



Federal Insourcing Policies Questioned at American Legion Small Business Conference

MILWAUKEE, Sept. 2 /PRNewswire-USNewswire/ -- The American Legion criticized a recent shift in federal insourcing policy at its small business development conference during the group's 92nd national convention here.

Joe Sharpe, director of the Legion's economic division, said the federal government is taking contracting jobs out of the private sector and bringing them into the civil service, claiming that such a move will save money.

"We have yet to see a study that actually proves insourcing will save the federal government a significant amount of money," Sharpe said. "But what we are seeing is an immediate negative impact on the veteran-owned small business community.

"They're taking away the people with contracting and procurement skills, hiring them as federal employees, and leaving the smaller companies to go bankrupt," he said. "Basically, federal agencies are saying, 'Come work for us. We'll make you a G-11 for doing the same job.'

"When you take 30 or 40 positions away from a small business, you're essentially crippling their ability to succeed in the private sector," said Mark Walker, deputy director of the Legion's economic division. He cited one situation in Arizona where new federal insourcing policy is endangering five small businesses. One of them, Oak Grove Technologies, is owned by Mark Gross, a member of The American Legion Small Business Task Force.

According to Sharpe, three of the Arizona small businesses will probably shut down and two others will be severely impacted. "They'll probably close up shop and go somewhere else." Meanwhile, Sharpe says large defense contractors in the area such as Raytheon are hardly affected by insourcing policy because they have far more employees.

Several congressional staffers attended the Legion's two-day small business conference at the Hilton Milwaukee Center, Aug. 31-Sept. 1, including representatives from the House Veterans' Affairs Committee, and the offices of Sen. Mary Landrieu, D-La., and Rep. Nydia Velazquez, D-N.Y.

Walker said that while several members of Congress on both sides of the aisle have shown concern over the damaging effects of federal insourcing practices on small businesses, Velazquez is the only one taking an active lead in the matter. She is currently investigating the Arizona case, where five

service-disabled, veteran-owned small businesses are being threatened.

"The American Legion has been on the Hill, trying to save these five particular veteran-owned companies," Walker said. "We want Congress to re-evaluate this particular contract and whether insourcing really needs to be done."

If insourcing has to be done, Sharpe said The American Legion wants to make sure it is done equitably, "not on the backs of small businesses."

"We're trying to generate interest from local representatives in Arizona to participate in a congressional review of the policy and its effects. But so far, Congresswoman Velazquez is the only member of Congress who is trying to do something about it at this point."

About 75 people attended the Legion's small business conference and listened to several speakers, including John Barry from the federal Office of Personnel Management, Wisconsin Lieutenant Governor Barbara Lawton, Wes Stith of Clark Construction, and representatives from the Defense Logistics Agency, the General Services Administration and the Dept. of Veterans Affairs.

Federal law requires that three percent of its annual contracting dollars must be allotted to service-disabled, veteran-owned small businesses.