



# COMMITTEE ON APPROPRIATIONS

DAVID R. OBEY, CHAIRMAN

**FOR IMMEDIATE RELEASE:**

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## **Appropriations Committee Bans For-Profit Earmarks**

WASHINGTON – The House Appropriations Committee today announced that it will not approve requests for earmarks that are directed to for-profit entities. If this rule had been in effect last year, it would have resulted in 1,000 fewer earmarks. The announcement came today in a joint statement from Congressman Dave Obey, Chairman of the House Appropriations Committee, and Congressman Norm Dicks, incoming Defense Appropriations Subcommittee Chairman.

To assure compliance, the Committee will also require agency Inspectors General to audit at least 5% of all earmarks directed to non-profit entities. This new oversight measure is to ensure that earmarks go to their intended purposes and to prevent for-profits from masquerading as non-profits.

Additionally, the Committee will establish an online “one-stop” link to all House Members’ appropriations earmark requests to enable the public to easily view them.

Obey and Dicks said that a program will be established to provide an opportunity for businesses – especially small start-up companies with no inside Pentagon connections – to present their good ideas and products to the Defense Department.

Businesses will be able to apply, but the Defense Department, not Congress, will choose which for-profit projects will be funded. With this change, the Committee is ensuring that any for-profit entity applying for federal funding will earn that funding in a competitive process based on the merits.

Obey said that these new policies are not intended to be a one-year experiment. They are intended to be a long term proposition.

These new reforms build on the significant earmark reforms implemented by the House and the Committee over the past three years:

**In 2007**, Democrats suspended all earmarks until a reformed process could be put in place. New House rules were adopted that required robust earmark disclosures – including detailed lists of every earmark and its sponsor, a public certification from every Member that they have no financial interest in any earmark request, and identification of earmarks “air-dropped” in conference. Additionally, the House prohibited the conditioning of any earmark on any vote cast by a Member of Congress.

**In 2008**, building upon the 2007 reforms, the total dollar amount earmarked for non-project-based accounts was reduced by 43% below FY 2006.

**In 2009**, all Members were required to post online their earmark requests and justification, and the executive branch was directed to review all earmark requests. Additionally, the list of funded earmarks was made public at the earliest possible date -- the subcommittee markup; all House earmarks intended for for-profit entities were required to be competed, and the total amount earmarked was reduced even further, achieving a 50% reduction below FY 2006.