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

Three years ago, Congress and the American people were told that the

Iraq War would be quick and inexpensive. Senior administration

officials told us that rebuilding Iraq would cost less than $2 billion.

And we were told that Iraq would be able to finance its own

reconstruction with its oil revenues.

Well, 3 years later, we know that these assurances were completely

unfounded. The war has cost hundreds of billions of dollars. We

squandered over $20 billion on reconstruction projects that have left

basic services below prewar levels. And these massive costs have

contributed to record budget deficits at home.

There are multiple causes for the enormous burden placed on the

taxpayer. President Bush and his advisors grossly underestimate the

insurgency. They failed to engage our allies in the rebuilding effort,

and they vastly overestimated the amount of oil Iraq could sell to

funds its reconstruction.

The amendment I am offering with Mr. Dingell addresses part of the

problem, rampant waste, fraud and abuse in Federal contracting under

the Bush administration. The largest contractor operating in Iraq is

Halliburton. Government auditors have repeatedly caught Halliburton

red-handed. They have found over a billion dollars in unreasonable and

unsupported charges.

Let me repeat this. Federal auditors have found Halliburton's

unreasonable and unsupported bills exceed $1 billion. Yet over and over

again, this administration has ignored its own auditors. The Pentagon's

auditors have found over $260 million in unreasonable and unsupported

costs when they examine Halliburton's no-bid contract to restore Iraq's

oil field.

Independent industry experts call Halliburton's charges ``highway

robbery.'' But as this chart shows, the Bush administration ignored

these findings and paid Halliburton for 97 percent of its overcharges

and then gave Halliburton millions in additional bonuses. These same

Pentagon auditors rejected $200 million in dining hall expenses because

Halliburton charged for meals it never served to the troops. But the

Bush administration ignored the auditors and paid 75 percent of the

challenged costs and tripled Halliburton's profit on the contract.

The auditors got so frustrated with Halliburton that they warned

Pentagon officials not to enter into any more contracts with the

company. But 3 days later, the Bush administration gave Halliburton a

new $1.2 billion contract in Iraq. And these are not the only problems.

More than 50 cases of contract fraud in Iraq are currently under

investigation. And administration officials cannot account for over $8

billion in Iraqi oil proceeds. This kind of incompetent and egregious

mismanagement is hard to believe. No matter how many times they bilk

the taxpayer, politically favored companies keep getting more and more

Federal contracts.

The administration has a duty to safeguard taxpayer dollars, but it

is shirking that responsibility. We need to pass this amendment to end

this costly cycle.

This is an amendment that is very simple. It will prohibit the

administration from using the funds in this bill to award new contracts

to any company that has overcharged the government by $100 million or

more in Iraq.

This is just common sense. No company that squanders over $100

million of tax payers money should be rewarded with new contracts. If

the administration will not protect the taxpayer against waste, fraud

and abuse, the Congress must act. For the sake of the taxpayers and the

troops, I urge support for this amendment.

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

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

We have been working on this investigation about Halliburton for

years, and we have written letters asking for hearings over and over

again. The committee has not held a hearing on these overcharges. I do

not know why the Armed Services Committee has not held a hearing on it,

but it sounds to me a bit disingenuous when they say we have not had a

chance to look at this matter.

I support hardworking people on the ground that are working for

Halliburton and other private contractors, but I do not think they

would support the idea of their own corporate CEOs and shareholders

getting rich unfairly for charges that are not reasonable. That is what

this amendment is all about.

So it seems to me that it rings a bit false when we hear these kind

of arguments against the amendment. Oh, we have not looked at it. Why

haven't they looked at it? Oh, it might affect people serving the

troops now. Well, that is just absolutely untrue.

So I continue to urge support for the amendment.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois (Ms.

Schakowsky).

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

Mr. Chairman, the gentleman from California, the chairman of the

Armed Services Committee, says that reasonableness is something that

could be subjective. Some people think that certain weapons systems may

not be reasonable. Well, reasonableness is not some vague standard we

picked out of the air. It comes directly from section 31.201-3(a) of

the Defense Contract Audit Agency's ``Contract Audit Manual.'' That

provision reads: ``A cost is reasonable if, in its nature and amount,

it does not exceed that which would be incurred by a prudent person in

the conduct of competitive business.''

Every government auditor knows this standard. It is a standard that

the Pentagon's own auditors apply to Halliburton. It is the standard

that was flouted by the Bush administration, and it is the standard

that my amendment would reaffirm.

Now, this last argument, Halliburton's got an expertise and,

therefore, they should get future contracts

because we may not be able to find someone else with the expertise,

and, therefore, we should ignore overcharges, unreasonable charges in

excess of $100 million dollar in the past, that is an incredible

argument. No matter how many times we may be the victims, or our

taxpayers may be the victims, of waste, fraud and abuse, we should

continue to pay? That is absurd.

Now, I just submit that we are following the very clear standard in

the law, and our amendment does not plow any new ground, and I would

urge support for the amendment.

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

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

Mr. Chairman, $40 for a case of soda, $100 for a bag of laundry,

torching an $80,000 truck instead of replacing flat tires, charging 40

times more to transport fuel than reasonable, these are some of the

things that Halliburton has been called to task for, not by Democrats,

but by the auditors, the professional auditors at the Department of

Defense; and they should have been penalized for doing that.

Now, what was, was; but let's don't in the future give them contracts

to abuse us again.

Mr. Chairman, the system has failed because the Bush

administration paid 97 percent of the charges that the Pentagon

auditors found to be unreasonable. So our amendment is structured to

apply in the future.

We will have a chance to continue to look at this. I feel comfortable

that this is not going to jeopardize anything that is going on in Iraq

today and certainly not the existing contracts such as the ongoing

logistical contract which Halliburton still has; but for the future, if

any company has overcharged by $100 million, we should not be rushing

out there and giving them a new contract.

Existing contracts are existing contracts. They should not be

rewarded for that overcharging.

Mr. Chairman, I want to assure you we were very careful

in drafting this amendment. It is prospective. It would not affect the

funding of existing contracts for troop support. They will continue

untouched. The amendment simply says we will not reward companies with

new contracts after they overcharge the taxpayers by $100 million. I

hope that will allay the gentleman's concerns.