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H.R.721 SHINES THE LIGHTS ON THE "SHADOW GOVERNMENT"

IFPTE Urges Passage of the TRAC Act

Contractors working for the federal government have established a "shadow government" unbeknownst to most of the American public. For several years, legislators and unions have fought to expose the numbers behind this shadow government. To no avail, contractors have continued to increase in size, creating their own monopoly within the confines of the federal government, while federal employees' jobs have simultaneously been downsized, right-sized, RIF'd, outsourced and privatized.

For the past several years, the International Federation of Professional and Technical Engineers (IFPTE) has supported legislation geared towards equalizing the playing field for federal employees and contractors. This year, IFPTE urges congressional support for H.R.721, the Truthfulness, Responsibility and Accountability in Contracting Act (TRAC Act).

Assertions by unions and federal employee groups about this shadow government's lack of accountability are finally coming to fruition. For years, we have been told that contracting out would not only save the federal government billions of dollars, but contractors could perform government functions not 'inherently governmental' more efficiently than the federal workforce. However, the Government Accounting Office (GAO) tells us "...we cannot convincingly prove nor disprove that the results of federal agencies' contracting out decisions have been beneficial and/or cost-effective."

If H.R. 721 were made law, it would impose the following five requirements on federal agencies:

- Temporarily suspend new service contracts until longstanding problems with contracting out are addressed, i.e. arbitrary personnel ceilings against federal employees, replacing displaced federal employees with contract employees and reducing waste, fraud and abuse by contractors.

- Require the establishment of systems to monitor the costs, efficiency and savings of contracting out and privatization.
- Allow agencies to hire federal employees when they can do the work more economically and efficiently than private contractors.
- Subject federal employees and private contractors to the same level of public-private competition. (Currently, only work performed by federal employees is subjected to competition and scrutiny).
- Require the Office of Personnel Management (OPM) and the Department of Labor (DoL) to compare the wages and benefits of federal employees and their contractor counterparts.

In March, a report prepared as part of the National Defense Authorization Act revealed that DoD's contract employees have outpaced its federal workers, 734,000 per year vs. 700,000 per year respectively. Additionally, GAO reported that DoD uses public-private competition (through OMB's Circular A-76 process) the most often of all federal agencies. However, only two percent (2%) of DoD's contracts are achieved through public-private competitions. There are no definitive numbers regarding the other ninety-eight percent (98%) of DoD's contracts, only that Defense contracts out more jobs than any other federal agency. By contrast, sixty percent (60%) of all government-wide public-private competitions are won by federal employees.

Even though federal employees have and continue to prove their dominance over this shadow government, contractors continue to flourish at taxpayers' expense.

An IFPTE Local at Portsmouth Naval Shipyard in Portsmouth, NH has been plagued with a shortage of engineers and an overabundance of contractors. In 1994, 150 engineers and technicians were given pink slips due to a reduction-in-force (RIF). After battling to regain/retain their work, the Local now grapples to keep up with an overage of work. Contractors as well as two other naval shipyards--Puget Sound in Bremerton, WA and Norfolk in Portsmouth, VA--are relied upon to help alleviate some of the overage. The Local currently faces the task of training 50 engineers a year in an attempt to handle their own workload and not contract out the work. The early shortage of engineers and technicians helped to proliferate the growth of the contractors. Instead of replacing employees displaced by the RIF, contract employees were given the work. Additionally, the Local and shipyard also face the threatening 'human capital crisis' as several career employees opt to retire in the next five to ten years.

IFPTE members at NASA centers across the nation have been confronted with the issue of contracting out for several years. Excessive downsizing and severe budget cuts have beset this agency (see attached statement from the NASA Headquarters Professional Association (NHPA)/IFPTE Local 9).

In short, H.R.721 provides the necessary accountability and oversight of federal spending within the shadow government of contractors. However, contractors say the legislation is pro-federal employee; they're right but IFPTE would take it a step further. This legislation is not only pro-federal employee but it is pro-taxpayer.

It's time that the American public receives comprehensive answers about how our tax dollars are being spent. It's time that our dedicated and skilled federal employees finally be allowed to compete in a spirit of fairness to protect their jobs.

TRAC ACT STATEMENT OF NHPA/IFPTE LOCAL 9

NASA Headquarters Professional Association (NHPA)/IFPTE Local 9 supports IFPTE in its commitment to the passage of H.R. 721 and to the principles embodied in the legislation. As a result of years of downsizing, NASA has recognized the need to strengthen the workforce in critical areas and has renewed its focus on the restructure and revitalization of its workforce across the Agency. Plans to accomplish this involve an effective use of talent both within and outside of the Agency so that work and mission may be achieved through a combination of permanent civil servants, time-limited civil service appointees and others including individuals from the academic world.

Understanding the impact these previous years have had on the current workforce at Headquarters, NHPA/IFPTE Local 9 will work with other NASA IFPTE Locals and will encourage and assist management to promote, attract and retain additional personnel hires to ensure a world-class workforce with the necessary skills and competencies consistent with the Agency's human capital investment goals, while recognizing the contributions and value of the current workforce.