

In addition to her responsibilities at AT&T, Di Martino is a member of the Council of Foreign Relations and the Conference Board; serves on the Executive Committee of the National Council of La Raza; is the Vice-Chair of the Congressional Hispanic Caucus; the National Hispanic Corporate Council; the Cuban American National Council; the National Association of Latino Elected and Appointed Officials; the U.S. Senate Republic Task Force; and is a Presidential Appointee to the USO World Board of Governors. In 1982, Di Martino was appointed by President Reagan as U.S. Ambassador to the UNICEF Executive Board. As head of the U.S. Delegation, she represented the interest of the U.S. and influenced policy regarding the relationship between the U.S. and UNICEF.

Rita Di Martino has also been a pioneer of women's rights. She has been a first in many places where women, especially Hispanics, had not been able to conquer the barriers imposed by society. Recently, the Mexican American Women's National Association [MANA] established the Rita Di Martino Scholarship in Communication in recognition of her many accomplishments. The scholarship will be given to Hispanic women that excel in their professions and at the same time have a strong commitment for the betterment of their communities.

I ask my colleagues to join me in honoring a remarkable woman and a true leader. Individuals like her serve as true role models for our future generations.

DEPARTMENT OF DEFENSE  
APPROPRIATIONS ACT, 1996

SPEECH OF

**HON. GEORGE R. NETHERCUTT, JR.**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 7, 1995*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes:

Mr. NETHERCUTT. Mr. Chairman, I rise in support of H.R. 2126, the 1996 Department of Defense appropriations bill. As a member of the subcommittee and committee which crafted this bipartisan bill, I believe it represents a revitalization of our national security by this Congress.

I want to address a misleading argument that is often made in media reports and in this Chamber. Some people try to criticize this bill by claiming it funds items that the Pentagon didn't even ask for. In fact, as a part of the executive branch, the Department of Defense is asked to confirm the unlikely by saying that the Federal Government can provide for our defense needs with President Clinton's budget plan. The Department of Defense did not ask for everything it needs, even after 10 straight years of cuts, because the President's budget was simply insufficient. The modest increases in defense spending provided by the House budget resolution will help bridge the gap between America's military goals and commitments and the money the administration budgeted for defense.

Many of the big-ticket purchases in this bill have received a lot of discussion, but I want

to draw attention to some of the less noticeable needs that are met by this bill.

This bill funds a critical Army need for trucks to replace 2½-ton trucks that are an average of 25 years old. Would you trust your life in wartime to a 1970 vehicle? Our Army troops are forced to do just that by the administration budget.

This bill increases procurement of equipment for the Reserve Component Automation System. This system will increase readiness by enabling the Army Reserve and National Guard to respond to a crisis in substantially less time than the current, manual process.

This bill helps replace gas-guzzling, air-polluting engines in Air National Guard and Air Reserve tanker refuelers that are expected to be used until the year 2020. In the long run, these engine upgrades will make our refuelers more efficient, cleaner, and more cost-efficient.

The list of items goes on and on: improved laser systems for the Army Reserve, C-9 cargo door repairs for the Navy Reserve, and auxiliary power units for Air Force KC-135's. This bill funds many items the Pentagon needs and was not allowed to request because, although President Clinton's defense budget was not part of a plan to balance the budget, the defense budget was supposed to continue to shrink drastically.

I support this bill because it is the bipartisan product of a committee that did a good job of using available funds to provide for many of the real needs of the Department of Defense. Adequately providing for the national security and vital interests of the United States is one of the most important things this Congress and this Government can do. I urge my colleagues to vote for this important bill.

THE FEDERAL THRIFT SAVINGS  
PLAN ENHANCEMENT ACT OF 1995

**HON. CONSTANCE A. MORELLA**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 12, 1995*

Mrs. MORELLA. Mr. Speaker, today I am introducing the Federal Thrift Savings Plan Enhancement Act of 1995. The bill will authorize the addition of a Small Capitalization Stock Index Investment Fund and International Stock Index Fund to the investments available under the Federal Thrift Savings Plan (TSP). These stock funds will be linked to the Wilshire 4500, Wilshire 5000 index minus the 500 stocks held in the S&P 500 index, and the Morgan Stanley EAFE Indices, respectively.

By adding these two funds to the Federal employees' retirement investment portfolios, it potentially will increase their investment earnings for retirement. The bill would also empower Federal workers to take more active and personal responsibility for their retirement. This is a theme that the private sector has embraced with much success, and its integration into the Federal culture has considerable value.

The addition of the two funds would cost taxpayers nothing, because the contributions to the funds would come from the discretionary income of Federal workers. At the same time, it would give Federal workers retirement investment options that are increasingly being made available to their private sector counterparts.

In offering this bill, I envision a more flexible and attractive investment policy that will provide prudent and tested investments suitable for accumulating enough funds for a long and happy retirement. If there is one major goal in introducing this bill, it is to increase the likelihood of a quality retirement life.

The current Federal TSP has three investment funds: the Government Securities Investment Fund (G Fund); the Common Stock Index Investment Fund (C Fund); and the Fixed Income Investment Fund (F Fund). These funds are passive investments, tracking a broad index, and do not have a negative effect on the budget. By linking the Small Capitalization Stock Index Investment Fund with the Common Stock Investment Fund, the legislation would open up virtually the entire U.S. Stock Market to the TSP. Likewise, by adding the International Stock Index Investment Fund, it would allow Federal workers to capitalize on approximately 58 percent of the world market.

Over the past decade, capitalizing on these two investment opportunities would have increased the earnings of participants. In fact, the Wilshire 4500 has outperformed the S&P 500 in 12 out of the last 20 years, while generally moving in the same direction as the S&P 500. At the same time, the EAFE has also outperformed the S&P 500 in 11 out of the past 20 years. Over these two decades, adding these two funds to an equally distributed TSP would have produced the highest annual return of 12.8 percent with a 10.4 percent standard deviation.

The addition of these two funds does not come without risk. These funds are more volatile than the C Fund, which currently is the most volatile fund in the TSP. However, experts have noted that the right amount of diversification can actually negate investment risk. For instance, when an EAFE index fund investment is added to a C Fund investment, the volatility of the combined investment actually decreases.

The bill also includes a provision that would allow Federal workers to increase the amount they can contribute to the TSP, without altering the current matching formula. My goal is to provide Federal workers the flexibility to increase their contribution levels to the maximum allowed by IRS laws. The Federal workers in my district as well as across the country overwhelmingly support this provision. Many see it as an opportunity to offset potential changes to the retirement system. Support for the increase was also echoed by Vincent Sombrotto, president of the National Association of Letter Carriers [NALC] at a hearing held last year. Mr. Sombrotto stated that "Letter carriers throughout the Nation understand the great importance of saving for their retirement. In fact, they would like to do more to ensure their financial security." He further stated that delegates at the NALC Biennial Convention supported legislation to allow both FERS and CSRS employees to contribute more to the Federal TSP.

There is also another benefit to increasing the contribution limit. By increasing the money going into funds, this could increase the available investment capital for the Nation's economy. If this becomes the case, this is clearly a "win-win" situation for the country and Federal workers.

There, however, is the potential that this provision could impact the revenue base since employee contributions are tax deferred. I