

COUNCIL OF DEFENSE AND SPACE INDUSTRY ASSOCIATIONS

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August 16, 2001
CODSIA Case No. 9-01

Mr. David C. Childs
Office of Federal Procurement Policy
NEOB, Room 9013
Office of Management and Budget
725 17th Street, N.W.
Washington, D.C. 20503

RE: Proposed Change to OMB Circular A-76 Revised Supplemental Handbook

Dear Mr. Childs:

The undersigned members of the Council of Defense and Space Industry Associations (CODSIA) appreciate the opportunity to offer comments on the proposed change to OMB circular A-76 revised supplemental handbook that was published in the *Federal Register* on July 2, 2001 (66 Fed. Reg. 34962).

Formed in 1964 by industry associations with common interests in the defense and space fields, CODSIA is currently composed of eight associations representing over 4,000 firms across the nation who employ the preponderance of the two million men and women in the space and defense industry. 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.

In general, CODSIA members support the proposed revisions related to Inter-Service Support Agreements (ISSAs). Work performed by the private sector is subject to recompetition (amongst private sector sources) generally every 3-5 years. This revision simply ensures that all ISSAs, both new agreements as well as agreements originally grandfathered out of any competition requirement, will be subject to recurring recompetition as well. This is a step in the right direction toward ensuring that Federal agencies obtain the best value for the American taxpayer.

CODSIA members have long been concerned that interservicing agreements among Federal agencies, as well as the military services, are used as a means to avoid outsourcing and privatization. We have serious reservations about the fairness of cost comparisons and public-private competitions. However, we do not believe that ISSAs should be exempt from such competition. Indeed, requiring the use of competitive procedures for all ISSAs is consistent with

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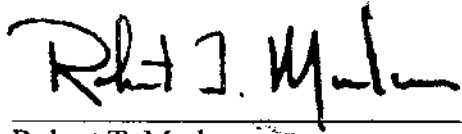
the Economy Act (31 U.S.C. 1535), the Intergovernmental Cooperation Act (31 U.S.C. 6505), the 1994 Government Management and Reform Act (103 U.S.C. 356) and the intent of the Federal Activities Inventory Reform (FAIR) Act (P.L. 105-270).

We also recommend that, in addition to the proposed revision, Part I, Ch. 2.B.5.b be deleted in its entirety. Retaining this subparagraph may confuse proper implementation of the revised language in Part I, Ch. 2, A.5. Other language that may lead to confusion appears in Part I, Ch. 2, A.6. Here we recommend that the phrase "reimbursable procurement" be deleted. In its place, we recommend the following: "certain contract administration services."

Therefore, we support the proposed revision to OMB circular A-76. If you have any questions, please contact CODSIA project officer Cathy Garman of the Contract Services Association of America at 202-347-0600.

Sincerely,

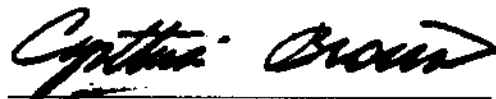
(SEE ATTACHED CODSIA SIGNATORIES)



Robert T. Marlow
Vice President, Government Division
Aerospace Industries Association



Lorraine M. Lavet
Chief Operating Officer
American Electronics Association



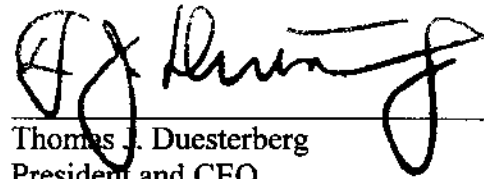
Cynthia Brown
President
American Shipbuilding Association



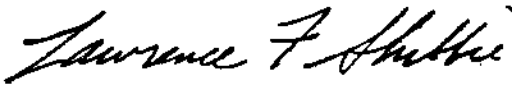
Gary D. Engebretson
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President, GEIA
Electronic Industries Alliance



Thomas J. Duesterberg
President and CEO
Manufacturers Alliance/MAPI



Lawrence F. Skibbie
President
National Defense Industrial Association



Charles H. Cantus
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