



Pentagon Flips on Contractor Use; Insourcing Draws GOP Ire

BYMARC HELLER
TIMES WASHINGTON CORRESPONDENT
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WASHINGTON — For most of George W. Bush's presidency, defense officials said a key to saving money at Pentagon was to stop having government employees guard military installations or carry on other jobs that could be done by contractors.

Tens of thousands of jobs were turned over to private contractors.

Now, government auditors and the Defense Department say the opposite is true: that every job shifted to a contractor wastes an average of about \$44,000. The Defense Department has reversed course, moving jobs at Fort Drum and elsewhere back to government employees — and drawing protests from congressional Republicans who had supported the previous administration's moves.

The latest skirmish came this week when Republicans on the House Armed Services Committee tried — but failed — to halt the insourcing effort pending a review by the U.S. Government Accountability Office. The GAO could tell Congress whether putting jobs back in government hands actually saves money, supporters said.

"I'm in total agreement that we've wasted money with contractors," said Rep. Howard P. "Buck" McKeon, R-Calif., the panel's top Republican. But the pendulum has swung so far in the opposite direction that the government is taking jobs away from firefighters, for instance, in his home state, he said.

"These people are going to lose their jobs, and they have nowhere else to turn to get a job now," Mr. McKeon said.

The committee turned away a measure proposed by Rep. Jeff Miller, R-Fla., for the annual defense programs bill Wednesday night. The bill now moves to the full House, where the issue could resurface.

Rep. William L. Owens, D-Plattsburgh, sided with Democrats opposed to the measure. The committee approved a separate, Democratic-sponsored measure to prohibit quotas for insourcing and require a Defense Department report on the effort's progress.

At Fort Drum, officials are moving about 80 guard post jobs from private contractors to the Defense Department. They have been held by contractors since December 2003, Fort Drum spokeswoman Kay Young said.

The move back to government workers will save money and also give the American Federation of Government Employees a chance to try to organize those employees in the union, said Robin R. Johnson, president of AFGE Local 400 at Fort Drum.

In the committee, lawmakers wrangled over the issue for the better part of an hour during Wednesday's marathon session. Mr. McKeon said the momentum is moving away from private employers on the basis of unproven cost savings, and jobs that should fittingly be handled by contractors are being taken away.

He pointedly noted that the firefighters losing jobs in his state are union members.

The number of defense contractor jobs ballooned during the Bush administration, from 732,000 in 2000 to 1.3 million in 2006, said Rep. Robert Andrews, D-N.J. Democrats gained control of Congress in 2006 and directed the defense secretary to study whether contractors had performed poorly and been hired without competitive bidding.

The contracting practice became so widespread that some government workers quit their jobs so they could bid for them as private contractors and earn considerably more money, said Rep. Silvestre Reyes, D-Calif.

Republican supporters of delaying the insourcing said they wanted only to gather more information, but Democrats said they would effectively shut down a process that appears to be saving the Defense Department money. Rep. Solomon Ortiz, D-Calif., called the Republicans' effort "paralysis by analysis."

Army Secretary John M. McHugh, who was a skeptic of outsourcing when he served on the committee, has described the Army's efforts during budget hearings on Capitol Hill this spring.

The insourcing is part of a Pentagon-wide effort to save money, which Defense Secretary Robert M. Gates defended during a news briefing Thursday.

"This effort is not about cutting the overall defense budget," Mr. Gates said, responding to GOP criticism over the administration's budget request. "This is about belt tightening, not about cutting the defense top line."