

## Congressional Closeup by Carl Osgood

### Senate Begins Debate on Bankruptcy Reform

For at least the third time in seven years, proponents of bankruptcy reform are trying to move legislation that would make it easier to force a Chapter 7 personal bankruptcy filer into Chapter 13, which would require him to repay at least some part of his debts. Proponents of reform, such as Sen. Charles Grassley (R-Iowa) have argued that the reason that personal bankruptcy filings have soared to well over 1 million per year, is that too many people are trying to game the system in order to avoid repaying their debts.

In the past, the majority of Democrats supported that argument, and voted overwhelming for the bill. The last time the Senate voted on bankruptcy reform, in 2001, the vote was 83 to 14 against. Previous efforts failed, however, either because they were vetoed by the President, or because the House and Senate could not reach agreement on a bill.

This year, the bill may face a tougher time than in the past. While Senate Judiciary Committee chairman Arlen Specter (R-Penna.) assured the Senate that the bill would not affect the ability of low-income Americans to get a fresh start from unpayable debts, Democrats noted that many things have changed in the last four years, and indicated less than enthusiastic support for the bill.

Sen. Patrick Leahy (D-Vt.) notified the Senate, on Feb. 28, that the Democrats would be offering amendments to address deficiencies in the bill. The issues to be addressed include bankruptcies resulting from corporate fraud, the loss of pensions resulting from corporate bankruptcies, and personal bankruptcies resulting from medical problems, among others. Leahy also told the Senate that Sen. Charles Schumer (D-N.Y.) would be

offering an amendment to prohibit people facing fines as a result of acts of violence against health clinics from being able to discharge their fines in bankruptcy court. A similar amendment was a deal breaker, last time around.

The next day, Sen. Richard Durbin (D-Ill.) went on the offensive against the bill. Previously, he had been a supporter of bankruptcy reform, he said, but he argued that the bill brought to the floor by Sen. Specter is too heavily biased towards the credit card companies. "The purpose of this bill is to make certain that if you go into court to file for bankruptcy, the slate will not be wiped clean," he said. "You will end up in a circumstance where you will carry many of these debts to the grave."

### Specter Hits GOP, Dems, For Nominee Impasse

Senate Judiciary Committee chairman Arlen Specter (R-Penna.), in his first appearance before reporters since being diagnosed with Hodgkin's disease, did something his predecessor, Orrin Hatch (R-Utah), never did: spread the blame around for the impasse on judicial nominations in the Senate for the past several years. While accusing the Democrats of starting the whole process during the Reagan and first Bush Administrations, he noted that, during the Clinton years, the GOP-controlled Senate "slow-walked" a lot of Clinton's nominees by not giving them hearings. This was something that Hatch, who chaired the committee from 1995 until 2004, never admitted to, and that then, the filibuster became a problem during the present George W. Bush Administration. "So each side ratcheted it up, ratcheted it up, ratcheted it up, until you have a situa-

tion today where it might accurately be characterized as no one wants to back down and no one wants to lose face. And so the question is, where do we go from here?"

As for the so-called "nuclear option," where the filibuster of a judicial nominee is declared unconstitutional and upheld by a simple majority of 51 votes, Specter, first of all, said he wasn't even sure there were 51 votes for that option. Second, he vowed to try to solve the problem without the nuclear option. Then, he warned, "If we have a nuclear option, the Senate will be in turmoil, and the Judiciary Committee will be hell."

Sen. Charles Schumer (D-N.Y.), following Specter into the Senate TV studio, declared "we have a real chance under Senator Specter's leadership, to avoid the partisan breakdown that so many predict as inevitable as we approach a Supreme Court nomination."

### Homeland Security Rules For Personnel Criticized

The new personnel regulations soon to be implemented by the Department of Homeland Security (DHS) met with something less than enthusiasm by the House Government Reform Committee's Subcommittee on Federal Workforce and Agency Reorganization, during a hearing on March 2. The DHS's plans to implement a pay-for-performance system in place of the 50-year-old General Schedule, as well as other measures, was the subject of close examination.

The subcommittee's ranking Democrat, Rep. Danny Davis (D-Ill.), ridiculed the notion that most of the reforms had anything to do with national security, which has been the justification all along for the changes.

“These regulations are not fair, not credible, not transparent,” he said. “They reflect DHS’s and the Bush Administration’s desire to have unchecked authority over the civil service.” He warned that the proposals risk taking the Federal government back to the time of Andrew Jackson, “when the entire workforce faced replacement after each election.”

Comptroller General David Walker, the head of the Government Accountability Office, although generally supportive of such reforms, testified that, “the details have yet to be defined” in DHS’s proposed regulations. He noted, as Davis had earlier, that there is no requirement in the DHS rules for managers to put into writing employee performance expectations. Walker told the subcommittee that although the features of the DHS’s proposed reform can be implemented fairly (he bragged that he had implemented similar reforms at GAO), DHS must have adequate infrastructure to do so, including “the existence of a modern, effective, and credible performance management system that includes adequate safeguards to help assure consistency and prevent abuse.”

The Federal employee unions have been opposed to the new rules from the start. Colleen Kelly, the president of the National Treasury Employees Union, warned that the reduction of collective bargaining rights “will be a huge detriment to recruitment and retention” of employees. T.J. Bonner, the president of the Border Patrol Council of the American Federation of Government Employees, told the subcommittee that people are leaving Federal service, already, in anticipation of the new rules. “We need the best and the brightest people, and we need to ensure that the personnel system hangs on them, and these regulations don’t do that,” he said.

## **Abizaid Promises Progress In Iraq in 2005**

Gen. John Abizaid, the head of U.S. Central Command, expressed amazement at the “progress” that’s been achieved in Southwest Asia, during his testimony to the Senate Armed Services Committee on March 1. “I know that” U.S. Military forces deployed in the region have “helped protect the nation here at home from attack,” he said, “but it also has given the moderates in the region a chance for hope and a chance to change their own future.” With the exception of Sen. Joseph Lieberman (D-Conn.), who compared the political changes to the 1989 fall of the Berlin Wall, however, Abizaid was met with skepticism and repeated questions as to when Iraqi security forces would be able to take over the security mission from U.S. troops.

Sen. Edward M. Kennedy (D-Mass.) noted, in some detail, that the Senate has been told on numerous occasions that the Iraqi training program is making progress. “When are we going to have some sense that these Iraqis are going to be prepared to defend their own country and die for it and that all the good news . . . in terms of what’s happening over there is going to reflect itself in the idea that we are at least going to establish . . . a framework so that American troops can be withdrawn with honor?” he asked.

Abizaid responded that he believes that in 2005, Iraqi security forces will take the lead against the insurgency. “It remains to be seen,” he said, whether they’ll be able to do that in the toughest areas, but, he said, they are fighting. Later, he added the caveat that all this is being done in a war, and that “unexpected circumstances” can occur that can knock out even a well-trained unit.

Abizaid also targetted Syria in response to questions. He acknowledged

that Syria was trying to do something to stop infiltration across its border into Iraq, but, he said, “I would characterize Syria as continuing to be very unhelpful in helping Iraq achieve stability.”

## **Wolfowitz Grilled On Pentagon Budget**

The debate over what should be considered in the annual baseline budget and supplemental spending bills moved to the Senate Budget Committee on March 1, when Deputy Secretary of Defense Paul Wolfowitz, and other Pentagon officials, appeared before it. Sen. Kent Conrad (D-N.D.), the ranking Democrat on the committee, started out by complaining that the Pentagon has been less than forthcoming about what the costs of the wars in Iraq and Afghanistan are going to be. He also noted that some items in the supplemental spending request, sent up to Capitol Hill a couple of weeks ago, should be in the baseline budget, instead. He warned that if the current practice continues, “that will lead us down a road that is even more unsustainable than our current course.”

Wolfowitz responded to Conrad’s concerns by claiming that expenses such as resettling Army units that have returned from the combat zone, and reorganizing the Army’s force structure into modular brigades, are both unpredictable and combat-related. He added that there’s “an enormous amount of reallocation” going on in budget priorities for fiscal year 2007 and beyond in order to get more money into the Army budget. “Trying to do that for this budget that we’re presenting now . . . would have thrown the whole budget process into chaos rather than help it,” he said.