

Report of the Fiscal Reform Working Group
March 11, 2008

The subject of Congressional earmarks has been both controversial and illuminating. Frequent news reports, aided by recent efforts to improve transparency, have brought about greater interest in this issue and more information about how taxpayer money is being used. The product of this Working Group should bring about greater confidence in the authorization, appropriations, and oversight process by recommending changes in procedures and practices that will promote a more open process.

Republicans recognize and respect the Constitutional responsibility of each Member of Congress to make decisions on the appropriation of federal taxpayer funds. Those responsibilities include recommending the designation of funds, voting for or against the designation of funds, and overseeing the accountability of the recipient of the funds. In a few cases a Member of Congress has made an inappropriate request to designate funds that resulted in a benefit to the Member. This casts a shadow on all requests for designation of funds, and on the process by which those designations are requested and made.

The practice of earmarking is not limited to Members of Congress but is also apparent in the President's budget proposal. Likewise, these requests should be clear, transparent, and subject to amendment or deletion.

We believe an open and accountable amendment process and absolute transparency on every Member request successfully inserted into legislation is essential to the integrity of federal spending. In addition, Members should also have assurance that when they vote for a specific bill or conference report that all earmarks are written in a clear and transparent manner.

With these principles in mind, the Republican Conference should support the following:

Debt Reduction

The Republican Conference should seek to institute mechanisms by which successful amendments which strike earmarks should result in savings being applied to the national debt.

Transparency and Oversight

The Senate should modify the rules to require that all earmarks in appropriations, authorization and tax bills be placed in the bill text. This will allow Senators greater opportunity to challenge earmarks at various stages of consideration.

Each Member should make available on his or her website information about earmarks that the Member requested and successfully inserted into legislation. Information relative to these earmarks should also be publicly disclosed on the Internet in a single location, namely the website of the relevant committee, and in a

searchable format at least 48 hours prior to floor consideration of those earmarks. These disclosures should include the following information:

- 1) The earmark request letter, including the name and address of intended earmark recipient;
- 2) Full earmark justification, including financial/budget plans, federal matching requirements, and reasons for a lack of non-federal funding;
- 3) Whether the requesting Member or his/her family, staff, or staff's family will benefit financially from the earmark (a ban on these types of earmarks was unanimously adopted by the Senate during consideration of S.1 in early 2007); and
- 4) Whether the earmark will be subject to a full and open competition.

Executive Branch Earmarks

The Republican Conference should insist upon greater transparency in the budget formulation process as it pertains to Executive Branch earmarks. Agency prioritization processes should be transparent, and additions to the budget request outside such processes should be identified specifically and justified in detail. All agency budget justification documents should include a simple list of Executive Branch earmarks, and the documents should be made available to the public, on the Internet, at the same time the information is transmitted to Congress.

Senator Richard G. Lugar, Chairman
Senator Tom Coburn
Senator Thad Cochran
Senator Mike Crapo
Senator Johnny Isakson