

transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Boeing Model 767 Series Airplanes" (Docket 99-NM-39-AD) received on March 29, 1999; to the Committee on Commerce, Science, and Transportation.

EC-2604. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Table of Allotments, FM Broadcast Stations: Pauls Valley and Wynnewood, Oklahoma" (Docket 98-140) received on March 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-2605. A communication from the President of the United States, transmitting, pursuant to law, the report concerning developments in Kosovo and the region, particularly Macedonia and Albania; to the Committee on Foreign Relations.

EC-2606. A communication from the President of the United States, transmitting, pursuant to law, the report concerning the decision to deploy additional United States forces to Albania; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under the authority of the order of the Senate of March 25, 1999, the following reports of committees were submitted on March 26, 1999:

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

S. 148: A bill to require the Secretary of the Interior to establish a program to provide assistance in the conservation of neotropical migratory birds (Rept. No. 106-36).

By Mr. ROTH, from the Committee on Finance, with an amendment in the nature of a substitute:

S. 331: A bill to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes (Rept. No. 106-37).

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 380: A bill to reauthorize the Congressional Award Act (Rept. No. 106-38).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

S. 574: A bill to direct the Secretary of the Interior to make corrections to a map relating to the Coastal Barrier Resources System (Rept. No. 106-39).

By Mr. HELMS, from the Committee on Foreign Relations, with amendments:

S. Res. 26: A resolution relating to Taiwan's Participation in the World Health Organization.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 461: A bill to assure that innocent users and businesses gain access to solutions to the year 2000 problem-related failures through fostering an incentive to settle year 2000 lawsuits that may disrupt significant sectors of the American economy.

By Mr. HELMS, from the Committee on Foreign Relations, with an amendment:

S. Con. Res. 17: A concurrent resolution concerning the 20th Anniversary of the Taiwan Relations Act.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND:

S. 763. A bill to amend title 10, United States Code, to increase the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, and for other purposes; to the Committee on Armed Services.

By Mr. THURMOND (for himself and Mr. HATCH):

S. 764. A bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes; to the Committee on the Judiciary.

By Ms. COLLINS (for herself and Mr. TORRICELLI):

S. 765. A bill to ensure the efficient allocation of telephone numbers; to the Committee on Commerce, Science, and Transportation.

By Mr. LEVIN (for himself, Mr. ABRAHAM, Mr. ROBB, Mr. HELMS, and Mr. FEINGOLD):

S. 766. A bill to amend title 18, United States Code, to revise the requirements for procurement of products of Federal Prison Industries to meet needs of Federal agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. COVERDELL (for himself, Mr. LEVIN, Mr. MCCAIN, Mr. TORRICELLI, Mrs. HUTCHISON, and Mr. CLELAND):

S. 767. A bill to amend the Internal Revenue Code of 1986 to provide a 2-month extension for the due date for filing a tax return for any member of a uniformed service on a tour of duty outside the United States for a period which includes the normal due date for such filing; read the first time.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 763. A bill to amend title 10, United States Code, to increase the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, and for other purposes; to the Committee on Armed Services.

SBP BENEFITS IMPROVEMENT ACT OF 1999

Mr. THURMOND. Mr. President, today, as our Armed Forces are engaged in operations over Yugoslavia, I am introducing legislation that corrects a long-standing injustice to the widows of our military retirees. My bill would immediately increase for survivors over the age 62 the minimum Survivor Benefit Plan annuity from 35 percent to 40 percent of the Survivor Benefit Plan-covered uniform services retired pay. The bill would provide a further increase to 45 percent of covered retired pay as of October 1, 2004.

Mr. President, I expect every member of the Senate has received mail from military spouses expressing dismay that they would not be receiving the 55 percent of their husband's retirement

pay as advertised in the Survivor Benefit Plan literature provided by the military. The reason that they do not receive the 55 percent of retired pay is that current law mandates that at age 62 this amount be reduced either by the amount of the Survivors Social Security benefit or to 35 percent of the SBP. This law is especially irksome to those retirees who joined the plan when it was first offered in 1972. These service members were never informed of the age-62 reduction until they had made an irrevocable decision to participate. Many retirees and their spouses, as the constituent mail attests, believed their premium payments would guarantee 55 percent of retired pay for the life of the survivor. It is not hard to imagine the shock and financial disadvantage these men and women who so loyally served the Nation in troubled spots throughout the world undergo when they learn of the annuity reduction.

Mr. President, uniformed services retirees pay too much for the available SBP benefit both, compared to what we promised and what we offer other federal retirees. When the Survivor Benefit Plan was enacted in 1972, the Congress intended that the government would pay 40 percent of the cost to parallel the government subsidy of the Federal civilian survivor benefit plan. That was short-lived. Over time, the government's cost sharing has declined to about 26 percent. In other words, the retiree's premiums now cover 74 percent of expected long-term program costs versus the intended 60 percent. Contrast this with the federal civilian SBP, which has a 42 percent subsidy for those personnel under the Federal Employees Retirement System and a 50 percent subsidy for those under the Civil Service Retirement System. Further, Federal civilian survivors receive 50 percent of retired pay with no offset at age 62. Although Federal civilian premiums are 10 percent retired pay compared to 6.5 percent for military retirees, the difference in the percent of contribution is offset by the fact that our service personnel retire at a much younger age than the civil servant and, therefore pay premiums much longer than the federal civilian retiree.

Mr. President, two years ago, with the significant support from the Members of the Senate Armed Services Committee, I was successful in gaining approval from the Congress in enacting the Survivor Benefit Plan benefits for the so-called Forgotten Widows. This is the second step toward correcting the Survivors Benefit Plan and providing the surviving spouses of our military personnel earned and paid for benefits. I urge that the Senate act promptly on this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "SBP Benefits Improvement Act of 1999".

SEC. 2. COMPUTATION OF SURVIVOR BENEFITS.

(a) INCREASED BASIC ANNUITY.—(1) Subsection (a)(1)(B)(i) of section 1451 of title 10, United States Code, is amended by striking "35 percent of the base amount." and inserting "the product of the base amount and the percent applicable for the month. The percent applicable for a month is 35 percent for months beginning on or before the date of the enactment of the SBP Benefits Improvement Act of 1999, 40 percent for months beginning after such date and before October 2004, and 45 percent for months beginning after September 2004."

(2) Subsection (a)(2)(B)(i)(I) of such section is amended by striking "35 percent" and inserting "the percent specified under subsection (a)(1)(B)(i) as being applicable for the month".

(3) Subsection (c)(1)(B)(i) of such section is amended—

(A) by striking "35 percent" and inserting "the applicable percent"; and

(B) by adding at the end the following: "The percent applicable for a month under the preceding sentence is the percent specified under subsection (a)(1)(B)(i) as being applicable for the month."

(4) The heading for subsection (d)(2)(A) of such section is amended to read as follows: "COMPUTATION OF ANNUITY.—"

(b) ADJUSTED SUPPLEMENTAL ANNUITY.—Section 1457(b) of title 10, United States Code, is amended—

(1) by striking "5, 10, 15, or 20 percent" and inserting "the applicable percent"; and

(2) by inserting after the first sentence the following: "The percent used for the computation shall be an even multiple of 5 percent and, whatever the percent specified in the election, may not exceed 20 percent for months beginning on or before the date of the enactment of the SBP Benefits Improvement Act of 1999, 15 percent for months beginning after that date and before October 2004, and 10 percent for months beginning after September 2004."

(c) RECOMPUTATION OF ANNUITIES.—(1) Effective on the first day of each month referred to in paragraph (2)—

(A) each annuity under section 1450 of title 10, United States Code, that commenced before that month, is computed under a provision of section 1451 of that title amended by subsection (a), and is payable for that month shall be recomputed so as to be equal to the amount that would be in effect if the percent applicable for that month under that provision, as so amended, had been used for the initial computation of the annuity; and

(B) each supplemental survivor annuity under section 1457 of such title that commenced before that month and is payable for that month shall be recomputed so as to be equal to the amount that would be in effect if the percent applicable for that month under that section, as amended by this section, had been used for the initial computation of the supplemental survivor annuity.

(2) The requirements for recomputation of annuities under paragraph (1) apply with respect to the following months:

(A) The first month that begins after the date of the enactment of this Act.

(B) October 2004.

(d) RECOMPUTATION OF RETIRED PAY REDUCTIONS FOR SUPPLEMENTAL SURVIVOR ANNU-

ITIES.—The Secretary of Defense shall take such actions as are necessitated by the amendments made by subsection (b) and the requirements of subsection (c)(1)(B) to ensure that the reductions in retired pay under section 1460 of title 10, United States Code, are adjusted to achieve the objectives set forth in subsection (b) of that section.

By Mr. THURMOND (for himself and Mr. HATCH):

S. 764. A bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes; to the Committee on the Judiciary.

THE FREEDOM FROM UNION VIOLENCE ACT

Mr. THURMOND. Mr. President, today, I am introducing legislation to close a long-standing loophole in our Nation's labor laws. The purpose of the bill is to make clear that violence conducted in the course of a strike is illegal under the Federal extortion law, the Hobbs Act. I am pleased to have Senator HATCH, Chairman of the Judiciary Committee, join me once again in introducing this important measure.

Violence has no place in our society. As I have said many times before, I would, if it were in my power to do so, put an absolute stop, without any compromise, to the disruption of commerce in this country by intimidation and violence, whatever its source.

Unfortunately, corrupt union officials have often been the source of such violence. Encouraged by their special Federal exemption from prosecution, corrupt union officials have routinely used intimidation and violence over the years to achieve their goals. Since 1975, the Institute for Labor Relations Research has documented over 9,000 reported incidents of union violence in America.

Let me make clear that I agree that the Federal government should not get involved in minor, isolated physical altercations and vandalism that are bound to occur during a labor dispute when emotions are charged and tempers flare. Action such as this is not significant to commerce. However, when union violence moves beyond this and becomes a pattern of violent conduct or of coordinated violent activity, the Federal government should be empowered to act. State and local governments sometimes fail to provide an effective remedy, whether because of a lack of will, a lack of resources, or an inability to focus on the interstate nature of the conduct. It is during these times that Federal involvement is needed to help control and stop the violence.

Let me also note that this legislation has never been an effort to involve the Federal government in a matter that traditionally has been reserved for the states. Labor relations are regulated on a national basis, and labor management policies are national policies. There is no reason to keep the Federal Government out of serious labor vio-

lence that is intended to achieve labor objectives. Indeed, the Congress intended for the Hobbs Act to apply to the conduct we are addressing in this legislation today. The decision to keep the Federal government out was not made by the Congress. Rather, it was made by the Supreme Court in the United States versus Enmons decision in 1973, when the Supreme Court found that the Hobbs Act did not apply to a lawful strike, as long as the purpose of the strike was to achieve "legitimate labor objectives," such as higher wages. Such an exception does not exist in the words of the statute. The Court could only create this loophole through a strained interpretation of the statute and a selective reading of its legislative history. In his dissent, Justice Douglas aptly criticized the majority for, "achieving by interpretation what those who were opposed to the Hobbs Act were unable to get Congress to do."

More specifically, the Enmons decision involved the Hobbs Anti-Racketeering Act which is intended to prohibit extortion by labor unions. It provides that: "Whoever in any way . . . obstructs, delays, or affects commerce in the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires to do so or commits or threatens physical violence to any person or property . . ." commits a criminal act. This language clearly outlaws extortion by labor unions. It outlaws violence by labor unions.

Although this language is very clear, the Supreme Court in Enmons created an exemption to the law which says that as long as a labor union commits extortion and violence in furtherance of legitimate collective-bargaining objectives, no violation of the act will be found. Simply put, the Court held that if the ends are permissible, the means to that end, no matter how horrible or reprehensible, will not result in violation of the act.

Let me discuss the Enmons case. In that case, the defendants were indicted for firing high-powered rifles at property, causing extensive damage to the property owned by a utility company—all done in an effort to obtain higher wages and other benefits from the company for striking employees. The indictment was, however, dismissed by the district court on the theory that the Hobbs Act did not prohibit the use of violence in obtaining legitimate union objectives. On appeal, the Supreme Court affirmed.

The Supreme Court held that the Hobbs Act does not proscribe violence committed during a lawful strike for the purpose of achieving legitimate collective-bargaining objectives, like higher wages. By its focus upon the motives and objectives of the property claimant who uses violence or force to achieve his or her goals, the Enmons

decision has had several unfortunate results. It has deprived the Federal Government of the ability to punish significant acts of extortionate violence when they occur in a labor management context. Although other Federal statutes prohibit the use of specific devices or the use of channels of commerce in accomplishing the underlying act of extortionate violence, only the Hobbs Act proscribes a localized act of extortionate violence whose economic effect is to disrupt the channels of commerce. Other Federal statutes are not adequate to address the full effect of the Enmons decision.

The Enmons decision affords parties to labor-management disputes an exemption from the statute's broad prescription against violence which is not available to any other group in society. This bill would make it clear that the Hobbs Act punishes the actual or threatened use of force and violence which is calculated to obtain property without regard to whether the extortionist has a colorable claim to such property, and without regard to his or her status as a labor representative, businessman, or private citizen.

In short, the Enmons decision is an unfortunate example of judicial activism, of a court interpreting a statute to reach the policy result the court favors rather than the one the legislature intended. This is a problem that has concerned many of us in the Senate for many years. We have held numerous hearings on this matter in the Judiciary Committee since the Enmons decision. Our most recent hearing was in the last Congress after the UPS strike.

It is time we closed the loophole on union violence in America. It is my hope that this year we will be successful.

By Ms. COLLINS (for herself and Mr. TORRICELLI):

S. 765. A bill to ensure the efficient allocation of telephone numbers; to the Committee on Commerce, Science, and Transportation.

AREA CODE CONSERVATION ACT

Ms. COLLINS. Mr. President, on behalf of Senator TORRICELLI and myself, I am pleased to introduce today the Area Code Conservation Act. This legislation is designed to spare American businesses and households the expense and inconvenience of unnecessary changes in their area codes.

Mr. President, our current system for allocating numbers to local telephone companies is woefully inefficient. It leads to the exhaustion of an area code long before all the telephone numbers covered by that code are actually in use. My legislation will take steps to stop this wasteful practice and to bring some measure of sanity to our system of allocating telephone numbers.

When area codes were first introduced in 1947, 86 area codes covered all

of North America. During the three-year period beginning on January 1, 1998, it is estimated that we will add 90 new area codes in the United States alone. In short, Mr. President, in only three years, we will add more codes than were originally required to cover the entire continent. And there does not seem to be an end in sight.

To the extent that additional area codes are needed to bring new telecommunications services to existing users or existing services to new users, they are a price we must pay. To the extent they are the result of inefficient practices, however, they are a price we must avoid. Unfortunately, the latter is far too frequently the case, as I shall explain.

The problem addressed by my legislation stems from a very simple fact. When a new carrier wishes to provide competitive telephone service in a community, it must obtain at least one central office code. Because it contains its own unique three-digit prefix within an area code, each central office code—and herein lies the crux of the problem—includes 10,000 telephone numbers. Thus, even if a telephone carrier expects to serve only five hundred customers in the community, it will exhaust 10,000 phone numbers in the process. And the ultimate effect of this occurring on a repeated basis is to exhaust all of the numbers in the area code, thereby requiring that a new area code be created.

Let me illustrate this further. Let's assume that a town of 12,000 households, each with one telephone line, is served by a single telephone carrier. The carrier will be able to meet the demand with only two central office codes and still have about 8,000 numbers for new customers. Assume further that three new competitors enter the market, which would be a welcome development and one that the 1996 Telecommunications Act was enacted to promote. Since central office codes are not shared by carriers, each new competitor would need its own code consisting of 10,000 telephone numbers. As you can see when you do the math, we would go from exhausting 20,000 numbers to exhausting 50,000 numbers to serve our town of just 12,000 households.

My own home state of Maine dramatically reflects the problem inherent in the current system. With a population of about 1.2 million people, we have 5.7 million unused telephone numbers out of the roughly 8 million usable numbers in our area code 207. However, more than 3 million of the unused numbers are within central office codes that have already been assigned, making them unavailable for other carriers. Thus, despite the fact that more than 70% of the telephone numbers in the 207 area code are not in use, Maine has been notified by the North American Numbering Plan Administrator

that it will be forced to create a new area code by the Spring of the year 2000.

As one Maine commentator noted, even if every moose in Maine had a telephone number, we would still have plenty of numbers left over. Yet, we are told we will soon need another area code, something that probably make as much sense to our moose as to our people.

Mr. President, this paradigm of inefficiency in the midst of America's telecommunications revolution might almost be amusing were it not for the fact that it causes real hardships for many small businesses. With its great beauty, the Maine coast relies heavily on tourism for its economic health. We have heard from businesspeople throughout our coastal communities—a gallery owner in Rockport, an innkeeper in Bar Harbor, and a schooner captain in Rockland—who are among those who are rightly concerned about the cost of updating brochures, business cards, and other promotional literature, all of which will be necessitated by having a new area code. And as the innkeeper also told my office, it takes as long as 2 years to revise some guide books, the biggest source of information for many of his guests. Changing the area code could therefore lead to a significant loss of business and unneeded expenses for these small businesses.

Along with the economic cost, new area codes create tremendous disruption and confusion for consumers. With geographically split area codes, States, counties, and cities are split apart, creating new territorial boundaries that only serve to divide citizens. With overlay area codes, even more confusion can result. Just imagine having to dial up a different area code in order to order a pizza from a delivery service just down the street.

The legislation I am introducing today will resolve these problems and bring common sense to the process of allocating telephone numbers. The Area Code Conservation Act will set a date certain by which the Federal Communications Commission must develop a plan for the efficient allocation of telephone numbers. Consistent with the provisions of the Telecommunications Act of 1996, the plan must include measures to ensure that telephone numbers will be portable when customers change carriers and that unassigned numbers in a central office code will not be the exclusive property of a single carrier.

The Area Code Conservation Act would also give decision-making authority to the States, where officials know the best policies to promote competition while minimizing costs and confusion to businesses and consumers. Specifically, the Act would authorize State public utility commissions to implement area code conservation

measures while the FCC is developing its plan and, I would hope, before a new area code is needlessly forced on the State. These conservation measures could include minimum fill rates for central office codes, mandatory 1,000-block pooling, individual number pooling, and interim unassigned number porting.

The legislation would also allow State commissions to require the return of unused or underused central office codes to the numbering administrator.

In developing this legislation, I received valuable assistance and technical advice from the Maine Public Utilities Commission. I have every confidence in the ability of the Maine PUC and, indeed, State commissions throughout this country to develop the best policy in this area.

The people of Maine welcome technological change and accept that it may come with a price. They are prepared to pay for innovation and progress, but they object—indeed, they should object—when they are asked to pay for inefficiency. When one looks behind its technical subject matter, this bill is about nothing more complicated than stopping a form of government waste. Such waste should not be tolerated by Members of this body, whether they come from States like Maine with a single area code or from States with cities already divided into different area codes.

I urge my colleagues to support my efforts to bring an end to this inefficiency and the unnecessary cost and inconvenience it will impose on our citizens, particularly our small businesses.

By Mr. LEVIN (for himself, Mr. ABRAHAM, Mr. ROBB, Mr. HELMS, and Mr. FEINGOLD):

S. 766. A bill to amend title 18, United States Code, to revise the requirements for procurement of products of Federal Prison Industries to meet needs of Federal agencies, and for other purposes; to the Committee on the Judiciary.

THE FEDERAL PRISON INDUSTRIES COMPETITION
IN CONTRACTING ACT

Mr. LEVIN. Mr. President, I am pleased to introduce, with Senators ABRAHAM, ROBB, HELMS, and FEINGOLD, the Federal Prison Industries Competition in Contracting Act. This bill, if enacted, would eliminate the requirement for Federal agencies to purchase products made by Federal Prison Industries and require FPI to compete commercially for Federal contracts. It would implement a key recommendation of the Vice President's National Performance Review, which concluded that we should "Take away the Federal Prison Industries' status as a mandatory source of federal supplies and require it to compete commercially for Federal agencies' business." Most im-

portantly, it would ensure that the taxpayers get the best possible value for their federal procurement dollars.

Mr. President, Federal Prison Industries has repeatedly claimed that it provides a quality product at a price that is competitive with current market prices. Indeed, the Federal Prison Industries statute requires them to do so. That statute states, and I quote, that FPI may provide to Federal agencies products that "meet their requirements" at prices that do not "exceed current market prices."

Indeed, FPI would appear to have a significant advantage in any head-to-head competition, since FPI pays inmates less than \$2 an hour, far below the minimum wage and a small fraction of the wage paid to most private sector workers in competing industries.

The taxpayers also provide a direct subsidy to Federal Prison Industries products by picking up the cost of feeding, clothing, and housing the inmates who provide the labor. There is no reason why we should provide an indirect subsidy as well, by requiring Federal agencies to purchase products from FPI even when they are more expensive and of a lower quality than competing commercial items.

Yet, FPI remains unwilling to compete with the private sector, or even to permit Federal agencies to compare their products and prices with those available in the private sector. Indeed, FPI recently published a proposed rule which would expressly prohibit Federal agencies from conducting market research, as they would ordinarily do, to determine whether the price and quality of FPI products is comparable to what is available in the commercial marketplace. Instead, federal agencies are required to contact FPI, which will act as the sole arbiter of whether the product meets the agency's requirements. The proposed rule states:

A contracting activity should not solicit bids, proposals, quotations, or otherwise test the market for the purpose of seeking alternative sources to FPI. . . . the contracting officer or activity should contact FPI, and FPI will determine . . . whether an agency's requirement can be met by FPI.

The reason for FPI's position is obvious: it is much easier to gain market share by fiat than it is to compete for business. Under FPI's current interpretation of the law, it need not offer the best product at the best price; it is sufficient for it to offer an adequate product at an adequate price, and insist upon its right to make the sale. Indeed, FPI currently advertises that it offers federal agencies "ease in purchasing" through "a procurement with no bidding necessary."

The result of the FPI's status as a mandatory source is not unlike the result of other sole-source contracting: the taxpayers frequently pay too much and receive an inferior product for

their money. When FPI sets its prices, it does not even attempt to match the best price available in the commercial sector; instead, it claims to have charged a "market price" whenever it can show that at least some vendors in the private sector charges as high a price. As GAO reported in August 1998, "The only limit the law imposes on FPI's price is that it may not exceed the upper end of the current market price range."

Yet, FPI appears to have had difficulty providing even this minimal protection for the taxpayer. GAO compared FPI prices for 20 representative products to private vendors' catalog or actual prices for the same or comparable products and found that for 4 of these products, FPI's price was higher than the price offered by any private vendor. Moreover, for five of the remaining products, FPI's price was at the "high end of the range" of prices offered by private vendors—ranking sixth, seventh, eighth, and ninth of the ten vendors reviewed, respectively. In other words, for almost half of the FPI products reviewed, the FPI approach appeared to be to charge the highest price possible, rather than the lowest price possible, to the Federal customer.

One example of FPI overpricing was presented in a December 19, 1997 letter that I received from a frustrated vendor. The vendor stated:

If the Air Force would purchase a completed unit as described in UNICOR's solicitation directly from a . . . manufacturer we estimate the cost will be approximately \$6,500.00. UNICOR is going to purchase a kit for \$9,259.00 and add their assembly and administrative costs to the unit. If UNICOR only adds \$1,500.00 to the total cost of the unit, it will cost the Air Force \$10,759.00. This is 66 percent higher than the current market price. If the Air Force purchases 8,000 units over the next five years it will cost the taxpayers an additional \$34,072,000.00 over what it would cost if they dealt directly with a manufacturer.

A second frustrated vendor reported a similar experience to me. The vendor's letter stated:

[FPI] bid on this item and simply because [FPI] did, I was told that the award had to be given to [FPI]. [FPI] won the bid at \$45 per unit. My company bid \$22 per unit. The way I see it, the government just overspent my tax dollars to the tune of \$1,978. The total amount of my bid was less than that. Do you seriously believe that this type of procurement is cost-effective?

I lost business, and my tax dollars were misused because of unfair procurement practices mandated by federal regulations. This is a prime example, and I am certain not the only one, of how the procurement system is being misused and small businesses in this country are being excluded from competition, with the full support of federal regulations and the seeming approval of Congress. It is far past the time to curtail this 'company' known as Federal Prison Industries and require them to be competitive for the benefit of all taxpayers.

This kind of overpricing has a real and dramatic impact on the ability of

the Department of Defense to purchase the products that they need to provide for the national defense and for the welfare of our men and women in uniform. For example, the Master Chief Petty Officer of the Navy testified before the House National Security Committee on July 30, 1996, and the FPI monopoly on government furniture contracts has undermined the Navy's ability to improve living conditions for its sailors. Master Chief Petty Officer John Hagan stated, and I quote:

Speaking frankly, the [FPI] product is inferior, costs more, and takes longer to procure. [FPI] has, in my opinion, exploited their special status instead of making changes which would make them more efficient and competitive. The Navy and other Services need your support to change the law and have FPI compete with [private sector] furniture manufacturers [under GSA contracts]. Without this change, we will not be serving Sailors or taxpayers in the most effective and efficient way.

Mr. President, I do not consider myself to be an enemy of Federal Prison Industries. I am a strong supporter of the idea of putting federal inmates to work. I understand that a strong prison work program not only reduces inmate idleness and prison disruption, but can also help build a work ethic, provide job skills, and enable prisoners to return to product society upon their release.

However, I believe that a prison work program must be conducted in a manner that is sensitive to the need not to unfairly eliminate the jobs of hard-working citizens who have not committed crimes. FPI will be able to achieve this result only if it diversifies its product lines and avoids the temptation to build its workforce by continuing to displace private sector jobs in its traditional lines of work. For this reason, I have been working since 1990 to try to help Federal Prison Industries to identify new markets that it can expand into without displacing private sector jobs.

Mr. President, avoiding competition is the easy way out, but it isn't the right way for FPI, it isn't the right way for the private sector workers whose jobs FPI is taking, and it isn't the right way for the taxpayer, who will continue to pay more and get less as a result of the mandatory preference for FPI goods. We need to have jobs for prisoners, but can no longer afford to allow FPI to designate whose jobs it will take, and when it will take them. Competition will be better for FPI, better for the taxpayer, and better for working men and women around the country.

ADDITIONAL COSPONSORS

S. 13

At the request of Mr. SESSIONS, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 13, a bill to amend the Internal Revenue

Code of 1986 to provide additional tax incentives for education.

S. 30

At the request of Mr. DASCHLE, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 30, a bill to provide contercyclical income loss protection to offset extreme losses resulting from severe economic and weather-related events, and for other purposes.

S. 59

At the request of Mr. THOMPSON, the names of the Senator from Missouri (Mr. BOND) and the Senator from Ohio (Mr. VOINOVICH) were added as cosponsors of S. 59, a bill to provide Government-wide accounting of regulatory costs and benefits, and for other purposes.

S. 162

At the request of Mr. BREAUX, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 162, a bill to amend the Internal Revenue Code of 1986 to change the determination of the 50,000-barrel refinery limitation on oil depletion deduction from a daily basis to an annual average daily basis.

S. 218

At the request of Mr. MOYNIHAN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 218, a bill to amend the Harmonized Tariff Schedule of the United States to provide for equitable duty treatment for certain wool used in making suits.

S. 250

At the request of Mr. HATCH, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 250, a bill to establish ethical standards for Federal prosecutors, and for other purposes.

S. 296

At the request of Mr. FRIST, the names of the Senator from Illinois (Mr. DURBIN), the Senator from New York (Mr. MOYNIHAN), and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 296, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 322

At the request of Mr. CAMPBELL, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 322, a bill to amend title 4, United States Code, to add the Martin Luther King Jr. holiday to the list of days on which the flag should especially be displayed.

S. 385

At the request of Mr. ENZI, the names of the Senator from Vermont (Mr. JEFFORDS), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Nebraska (Mr. HAGEL), and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. 385, a bill to

amend the Occupational Safety and Health Act of 1970 to further improve the safety and health of working environments, and for other purposes.

S. 443

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 443, a bill to regulate the sale of firearms at gun shows.

S. 459

At the request of Mr. BREAUX, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

At the request of Mr. ROBB, his name was added as a cosponsor of S. 459, *supra*.

S. 484

At the request of Mr. CAMPBELL, the names of the Senator from Kentucky (Mr. MCCONNELL), the Senator from Arkansas (Mr. HUTCHINSON), and the Senator from Minnesota (Mr. GRAMS) were added as cosponsors of S. 484, a bill to provide for the granting of refugee status in the United States to nationals of certain foreign countries in which American Vietnam War POW/MIAs or American Korean War POW/MIAs may be present, if those nationals assist in the return to the United States of those POW/MIAs alive.

S. 531

At the request of Mr. ABRAHAM, the names of the Senator from Ohio (Mr. VOINOVICH), the Senator from Illinois (Mr. FITZGERALD), the Senator from Maryland (Ms. MIKULSKI), the Senator from Illinois (Mr. DURBIN), the Senator from Texas (Mrs. HUTCHISON), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Delaware (Mr. ROTH), the Senator from South Dakota (Mr. DASCHLE), the Senator from New York (Mr. MOYNIHAN), the Senator from Kentucky (Mr. MCCONNELL), the Senator from Virginia (Mr. ROBB), the Senator from Florida (Mr. GRAHAM), the Senator from Wyoming (Mr. ENZI), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Washington (Mr. GORTON), the Senator from Tennessee (Mr. FRIST), the Senator from Rhode Island (Mr. REED), the Senator from Missouri (Mr. ASHCROFT), and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of S. 531, a bill to authorize the President to award a gold medal on behalf of the Congress to Rosa Parks in recognition of her contributions to the Nation.

S. 542

At the request of Mr. ABRAHAM, the names of the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of S. 542, a bill to amend the Internal Revenue Code of