



# AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

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November 2, 2011

The Honorable Darrel Issa  
Chairman, House Oversight and  
Government Reform Committee  
2157 Rayburn House Office Building  
Washington, DC 20515

The Honorable Elijah Cummings  
Ranking Member, House Oversight  
and Government Reform Committee  
2471 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Issa and Ranking Member Cummings:

On behalf of the American Federation of Government Employees, AFL-CIO, which represents more than 650,000 federal employees who serve the American people across the nation and around the world, I urge lawmakers to oppose H.R. 3029, legislation which would arbitrarily impose a 10% cut in the federal workforce. H.R. 3029 represents an unusually thoughtless approach towards the management of the federal civil service as well as an obvious political payoff to contractors by the bill's sponsors.

As a result of the Budget Control Act of 2011, discretionary spending will be reduced by hundreds of billions of dollars over the next several years. At the same time, little if any direction will be provided to agencies as to which services should be divested and downsized. Instead, in most if not all instances, agencies will be expected to do the same with less.

In such an environment, surely we want agencies to make performance decisions consistent with the law, policy, risk, and cost, right? We wouldn't want agencies to be prevented from using federal employees merely because they are federal employees, would we? We would want agencies to manage federal employees by budgets and workloads—if work needs to be done and there is money to pay for that work to be done, then agencies should be allowed to use federal employees, depending on the usual merit-based criteria, right?

Wrong! The sponsors of H.R. 3029 want agencies to have no choice but to use contractors instead of federal employees—even when work can be performed more efficiently by federal employees or the work is sufficiently important and / or sensitive as to require performance by federal employees. Arbitrarily reducing the number of federal employees without also reducing the services they provide can't help but lead to wasteful privatization. When agencies are forbidden, literally, from using federal employees, they are forced to contract out to get the work done, often at higher prices, because they must still provide services. Similar arbitrary reductions imposed in the federal civil service in the 1990's resulted in massive increases in privatization, which led to increased costs to the taxpayers and loss of public control over



important and sensitive functions. It is a sad testament to our corrupted political culture that the Congress would seriously consider legislation that would deliberately attempt to repeat those ruinous mistakes.

Sponsors of H.R. 3029 will no doubt disingenuously fall back on their bill's prohibition against agencies contracting out without first conducting cost comparisons, even though they know almost identical and equally worthless language was included in the ruinous federal workforce downsizing legislation of the 1990's, the Federal Workforce Restructuring Act of 1994, and that no agency would even bother to conduct a cost comparison if they are forbidden, literally, to use federal employees because of H.R. 3029's arbitrary 10% cut.

H.R. 3029 is transparently political because it fails to impose any cuts on more expensive contractors. The ratio of contractors to civil servants may be 1:1, 2:1, or even more lopsided. In the Department of Defense (DoD), for example, civilian personnel funding increased from \$41 billion in FY01 to \$69 billion in FY10. During the same period, spending on service contractors increased from \$73 billion to \$181 billion.

Given the recent study by the Project on Government Oversight (POGO), which compared the cost of federal employees and contractors, taxpayers may well wonder why any lawmaker would advocate for more contracting out. According to POGO's study—*Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors*—"on average, contractors charge the government almost twice as much as the annual compensation of comparable federal employees. Of the 35 types of jobs that POGO looked at in its new report—the first report to compare contractor billing rates to the salaries and benefits of federal workers—it was cheaper to hire federal workers in all but just 2 cases." We know, of course, contractors wield extraordinary influence, which explains how the federal government's overreliance on expensive contractors has grown so drastically over the last several years, the adverse impact on taxpayers notwithstanding.

Although civil servants are the less expensive workforce, H.R. 3029 would cut only civil servants, not contractors. The bill's sponsors piously claim to draw their inspiration from the report served up by the co-chairs of the so-called "Deficit Commission". However, even the co-chairs understood that the federal workforce consists of civil servants and contractors, and they recommended cutting 250,000 non-DoD contractors and doubling down on DoD's "Efficiency Initiative" contractor cuts.

H.R. 3029 is an egregiously thoughtless bill. Given the Budget Control Act, it is not necessary to arbitrarily reduce the number of federal employees. Indeed, by preventing agencies from substituting less expensive federal employees for contractors, and forcing agencies to replace federal employees with more expensive contractors, H.R. 3029 will increase the costs of the

federal government while decreasing the level of service and degree of accountability. Of course, H.R. 3029 is not intended to reduce costs. Rather, it is designed to enrich contractor cronies. And this legislation is not being marked up by mistake. The bill's sponsors are very well aware that the same sort of arbitrary cuts in the federal workforce imposed by the Federal Workforce Restructuring Act increased costs for taxpayers and degraded important government services. H.R. 3029 is a deliberate attempt to scapegoat federal employees and their families for the failures of Wall Street.

Thank you for your consideration of our views. If you have any questions, please contact John Threlkeld of AFGE's Legislative Department at (202) 639-6466 / [threlj@afge.org](mailto:threlj@afge.org).

Sincerely,



Beth Moten

Legislative and Political Director