

Congressional Closeup by Carl Osgood

Congressional Rush To Act On 9/11 Recommendations

Within hours of the release of the 9/11 Commission report, members of Congress from both parties were falling all over each other not only to endorse the recommendations in the report, but to call for urgent Congressional action. The recommendations include, among others: creating a post of National Intelligence Director within the White House to oversee the organization and budget of the entire intelligence community; creating a National Counterterrorism Center, modeled on the unified military commands; and the reorganization of Congressional oversight of intelligence functions. That reorganization would include either a single joint committee on intelligence, or new intelligence committees in the House and Senate with both authorizing and appropriating authority.

At the request of Majority Leader Bill Frist (R-Tenn.) and Minority Leader Tom Daschle (D-S.D.), Senate Governmental Affairs Committee chairman Susan Collins (R-Me.) and ranking Democrat Joe Lieberman (Conn.) announced on July 23 that they would begin hearings in the first week of August. "There is no more critical priority for our country than to strengthen our ability to detect, deter, and respond to terrorist activities," Collins said in a statement. Lieberman had already strongly endorsed the commission's recommendations, the day before, telling reporters, "These recommendations demand change." He had joined with Senators John McCain (R-Az.), Arlen Specter (R-Penn.) and Evan Bayh (D-Ind.) in what he called a "bipartisan congressional caucus to enact" the recommendations. All four agreed with the sentiment expressed by Specter that "the time is really ripe for action."

A similar phenomenon was taking place on the House side. Initially, House Speaker Dennis Hastert (R-Ill.) and Majority Leader Tom DeLay (R-Tex.) were non-committal on the report's recommendations. In response to a reporter's question, Hastert would only say "we'll look at the ramifications" of the commission's findings on Congressional oversight. The next day, he and DeLay announced that they had directed the relevant committees to examine the recommendations and begin hearings in August. In contrast, House Minority Leader Nancy Pelosi (D-Calif.) said, in a July 23 statement, "The House must take steps now, to ensure that it is prepared to vote on legislation implementing the recommendations of the 9/11 Commission before Congress adjourns in October."

Some Urge Caution on 9/11 Panel's Proposals

While some members of Congress are calling for fast action on the 9/11 Commission's recommendations, how fast Congress can actually act this late in a Presidential election year remains an unanswered question. Adding to that impediment are notes of caution from many other members against acting too quickly before fully examining the ramifications of all of the recommendations. Rep. Peter King (R-N.Y.), a member of the House Select Homeland Security Committee, noted, "It took 50 years for this current intelligence system to develop." While agreeing that reforms have to be made as quickly as possible, King said, "I wouldn't want to do it in a matter of weeks or even a few months."

Adding to King's cautions were Senators Chuck Hagel (R-Neb.) and

John D. Rockefeller IV (D-W.V.). Hagel told the July 27 *Washington Post*, "We must be careful with what we do, and not overreact to political momentum and pressure. . . . Intelligence is finely tuned; there is no margin for error." Rockefeller, the vice chairman of the Senate Select Intelligence Committee, warned that "Changing organizations to solve one problem can create weaknesses elsewhere. We must also remember that there are no easy solutions or silver bullets."

The issue that is creating the most concerns appears to be the proposal to create a post of National Intelligence Director within the White House. Senate Armed Services Committee chairman John Warner (R-Va.) has expressed concern that putting an intelligence director in the White House risks politicizing the position. Sen. Carl Levin (D-Mich.) told CNN on July 25 that the greatest issue "is whether or not we can separate any kind of political pressure from the intelligence assessments. . . . We have got to make sure that the assessments which are provided are free from politics."

Byrd Blasts GOP Failure To Pass Spending Bills

Funding the activities of the Federal government is a basic Constitutional responsibility of the Congress; yet, as the 108th Congress adjourned for its Summer recess, it did so having passed only the Defense Appropriations bill into law. Democrats have been getting increasingly restive about this lack of responsibility on the part of the Republican leadership. One of those Democrats, Sen. Robert Byrd (W.Va.) took to the Senate floor on July 21 to unleash a verbal blast at the GOP for pre-

ferring “political message-making” to taking care of the nation’s business.

Byrd particularly criticized talk among Republicans that the 12 remaining spending bills may get wrapped up into a single, massive omnibus bill. He warned that if that happens, while very few Senators will be at the table to negotiate such a package, the White House certainly will be. “White House bureaucrats and soothsayers will suddenly become legislators for a day,” he said. He noted that the Framers of the Constitution gave the power of the purse to the Congress, but “This White House would like to have it.” Byrd added, “The checks and balances get thrown out the window when it comes time to deal with omnibus appropriations bills.”

GOP Plays Politics With Military Housing

On July 21 and 22, the House GOP leadership proved it has mastered the art of saying one thing and doing another. The issue over those two days was military housing; specifically, a provision in the Fiscal Year 2005 Military Construction Appropriations bill to increase the \$850 million statutory limit on privatized military housing. The bill had come out of committee with an increase of \$500 million, which its proponents said was necessary to maintain the program for improving and constructing new military family housing. The bill came to the floor under a rule that waived all points of order against it, except for the section on military housing. House Budget Committee chairman Jim Nussle (R-Iowa) had already made it known that he would raise a point of order against that provision—because it was

legislation on an appropriations bill—and the Rules Committee accommodated him. The rule narrowly passed by a vote of 212-211 and the provision later fell under Nussle’s point of order during debate on the bill.

Between the time the House voted on the rule, and when it took up the bill, House Armed Services Committee chairman Duncan Hunter (R-Calif.) brought to the floor an authorization bill to do exactly the same thing as the provision being struck out of the appropriations bill. Even though the bill passed unanimously, it was blasted as a “political fix” by the Democrats. “It takes care of a few people’s political problems,” said Rep. David Obey (D-Wisc.), “but it does not solve the problem of the military families.” Even House Appropriations Committee chairman Bill Young (R-Fla.) was chagrined at the political maneuvering around the issue. He said that Hunter’s bill “will pass with a big vote, but that will be the end of it. It is never going to pass. It is never going to become law.” He said the military construction bill was the appropriate vehicle for taking care of the military housing problem because, as the Democrats also noted, it was certain to pass—which it did, by a vote of 420-1.

House Votes To Protect Stock Options

On July 20, the House voted 312-111 to block a proposed Financial Accounting Standards Board rule that would require the accounting of employee stock options as corporate expenses, except for the chief executive and the next four highest-paid officers of a company. House Financial Services Committee chairman Michael

Oxley (R-Ohio) claimed that the FASB proposal “would do harm to our most innovative companies.” He also said that while FASB is an independent body, its authority is subject to review by the Congress, and “FASB’s rule-making should be halted when its proposal will do harm to our economy.”

Rep. Paul Kanjorski (D-Penn.) argued that not only did the bill threaten the independence of the FASB, but stock options have contributed to recent financial storms on Wall Street. He noted: “A decade ago, the Congress strongarmed FASB into abandoning an effort to adopt a rule requiring stock-option expensing.” A Texas A&M study has found that companies where CEOs have stock options worth 52 times their annual salary were 70% more likely to have a financial misstatement than similar sized companies where the CEOs have little such wealth. He warned that through the proposed bill, “We would for the first time be making the Congress the appeals board for the development of accounting standards.”

Despite the wide bipartisan House vote, the bill appears to have little chance of getting any traction in the Senate. A similar Senate bill has been stalled in the Banking Committee since last November, due to the opposition of chairman Richard Shelby (R-Ala.) who vowed, after the House vote, to continue to “fight any effort” to pass such legislation in the Senate. Sen. Peter Fitzgerald (R-Ill.), along with three co-sponsors, introduced a Senate resolution recognizing the independence of the FASB. He said that the Congressional interference in 1994, referred to by Kanjorski, “resulted in disastrous consequences with the accounting scandals at Enron, Global Crossing, and Worldcom.”