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LEGISLATIVE ALERT!

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May 11, 2011

Dear Representative:

On behalf of the AFL-CIO, I am writing to urge you to reject efforts to revive the A-76 privatization process when the Committee considers the FY 2012 National Defense Authorization Act (NDAA) later this week. The Government Accountability Office (GAO) and the Department of Defense (DOD) Inspector General have repeatedly found that no reliable methods have been established to accurately measure either costs or savings due to contracting out, and that the cost of carrying out the studies themselves often exceeds any of the alleged savings.

We also urge you to ensure that the Department's "efficiency initiative" does not impose disproportionate sacrifices on federal employees. We do not question the need for improved efficiency, but federal employee wages are currently capped at FY 2010 levels, with "very limited exceptions," while under the efficiency initiative spending on contractors is allowed to increase by 10 percent. DOD should not be allowed to continue with its "efficiency initiative" until the ongoing contractor inventory has been completed and the Department imposes sacrifices on contractors and not exclusively on federal employees. All DOD initiatives should be consistent with sourcing and workforce management laws.

Finally, we urge you to oppose any effort to prevent DOD from utilizing federal employees rather than contractors when it would be cost effective to do so, or when the work is too important or sensitive to privatize. DOD has successfully used insourcing to begin to rebalance the federal and contractor workforces. In addition, insourcing has been used to ensure in-house performance of inherently governmental and critical functions—e.g., preparing budgets, overseeing contractors, and developing regulations. According to the Pentagon, insourcing saved \$900 million in FY10 alone.

Sincerely,

William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT