

STATEMENT

Who's Doing Work for the Government? Monitoring, Accountability, and Competition in the Federal and Service Contract Workforce."

Chairman Joseph Lieberman

March 6, 2002

Good morning, and welcome to our witnesses for today's hearing entitled "Who's Doing Work for the Government? Monitoring, Accountability, and Competition in the Federal and Service Contract Workforce." I'm pleased to open this hearing and have Senator Durbin take over as soon as he arrives.

Americans have a new sense of awareness today about how well the federal government performs its job. This Committee has long focused on government performance as part of its oversight responsibilities, but in this era of new security threats post September 11, performance issues have taken on new meaning and more importance.

Terms like "outsourcing" and "service contracts" will generally glaze the eyes of those who hear them spoken - but in many, many cases how decisions are made surrounding these issues can determine the quality of federal government work - from the most routine of tasks, such as providing food service, to life-and-death responsibilities. Post-September 11, federal employees are playing an even more critical role in our homeland defense efforts than they have in the past. We are depending on the Customs Service, the Immigration and Naturalization Service, and the Coast Guard - to name just a few - to keep our country safe, and so we must treat federal employees well because we depend on them and they should have the right to be engaged in discussions on how we and them together can best serve the American people.

To do that "outsourcing" of services by federal agencies and departments deserves close scrutiny. We need to know, for example, whether the job is one that should be contracted out in the first place. Once that question is answered, we need to know if appropriate and fair competition for the job has occurred? Then, we must ask does the decision-making treat federal workers, fairly making government work a less attractive option than it might otherwise be?

I am particularly troubled by the competitive sourcing requirements in the President's FY2003 budget. The arbitrary nature of the requirement that the agencies compete on 50 percent of the employees performing "inherently non-governmental" work, as defined by the FAIR Act in order to earn a "green light" rating from OMB, may prevent the agencies from making the right decisions in carrying out their missions that is a concern I have.

It is vital for every agency to consider how to achieve savings for the taxpayer while getting the best possible result. Decisions about

what functions should be subjected to competitive sourcing must be made in a thoughtful and deliberate manner, and on an independent basis, weighing many factors. Imposing mandatory goals with an arbitrary timetable will most certainly damage the quality of these decisions and cause agencies to subject programs to competitive sourcing that could and/or should be performed within the existing agencies by the government, by existing government personnel, possibly at a better cost to the taxpayer. Even the Department of Defense has, in recent months, voiced objections to the Administration's approach to defined targets for competitive sourcing.

As I've mentioned, a function of good government is to consider the effects of these policies on federal employees. We are facing a human capital crisis in government. A continuing need exists to recruit the highest quality employees into federal service and to keep those high-quality federal employees that we have. Use of contracting out can create unwarranted uncertainty in and disregard for the careers of federal employees, at worst causing them to leave federal service for a more stable, rational work environment.

In recent years, this Committee and this Congress have worked hard to update and improve procurement law. Contracting out can help improve our lives by producing high-quality work at a savings to taxpayers, or it can result in shoddy work, a lack of governmental supervision, and greater cost to the taxpayers. We must give federal employees the opportunity to compete fairly for their jobs and ensure that the federal government determines the costs of work that has been contracted out versus work that is done within the government.

And because of the changing demands of the workplace, spurred by vast technological leaps, this committee will continue to examine how best to approach this issue with the aim of achieving the fairest and most productive results.

Thank you. I will now turn the gavel over to Senator Durbin.

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