

words of Chairman KNOLLENBERG, woefully inadequate. This is what happens when our priorities are wrong. This is what happens when we deny our Nation the most basic revenue needed to adequately fund our national priorities. We rob our valiant military personnel of decent homes and facilities. We rob our veterans of their basic benefits. We cut back funding for schools and child care for military families, and we are faced with passing a bill like this.

I call upon the President to include in his fiscal year 2005 budget request a budget figure that genuinely begins to meet the military construction and family housing needs of our Armed Forces. Mr. Speaker, I regret that this is the best that this Congress can do for our military and their families.

Mr. Speaker, I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

—————

PROVIDING FOR CONSIDERATION
OF H.R. 1829, FEDERAL PRISON
INDUSTRIES COMPETITION IN
CONTRACTING ACT OF 2003

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 428 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 428

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1829) to amend title 18, United States Code, to require Federal Prison Industries to compete for its contracts minimizing its unfair competition with private sector firms and their non-inmate workers and empowering Federal agencies to get the best value for taxpayers' dollars, to provide a five-year period during which Federal Prison Industries adjusts to obtaining inmate work opportunities through other than its mandatory source status, to enhance inmate access to remedial and vocational opportunities and other rehabilitative opportunities to better prepare inmates for a successful return to society, to authorize alternative inmate work opportunities in support of non-profit organizations, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. During consideration of the bill for amendment,

the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. QUINN). The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, yesterday the Committee on Rules met and granted an open rule for H.R. 1829, the Federal Prison Industries Competition in Contracting Act. Coming from a district that is facing many challenges in the manufacturing sector, I am very pleased to see this bill on the floor today. Federal Prison Industries, FPI, is a depression-era Federal agency that has a special status in the Federal procurement process that forces government agencies to buy from FPI without competition. Over 300 products and services are produced by Federal prisoners that totaled nearly \$680 million in sales to the Federal Government in 2002. Federal agencies are forced to buy these products and services from FPI even though the private sector has proven they can better address the needs of Federal agencies by providing higher quality products, cheaper and faster. I understand that there is concern about prisoners having jobs, et cetera. I have no problem with that. I have always supported that. But we are living in an era where the Federal Government needs to also save as much money as possible when we are looking at procurement, and this is an area we can do that.

This will simply allow the private sector to compete for contracts that are paid for with their own tax dollars. The bill will end the monopoly that FPI holds over all government purchases, including office furniture and textiles. In my own district in North Carolina, I hear from many small business owners who are growing increasingly frustrated with the ongoing challenges of dealing with government procurement when FPI is involved. If this monopoly was ended, these companies could compete on a level playing field. That is all we have ever asked for, is

just a level playing field to provide the government with their products. This bill would help stop the bleeding of jobs from the textile and furniture industries. H.R. 1829 will provide protections for businesses of all sizes, and also the hardworking, law-abiding workers they employ, from FPI's unfair practice.

As a cosponsor of this bill, I would like to commend the gentleman from Michigan (Mr. HOEKSTRA) for sponsoring this fine piece of legislation. As many of you know, this legislation enjoys broad support from a somewhat unusual coalition, including majority and minority leadership, conservatives and liberals, and business and labor groups. To that end, I look forward to a fair, open, and thorough debate on this bill. It is a good bill. I urge my colleagues to support this rule and the underlying legislation.

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

Mr. HASTINGS of Florida. Mr. Speaker, I thank the gentlewoman for yielding me the time, and I yield myself such time as I may consume.

Mr. Speaker, I rise today in opposition to H.R. 1829, the Federal Prison Industries Competition in Contracting Act of 2003. In 1934, Congress established Federal Prison Industries, a government corporation that employs inmates in Federal prisons to produce goods and services for the Federal Government. FPI employs 21,000 inmates in 111 prison factories to manufacture a number of products for the government. Prisoners manufacture such items as clothing, textiles, electronics, fleet management and vehicular components, graphics and industrial products. In return for cheap labor, inmates receive valuable job training opportunities that teach them the necessary skills that may help them become productive, hardworking citizens once they reenter society.

Under current Federal law, FPI is a mandatory source of goods and services for Federal agencies. That means, Mr. Speaker, that any agency that wants to buy at least \$2,500 worth of goods and services must first seek to do so through FPI. If FPI cannot process an order, the agency is then given a waiver to make the purchase from another source.

Mr. Speaker, this legislation seeks to phase out, over a 5-year period, the preference given to Federal Prison Industries in contracts with Federal agencies. Supporters claim that it is unfair to exclusively employ prisoners when small businesses and private firms want to secure contracts with the Federal Government. However, I claim that if it ain't broke, don't fix it. I claim that it is unfair to spend \$587 million tax dollars to dissolve an effective and self-sustaining program.

□ 1245

I claim that it is unfair to obligate an additional \$75 million a year for the

next 5 years to implement an educational and vocational program to replace the already successful educational and vocational program. I say that is a wasteful way to spend tax dollars.

As a former judge, I know the importance of prison employment training programs. I personally witnessed the benefits of giving prisoners constructive work when incarcerated. While the FPI may be reform, I propose we seek other options. I propose we first ask the Bureau of Prisons what they think about reforming FPI. I propose we ask the Federal agencies that receive FPI products and services what improvements can be made. I am not convinced that H.R. 1829 is necessary or that it is the best solution in reforming Federal Prison Industries. Mr. Speaker, I will oppose H.R. 1829.

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

Mrs. MYRICK. Mr. Speaker, I yield 6 minutes to the gentleman from Michigan (Mr. HOEKSTRA), the sponsor of this bill.

Mr. HOEKSTRA. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, H.R. 1829, the Hoekstra-Frank-Collins-Maloney-Sensenbrenner-Conyers Federal Prison Industries Competition in Contracting Act of 2003 will bring fundamental and necessary comprehensive reform to Federal Prison Industries, Incorporated.

This is a Depression-era authorizing statute that permits it to operate in a manner that is detrimental to all participants in the Federal procurement process except Federal Prison Industries. Change is needed.

Because of FPI's status as a mandatory source, noninmate workers and the firms that employ them are completely precluded from having the opportunity to even bid, to even bid, on almost \$700 million in Federal contracting opportunities, contracting opportunities that are funded by the tax dollars of those workers and those firms. Workers are denied the job opportunities funded by these Federal contracts.

That is why the bill is supported by a broad coalition of business groups led by the U.S. Chamber of Commerce and NFIB. That is why the bill is concurrently supported by organized labor led by the AFL-CIO with the vocal support of its affiliated unions whose members are most impacted. They included the IAM, the International Association of Machinists and Aerospace Workers; UNITE!, the Union of Needletrades, Industrial, and Textile Employees; the UAW, the United Automobile, Aerospace and Agricultural Implement Workers of America; AFSCME; the IBT, the International Brotherhood of Teamsters; and CJA, the United Brotherhood of Carpenters and Joiners of America.

Because of FPI's mandatory-source status, FPI's captive Federal agency customers cannot get the best value for

the taxpayer dollars entrusted to their care. They are required, required, to purchase from FPI. FPI, rather than the Federal agency, determines whether FPI's offered product and promised delivery schedule meets the mission needs of the buying agency. FPI, rather than the buying agency, determines whether FPI's price represents even an approximation of a fair and reasonable price.

That is why H.R. 1829 enjoys the support of Federal managers represented by Federal Managers Association.

The justification for FPI's mandatory-source status is that inmate work opportunities help combat idleness and better prepare inmates for a successful return to society. Neither of these cited benefits are linked to the corrosive manner in which FPI is currently permitted to operate in the Federal market.

Frequently cited is the statistic that inmates participating in prison industry programs are 24 percent less likely to return to prison. That finding is drawn from the report of a multiyear study by the Federal Bureau of Prisons, the "Post-Release Employment Project." What the proponents of the status quo forget to mention is that the same PREP study demonstrated that inmates participating in remedial and vocational education programs were 33 percent less likely to return to prison. Such programs better prepare inmates for a successful return to society; but FPI does not use one dime, not one dime of its gross profits, which were \$72 million in fiscal year 2002, to fund such educational programs. No. Those gross profits are devoted exclusively to FPI's expansion.

H.R. 1829 provides additional funding to expand the opportunities for Federal inmates to participate in remedial and modern hands-on vocational training programs, those that are most likely to reduce recidivism. H.R. 1829 will require FPI to help fund the broad array of alternative rehabilitative programs authorized by the bill.

Similarly, H.R. 1829 provides alternative work opportunities for inmates by authorizing them to do work for nonprofit entities. No one is against prisoners working. No one is against prisoners acquiring the skills to be successful once they leave. So we offer them additional work opportunity; plus we enable them to continue to compete for Federal Government business. All 1829 does is say they have to compete for the business, and they have to compete successfully if they are going to get it.

I also intend to offer an amendment that will broaden the bill in this regard, allowing Federal inmates to perform services in support of units of local governments and special-purpose districts like school districts. A public service inmate program run by the Ohio Department of Corrections now provides more inmate jobs than the Department's traditional industries program. Such a program provides no un-

fair competition to the private sector and costs less to operate than the traditional prison industry program.

Mr. Speaker, I urge adoption of the rule and look forward to what I expect will be a spirited debate on the bill tomorrow. This is an important issue. My colleague on the Permanent Select Committee on Intelligence indicated that there is not a need for change. There is a phenomenal need for change around the country. Members have joined in this effort to reform Federal Prison Industries because their constituents have been negatively impacted. They have lost the opportunity to provide goods and services to the Federal Government. Even though they can provide them at a better price and a better quality and a better delivery schedule, they cannot even compete for the business. That is why we have got a broad coalition of business, labor, and Federal Government procurement managers who are saying this is the way to go. They sense the need for change.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. SCOTT), my good friend.

Mr. SCOTT of Virginia. Mr. Speaker, the Federal Prison Industries program, or FPI, has been around since the 1930s. Under the law, the Federal agencies are required to buy needed products from FPI if they can meet the order. The purpose of the program is to teach prisoners real work skills so when they are released from prison, they will be able to find and hold jobs to support themselves and their families and be less likely to commit more crimes.

And it is clear that the program works to do just that. Follow-up studies covering as much as 16 years of data have shown that inmates who participate in prison industries are more likely to be employed and less likely to commit crimes than others who do not participate in the program. And while this certainly benefits the offenders and their families, that is beside the point from a public policy perspective. The real benefit is that all of us, as a result of the program, are less likely to be victims of crimes. We are prepared to spend billions of dollars in prison construction and prison upkeep in our efforts to reduce crime. This program reduces crime and pays for itself.

H.R. 1829 will result in fewer inmate jobs, with increased taxpayer costs and an increase in crime. The CBO, for example, estimates it will cost at least \$177 million just in extra security costs to guard the inmates made idle by this bill.

The total revenues of FPI represent a very small percent, approximately 1/4 of 1 percent of Federal agency procurement dollars, about the same as it was when it started in 1934. Furniture and apparel industries are two industries in which FPI does most of its work; but when asked, a representative of these industries conceded that FPI sales represent "insignificant" and "negligible"

portions of their industries. And if such industries have problems, it is not due to FPI. On textiles, for example, I was told that 600,000 jobs were lost over the last 10 years. Where there are approximately 7,000 prisoners working in textiles in FPI, we certainly cannot blame 7,000 prisoners for the loss of 600,000 jobs.

The program generates almost as much business as it takes in by pumping three quarters of the roughly \$600 million it takes in back into the economy to purchase supplies and whatnot, primarily from small minority and women-owned and disadvantaged businesses. The FPI has received awards for spending almost 60 percent of its expenditures in these small and disadvantaged businesses.

I am the first to concede that there may be problems with FPI which should be fixed. When a small business making a single product such as an Army helmet is dependent on the Department of Defense for contracts for its operations, FPI should not be able to take away that business. But this bill should be fixing the problems not by gutting it by taking away all its primary source of contracts. And while the bill suggests that the lack of competition is a problem, the bill seeks to stranglehold FPI as a competitor not only by strengthening the prohibitions against activities in the commercial market but also in the government as well. We are already seeing the effects of a Department of Defense restriction in FPI passed last year. The information I have obtained from the program indicates that it has already had to close 13 factories and eliminate over 1,700 inmate jobs and expects to eliminate an additional 500 jobs before the end of the year.

We should fix these problems, but we should do so in a way that assures the viability of the vital crime-reducing program. With additional prisons scheduled to come on line over the next few years, we can ill afford to diminish the successful crime-reduction program. But for their crimes and imprisonment, they are indistinguishable from the rest of us; and treating them as if they are a foreign competitor and viewing the work as private businesses, we should not be in a position where the policy of the committee with oversight responsibility for the safe and efficient operation of our prisons should be at risk.

Mr. Speaker, these are important jobs. This program reduces crime. We can do better than just gut the entire program with a meat ax approach. We can improve the program without ending it. So I would hope that we would defeat the rule and, if the rule passes, defeat the bill.

Mrs. MYRICK. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership.

I rise in support of this rule and in support of the bill that will protect the jobs of American taxpayers. In a time when 3 million workers have lost their jobs, we should be doing everything possible to keep workers employed. FPI is not competing on a level playing field. It pays its workers pennies and is not required to pay taxes. With its predatory practices, FPI has contributed to the closure of private companies and the loss of tens of thousands of jobs throughout our Nation.

With its predatory practices, I confronted them in 1997 when they tried to close one of my constituent's company, Glamour Glove. FPI sought to simply come in and take away all the competitively won contracts with the Department of Defense to make military gloves. If they had succeeded, Glamour Glove would be out of business and the workers of UNITE! would have been out of work. Outraged, I appeared before the FPI board with the gentleman from Michigan (Mr. HOEKSTRA), who was facing similar challenges in his own district, and we were successful in negotiating and saving these jobs; but this effort led to the bill that we have before us today.

□ 1300

It has been a 7-year effort. I thank the gentleman from Michigan (Mr. HOEKSTRA) for helping me save the jobs in Glamour Glove and for his work on this legislation.

By passing this bill, we will save thousands of jobs across this country, and we will protect competition. We will allow the prison industries to compete with hardworking, tax-paying workers in America. This legislation will ensure that contracts are awarded to the company that will provide the best products, delivered on time and at the best prices, thereby saving not only jobs, but taxpayer dollars; in short, the way the free market is supposed to operate.

The bill has large bipartisan support, over 140 of our colleagues on both sides of the aisle, and it has support both from the business community, led by the Chamber of Commerce, and organized labor, led by the AFL-CIO.

Passage of this legislation will not mean that inmates will sit idly in prison. It also requires and provides for alternative rehabilitative opportunities, including work in support of nonprofit public service organizations, to better prepare inmates for a successful return to society.

I urge my colleagues to put an end to this unfair, government-sponsored monopoly, which really would be more at home in communist Russia, under Fidel Castro or in mainland China, where people are paid pennies for their work, where there is no competition and workers are stripped of their jobs and thrown out on the street and not even given an opportunity to compete.

This allows our workers to compete. It will save jobs. It is good for America, it is good for workers, and it is good for business. I urge a yes vote on the underlying bill and the rule.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS), my good friend from Chicago.

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentleman for yielding me time.

Mr. Speaker, at first blush, I thought that this was a good bill, good piece of legislation, that it made some sense. But then I thought about the fact that the goal of our prison system really should be to try and make sure that individuals are better off when they leave than they were when they got there.

If they cannot read, we need to teach them how to read; if they cannot write, we should teach them how to write; if they have got drug problems, we should give them counseling and treatment; if they do not have job skills, if they have never had a work ethic, then we ought to provide opportunities for them to learn what work is all about.

We ought to provide an opportunity for them to develop a skill, so that when they get out, there is something that they can do, other than stand on the corner and holler "crack and blow," or "pills and thrills." Any diminution of opportunity for these individuals to work is not in the best interest of America. It will cause recidivism, and those who get out will be right back. So I would urge us to look seriously.

I understand competition. I understand small business. I am an avid supporter of small business, but I believe that we would do much more harm than good by denying any single person incarcerated the opportunity to work and learn a skill.

I will vote no, and urge that we reject this rule and this bill.

Mr. HASTINGS of Florida. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.J. RES. 76, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2004

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 430 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 430

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in