

IKE SKELTON, MISSOURI, CHAIRMAN  
JOHN SPRATT, SOUTH CAROLINA  
SOLOMON P. ORTIZ, TEXAS  
GENE TAYLOR, MISSISSIPPI  
NEIL ABERCROMBIE, HAWAII  
SILVESTRE REYES, TEXAS  
VIC SNYDER, ARKANSAS  
ADAM SMITH, WASHINGTON  
LORETTA SANCHEZ, CALIFORNIA  
MIKE MCINTYRE, NORTH CAROLINA  
ELLEN O. TAUSCHER, CALIFORNIA  
ROBERT A. BRADY, PENNSYLVANIA  
ROBERT ANDREWS, NEW JERSEY  
SUSAN A. DAVIS, CALIFORNIA  
JAMES R. LANGEVIN, RHODE ISLAND  
RICK LARSEN, WASHINGTON  
JIM COOPER, TENNESSEE  
JIM MARSHALL, GEORGIA  
MADELEINE Z. BORDALLO, GUAM  
BRAD ELLSWORTH, INDIANA  
PATRICK J. MURPHY, PENNSYLVANIA  
HANK JOHNSON, GEORGIA  
CAROL SHEA-PORTER, NEW HAMPSHIRE  
JOE COURTNEY, CONNECTICUT  
DAVID LOEBSACK, IOWA  
JOE SESTAK, PENNSYLVANIA  
GABRIELLE GIFFORDS, ARIZONA  
NIKI TSONGAS, MASSACHUSETTS  
GLENN NYE, VIRGINIA  
CHELLIE PINGREE, MAINE  
LARRY KISSELL, NORTH CAROLINA  
MARTIN HEINRICH, NEW MEXICO  
FRANK M. KRATOVIL, JR., MARYLAND  
ERIC J.J. MASSA, NEW YORK  
BOBBY BRIGHT, ALABAMA

## HOUSE COMMITTEE ON ARMED SERVICES

U.S. House of Representatives

Washington, DC 20515-6035

ONE HUNDRED ELEVENTH CONGRESS

JOHN M. McHUGH, NEW YORK  
ROSCOE G. BARTLETT, MARYLAND  
HOWARD P. "BUCK" McKEON, CALIFORNIA  
MAC THORNBERRY, TEXAS  
WALTER B. JONES, NORTH CAROLINA  
W. TODD AKIN, MISSOURI  
J. RANDY FORBES, VIRGINIA  
JEFF MILLER, FLORIDA  
JOE WILSON, SOUTH CAROLINA  
FRANK A. LOBIONDO, NEW JERSEY  
ROB BISHOP, UTAH  
MICHAEL TURNER, OHIO  
JOHN KLUNE, MINNESOTA  
MIKE ROGERS, ALABAMA  
TRENT FRANKS, ARIZONA  
BILL SHUSTER, PENNSYLVANIA  
CATHY McMORRIS RODGERS, WASHINGTON  
K. MICHAEL CONAWAY, TEXAS  
DOUG LAMBORN, COLORADO  
ROB WITTMAN, VIRGINIA  
MARY FALLIN, OKLAHOMA  
DUNCAN HUNTER, CALIFORNIA  
JOHN C. FLEMING, LOUISIANA  
MIKE COFFMAN, COLORADO  
THOMAS J. ROONEY, FLORIDA

ERIN C. CONATON, STAFF DIRECTOR

March 26, 2009

The Honorable Robert M. Gates  
Secretary of Defense  
1000 Defense Pentagon  
Washington, DC 20301-1000

Dear Secretary Gates:

Since the Eisenhower Administration, it has been the policy of the government that it should not compete with its citizens. That policy is outlined in the Office of Management and Budget Circular A-76, which governs all public-private competitions to potentially outsource work to the private sector. Originally, the A-76 process was intended to be used as a tool to determine the most competitive and efficient source for performing "commercial" work – either in the public or private sector. However, it became almost a mandate in recent years for pushing more and more work into the private sector, even work that is closely associated with inherently governmental functions, in order to meet arbitrary competition goals.

The House Armed Services Committee has taken several steps to mitigate the undue burdens on the Department of Defense. In response to a congressional mandate, the Department of Defense Inspector General reviewed the military services' A-76 programs. In its interim report (April 22, 2008) the DOD Inspector General noted that:

- *The Army is undergoing many efforts that impact competitive sourcing planning, such as Base Realignment and closure, growing the Army, and the war.*
- *The Air Force feels "pressure in the budget to conduct" privatization studies.*

These findings were reaffirmed in the final report of December 15, 2008.

Furthermore, The Fiscal Year 2009 Omnibus Appropriations Act includes a one year government-wide moratorium (section 737) on beginning or announcing any A-76 studies.

Many of the Department's A-76 studies have dragged on far beyond the time limits authorized in the 2003 revised Circular A-76, as well as those imposed by statute. This creates an unfair strain on the federal employees whose jobs are being competed, as well as the contractors who have submitted bids for the work. In many cases, an individual service has requested a cancellation – either because the installation is seeking an alternative approach or because the original study was not appropriate – only to be denied by the Department.

Secretary Gates  
March 26, 2009  
Page 2

We are aware that the Deputy Undersecretary of Defense (Installations and Environment) in a letter to many members of Congress, reaffirmed the competitive sourcing policy that was set in place by the 2001 President's Management Agenda; this is the same official who advocated so strongly for competitive sourcing within the Department during the Bush Administration.

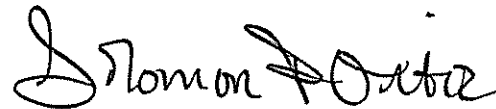
In light of the President's memo (dated March 4, 2009), as well as concerns raised by the military services, we urge you to immediately halt any pending A-76 studies as well as the initiation or announcement of any A-76 study, and to rescind the 2008 competitive sourcing policy memo. This will allow the Administration and Congress time to conduct a comprehensive review of the Department's A-76 program and to determine the best course for moving forward with a sound competitive sourcing policy.

We request a prompt response to this letter.

Sincerely,



IKE SKELTON  
Chairman  
House Armed Services Committee



SOLOMON P. ORTIZ  
Chairman  
Readiness Subcommittee