The total number completed in all of fiscal year first 6 months of fiscal year 1996, more than completed 29,898 N-400 applications in the result. Citizenship U.S.A. has also contributed to increased its officer and clerical staff throughout the entire Miami citizenship staff and is dedicated hard pressed, receiving nearly 107,000 N-400 applications expected for fiscal year 1996. The Miami district has been especially enthusiastic about the Social Security Benefits Fairness Act of 1996. My bill will return fairness to the Social Security System. The bill would amend the Social Security Act, allowing benefits to be paid for the month of death. A surviving spouse or family estate would receive one-half of a month’s benefits if a person dies within the first 15 days of a month and full benefits if a person dies after the 15th. Making this fair and fundamental change will ensure that a surviving spouse or family will have the Social Security check to cover the expenses for the last month of life. Please join me in this effort and cosponsor the Social Security Benefits Fairness Act of 1996.

CITIZENSHIP U.S.A.

HON. ILEANA ROSLEHTINEN
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 17, 1996

Ms. ROS-LEHTINEN. Mr. Speaker, I rise in support of the Citizenship U.S.A. Program estabished by the Immigration and Naturalization Service.

Citizenship U.S.A. is the largest effort in the history of the Immigration and Naturalization Service to help eligible immigrants become U.S. citizens. This combined effort will allow the INS to be current with citizenship applications by the end of the summer. In order to achieve this goal, INS is focusing on updating three major components of the citizenship system—hiring of additional people, improving the process, and expanding INS’s partnership with local officials and community organizations.

This program’s necessity has been established by a dramatic rise of citizenship applications from an average of 300,000 annually before fiscal year 1994 to more than 1 million in fiscal year 1995, with more than 1 million additional applications expected for fiscal year 1996. The Miami district has been especially hard pressed, receiving nearly 107,000 N-400 applications in fiscal year 1995. This is easily a 174-percent increase over fiscal year 1994.

In order to meet the above challenge, INS has already approached several critical milestones as a result of this program. In February, INS opened the new Miami Citizenship Center. This serves as the new home for the entire Miami citizenship staff and is dedicated to the testing and interviewing of naturalization applicants. INS has also substantially increased its officer and clerical staff throughout the country, and has been able to extend its hours of operation significantly as a direct result. Citizenship U.S.A. has also contributed to completion of N-400 citizenship applications. As a result, this program, the Miami district completed 29,898 N-400 applications in the first 6 months of fiscal year 1996, more than the total number completed in all of fiscal year 1995. The Miami district expects to swear in an average of 24,000 new citizens each month during the peak period of this initiative. I congratulate INS for this meritorious program.

LTC JAMES E. ROGERS ON HIS RECENT COMMAND APPOINTMENT

HON. DICK CHERSLRY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 17, 1996

Mr. CHRYSLER. Mr. Speaker, I rise today to commend LTC James E. Rogers on his appointment as the incoming commander of the U.S. Army’s 82d Forward Support Battalion, 82d Airborne Division, stationed at Fort Bragg, LTC James Rogers has a long and distinguished military service record and has dedicated his life to protecting the freedom and liberty of our Nation.

Lieutenant Colonel Rogers was born and raised in Howell, MI, where his parents Joyce and John Rogers still reside and where he still serves as an example to hundreds of local youths in the community of what personal honor and leadership can achieve.

Lieutenant Colonel Rogers was commissioned in the Ordnance Corps on June 6, 1979, upon graduation from the U.S. Military Academy at West Point. Lieutenant Colonel Rogers was recommended for an appointment by my own former Congressman Bill Broomfield, and I only knew that I have the foresight he had in identifying the qualities needed for our future leaders.

Lieutenant Colonel Rogers military education includes Ordnance officer basic and advanced courses, Combined Arms and Services Staff School, and the Army Command and General Staff College.

He has obtained further academic credentials in the course of his military service as well, earning a masters degree in industrial and operations engineering from the University of Michigan.

LTC James Rogers has served in several challenging assignments throughout the United States and Korea, ensuring that the military readiness of our troops is unmatched anywhere in the world. He has accelerated through the ranks and demonstrated an enormous capacity of responsibility and integrity as a military leader and one of the most respected broadcast executives in the country.

While serving as channel 13’s operations manager, he produced the first televised Vince Lombardi Awards program, and was instrumental in the development of the televised Jefferson Awards ceremony. Jim also played a key role in developing “Good Morning Houston,” one of the Nation’s most-watched local talk shows. That kind of success caught the attention of corporate management. In 1983, while still serving as operations manager of channel 13, Jim was named divisional vice president for Capital Cities. In 1986, Jim acquired the ABC television network and became Capital Cities/ABC. Following that merger, Jim was named vice president of the broadcast division at Capital Cities/ABC.

But Mr. Speaker, it is Jim’s record of community service that has made him one of the most respected broadcast executives in Texas.

In 1983, Jim helped create the Houston Crime Stoppers program, which aids the police in locating, and apprehending, suspects in unsolved crimes. Jim has served on the board of the Houston Crime Stoppers program—as well as on the board of the Houston’s Area Urban League and the Houston Symphony.

Jim also has been recognized for a number of innovative community service efforts, including the Jefferson Awards, the Vince Lombardi Awards, the 1986 Texas Sesquicentennial celebration, the 1988 Challenger Center gala, and the 1990 Night of the Thousand Lights: A Houston Crackdown Celebration.

It was his work with the Houston Metropolitan Area Youth Soccer League that best illustrates Jim’s commitment to the Miami district. It is a project in which he’s involved. Initially, organizers hoped that 1,500 inner-city youths would participate in the program. Due to
July 17, 1996

CONGRESSIONAL RECORD — Extensions of Remarks E1307

HON. JOHN J. DUNCAN, JR.
OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Mr. DUNCAN. Mr. Speaker, the U.S. Government should not be paying millions in taxes on a difference for many, many Houstonians.

Mr. Speaker, I hope you will join me in wishing Jim—and his lovely wife, Diane—the very best in that regard. We thank Jim for his work at KTRK-TV, as well as for his long and distinguished record of community service. I know that even in retirement, Jim is the type of individual who will remain active, making a difference for many, many Houstonians.

MERGER MANIA

HOW DID IT HAPPEN?

Mr. DUNCAN. Mr. Speaker, the U.S. Government should not be paying millions in taxpayers' funds to help defray the costs of government should not be paying millions in tax-
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First, merger mania is sweeping U.S. industry. In 1991, military mergers were valued at some $300 million. By 1993, the value had climbed to $342 billion. It will top $200 billion in 1996. In 1993 Martin Marietta purchased General Electric's defense division and General Dynamics' space division. At about the same time, Lockheed purchased General Dynamics' aircraft division, while Loral purchased LTV, Ford Aerospace, and Unisys. Then in 1994 Lockheed merged with Martin to become Lockheed Martin, and a year later, Lockheed Martin purchased Loral to produce a $30 billion giant known as Lockheed Martin Loral, which now controls 40 percent of the Pentagon's procurement budget.

During this same period, Northrop outbid Martin for the Grumman aircraft company, and the new company in turn bought the defense division of the venerable FMC. On a somewhat smaller scale, Hughes bought General Dynamics' missile division and Raytheon purchased E-Systems. Among the true defense giants, only McDonnell Douglas has not yet made a major purchase.

Spokesmen for the defense industry cite two reasons for this sudden rush of mergers. First, merger mania is sweeping U.S. industry generally. Second, with the end of the Cold War, defense spending has fallen so dramatically that excess capacity in the defense industry is eliminated only through consolidation. As Norman Augustine of Lockheed Martin has observed, for the defense industry this is 1929.

Supporters say these reasons seem quite plausible. Merger mania has certainly hit many areas of American industry, such as banking and communications. In 1992 Chemical Bank merged with Manufacturers Hanover, and in 1995 they combined with Chase Manhattan to form a single company. In the television industry, Turner Broadcasting merged with Warner Communications in 1990, purchased Turner Broadcasting; Capital Cities/ABC merged with Pacific Teleis; and Bell Atlantic merged with GTE.

And defense spending has indeed fallen since the end of the Cold War. In current dollars, projected defense spending for fiscal year 1997 is estimated to be below that of the mid-1980s. And procurement spending is about one-third what it was at its peak in the late 1980s.

But what industry spokesmen fail to note is that the decline in defense expenditures has been greatly exaggerated and that, unlike the private-sector restructuring, the government is subsidizing defense mergers. Remember the $600 toilet seats and the $500 hammers that had taxpayers up in arms during the mid-1980s? Those subsidized mergers are going to make them look like bargains. The outrageously priced toilet seats and hammers were the result of defense companies taking advantage of a loophole in acquisition regulations. The industry spokesmen are being fleeced at the hands of the Pentagon's civilian leadership, whose secret acquisitions regulations has rained hundreds of millions of dollars upon the defense industry. To date the Pentagon has received 30 requests for reimbursement for restructuring costs associated with the acquisition of These mergers are expected to receive at least $1 billion to complete their merger.

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In July 1993, John D. Deutch, then the undersecretary of defense for acquisition, responded to pressure from the White House, from Secretary of Defense William Perry, from the chief executive officers of Martin Marietta, Lockheed, Loral, and Hughes by deciding to allow defense companies to bill the government for the costs of mergers and acquisitions. According to Deutch, who has since been promoted to deputy secretary of defense, the central intelligence, the move was not a policy change but a clarification of existing policy. In Deutch's view, not only was the move consistent with the Clinton administration's plan to restructure the defense industry, it would also save taxpayers billions in the long run.

Deutch was wrong on all three counts. This is a major policy change. It is not necessary. And it will not save money.

A commonsense reading of the Federal Acquisition Regulations (FAR) would lead a reasonable person to conclude that organizational costs are not allowable. The regulations state that since the government is not contributing to the creation of the new organization, such expenditures are not necessary for or allowable to government contracts. Indeed, during the Bush administration, the Defense Management Agency (DMCA) rejected a request by the Hughes Aircraft Corporation to be reimbursed for $121 million in costs resulting from its acquisition of General Dynamics' missile division. As far back as the Nixon administration, during the post-Vietnam drawdown of defense spending, which was as severe as the current drawdown, the Defense Department rejected a similar request from General Dynamics.

But on July 21, 1993, Deutch wrote a memorandum to top Defense Department officials arguing that organizational costs are indeed allowable and thus reimbursable under federal procurement law. Because Deutch regarded the memo as merely a clarification of existing policy, he did not need for a public announcement. Indeed, he did not discuss his “clarification” with the military services or Congress or even inform them of it. Congress found out about it accidentally nine months after the memo was written when Martin Marietta tried to recoup from the government the $50 million it paid for General Dynamics' space division. A somewhat astonished Senator Sam Nunn (D-GA), then chairman of the Senate Armed Services Committee, remarked, “Why pay Martin Marietta [60] million?”

Deutch's position that he was merely clarifying rather than making policy is not supported by anyone, even those who favor the policy. The procurement experts in his own administration disagreed. On June 17, 1993, the career professionals at DMCA told him that the history of the FAR argues against making the nonrecurring organization costs associated with restructuring costs allowable and noted that they had disallowed these costs in the past.

The DMCA position was also supported by Don Yockey, the undersecretary of defense for acquisition in the Bush administration; the Aerospace Industries Association (AIA), the trade association for aerospace companies; the American Bar Association's Section on Public Contract Law; and the American Law Division of the Congressional Research Service.

Yockey, who was Deutch's immediate predecessor as procurement czar and who is both a retired military officer and former defense industry executive, argue in a July 1993, letter to the professional staff of the House Armed Services Committee that by definition, structure means organization, and that the FAR does not allow for reimbursement of organization costs. Indeed, it was Yockey himself who told DMCA to reject Hughes' request for reimbursement for its purchase of General Dynamics' missile division. In a September 28, 1993, letter to Eleanor Spector, the director of defense procurement policy at the General Accounting Office, Yockey argued that the Deutch memo constituted a significant policy decision and an important policy change. Therefore, Haugh asked Spector to promptly publish notice of this policy change in the Federal Register and to consider amending the regulations. In a May 3, 1994, letter to the chairman of the Senate Armed Services Committee, Deutch's July 1993 memorandum was published in the Federal Register and, as Secretary Perry later admitted, cleared in advance with Congress.

THE SUBSTANCE OF THE ISSUE

This end run around the administrative and legislative processes by the Pentagon is unprecedented, but even more important is whether the Defense Department and the trade association for the defense industry will not save money.

First, like Mark Twain's death, the decline of the defense industry in this country has