Mr. Chairman, I rise to offer an amendment to the FY13

Defense appropriations bill.

My amendment is a modest, straightforward reform to fix the current

cap

on Federal salaries paid to government contractor executives. This is

part of a bipartisan reform that I and our colleague, the gentlewoman

from California, have been working on for the past 2 years; and despite

significant bipartisan progress in the Senate, this issue has never

once been allowed so much as a vote in the House. I expect today will

be no different.

Nevertheless, Mr. Chair, it was once my understanding that the

highest individual salary funded by the American taxpayer was that of

the President of the United States at a total of $400,000; but it turns

out that the leader of the free world isn't actually the highest paid

executive on the taxpayers' payroll. The highest Federal Government

salaries are actually earned by private sector executives who can be

paid nearly $770,000 in taxpayer dollars under current law. That's

nearly twice the salary of the Commander in Chief and more than three

times the salary of the Secretary of Defense. In fact, gaping loopholes

in the law mean that many can earn far more. Let me emphasize that

these are federally funded salaries for private sector executives--

funded 100 percent by the American taxpayer.

You won't find these exorbitant pay rates on government pay

schedules, and they certainly aren't subject to the pay and hiring

freeze. In fact, just weeks ago, top government contractors got a

$70,000 raise on the taxpayers' dime for no reason other than the

current law demanded it. That raise alone, $70,000, is more than the

salary of most Federal employees. That raise brought the current cap on

Federal reimbursements for contractor compensation up to nearly

$770,000, an incredible 10 percent raise for the top echelons of the

contractor workforce that is estimated to outnumber Federal civilian

and military personnel by more than 2-1.

To put that delta into perspective, compare the 10 percent contractor

increase to the 1.7 percent raise that this bill proposes for our women

and men in uniform. Compare it to the total pay freeze under which our

civilian personnel are operating. If you believe that reining in

personnel costs is a smart way to reduce the deficit, then you cannot

possibly argue that we should maintain a blank check for the estimated

7 million contractors on the Federal Government payroll.

This problem started in the late 1990s with a law that created the

current, deeply flawed formula to reimburse government contractors for

the pay of their top executives. The so-called ``cap'' under this law

has grown by leaps and bounds each year, increasing by more than 75

percent in just the last 8 years. That is an unsustainable and

unjustifiable trend that must be put to a stop. In a year where we can

agree on so little, I have found that many of us can agree on this.

From 2001 to 2010, spending on service contractors rose by 137

percent, making it one of the Pentagon's largest cost drivers. Given

the rampant growth in contract spending, the Army estimated earlier

this year that limiting contractor compensation to even the salary of

the President--that's $400,000--would have saved the taxpayers $6

billion in fiscal year 2011 alone, or a savings of approximately 15

percent in contract services. Six billion dollars--that's only for the

Army, and that's only in 1 year. Imagine what we could be saving

government-wide.

Our amendment is a modest, bipartisan proposal that reins in the most

excessive government salaries by revising the cap to a set level of

$230,700--or the salary of the Vice President of the United States. The

cap would apply to all defense contractors and subcontractors. However,

it also reaffirms the authority of the Secretary of Defense to create

exceptions to the cap in certain circumstances.

This authority was established in last year's defense authorization

to preserve flexibility for our military in maintaining access to

individuals--particularly scientists and engineers--who possess unique

skills and capabilities critical to the United States' national

security.

To reiterate, this amendment does not grant new authority to the

Secretary of Defense. It is not legislating in an appropriations bill.

It merely reaffirms the current authority of the Secretary codified in

title 10. To be clear, this amendment deals exclusively with taxpayer

dollars spent to reimburse contractors.