of our most effective tools in our battle against crime. Existing law requires law enforcement officials seeking a court order for a wiretap to specify the telephone to be intercepted. Unfortunately, the modern day criminal too often is aware of this limitation and uses different phones in different locations to carry out his illicit activity. By simply walking down the street to a local pay telephone, an individual suspected of criminal activity can thwart the reasonable investigative efforts of the law enforcement community.

To solve this growing problem, the multipoint wiretap provision of the Intelligence Authorization Act allows law enforcement officials to obtain court authorization to tap the phones that a person under suspicion actually uses. Thus, if a suspected drug trafficker uses a stolen cellular telephone rather than the phone in his/her residence, the law enforcement community would still be able to gather evidence of wrong-doing. To ensure that these new court-ordered authorizations do not infringe upon the privacy rights of law-abiding Americans, the Conference Report includes a provision that prohibits the activation of a tap unless it is reasonable to presume that the person under suspicion is about to use or is using a given telephone. This is a dramatic step forward for privacy rights because, under current law, once a tap is authorized it is active for the duration of the court order. Innocent Americans could have their conversations monitored if they use a phone also used by a criminal suspect. Under this new provision, the tap would only be operational when a suspect is involved in a conversation.

Mr. Speaker, in closing, I would like to commend the leadership of Chairman PORTER GOSS and ranking member NORM DICKS for their efforts on this provision. I would also like to commend Congressman BILL MCCOLLUM for his tireless efforts on this issue as well. I believe that a balance has been reached that gives the law enforcement community more effective tools to protect American citizens while also further protecting the privacy rights of our constituents. I urge the adoption of the Conference Report.

AVIATION CONSUMER RIGHT TO KNOW ACT

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. DEFAZIO. Mr. Speaker, I rise today to introduce the ''Aviation Consumer Right To Know Act,'' legislation to give consumers access to important airline industry information.

Twenty years after the deregulation of the airline industry a debate is raging about its benefits to consumers. Deregulation proponents tout the benefits of free market competition. However, to truly enjoy any of these benefits, consumers must have access to accurate information so they can make fully informed choices.

Although there is much debate about the impact of deregulation, it is quite clear that it is almost impossible for consumers to gain full access to information about the airline industry. The dizzying array of airline prices change constantly and inexplicably. The full selection of fares remains a mystery to consumers. Even travel agents do not have access to all available fares.

Many passengers are further bewildered when they book travel on one airline only to find upon boarding that they are actually flying on a totally different airline. Domestic codesharing agreements, primarily between larger airlines and small regional airlines, allow one airline to book tickets on another without disclosing this information to consumers.

To make booking travel easier, many consumers turn to travel agents for help. However, what most consumers do not know is that travel agents often get special incentives to book the majority of air travel sold through their agency on a particular airline. Travel agents are not currently required to disclose this information to customers. Travel agents provide an important service to the flying public by deciphering the baffling airline fare structure but consumers should also be aware that this information is not always unbiased.

Another area of frustration to consumers is the lack of accurate, consistent and realistic information about frequent flyer programs. Despite the popularity of frequent flyer programs, consumers find that when they actually choose to redeem awards, the destinations and times they want are not available. Many travelers choose an airline because of its frequent flyer program and it is important to fully disclose this type of information.

My bill would give consumers the information they need to make informed choices about what airlines to patronize. The Aviation Consumer Right To Know Act will, (1) require airlines and travel agents to disclose the actual air service carrier if it differs from the carrier issuing the ticket, (2) require travel agents to disclose any special incentives they get for booking travel on a particular airline, (3) require airlines to disclose all available fares, (4) require airlines to keep records on the likelihood of redeeming frequent flyer benefits for specific city-pairs.

I urge my colleagues to join me in sponsoring this legislation.

FEDERAL ACTIVITIES INVENTORY REFORM ACT OF 1998

SPEECH OF

HON. PETE SESSIONS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. SESSIONS. Mr. Speaker, I am pleased that the House is poised to pass S. 314, the Federal Activities Inventory Reform (FAIR) Act. This legislation is a consensus compromise bill. It is an important step in the process of ensuring that the component agencies of the Federal Government deliver performance to the taxpayers they serve. This legislation, combined with the Government Performance and Results Act, the Chief Financial Officer Act and other procurement and financial management reforms, will result in an improved Federal Government.

In the 1920s, Congress raised concern over the large numbers of additional Federal functions initiated during the First World War and never discontinued. These concerns resulted in hearings. Later, in the 1950s, the House of Representatives passed legislation to terminate commercial activities of the Federal Government. In response to this legislation the Bureau of the Budget, and later, the Office of Management and Budget, issued guidance for executive branch agencies on the issue of agencies performing commercial activities. This guidance is currently represented by OMB Circular A–76.

This policy has been erratically followed since its promulgation. Agencies routinely ignore the stated policy of the President. Among the greatest problems which we face with the ineffective Administrative policy regarding the performance of agency commercial activities are the following:

(1) Agencies do not develop accurate inventories of such activities,

(2) They do not conduct the reviews outlined in the Circular,

(3) When reviews are conducted they drag out over extended periods of time,

(4) Agencies initiate commercial activities without reference to the policy, and

(5) The criteria for the reviews are not fair and equitable.

For example, certain practices are tolerated which bias cost-comparison competitions in favor of the Federal Government. A description of the cost-comparison competition process illustrates this costly unfairness. First, when an action is to be taken, the agency develops a ''most efficient organization,'' designed to represent the best form to accomplish the purpose of the commercial activity. This MEO allows for agency commercial activities to reorganize prior to the competition. Agencies promise to shed staff and reorganize for efficiency. Sometimes, agencies do not make the changes promised under the MEO. And in no case are the post-competition promises of agency commercial activities verified or audited.

Once the MEO is established, two competitions are held. In the first competition, a commercial source is selected using performance-based criteria. The offeror representing the best value source is chosen. The winning offeror is often not the low-price offeror, since a higher-quality source can offer better value for the money. Then the best value commercial source is compared to the agency commercial activity on the basis of cost, regardless of performance or quality. The commercial source must then beat cost of the agency commercial activity, and do so by at least 10 percent.

In enacting S. 314, the Federal Activities Inventory Reform, it is the intent of Congress that the Director of the Office of Management and Budget take prompt action, through the budget process and regulations promulgated pursuant to this legislation, to ensure that:

1. Agency commercial activities establish and use cost accounting systems, as required under the Federal Accounting Standards Board (FASAB) and applicable law.

2. Agency commercial activities are not given an advantage in terms of avoiding any evaluation on performance.

3. Agency commercial activities are not given any preference merely because they are government agencies or the incumbent provider of goods or services. Agency commercial activities ought to be treated identically in this regard to commercial sources.

4. Agency commercial activities are evaluated after any award, and penalties for default are established. Such penalties should include re-competition or termination of the activity.

5. Agency commercial activities be evaluated upon their performance during the cost-

comparison competition process. If the offer of any commercial source is lower than the agency commercial activity, the in-house agency commercial activity should not be selected, even if another commercial source is the best value offeror, unless the agency commercial activity is the best value source.

6. Agency commercial activities are regularly subjected to competition to ensure that the taxpayer is getting the best value.

During the course of our hearings on this legislation, it became abundantly clear that there are certain activities that the Federal government has performed in-house which can and should be converted to the private sector. Areas such as architecture, engineering, auctions, surveying and mapping, laboratory testing, information technology, and laundry services have no place in government. These activities should be converted to performance by the private sector.

There are other activities in which a public-private competition should be conducted to determine which provider can deliver the best value to the taxpayer. Examples include base and facility operation and campgrounds.

Section 2(d) of the legislation requires the head of an agency to review the activities on its list of commercial activities ''within a reasonable time.'' Unfortunately, OMB opposed a legislative timetable for conducting these reviews. As a result of the compromise language on this matter, it will be incumbent on OMB to make certain these reviews are indeed conducted in a reasonable time frame. It is the intent of Congress in enacting this legislation that at the Department of Defense, agency commercial activities will be reviewed and competed within seven years. For the civilian agencies, it is the intent of Congress that such activities be reviewed before five years. I urge OMB to exercise strong oversight to assure timely implementation of this requirement by the agencies.

This provision also requires that agencies use a ''competitive process'' to select the course of goods or services. This term has the same meaning as ''competitive procedure'' as defined in Federal law (10 U.S.C. 2302(2) and 41 U.S.C. 259(b)). To the extent that a government agency competes for work under this section of the bill, the government agency will be treated as any other contractor or offeror in order to assure that the competition is conducted on a level playing field.

Another key decision which must be made is the determination of what is inherently governmental. The legislation continues current policy, embodied in OFPP Policy Letter 92–1. There will be certain agency commercial activities that may have components which are both inherently governmental and commercial in nature. Such activities should be segmented, so that the commercial activity can be studied for competition.

For example, one important agency function deals with the disposal of surplus government property. The Committee on Government Reform and Oversight is intimately familiar with such actions, due to its jurisdiction over the Federal Property and Administrative Services Act.

While an agency's decision of whether or not to dispose of excess, surplus and seized property is inherently governmental, the process of actually disposing of excess, surplus and seized property is not an inherently governmental function and, therefore, this activity should be listed on the commercial inventory under this legislation. There will be situations where disposal of property is an inherently governmental function, such as the disposal of certain surplus naval vessels and other weapons and weapon systems. But generally, such functions are commercial in nature, since the property disposal process generally is not so intimately connected with the public interest as to require performance by Federal employees. Therefore, Congress intends that property disposal would normally be conducted by contracting with commercial sources. The utilization of experienced, bonded commercial property disposal firms will assist the government to meet that goal, using the same structures and incentives as the private sector in disposing of excess, surplus and seized property. These practices are designed to maximize the commercial value of this property, while government practices and incentives are primarily designed to dispose of inventory as quickly as possible rather than maximizing the return on the dollar. That is the goal of this legislation.

Mr. Speaker, it is high time to pass this legislation. It is long overdue. So do all of your constituents a favor and vote for S. 314.

Executive Office of the President—Office of Management and Budget, Oct. 2, 1998

STATEMENT OF ADMINISTRATION POLICY

S. 314—FEDERAL ACTIVITIES INVENTORY REFORM ACT

(Thomas (R) WY and 16 cosponsors)

The Administration has no objection to S. 314, the ''Federal Activities Inventory Reform Act of 1998 (FAIR).'' The Act would reinforce efforts to improve the identification and review of non-inherently governmental activities. The bill permits the agencies to assess which functions should be submitted to competition with the private sector and allows the Government to choose the source—public or private—which is the most cost effective and in the best interests of the taxpayer. This bill is consistent with Administration efforts to reform Federal procurement and ensure that taxpayers receive the best value.

The Administration's policy is to promote competition to achieve the best deal for the taxpayer. Competition is an integral part of the Administration's overall reinvention and management improvement effort. The inventories of commercial activities required by the FAIR Act will help senior agency managers and OMB to identify opportunities not only for competition, but also other reinvention opportunities, including: re-engineering, organizational restructuring, termination decisions, and the possibility of applying new technologies, such as electronic commerce.

HONORING SENATOR JOHN GLENN

HON. ROBERT W. NEY
OF OHIO
HON. STEVE C. LaTOURETTE
OF OHIO
HON. JOHN A. BOEHNER
OF OHIO
HON. SHERROD BROWN
OF OHIO
HON. STEVE CHABOT
OF OHIO
HON. PAUL E. GILLMOR
OF OHIO
HON. TONY P. HALL
OF OHIO
HON. DAVID L. HOBSON
OF OHIO
HON. MARCY KAPTUR
OF OHIO
HON. JOHN R. KASICH
OF OHIO
HON. DENNIS J. KUCINICH
OF OHIO
HON. MICHAEL G. OXLEY
OF OHIO
HON. ROB PORTMAN
OF OHIO
HON. DEBORAH PRYCE
OF OHIO
HON. RALPH REGULA
OF OHIO
HON. THOMAS C. SAWYER
OF OHIO
HON. LOUIS STOKES
OF OHIO
HON. TED STRICKLAND
OF OHIO
HON. JAMES A. TRAFICANT, JR.
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 8, 1998

Mr. NEY. Mr. Speaker, my colleagues and I rise today to pay tribute to an American and Ohio hero. More than 35 years ago, JOHN GLENN made history as the first American to orbit the earth. On October 29, he will once again make history as the oldest man to travel into space. On behalf of the people of Ohio and the country, along with the rest of the members of the Ohio delegation, I would like to thank Senator GLENN for his dedicated service to our country and wish him the best of luck on his upcoming mission.

JOHN HERSCHEL GLENN, JR., is a true American hero. He has served his country honorably in the Marine Corps, in the U.S. Space Program and as a member of the United States Senate. On February 20, 1962, he became a national figure after becoming the first American to orbit the earth. Senator GLENN, a native of Ohio, has represented the working families of Ohio as their Senator since 1974. His upcoming shuttle mission and retirement at the end of this Congress will punctuate the