

National Institute of Health Letter to Congress

April 7, 2008

The Honorable David Obey
Chair, House Appropriations Subcommittee
on Labor-HHS-Education
2358 Rayburn House Office Building
Washington, DC 20515

The Honorable Tom Harkin
Chair, Senate Appropriations Subcommittee
on Labor-HHS-Education
131 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairmen Obey and Harkin:

The undersigned lawmakers thank you for your principled opposition to contracting out of important work performed by federal employees. We appreciate your imposition of a moratorium on the use of the OMB Circular A-76 process in the Department of Labor through a provision in the FY08 Labor-HHS-Education Appropriations Bill. Other agencies that were denied appropriations, in other bills, to carry out privatization reviews in FY08 include the Bureau of Prisons, the Corps of Engineers, and the Forest Service.

We ask that a provision be included in FY09 Labor-HHS-Education Appropriations Bill that would cut off funding for the A-76 process in the National Institutes of Health (NIH). Such a provision would not prevent NIH from contracting for specialized or emergency services. Rather, the A-76 prohibition would simply prevent NIH from using studying whether to replace federal employees with contractors.

Through FY07, NIH had reviewed almost 2,400 jobs for privatization, according to the agency. In context, DoL, which has a comparably-sized workforce, had reviewed 1,214 jobs for privatization through FY06, according to the Office of Management and Budget (OMB). After something of a lull, NIH's workforce was told that A-76 activity would pick up in 2008. The thirteen functions being considered for privatization include everything from Regulatory and Program Management Support Services to Emergency Response and Support Services. NIH federal employees have won all but one of the 33 privatization reviews conducted since the May 2003 revisions to the A-76 circular. Nevertheless, NIH has not used alternatives to the often costly and controversial A-76 process to generate efficiencies. Moreover, despite the formidable record of its in-house workforce, NIH employees have never been allowed opportunities to compete for new or outsourced work.

Especially worrisome, according to a 2005 document that is still available on NIH's "competitive sourcing" website, one that was updated as recently as last month, the agency has been required by OMB's President's Management

Agenda (PMA) to review 100% of its commercial functions for privatization by 2013. The Congress has outlawed mere 5% and 10% quotas; and just last year, the Congress prohibited OMB from requiring or directing any agency's A-76-related decision and any agency from acting on OMB's A-76-related requirements and direction.

Finally, it must be noted that, despite its emphasis on "public-private competition", the NIH's "competitive sourcing" effort appears designed to reduce NIH's federal workforce, rather than make NIH a more efficient agency. According to fedbizopps.gov, NIH regularly contracts for services without any consideration of in-house performance, ranging from writing Congressional testimony to developing strategic plans. Moreover, NIH actually receives credit towards the PMA by explicitly converting through attrition functions performed by federal employees to contractor performance without first conducting any public-private competitions. NIH's "competitive sourcing" program should be shut down. Thanks for your consideration of our recommendation.

Sincerely,

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO
AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES,
AFL-CIO

AMERICAN FEDERATION OF TEACHERS, AFL-CIO

DEPARTMENT FOR PROFESSIONAL EMPLOYEES, AFL-CIO

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, AFL-CIO

INTERNATIONAL ASSOCIATION OF MACHINISTS, AFL-CIO

INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL
ENGINEERS, AFL-CIO

NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES

NATIONAL FEDERATION OF FEDERAL EMPLOYEES, AFL-CIO

NATIONAL TREASURY EMPLOYEES UNION

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

UNITED AUTO WORKERS, AFL-CIO