



INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

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July 8, 2016

Hon. Mac Thornberry, Chairman
Armed Services Committee
U.S. House of Representatives
2216 Rayburn House Office Building
Washington, DC 20515

Hon. John McCain, Chairman
Armed Services Committee
U.S. Senate
228 Russell Senate Office Building
Washington, DC 20510

Hon. Adam Smith, Ranking Member
Armed Services Committee
U.S. House of Representatives
2216 Rayburn House Office Building
Washington, DC 20515

Hon. Jack Reed, Ranking Member
Armed Services Committee
United States Senate
228 Russell Senate Office Building
Washington, DC 20510

Dear Chairmen and Ranking Members:

As President of the International Federation of Professional and Technical Engineers (IFPTE), I am writing to highlight several issues of concern to federal civilian workers as they relate to the Fiscal Year 2017 (FY17) National Defense Authorization Act (NDAA) conference report. As you work to reconcile the respective Senate and House NDAA bills (S. 2943, H.R. 4909) into a final conference report, IFPTE is urging you to address the following specific items:

1. Support Section 603 of the House NDAA calling for a complete repeal of the DOD's JTR per diems and lodging cut policy – In November 2014, DOD unilaterally made changes to the Joint Travel Regulations (JTR) that included a 25% cut to both the per diem allowance and the lodging stipend for travel in excess of 30 days, and a 45% cut for travel longer than 180 days. Not only do these cuts unfairly penalize the military and civilian employees who have already been asked to spend a significant amount of time away from their homes and families, they are also counterproductive to military readiness and actually end up costing more than the purported savings claimed by DOD. For example, on January 19th NAVSEA Commander, Adm. William Hilarides wrote to DOD that the JTR cuts were, “jeopardizing the successful execution of off-station availabilities and costing the Navy more than the intended savings.” This policy is also opposed by the travel industry and federal management groups. **IFPTE urges conferees to include the bipartisan supported Section 603 of the House passed NDAA in the final conference report.**

2. Repeal of A-76 moratorium - Section 806 of the Senate passed NDAA repeals the current prohibition on A-76 public-private competitions for DOD that has been in place since FY10. This moratorium is in place until such time as DOD meets certain criteria, including providing a meaningful contractor inventory of service contractors so that contractors are accounted for similarly to the way civilian employees and the military are accounted for. The FY10 NDAA A-76 prohibition was based largely on DOD IG and GAO reports finding fatal flaws on a systemic basis with the A-76 process that disadvantaged the government workforce, in addition to questions about whether actual savings have been found from A-76 competitions. In fact, the GAO and the DOD Inspector General have found that, of the A-76 privatization efforts they looked at, there was no evidence of cost savings, and even found that the cost of doing the A-76 study superseded any potential savings that may have been achieved through privatization. IFPTE believes that Congress should not consider lifting the DOD A-76 moratorium until the DOD first completes the required Inventory of Service Contractors. **For these reasons, IFPTE urges conferees to strike Senate NDAA Section 806 from the final NDAA conference report.**
3. Gutting the contractor inventory reporting requirement – Directly related to Section 806 of the Senate NDAA is Section 820 of the same bill, which essentially guts the statutorily required Inventory of Contracted Services. Congress legislated that DOD conduct this inventory over six years ago, yet DOD has failed to provide the required comprehensive annual inventory of the number of service contractor employees working for the Department. What we do know is that DOD spends approximately \$200B billion annually on contractor personnel, which is more than three times what the Pentagon spends on DOD’s entire civilian workforce. By gutting the contractor inventory requirement policy makers would be left without the data necessary to make wise policy decisions involving DOD’s entire workforce – civilian, military and contractor alike. Alternatively, Section 803 of the House passed NDAA correctly continues the contracted services inventory requirement with a few adjustments. **IFPTE urges NDAA conferees to strike Section 820 of the Senate passed NDAA and instead include Section 803 of the House passed NDAA in the final conference report.**
4. Reintroducing the service contract spending cap - A cap on federal personnel currently exists and a similar cap on service contractors that had been in place since FY12 was removed by the FY16NDAA. This cap is needed as a deterrent to shift federal work that is capped to service contractors, who would otherwise be uncapped without an extension of the current cap. Furthermore, a continuation of the cap would ensure that taxpayer savings from a cap on federal workers would not be lost by shifting that work to more costly contractors. Section 809A of the House passed NDAA extends the service contractor cap, while the Senate NDAA is silent on the matter. **IFPTE urges**

NDAA conferees to include the House language in the final conference report.

5. Voluntary Separation Incentive Pay (VSIP) – The maximum allowable federal VSIP incentive stands at \$25,000 and has not been increased since it was established in 1993. However, Section 1109 of the FY17 Senate NDAA increases the maximum VSIP from \$25,000 to \$40,000, while the House FY17 NDAA is silent on the issue. **IFPTE urges FY17 NDAA conferees to include Section 1109 of the Senate NDAA into the final conference report.**
6. Making Term and Temporary employees permanent – If term and temporary employees were hired under competitive procedures, IFPTE supports granting management broad authority to transfer these workers to permanent status. **There is language in both the House and Senate FY17 NDAA's to allow term and temporary workers to be made permanent and IFPTE is supportive of it being included in the final conference report.**
7. Buy America provisions at Depots and Arsenals - Section 332 of the House version of the NDAA, subsections (a) and (b) requires DOD to submit a report to Congress on weapon systems and components purchased from foreign entities and a plan identifying those items that could be manufactured or maintained in federal depots and arsenals. The language also, requires the DOD to provide a plan to Congress about bringing work back to the United States so that the DOD is less dependent on foreign sources for our warfighting parts and other equipment. **IFPTE encourages FY17 NDAA conferees to adopt Section 332 of the House NDAA in the final conference report.**

Thank you for your consideration. Should you have any questions, please feel free to contact IFPTE legislative director, Matt Biggs at (202) 239-4880.

Sincerely,



Gregory J. Junemann
President