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June 21, 2022

Honorable Adam Smith
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

Honorable Mike Rogers
Ranking Member
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Smith and Ranking Member Rogers:

On behalf of the American Federation of Government Employees, AFL-CIO (AFGE) which represents over 700,000 federal and District of Columbia employees who serve the American people in 70 different agencies, including approximately 300,000 in the Department of Defense (DoD), we appreciate your support of a strong national defense and your recognition of the importance of a professional, apolitical civil service supporting our uniformed servicemen and women.

As illustrated by Russia’s experience in Ukraine, spending a high proportion of GDP on the military is not sufficient to provide for an effective military. Proper allocation of funds – as well as oversight and accountability – are essential for a strong defense.

We are pleased that the Readiness markup takes steps to partially address the harmful effects from the way Army depot carryover is calculated and to establish a Life Cycle Management and Product Support provision to ensure improved strategic workforce planning for the organic industrial base. As described below, we strongly support one amendment. We also point out a crucial missing amendment for ensuring a strong national defense and an apolitical professional civil service by addressing the skills gaps needed to deliver the National Defense Strategy. Given the nature of markup, it is possible that unknown late-filed amendments have been accepted for consideration. If so, we will present our views at the time of Conference.

1. We strongly support the Rep. Brown (D-MD) “Total Force Management” amendment. Over one-quarter of the Department’s topline, representing the largest share of total force spending, goes to services contracts. Nonetheless service contract requirements still are not validated, challenged and fully transparent in the Department’s planning, programming, budgeting and execution system processes. The GAO has repeatedly documented the inadequacies of the Department’s programming and budgeting processes for services contracts.¹ Aside from the potential for waste, this also results in DoD

¹ GAO-21-267R, Service Acquisitions: DoD’s Report to Congress Identifies Steps Taken to Improve Management, But Does Not Address Some Key Planning Issues (22 Feb 2021); GAO-16-119, DOD Service Acquisition: Improved Use of Available Data Needed to Better Manage and Forecast Service Contract Requirements (18 Feb. 2016).



solely looking to the civilian workforce for budgetary and programmatic offsets, while giving contractors a free pass.² Unfortunately, services contract requirements are not challenged and competed in the Department's programming and budgeting processes with the same rigor currently applied to the military and civilian workforces. Former Chairman Thornberry acknowledged the problem and the FY 2018 NDAA included a provision (10 U.S.C. § 4506) that the Department has repeatedly stated it would implement but has yet to take any meaningful action..³ The Department has not submitted the plan for improving visibility on future services contract requirements as required by section 815 of the National Defense Authorization Act for Fiscal Year 2022, due June 1, 2022. This plan was to include any changes to programming guidance, and the roles and responsibilities of the Under Secretary of Defense (Comptroller), Under Secretary of Defense (Acquisition and Sustainment), Under Secretary of Defense (Personnel and Readiness), and Office of Cost Assessment and Program Evaluation.

Additionally, DODI 1100.22, the Under Secretary of Defense for Personnel & Readiness policy for total force management, has not been updated since December 1, 2017. The Committee has made numerous changes to the basic total force management statute at section 129a of title 10, as well as to total force management principles as described in other statutes, including recent amendments to section 129 prohibiting personnel caps. In addition section 4506 of title 10 in the Fiscal Year 2022 National Defense Authorization Act changed the standard guidelines for total force management sourcing decisions regarding services. None of these have been captured in any update to DODI 1100.22.

Finally, this Committee requested a federally funded research and development center study on "optimizing total force management." The resulting Center for Naval Analysis report identified some metrics for measuring the near-, mid- and long-term readiness contributions of the civilian workforce, as well as recommendations for USD (P&R) to update DODI 1100.22 to include the Army's services contracts checklist to more clearly and consistently operationalize

² "Predictably, for example, even though Congress directed the Defense Department to cut \$10 billion through administrative efficiencies between 2015 and 2019, the Pentagon failed to substantiate that it had achieved those savings. The reason those efforts rarely succeed is that they merely shift the work being done by civilians to others, such as military personnel or defense contractors." DepSecDef Hicks, "Getting to Less: the Truth About Defense Spending," Foreign Affairs (March 2020), p. 56. AFGE's National President has separately addressed this issue in two detailed letters addressed to the Department of Defense and copied to the Armed Services Committees dated January 21, 2022, and January 31, 2022.

³ Chairman Thornberry Press Release: "The first of the major reform elements is to **add oversight to service contracts**. In fiscal year 2015, the Pentagon spent \$274 billion through contracts, including big-ticket weapon systems like the Ford Class aircraft carrier and the F-35 fighter jet. But, 53 percent (\$144 billion) of this sum was actually spent on services – everything from lawn mowing on military bases to maintaining equipment to hiring specialized experts and administrative support. Unfortunately, DOD – and Congress – have limited insight into how and where this money is spent. The bill **requires more specificity in the funding requests for service contracts**, which will now be submitted through the DOD budget process, forcing the Pentagon to analyze actual needs and spending patterns much like they do for weapons. Those within the DOD who need to contract for a service will have to specify their requirements early enough to have them validated, the contracts awarded, and the funding secured. Congress will have a better idea of what kinds of services are being contracted and their cost, **improving oversight and enabling efficiencies**." Chairman Thornberry Press Release, HASC Communications 52539, Reform and Rebuild: National Defense Authorization Act for FY18," p. 3.

compliance with statutory limitations on privatization.⁴

Accordingly we strongly support the Brown amendment, which directs the Secretary of Defense to brief the House Committee on Armed Services on progress made to (1) develop data analytics to specifically identify the quantitative and qualitative relationships of the sizing and composition of the Department of Defense civilian workforce to readiness, lethality and stress-on-the-force metrics and (2) to ensure that planning, programming and budgeting reviews consider all components of the total force (active and reserve military, civilian workforce and contract support) in a holistic manner to avoid duplication and waste and ensure that the sourcing and prioritization of requirements is consistent with the NDAA and the National Defense Strategy, and (3) update DODI 1100.22. This amendment further directs the Comptroller General to provide, no later than March 1, 2023, a briefing on interim observations on the department's use of Services Requirement Review Boards to review, validate, prioritize, and approve services requirements to inform the budget and acquisition process; and the department's plans and progress towards ensuring that projected spending on service contracts is clearly identified in the future years defense program.

2. The markup currently lacks meaningful hiring reform. We have reviewed several amendments that continue to chip away at the title 5 framework for a viable competitive civil service by extending more direct hire authority, or setting the stage for the Department to recommend carving out a separate title 10 civilian personnel system. This overlooks recent findings by the Defense Business Board on talent management: "Title 5 may be unduly maligned with respect to talent management. Despite several generalizations made as part of our interviews, we did not identify a specific portion of Title 5 that inhibits DoD from achieving any of its hiring or talent management goals. In fact, strict adherence to these laws may help, not hurt, the ability of DoD to fulfill its future needs."⁵

Creating a siloed civilian personnel system in DoD will constrict the talent pool, further weakening the hiring process. As recently recognized by the Defense Business Board, the skills gaps in DoD are the result of narrowly tailoring jobs to specific individuals rather than around broad skill competencies, and using inefficient and biased methods for assessing skills, by primarily relying on job candidates assessing themselves, or relying on human resources personnel to screen candidates based on word matches between resumes and job announcements. Posting job announcements for limited time frames on USAJOBS is not an effective way to generate large pools of qualified candidates. There are better approaches that are sanctioned by the bipartisan H.R. 6967/S. 3423 "Chance to Compete Act of 2022," which emphasizes the use of subject matter expert panels to evaluate candidates (in lieu of less knowledgeable human resources personnel) and

⁴ CNA, Identifying Contributions of DoD's Civilian Workforce to Readiness (Sep 2021); CAN, Optimizing Total Force Management (July 2021).

⁵ See Defense Business Board study, Strengthening Defense Department Civilian Talent Management (May 18, 2022), a study we commented on in a May 27, 2022 letter. [https://dbb.defense.gov/Portals/35/Documents/Reports/2022/DBB%20Talent%20Management%20Study%20Report%2023%20May%202022%20\(reduced%20size\).pdf](https://dbb.defense.gov/Portals/35/Documents/Reports/2022/DBB%20Talent%20Management%20Study%20Report%2023%20May%202022%20(reduced%20size).pdf)

objective assessment tools to efficiently generate lists of highly qualified candidates and share lists across agencies for similar jobs. The National Security Commission on Artificial Intelligence recently found that major skills gaps exist in DoD because of the failure to adequately take into account experience as a substitute for training certifications and educational credentials. This is a primary impediment to a viable competitive service which “Chance to Compete” addresses. Unfortunately, many of the amendments we have reviewed for this year’s markup would continue the mistakes of the Acquisition Workforce “reforms.” These amendments would arbitrarily limit the pool of qualified candidates by mandating all kinds of training certification requirements through the Defense Acquisition University, creating artificial barriers to considering highly qualified candidates with sufficient experience to obviate the need for those certifications. We reiterate our support for including the bipartisan “Chance to Compete” in this NDAA to improve the hiring process.

For additional information or questions, please contact John Anderson, (703) 943-9438, john.anderson@afge.org or Richard C. Loeb, richard.loeb@afge.org.

Sincerely,



Julie N. Tippens
Director of Legislation