

July 18, 2016

The Honorable Mac Thornberry, Chairman  
The Honorable Adam Smith, Ranking Member  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

The Honorable John McCain, Chairman  
The Honorable Jack Reed, Ranking Member  
Committee on Armed Services  
U.S. Senate  
Washington, DC 20510

Dear Mr. Chairmen and Ranking Members:

As the House and Senate conferees meet to reconcile the 2017 National Defense Authorization Act (NDAA), the undersigned organizations respectfully urge your support for Section 806 of S. 2943, the Senate passed bill.

Sec. 806 of the Senate-passed NDAA, -- repeal of temporary suspension of public-private competitions for conversion of Department of Defense (DoD) functions to performance by contractors – is needed to bring economy and efficiency to DoD.

More than 500,000 civilian employees of the DoD are in positions that are “commercial” in nature. These are government job functions that duplicate and compete with the private sector, including small business. Current law prohibits the DoD from conducting public-private cost comparison competitions to determine whether these activities can be better performed by private sector contractors rather than the government bureaucracy.

Section 806 repeals this unwise and costly law and permits implementation of the “Yellow Pages Test” – if an activity is performed in government, but private companies that do this work can be found in the Yellow Pages of the phone book, the activity should be subject to a competition to determine if the private sector is better, faster, cheaper.

At a time of anemic private sector job creation, an annual deficit of \$500 billion, and a national debt of \$19 trillion, Congress should be encouraging cost savings and growth in the private sector. Provisions that prohibit, impede, interfere, obstruct, encumber, or delay OMB Circular A-76 or competitive sourcing studies, should be kept out of the 2017 NDAA. At a time of sequestration, the hands of agency managers should not be tied and the ability to find ways to do more with less should not be prohibited. Studies have shown that such public-private competitions result in a 30 percent savings, regardless of who wins.

As the conference reconciles the 2017 NDAA, we respectfully recommend that provisions inhibiting the utilization of the private sector not be included, and that provisions empowering the private sector, such as Senate Section 806, be included in this bill.

Sincerely,

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cc: House and Senate Conferees, 2017 National Defense Authorization Act H.R. 4909/S. 2943

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