

NEWS from ***Congressman Pete Hoekstra***

Michigan's Second Congressional District



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Hoekstra: Steady Progress Made in 2003 toward FPI Reform

*U.S. Rep. Pete Hoekstra Discusses Advancements in Reforming Federal Prison Industries
during Tuesday Event with Haworth Inc. Employees*

WASHINGTON, D.C. – During a meeting Tuesday with employees of Haworth Inc., U.S. Rep. Pete Hoekstra highlighted the steady progress that has been made in 2003 toward efforts to reform Federal Prison Industries (FPI).

“Over the past year we have made significant advancements in opening to private sector competition contracting opportunities that have traditionally been reserved for FPI,” said Hoekstra, R-Holland. “With momentum in our favor from the interim relief we have achieved, we will have a greater chance for all-encompassing permanent reform by the end of this legislative session.”

Under its 1934 authorizing statute, FPI is a mandatory source to all federal agencies, which must buy its offered products unless authorized by FPI to solicit bids from the private sector. Private sector firms are essentially precluded from competing for government contracts funded by their own tax dollars.

The Senate is currently considering legislation – Hoekstra’s *Federal Prison Industries Competition in Contracting Act of 2003* (H.R. 1829) – that will comprehensively and permanently reform FPI’s “super preference” among federal agencies. The House overwhelmingly passed the bill 350 to 65 in November.

The following is a timeline of significant events in the 108th Congress:

- March 11, 2003: Hoekstra testifies before the FPI Board of Directors, stating that bureaucrats running FPI continue to manipulate the process to expand its presence into the commercial market, despite the efforts of board members.
- April 16, 2003: Hoekstra introduces the *Federal Prison Industries Competition in Contracting Act* with the backing of a bipartisan group of 104 House co-sponsors and an extensive coalition representing business, labor and federal managers.

PAGE TWO—HOEKSTRA—FPI – 2003 ACCOMPLISHMENTS

- April 29, 2003: FPI releases an annual report that highlights an extraordinary 16 percent rate of growth, including a 25 percent increase in office furniture sales and a 216 percent increase in sales of fleet management and vehicular components.
- May 21, 2003: FPI's self-serving bureaucrats manipulate a measure designed to reform the agency to secure an office furniture contract for the renovation of the Federal Aviation Administration (FAA) headquarters. Grand Rapids office furniture manufacturer Steelcase submitted the original "winning" bid, which FPI subsequently took and matched with an almost identical bid.
- June 20, 2003: After pressure from Hoekstra, fellow Members of Congress, the FAA and the General Services Administration, FPI Chief Operations Officer Steve Schwalb agrees to "relinquish its right" to the FAA project.
- July 25, 2003: The House Committee on the Judiciary passes Hoekstra's bipartisan FPI reform bill.
- Nov. 6, 2003: The House overwhelmingly passes the bill 350 to 65.
- Nov. 20, 2003: The House passes legislation reauthorizing the intelligence community that includes a provision extending to all intelligence agencies, such as the CIA and the National Security Agency, the ability to determine whether an FPI-offered product or delivery schedule best meets its needs. Less sweeping interim relief had previously been reserved solely to the Department of Defense.
- Jan. 22, 2004: Congress passes the *Consolidated Appropriations Act of 2004*, which contains a provision to extend to all federal agencies relief from FPI's sole-source status for products through the end of the fiscal year.

"We were able to achieve several important goals over the past year, but a substantial amount of work remains ahead of us," Hoekstra said. "We will work closely with the Senate for the remainder of the legislative session to see a permanent solution through to the president's desk."

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