

Presently so-called inside sales employees, that is, those who sell from inside an employer's premises using telephones, faxes and computers, are subject to the overtime requirements of the Fair Labor Standards Act while outside sales employees are exempt. As nonexempt, inside sales employees often suffer from reduced earning opportunities because they are limited to a 40-hour workweek. Outside employees, on the other hand, can choose for themselves whether to work additional hours and thus receive incentive pay for additional sales made. This distinction, written into law in 1938, no longer makes sense in 1998. While inside sales employees are often as skilled and productive as outside sales employees, they are discriminated against under this act.

Mr. Speaker, in order to minimize the potential for abuse, the exemption authorized under H.R. 2888 is narrowly drawn to cover only inside sales employees who meet a number of specific criteria. For example, such individuals must receive specialized training and develop technical knowledge. They must sell predominantly to regular customers and must receive incentive compensation based on their own selling efforts.

Finally, Mr. Speaker, I am pleased that CBO reports the bill would have no significant impact on the budget and contains no unfunded mandates on local governments or private employers. I commend the gentleman from Illinois (Mr. FAWELL) and the gentleman from New Jersey (Mr. ANDREWS) for their efforts to correct this clear inequity in the law and urge my colleagues to support H.R. 2888.

Recognizing that certain Members have expressed reservations about this legislation, the Committee on Rules has reported an open rule in order to provide Members wishing to perfect this bill the freedom to offer their amendments on the floor. Accordingly, I urge my colleagues to support not only the rule but H.R. 2888, the Sales Incentive Compensation Act.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman from Washington (Mr. HASTINGS) for yielding me the customary half-hour, and I yield myself such time as I may consume.

Mr. Speaker, I am not opposed to this open rule, but I am very concerned about the bill that it makes in order. This bill says that employers can require people to work overtime but they no longer have to pay them time and a half. In other words, sales employees who are forced to work long hours could end up with no additional pay at all.

Mr. Speaker, this means that enormous numbers of already low-paid workers would be denied the protections of the Fair Labor Standards Act. My Republican colleagues may argue that the low salary guarantees in this bill takes care of the workers, but, Mr. Speaker, it does not.

According to the Bureau of Labor Statistics, this bill will deny 1.5 million sales employees overtime pay. I for one think that 1.5 million American workers should be paid for the time that they spend at work.

Like many other bills my Republican colleagues have drafted, this bill helps employers at the expense of workers. It is a win-win situation, Mr. Speaker, for the employers and it is a gamble for the workers. If the worker makes big sales, the employer does well. If the worker does not make big sales, the employer still does well because he does not have to pay his worker overtime. Employees who must work long hours but do not make significant sales will be working virtually for nothing.

Anyone with any complaints, anyone who is confused about exactly who is covered under this very complicated, multi-test exemption, please do not look to this bill for clarification.

These confusing standards will create a lot of misunderstandings, a lot of fights, a lot of litigation. Just what we need, Mr. Speaker, more litigation.

My Republican colleagues may argue that the people are begging for overtime in order to make bigger commissions. Mr. Speaker, if that is the case, if so many workers want to work overtime for commission instead of time and a half, then they should be allowed to do so. But as I understand it, the amendment to make this provision voluntary was rejected. So whether you want to work overtime for little pay or you want to go home and see your family, you are really stuck working at the whim of an employer who has little to lose by chaining you in the office. This bill will force people to work longer hours, it will cut employees' incomes, it will promote lawsuits, and it will mean workers are hurt, not helped, by advances in technology.

What we really need, Mr. Speaker, if you really want to help the American worker, is to raise the minimum wage. Let us allow American workers to earn a living wage. Let us enable hard-working full-time employees the chance to take care of their families. I have no opposition to the rule, but I do oppose the bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LIMITATION ON FURTHER AMENDMENTS AND DEBATE ON H.R. 2888, SALES INCENTIVE COMPENSATION ACT

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 2888 in the Committee of the Whole pursuant to House

Resolution 461 after the legislative day of today, no further debate or amendments to the committee amendment in the nature of a substitute shall be in order.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SALES INCENTIVE COMPENSATION ACT

The SPEAKER pro tempore. Pursuant to House Resolution 461 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2888.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2888) to amend the Fair Labor Standards Act of 1938 to exempt from the minimum wage recordkeeping and overtime compensation requirements certain specialized employees, with Mr. Watts of Oklahoma in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from New York (Mr. OWENS) each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to express my strong support for H.R. 2888 and urge my colleagues to support the legislation. I also want to urge my colleagues to reject any amendments that may be offered to weaken or to undercut the bill.

It is not often that we can come to the floor with a bipartisan labor bill. We did it a couple of weeks ago. We are back again with another. I know that the gentleman from Illinois (Mr. FAWELL) has worked very long and hard with the gentleman from New Jersey (Mr. ANDREWS) and others on the Democrat side to put this bill together. That is why particularly I hope that the House will reject any amendments that would undercut the bill that has been so painstakingly negotiated and crafted on a bipartisan basis in our committee.

Mr. Chairman, the reason for this bill was better stated by former Secretary of Labor Robert Reich a few weeks ago than I could when he was describing the changed nature of, quote, sales persons in modern business. Certainly no one can deny the fact that Robert Reich is a strong, strong supporter of the employee. Let me quote just a couple of lines from Mr. Reich's speech to