

## Congressional Closeup by Carl Osgood

### Public investment said key to infrastructure

On Feb. 12, the Senate Budget Committee held a hearing on investment of public funds in infrastructure. Budget Committee Chairman Pete Domenici (R-N.M.) convened the hearing at the request of ranking member Frank Lautenberg (D-N.J.), who insists, correctly, that public investment, not the private sector, must be boosted if the nation's infrastructure is to be rebuilt.

In his opening statement, Lautenberg said that "since last summer's conventions, we've been hearing a lot on both sides of the aisle about bridges and where they'll take us, and unfortunately we don't seem to be spending enough time and money doing something about the lamentable state of our real bridges, highways, and other important infrastructure investment. The Federal government needs to make critical long-term investments in infrastructure and people." He added that investment proposals ought to be analyzed for how much they cost, but "we fail to ask the reverse side, which is, what's the cost of not making these investments?"

Lautenberg pointed to the low average levels of education among the U.S. prison population as one example of the cost of not making the needed investments in education. In transportation, he said, we need to spend an additional \$15 billion per year just to maintain the current levels of infrastructure, not even including improvements.

The featured witness at the hearing was former Labor Secretary Robert Reich, who defined three categories of public investment—education, infrastructure, and basic science, including research and development. These, he said, are "directly related to the productive capacity of the coun-

try in the future." He echoed Lautenberg's warnings about the decline in public investment in these areas over the last 30 years, which he described as "precipitous." "There are many public goods," he said, "education, training, infrastructure, a lot of basic science and technology; we cannot rely on the private sector to do it all. Private investments, both companies and individuals, in some of these areas simply don't redound entirely to the benefit of the individuals or the companies making them. That's why governments from the dawn of time have been worried about transportation systems. That's why, in this country over the last hundred years, we pioneered, more than any other industrialized country in history, public investments in education. . . . That's also why this country pioneered . . . public investments in science and technology, particularly basic research and development."

### House begins review of ethics process

House Majority Leader Dick Armey (R-Tex.) and Minority Leader Richard Gephardt (D-Mo.), in a joint appearance on the House floor on Feb. 12, announced that they had agreed on the formation of a bipartisan task force to conduct a review of the ethics process. The 12-member task force will be made up of an equal number of Republicans and Democrats and be co-chaired by Bob Livingston (R-La.) and Ben Cardin (D-Md.). Included will be James Hansen (R-Utah) and Howard Berman (D-Calif.), the chairman and ranking member, respectively, of the House Committee on Standards of Official Conduct, i.e., the ethics committee.

Included as part of the review process will be a two-month moratorium on new complaints. Armey said that this "cooling off period" was needed, after the last few "tumultuous months . . . where members can sit back and examine where the ethics process works, where it does not, and how it might be improved, and in a climate temporarily free from potential ethics charges."

### Term limits amendment dies in the House

The proposed constitutional amendment on term limits, one of the Conservative Revolution's most cherished planks, died a painful death in the House of Representatives on Feb. 12. The amendment was hamstrung by the fact that nine states had passed referenda instructing their Congressional delegations to support specific versions of the amendment, all different from one another.

House Rules Committee Chairman Gerald Solomon (R-N.Y.) said that this posed a "very, very serious problem about finally getting a vote on this issue." Solomon explained that even though final court rulings had yet to be made on the constitutionality of these referenda, the Rules Committee felt constrained to allow votes on seven of the nine versions, plus two Democratic substitutes and one Republican substitute.

The result was that after a profusion of votes in which each version was defeated by a wide margin, the final vote of 217-211 was not only far short of the two-thirds needed for passage, but 10 fewer than the term limits amendment had received in 1995.

The most often used argument against the amendment was the high

level of turnover in the Congress since 1990, including the defeat of several powerful committee chairman and the Speaker of the House in the 1994 election. Oddly enough, one of the strongest arguments against the term limits amendment came from a Republican, David Dreier of California, who said that the highest priority of Congress ought to be the repeal of the 22nd Amendment which limits the President to two consecutive terms.

Dreier pointed to the fact that the 22nd Amendment was passed by Republicans in frustration over the fact that Franklin Delano Roosevelt kept getting re-elected. "Now Democrats and Republicans alike," he said, "recognize that Franklin Roosevelt was in fact one of the greatest Presidents of this century." Dreier announced, when he was introducing a resolution to repeal the 22nd Amendment.

## **N**ational Cheese Exchange hit in milk price debate

On Feb. 13, the Senate passed, by a vote of 83-15, a sense of the Senate resolution calling on Secretary of Agriculture Dan Glickman to act "immediately pursuant to his legal authority to modify the basic formula price for dairy by replacing the National Cheese Exchange as a factor to be considered in setting the Basic Formula Price."

The price for milk paid to dairy farmers has dropped drastically since last summer, and the cartel-run National Cheese Exchange has played a major role in driving the price down.

Arlen Specter (R-Pa.), one of the co-sponsors of the resolution, said that a study by the Wisconsin secretary of agriculture showed "there was some indication there that because of the

limited amount of cheese which was traded there, there was an opportunity to have a price established which was not genuinely a market price." Specter concluded, "The [U.S.] secretary of agriculture has the authority to make a modification on the price of cheese if he develops an evidentiary base from other transactions which lead him to conclude that [the NCE] is not a fair market price of cheese, and I believe that to be the case."

## **D**eLauro re-introduces infrastructure bill

Rep. Rosa DeLauro (D-Conn.) introduced four bills on Feb. 12 that are intended to address the deficit in infrastructure investment, one of which is the bill she introduced in the last Congress to set up a National Infrastructure Development Corporation. Her goal in introducing this legislation, she said, is to "add to the dialogue about the Federal government's role in establishing public-private partnerships to leverage both public and private investment in America's infrastructure."

DeLauro claimed this approach is necessary because "our nation simply does not have the resources to fix and rebuild all of our schools, our highways, mass transit facilities, environmental infrastructure, ports and airports, and other infrastructure facilities." She said public-private partnerships could help fill the annual \$30 to \$80 billion shortfall in Federal infrastructure investment and "create hundreds of thousands of new jobs" in the process.

The first bill expands the state infrastructure bank (SIB) program, which is administered by the Department of Transportation and was begun

under the Intermodal Surface Transportation Efficiency Act passed in 1991. The bill would expand both the number and capitalization of SIBs. Another bill would create "public benefit bonds," a tax-free investment vehicle designed to attract to infrastructure investment, money that now goes into mutual funds and other such vehicles.

All of DeLauro's legislation is designed to fit into the assumptions of limited budgets, as she herself indicated. "We need to create these jobs and at the same time to try to save the Federal government money. We need to have private financing tools, private investment, in investing in America's future," she said.

## **S**pecter urges hearings on Herman nomination

On Feb. 12, Sen. Arlen Specter (R-Pa.) called for the Senate Education and Labor Committee to hold hearings on the nomination of Alexis Herman to be secretary of labor. Her nomination has been held up because of questions raised about her role as head of the White House Office of Public Liaison, and about whether she was involved in any questionable political activities. Specter said a hearing was needed "so that there may be a determination . . . about her qualifications to be secretary of labor."

Specter reported that he had had a lengthy meeting with Herman the day before at the request of the White House. "I questioned Ms. Herman" about her activities "at some length," he said, and "it seems to me she is entitled to be heard on the subject and to have a decision made one way or the other about whether she is qualified or disqualified."