

In doing so, Dorothy played an integral part in the success of both the party and its candidates for three decades.

Mr. Speaker, like those within the Delta Republican Party, I am truly grateful to Dorothy for her years of self-less service. She has been a wonderful asset to the local party, myself and other Republican candidates, as well as the Delta community at-large. As Dorothy ends her tenure with the Delta County Republicans, I would like to congratulate her on a job well done and wish her all the best in all of her future endeavors.

PERSONAL EXPLANATION

HON. COLLIN C. PETERSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1999

Mr. PETERSON of Minnesota. Mr. Speaker, during roll call vote No. 52 on H. Con. Res. 24, I was unavoidably detained. Had I been present, I would have voted "yes."

FEDERAL RESERVE BOARD
RETIREMENT PORTABILITY ACT

SPEECH OF

HON. JOE SCARBOROUGH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1999

Mr. SCARBOROUGH. Mr. Speaker, as the Chairman of the House Subcommittee on the Civil Service, I was pleased to introduce H.R. 807. As amended, this legislation addresses serious problems that affect a small number of Federal Reserve employees who transfer to other federal agencies and also federal employees who move from federal agencies to the Federal Reserve. This measure also ensures that the access provision of the Veterans Employment Opportunities Act of 1998 will be implemented as Congress intended it to be.

The Federal Reserve Board maintains two retirement systems of its own. Both are similar to the retirement systems that cover most federal employees. One is comparable to the Civil Service Retirement System (CSRS), and the other is structured like the Federal Employees Retirement System (FERS).

Despite these similarities, there are also distinct differences between the Federal Reserve's programs and these federal retirement systems. One difference is how they are financed. The Federal Reserve programs are backed by real assets, stocks and bonds, that have appreciated to create a substantial corpus from which benefits may be paid. In fact, the Federal Reserve's retirement fund is so over funded that it has not had to make any contributions to it since 1986. The CSRS and FERS systems, in contrast, are "invested" only in IOUs drawn on the taxpayers. Consequently, despite continuous employee and agency contributions, annuities are mainly paid from current tax revenue, and the Civil Service Retirement and Disability Fund is woefully under funded; its unfunded liability exceeds a half a trillion dollars.

There is also a difference between how employees who transfer between the Federal Reserve and other agencies are treated under the FERS system. Employees who transfer into the Federal Reserve receive credit under the Federal Reserve's FERS-like plan for their other federal service. But FERS does not provide reciprocal treatment to Federal Reserve employees who transfer to positions in other agencies.

Mr. Speaker, this is unfair. H.R. 807 will provide the retirement portability that is currently lacking. Under it, those employees who participate in the Federal Reserve's FERS-like retirement will receive FERS credit for their Federal Reserve years when they transfer to another federal agency. In short, this legislation provides reciprocity. Without this correction, former Federal Reserve employees would receive smaller annuities upon retirement than they otherwise should.

H.R. 807 also fixes another problem that was brought to the Civil Service Subcommittee's attention after we held a hearing on the Federal Reserve's retirement programs and marked up the bill at subcommittee. Under current law, Federal employees participating in the Thrift Savings Plan (TSP) who transfer to the Federal Reserve Board, are not permitted by law to withdraw funds from their TSP accounts. Current law specifies that employees "must separate from Government employment" in order to be entitled to withdraw funds. However, employment at the Board is considered to be "Government employment." Therefore, employees who transfer to the Federal Reserve and are covered by its Thrift Plan may not withdraw the funds in their TSP accounts.

I amended this bill when it was marked up by the Committee on Government Reform to correct this problem. H.R. 807 now allows Federal employees who have transferred or will transfer to the Board to move the funds in their TSP accounts to the Board's Thrift Plan. I believe that this technical correction, along with the portability language in the underlying bill, are appropriate and necessary remedies to ensure Board employees fair treatment under current law.

Mr. Speaker, I am also very pleased to support section 4 of this measure. Section 4 was added to the bill by my good friend from Florida, Mr. MICA, who chaired the Civil Service Subcommittee during the last two Congresses. This provision will ensure that the Administration will implement the access provision of the Veterans Employment Opportunities Act of 1998 as Congress intended it to.

Unfortunately, Mr. Speaker, OPM's interpretation of that Act undermined the very reason Congress adopted the access provision: to open competition for previously restricted jobs. OPM ruled that agencies cannot appoint veterans selected under the access provisions of that Act to the competitive service unless they already have competitive status. Instead, OPM instructed agencies to appoint these veterans to the excepted service under Schedule B. Many veterans fear that if they are appointed as excepted service employees, as OPM's guidance requires, they will, in effect, be placed in dead end jobs.

This fear is not unfounded. As excepted service employees, these veterans would not

be eligible to compete for other agency jobs under internal agency promotion procedures. That is manifestly unfair and directly contrary to congressional intent. The access provision of the Veterans Employment Opportunities Act intended to open up employment opportunities for veterans and to provide those selected under it with the same rights as their co-workers. Any other result is totally unacceptable.

The men and women who have served our nation under arms should not be relegated to second-class status when hired into the civil service. Section 4 makes sure that they will not.

Mr. Speaker, this bill has strong support on both sides of the aisle. I want to thank the distinguished Ranking Member of the Civil Service Subcommittee, the gentleman from Maryland, Mr. CUMMINGS, for his strong support for this measure. I commend the majority and minority leaders of the Committee on Government Reform, Chairman DAN BURTON and Ranking Member HENRY WAXMAN, for expediting committee approval of H.R. 807 and for their support. I also want to express my appreciation to Mr. MICA, the distinguished gentleman from Virginia, Mr. DAVIS, the distinguished gentelady from Maryland, Mrs. MORELLA, and the distinguished gentelady from the District of Columbia, Ms. NORTON, for their strong support.

I urge all Members to support this bill.

IN RECOGNITION OF THE ACHIEVEMENTS OF THE CANTON MIGHTY EAGLE HIGH SCHOOL BAND

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1999

Mr. HALL of Texas. Mr. Speaker, I rise today to acknowledge the hard work, discipline and deserved achievements of the Canton High School Band—from my Fourth District in Texas. Besides numerous awards and recognitions, the Mighty Eagle Band has been chosen to represent the State of Texas, today, St. Patrick's Day, by performing in Dublin, Ireland—in that city's St. Patrick's Day Parade.

The young men and women of this band have participated in and won a multitude of competitions every year since 1993. More recently, the Canton Band was named the third overall band in the State of Texas. Along with this honor, came an invitation to perform in Dublin, Ireland, on St. Patrick's Day. As if the many hours of sacrifice and discipline exhibited by these young men and women—was not enough—they managed to raise an amazing \$200,000 in order to pay for their trip.

Mr. Speaker, as evidenced by their many achievements and awards, the Canton ISD music program emphasizes responsibility, accountability and service to others. Obviously, these youngsters have internalized these characteristics in their search for success. As we adjourn today, let us do so in honor of the Canton Mighty Eagle Band and their numerous merited accolades.