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Congress of the United States
House of Representatives
Committee on Appropriations
Washington, DC 20515-6015

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The Honorable Federico Peña
 Secretary
 Department of Energy
 Washington, D.C. 20585

Dear Mr. Secretary:

As always, I enjoyed your appearance before the House Energy and Water Development Appropriations Subcommittee last month. I was pleased to hear your report that you have been a strong proponent of requiring competitive procurements as contracts expire at the Department's facilities. As you are no doubt aware, the Committee's concerns regarding the Department's contracting procedures resulted from the Department's history of having management and operating contracts which had never been bid competitively, in some cases for over four decades.

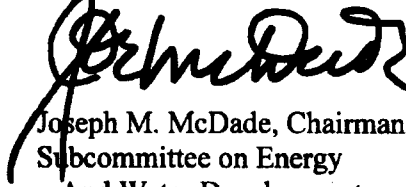
Ensuring competition for these situations in particular, and establishing competition as the norm for the Department's contracting, is imperative. However, I would also be concerned if the Department were to apply the new preference for competitive procurements too rigidly. The Committee is well aware that there may be circumstances where the existing contract has been competed in the past few years; the existing contractor has been doing a good job; the mission at a specific site has been scheduled to end in a limited amount of time; or the time required for a full competitive procurement would result in significant delays to an ongoing project. In those instances, the Committee would not object to a contract extension.

For the record, I want to make clear that it is my strong preference that the Department's contracts be competed in nearly all cases. However, I also want you to know that it is equally important that the waiver provision included in section 301 of Public Law 105-62, the Energy and Water Development Appropriations Act for 1998, be exercised in those cases where it is clearly in the taxpayers' interest to do so. I am particularly concerned that the delays, additional costs, and loss of momentum involved

in competing contracts for sites designated for accelerated closure could hamper the Committee's overriding interest in completing cleanup of these sites as quickly as possible.

Thank you again for your efforts to make the Department's contracting more open and effective.

Regards,



Joseph M. McDade, Chairman
Subcommittee on Energy
And Water Development