



## **AFGE to Request Full Briefing from DoD on Derailed Insourcing Plan**

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AFGE is requesting a full briefing from the Defense Department after Defense Secretary Robert Gates announced earlier this week that the department would eliminate three Defense agencies, freeze hiring for most jobs, cut funding for service support contractors and not replace them with federal employees. The three organizations proposed to be eliminated are the Business Transformation Agency, the Office of the Assistant Secretary of Defense for Networks and Information Integration, and Joint Forces Command, which employs about 2,800 military and civilian employees and roughly 3,000 contractors. In an attempt to save money and reduce excessive reliance on expensive service contractors, Gates last year said he wanted to cut the number of service support contractors by 33,000 in the next five years and replace them with federal employees. But now the defense secretary said these contractor positions will be cut but may not be replaced by civilians.

“The department’s budget is in critical condition because of decades of excessive privatization,” said AFGE Legislative Director Beth Moten. “But DoD should not give up the opportunities to achieve savings through insourcing, which has been implemented for only one year.” Moten said because DoD has not yet implemented the contractor inventory and then integrated those results into the budget process, as required by law, the department lacks the capacity to determine costs and savings from insourcing. The department is also unable to distinguish the savings from insourcing from the costs of increased contracting because the savings from insourcing are more than offset by new service support contracts. As of today, DoD still does not have an accounting system in place to distinguish the savings and expenses.