



Measure on 'Insourcing' of Contractor Jobs Is Added to House Defense Bill

By Frank Oliveri CQ Today Online News-Defense May 19, 2010

The House Armed Services Committee on Wednesday adopted an amendment aimed at preserving the Pentagon's ability to convert more jobs now held by contractors to full-time civilian employee positions, although it also would prohibit the Obama administration from creating any numerical goals or quotas.

The amendment, offered by Jim Langevin, D-R.I., tactically undercut a separate amendment offered by Jeff Miller, R-Fla., that would have prevented any further "insourcing" of contractor jobs until the Government Accountability Office (GAO) reviewed the "efficacy and accuracy of models, tools and methodology used" by the Department of Defense to justify the conversion of jobs.

The panel added Langevin's amendment to the fiscal 2011 defense authorization bill (HR 5136) by voice vote. Miller's amendment was rejected, 23-37.

The House panel was expected to approve the full bill later Wednesday. Senate Armed Services subcommittees will begin marking up the defense authorization bill May 25.

The committee's action reflected a significant development in the decades-old ideological debate between Democrats and Republicans over whether outsourcing certain jobs to private industry saves the government money.

Both parties acknowledge growing momentum for the argument that outsourcing does not, in fact, save money, and can actually increase government costs. According to some Democrats, the administration has found that the government pays up to \$44,000 more per contract employee than if those positions were held by government employees.

"The pendulum has clearly swung toward insourcing," Miller said.

But he said that before the administration embarked on a significant government action, the GAO should examine the underpinnings of the Democrats' argument for insourcing jobs.

A Few Restrictions

Langevin's amendment essentially allows the administration to move forward with the insourcing effort, while attaching a few restrictions.

The measure would prevent the Pentagon from establishing quotas for the conversion of contractors' positions to ones held by DoD civilian employees and it would require any conversion to be researched and analyzed before action was taken.

It also would require the Defense secretary to submit a report to Congress on conversions that were made in fiscal 2010. Within 120 days of receiving that report, the GAO would have to review the decision. Howard P. "Buck" McKeon of California, the panel's ranking Republican, noted that a number of firefighters who serve a Defense Department contract in his district probably would lose their jobs, because all of them exceed an age requirement for the Pentagon civilian job conversion. "These folks can't even compete for these jobs," he said.

He said all insourcing of jobs should be halted until the GAO can verify the proposed cost savings.

But Jim Marshall, D-Ga., said the panel could not base its decision solely on isolated cases. As a parallel, he noted that in a speech last year at the U.S. Military Academy, President Obama announced that he was going to send an additional 30,000 troops into Afghanistan.

Marshall said that some of the people to whom Obama was speaking likely would die in the offensive, but that Obama could not allow that fact to influence his decision.

"It doesn't make sense" to do business that way, Marshall said.