



NEWS FROM

U.S. SENATOR DANIEL K. AKAKA

Defending Social Security

Privatization of Social Security will mean huge start up costs, increased retirement risk and benefit cuts. In other words, it is a lose-lose proposition. Furthermore, there is no guarantee that privatization will ensure solvency of the Social Security system.

According to the Bush Administration, the President's privatization proposal will require borrowing trillions of dollars. At the very least, privatization is a questionable proposal seeking to solve one problem by adding to another: the mounting federal debt. Up from a surplus of \$236 billion before President Bush took office, to \$350 billion projected for 2005.

Social Security benefits are assets retirees can take to the bank. In contrast, privately funded retirement accounts are at best risky, and could leave many senior citizens without sufficient resources to make ends meet. One just needs to look at recent failures of private pension plans to realize that private accounts hold no reliable promises.

Privatization is not a solution to Social Security solvency. In fact, the President's plan also requires huge benefit cuts to make it work. Future retirees across the board could see significant cuts of nearly 50 percent. Under the Bush plan, middle class families would be hardest hit.

We must do all we can to ensure Social Security's solvency, no doubt about it. But there is no reason to fast track the President's plan. The Congressional Budget Office, a non partisan entity that provides unbiased information to federal law-

makers, says Social Security will remain solvent until 2052.

It is also important to remember that Social Security was never meant to be a sole source of retirement income. I support alternatives to encourage higher rates of savings in vehicles entirely separate from Social Security, with benefits targeted to working and middle class families, and will continue working to ensure that current and future retirees understand the power of compound interest and how to best evaluate the savings and investment vehicles available to them.

Promoting Financial and Economic Literacy

You wouldn't buy a home or a car without first finding out its cost. But that's exactly what happens when you invest in a mutual fund, pay your credit card bill or send money by wire transfer. Simple and routine financial transactions often come with costs for administrative services, interest and commissions. Without this basic information, it is difficult to make informed decisions about one's financial future.

In May, I introduced the Mutual Fund Transparency Act of 2005 (S. 1037) requiring greater disclosure and transparency of mutual fund fees, commissions and costs. My proposal codifies recent Security and Exchange Commission requirements that 75 percent of mutual fund board members, and its chairman, be independent. S. 1037 is endorsed by Fund Democracy, which represents mutual fund investors, and other consumer groups including

Consumer Action, Consumer Union and the AARP.

My other initiatives in this area include the enacted Excellence in Economic Education Act for grades K-12 and S. 468, the College LIFE (Literacy in Finance and Economics) Act. These measures seek to address economic and financial illiteracy among students of all ages, many who are signing up for more debt and crippling their futures before they graduate and enter the workforce.

I also cosponsored conferences with the Hawaii Council on Economic Education and the University of Hawaii, which have stimulated real efforts to combat economic and financial illiteracy for individuals and families in Hawaii. This year, a conference is planned for November.

Through these concentrated efforts we will be able to bring about positive behavioral change. Financial and economic literacy means stronger businesses, families and communities in Hawaii and across our nation.

Fulfilling Our Promise to America's Vets

Our commitment to America's service men and women doesn't end once they leave the battlefield. We have a duty to guarantee that our veterans receive appropriate health care. Unfortunately, Administration proposals for hiring freezes, enrollment restrictions and service cuts are becoming more and more commonplace. This is unacceptable, especially during a time of war.

As Ranking Member of the Senate Committee on Veterans' Affairs, I am working to fulfill our obligation

to America's vets. This means giving VA adequate resources to provide the services veterans need. I oppose President Bush's plan to balance the FY 2006 VA budget by doubling prescription drug co-payments and imposing a \$250 annual fee for middle-income vets. Balancing the budget on the backs of veterans is unacceptable.

I'm also working to increase treatment opportunities for Hawaii's 115,000 veterans. My Neighbor Islands Veterans Health Care Improvements Act of 2005 (S. 1176), establishes a new \$10 million mental health center at Tripler Army Medical Center and creates new VA health-care clinics on Molokai, Lanai, Kauai and the Big Island.

The lack of mental health services for veterans is a nationwide problem, therefore, I also introduced the Veterans Mental Health Care Capacity Enhancement Act of 2005 (S. 1177), which guarantees availability of mental health care, strengthens performance standards for VA programs, and increases funding for specialized care.

Maintaining Our Readiness and Upgrading Local Military Facilities

My primary focus has been to promote the recruitment, retention, and retirement interests of military personnel. As the Ranking Member of the Subcommittee on Readiness and

Management Support, which controls approximately 1/3 of the Department of Defense (DoD) budget, I have worked to bolster the morale and welfare of service members and their families. One critical component of this is to provide proper equipment, facilities, and training necessary to ensure readiness in times of conflict.

To meet the needs of our military families, I have authorized funding for military construction projects in Hawaii. During the FY 2004 and FY 2005 appropriations cycles, I helped secure \$11.8 million for the first two phases of an electrical upgrade for Hickam AFB and I am working to obtain the funds necessary to complete this project in the FY 2006 National Defense Authorization Act (NDAA). In addition, I am working to see that the DoD spends a fair share of its budget on goods and services provided by Hawaii-based businesses. Local businesses received more than \$135 million in funding in FY 2004 and FY 2005. This year, I'm supporting projects for Hawaii companies totaling nearly \$55 million.

I am also closely monitoring housing privatization initiatives by the Army, Air Force, and Navy in Hawaii and I continue to encourage the Department of Defense to work with local contractors on these projects. I am concerned that contract bundling could prevent Hawaii contractors from job opportunities and will work to ensure that these competitions are open and fair.

Keeping Our Homeland Safe

Hawaii's dependence on air and sea for travel and trade is why I made sure the Department of Homeland Security (DHS) understands that our state's ports must balance moving people and goods with security concerns. As a senior member of the Homeland Security and Governmental Affairs Committee, I secured additional funding for more baggage screeners and equipment at our airports and supported all programs and projects that make Hawaii a safer place to live and visit.

I have long advocated maintaining a strong presence for the Federal Emergency Management Agency (FEMA) in Hawaii and helped establish FEMA's Pacific Area Office in 1992. Disaster prevention and mitigation is crucial in helping Hawaii be self-sufficient and use its in-state resources to respond to natural or man-made disasters. When some suggested closing the Pacific Area Office, I successfully protested the move to senior DHS and FEMA officials.

Hawaii and the nation must be better prepared to respond to an attack on our food supply. I am pursuing legislation to help local farmers increase biosecurity on their lands and make sure that state and local emergency management officials include veterinarians and other agriculture specialists in terrorist planning exercises.



Senator Akaka introduces his "Veterans Mental Health Care Capacity Enhancement Act of 2005," joined by Sen. Ken Salazar (D-CO), Sen. Patty Murray (D-WA), David Chasteen (Iraq War Veteran), and Sen. Richard Durbin (D-IL).

Native Hawaiian Government Reorganization Act: An Update

The Native Hawaiian Government Reorganization Act of 2005 (S. 147) is pending consideration by the Senate. I introduced S. 147 in January. The bill was heard by the Senate Indian Affairs Committee in March and favorably reported to the full Senate.

S. 147 details a process for Native Hawaiians to reorganize their governing entity for the purposes of a government-to-government relationship with the United States. I envision this process as one that is inclusive, one that empowers citizens, and one that fully utilizes our democratic system.

I am confident this legislation is flexible enough to provide for appropriate participation by all interested parties to move us all forward as we strive to provide a better future for the children of Hawaii.

For further details on the bill, please visit my website at <http://akaka.senate.gov/>.

Advancing Renewable Energy Research and Development

The Senate's Energy Policy Act of 2005 balances our current reliance on oil and gas with expanded programs promoting renewable energy and fuels for our nation's future. As a senior member of the Energy and Natural Resources Committee, I realize that this bill does not address all of our energy challenges. More work needs to be done in the areas of fuel economy standards, climate change and independence from foreign oil. However, I am pleased with this product of bipartisan cooperation, a substantial improvement over current law and a major statement by the Senate concerning our energy future.

I have consistently championed new and alternative sources of energy. Several of my initiatives were included in the Senate's energy bill.

■ The Hawaii Energy Study assesses the impacts of crude oil supply disruption and price volatility on our state economy. The study also explores the technical and economic feasibility of increasing the contribution of renewable energy resources for electricity

"Let us be mindful of King Kamehameha's legacy of unification and his vision for the people of Hawaii. Let us come together and work together to address the challenges facing our people and our nation."

— Senator Daniel K. Akaka



June 5, 2005. Statuary Hall, U.S. Capitol

generation and for ground, marine, and air transportation energy applications.

■ The Sugar Cane Ethanol Program provides \$36 million for sugar cane to ethanol projects in Hawaii, Louisiana, Florida, and Texas.

■ The Hydrogen and Fuel Cell Technology Act of 2005, of which I am an original cosponsor, provides for research and development of hydrogen fuel cells, demonstration projects, and strategies to help establish a consumer market for fuel cell vehicles and stationary applications.

Our state uses crude oil to meet 90 percent of our energy needs, relying on domestic and international imports. Needless to say, we need to decrease our dependency on oil imports. The Energy Policy Act of 2005 establishes the framework for an energy independent future.

Laying the Groundwork for a Strong Economy

Once again, I will support tax relief for businesses provided it does not add to our growing Federal debt. I will also continue to champion federal services and programs that aid our business community.

I've worked with agencies and the federal government to ensure that small businesses have an opportunity to bid for federal contracts. We've always relied on small businesses to lead our nation through tough times. Small businesses account for nearly three quarters of all new jobs and produce 50 percent of the Gross Domestic Product.

I am also working to increase funding for small businesses development and assistance programs, including the Manufacturing Extension Partnership, Small Business Development Centers, the Small Business Innovation Research program, the State Technology Partnership, the Women's Business Centers, and the rural outreach programs. During consideration of the Senate budget resolution, I supported a number of amendments that benefit businesses, including an amendment to provide an additional \$78 million for the SBA's Microloan program, Small Business Development Center program, Women's Business Center program, HUBZone program, Veteran's Business Development program and other small business programs.

Protecting Employee Rights and Securing Agency Mission

I am greatly concerned with new federal personnel rules that will dramatically change the way the Departments of Defense (DoD) and Homeland Security (DHS) hire, fire, classify, and pay employees. These new rules, affecting more than two-thirds of the federal workforce, will seriously diminish the union rights of employees by eliminating collective bargaining for a majority of routine issues and deny employee input on policy implementation.

No single issue in my 28 years in Congress has generated more anxiety among federal workers in Hawaii than the personnel changes coming to the DoD and DHS. Through congressional hearings and correspondence with the Administration, I have asked many questions about these new personnel systems, which reflect the concerns raised by Hawaii's federal employees. Like their colleagues nationwide, Hawaii's federal workers want to know why there are no details on the new pay systems; why union rights are being restricted, and why the current independent third-party appeal and grievance systems should be replaced with internal systems staffed by agency-appointed personnel.