The Clerk read as follows:

H.R. 56

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Environmental Policy Act of 1969 (Public Law 91-190) is amended by adding at the end thereof the following new title:

"TITLE III

"NATIONAL ENVIRONMENTAL DATA SYSTEM

"SEC. 301. This title may be cited as the 'National Environmental Data System Act'.

"SEC. 302. For the purpose of this title—

"(1) The term 'Data System' means the National Environmental Data System established by this title. The system shall include an appropriate network of new and existing information processing or computer facilities both private and public in various areas of the United States, which, through a system of interconnections, are in communication with a central facility for input, access, and general management. It shall also include all of the ancillary software and support services usually required for effective information system operation.

"(2) The term 'Council' means the Council on Environmental Quality established in title II of this Act.

"(3) The term 'environmental quality indicators' means quantifiable descriptors of environmental characteristics which will measure the quality of the environment.

"(3) The term 'environmental quality indicators' means quantifiable descriptors of environmental characteristics which will measure the quality of the environment.

"(4) The term 'information, knowledge, and data' shall be interpreted as including those facts which are significant, accurate,

reliable, appropriate, and useful in decision-making in environmental affairs.

"Sec. 303. (a) There is hereby established a National Environmental Data System.

"(b) The purpose of the Data System is to serve as the central national coordinating facility for the selection, storage, analysis, retrieval, and dissemination of information, knowledge, and data relating to the environment so as to provide information needed to support environmental decisions in a timely manner and in a usable form. Such information as shall be deemed appropriate and useful for the achievement of the purpose of the system shall be made available by all Federal agencies, private institutions, universities, and colleges, State and local governments, individuals, and any other source of reliable information.

"(c) Information and data shall also be sought from international sources such as foreign governments, the United Nations, and other international institutions; and the President is encouraged to enter into such agreements as may be necessary to accomplish this purpose.

"SEC. 304. (a) The information, knowledge, and data in the Data System and the analysis thereof shall be made available on request without charge—

"(1) to the Congress and all the agencies of the legislative and executive branches of the Federal Government, and

"(2) to all States and political subdivisions thereof, except that, in any case where it is determined that the service requested is substantial, the payment of such fees and charges may be required as may be necessary to recover all, or any part, of the cost of providing such retrieval service.

"(b) The information, knowledge, and data in the Data System and the analysis thereof shall be made available to private persons and entities—

"(1) upon payment of reasonable fees and charges as may be established as necessary to recover the cost of providing such retrieval service; and

"(2) subject to such terms and conditions as is deemed necessary to protect the interests of the United States.

"(c) In all instances the Data System shall perform its functions so as to protect secret and national security information from unauthorized dissemination and application.

"SEC. 305. (a) There is hereby created the position of National Environmental Data System Director, who shall be appointed by the President to serve at his pleasure, by and with the advice and consent of the Senate. The Director shall be a person who, as a result of his training, experience, and attainment, is exceptionally well qualified to analyze and interpret environmental data of all kinds and to appreciate its significance in the management of natural resources as required for the purpose of this Act. He shall serve full time and be compensated at the rate provided for level V of the Executive Schedule pay rates (5 U.S.C. 5313).

"(b) It shall be the function of the Director to—

"(1) administer and manage, under the guidance of the Council, the operations of the Data System in all of its ramifications,

"(2) institute a study to evaluate and monitor the state of the art of information technology and utilize to best advantage new and improved techniques for accomplishing the purposes of this Act,

"(3) utilize knowledge developed during such study to develop criteria and guidelines to govern the selection of data as to scope, scientific validity, quantity, and quality, to be incorporated into the National Environmental Data System network, including the development of predictive ecological models,

"(4) establish and maintain the environmental information network anticipated to accomplish the purposes of this Act,

"(5) develop, establish, and maintain, as necessary, general standards which will permit and facilitate the compatibility and integration of existing and new information systems bearing on the environment to make them consonant and cooperative with the central facility established by this Act, and

"(6) develop and publish from time to time environmental quality indicators for all regions of the United States, including its coastal and contiguous zones, and for internationally significant environments such as the atmosphere and the oceans.

"(c) In carrying out his functions under this Act, the Director shall, to the fullest extent possible, provide the Council with statistical data and other information necessary for the preparation of the annual report of the Council required under section 201 of this Act, and in the development of long-range programs for the enhancement of the environment.

"SEC. 306. (a) The Director may employ such other officers and employees as may be necessary (1) for the efficient administration, operation, and maintenance of the Data System, and (2) to carry out his functions under this title.

"(b) The Director is authorized to provide such lawful incentives as may be required to achieve the purposes of this Act. These incentives may include, but shall not be limited to, grants of money, exchanges of information, sharing of facilities, specialized advice, programs and formats, and other like incentives. The Director shall also be authorized to enter into contracts with universities, individuals, and State and local governments, when needed, and to purchase information, data, and personal services as required to fulfill its purposes. He is also authorized to employ consultants as required.

"SEC. 307. (a) The head of each department, agency, or instrumentality in the executive branch of the United States Government shall make available to the Data System such information, knowledge, and data on the environment which such department, agency, or instrumentality may have as a result of its operations. Such information, knowledge, and data shall be made available for incorporation into the Data System, as the Director deems appropriate as soon as possible after it becomes known to such department, agency, or instrumentality.

"(b) In the administration of all Federal programs resulting in financial assistance to any cooperative international study or to any State, political subdivision, or other public or private entity, and, in all contracts in which the United States is a party, the head of the department, agency, or instrumentality administering such program, on entering into such contract, shall take such action as may be necessary to insure that information, knowledge, and data on the environment which either directly or indirectly results from such Federal financial assistance or contract will be made available to the Data System as soon as possible after it becomes known. In respect to federally assisted environmental programs conducted by foreign nations, it shall be the policy of the United States Government to encourage, to the fullest extent possible the availability to the Data System of such information, knowledge, and data arising from these programs which is appropriate to the purposes of the system.

"(c) The head of each department, agency, and instrumentality in the executive branch of the United States Government shall, to the fullest extent possible, permit the Data System Director to use, on a mutually agreeable basis, including the payment of compensation, personnel, facilities, computers, data processing, and other equipment within such department, agency, or instrumentality in carrying out its functions under this title; to the fullest extent possible, such computers, data processing, and other equipment shall be made compatible with all others in, and available for use by, the Data System.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Office of Legislative Counsel

EXTENSION

NO.

DATE

20 / 5 / 71

STATINTL

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

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20 MAY 1971

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On 30 April you were sent proposed draft language to parallel the cost-of-living amendments being considered in Congress. The language in that draft was taken from the CSC draft bill cleared with us by OMB and introduced by Chairman Dulski as H. R. 7027.

Attached is new proposed amendments for CIARDS based on a revision of the CSC legislation as it passed the Senate and the House.

May we have your comments or concurrences on the attached. (For your information, we are attaching the language of the Senate and House passed measure as it appeared in the Congressional Record.)

(Copy of attached also sent to [Redacted])

STATINTL