

COUNCIL OF DEFENSE AND SPACE INDUSTRY ASSOCIATIONS

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December 19, 2002

CODSIA Case 8-01

The Honorable Angela B. Styles
Administrator
Office of Federal Procurement Policy
Eisenhower Executive Office Building
Room 352
Washington, DC 20503

Dear Ms. Styles:

The undersigned members of the Council of Defense and Space Industry Associations (CODSIA) appreciate the opportunity to offer comments on the November 19, 2002, "Proposed Revision to Office of Management and Budget Circular No. A-76, Performance of Commercial Activities" (67 Fed. Reg. 69769-69774). Individual associations and others may be submitting additional comments on the proposed revisions.

CODSIA is currently composed of six associations representing over 4,000 member firms across the nation. Participation in CODSIA projects is strictly voluntary. A decision by any member association to abstain from participating in a particular activity is not necessarily an indication of dissent.

We commend the Office of Federal Procurement Policy (OFPP) for seeking to improve Circular A-76, which has long lacked credibility within both industry and the public sector. We strongly support the thrust of the revisions to A-76, as they will help open up jobs to all Americans, including small businesses. Entrepreneurs and workers will have new opportunities to seek work previously unavailable to the private sector, and it will help eliminate unfair government competition. In so doing, the government will gain crucial access to innovative and contemporary solutions. We particularly support the inclusion of a presumption that all activities are "presumed to be commercial" unless specifically justified otherwise, as this reinforces and supports the longstanding policy of both Democrat and Republican Administrations to rely on the private sector for the provision of commercial goods and services.

The revisions also represent a real step toward implementation of the recommendations of the Commercial Activities Panel (CAP), which unanimously agreed to a set of sourcing principles that focus on results, and on a process that is more fair, transparent, and accountable for all parties. The CAP noted that the government already has an established mechanism that applies these principles—the Federal Acquisition Regulation. The CAP specifically recommended conducting public-private competitions using a FAR-based system, and the proposed revisions to the Circular would, for the first time, apply both key FAR concepts to all public-private competitions and a best value process for a limited subset of them.

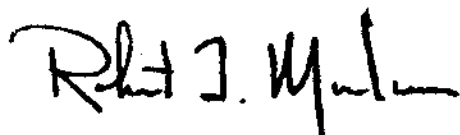
We also support the provisions that eliminate unfair competition under Agency-to-Agency arrangements. The revisions significantly restrict the current practice of permitting Federal agencies to

obtain commercial work non-competitively from other Federal agencies and from state and local governments.

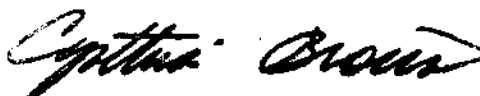
Despite the commendable progress that has been made, there are a number of areas in which we believe the proposed revisions need additional work in order to fully realize the vision of a fair, transparent and accountable process. Those areas include, but are not limited to, more equitable treatment of public and private sector offers, eliminating unnecessary restrictions on the use of real best value processes, making more broadly available the many acquisition strategy options offered by the FAR, and establishing clear timelines for further revisions. These areas will be the focus of detailed comments from a number of the organizations listed below, and we urge your careful and thoughtful attention to them.

We applaud the revisions as an important beginning and look forward to continuing to work with you on additional modifications to better achieve the President's competitive sourcing policy. If you have questions on issues covered in this letter, please call CODSIA project officer, David Dempsey at (703) 720-8657.

Sincerely,



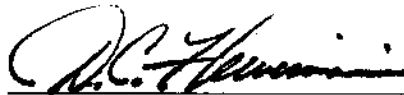
Robert T. Marlow
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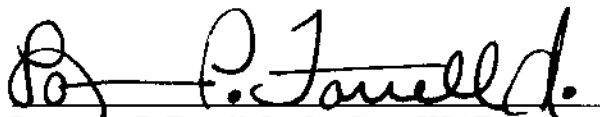
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