



AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

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February 7, 2019

Honorable Adam Smith  
Chairman  
House Armed Services Committee  
2120 Rayburn House Office Building  
Washington, DC 20515

Honorable Mac Thornberry  
Ranking Member  
House Armed Services Committee  
2120 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Smith and Ranking Member Thornberry:

On behalf of the American Federation of Government Employees, AFL-CIO, (AFGE) which represents more than 700,000 federal employees who serve the American people in 70 different agencies, including approximately 250,000 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 warfighters deployed around the world.

Representative Ken Calvert (R-CA) has re-introduced the so-called “Rebalance for an Effective Defense Uniformed and Civilian Employees Act” or “REDUCE Act,” H.R. 248, on January 4, 2019. In the past, similar bills were rejected after examination revealed that they would actually cost the taxpayers more money, while degrading military readiness and capability. This time, a McKinsey study for the Defense Business Board is cited to support the contention that DoD could save \$125 billion over five years by cutting civilian employees through reduction of Full Time Equivalents (FTEs) by an arbitrary 15 percent. The study also included contractor reduction recommendations which are ignored in the bill. More significantly, the McKinsey study itself was largely discredited in Hearings before the House Oversight and Government Reform Committee on March 21, 2017, where the former Chairman severely chastised the Pentagon witnesses for wasting about \$8 million to pay McKinsey and \$1 million to another contractor to produce a set of power point slides characterized as a “study” that was not actionable.

After the longest government shutdown to date, and after repeated testimony from senior DoD and Military Department leadership to the Armed Services Committees over the course of the past few years that budgetary uncertainty from sequestration, hiring freezes, and furloughs has harmed the capabilities and readiness of the Department of Defense, it is alarming that Rep. Calvert would reintroduce such a measure again. Rep. Calvert’s press release for the REDUCE Act bill repeatedly uses the term “bureaucrat” to describe the workforce he proposes to cut. The use of this pejorative word for federal employees shows a lack of respect for and ignorance about the missions performed by the civilian workforce, the same kind of bias and prejudice that



animated proponents of the recent government shutdown. This lack of respect and prejudice needs to be called out and criticized for what it is.

The REDUCE Act directly contradicts a recent Defense Business Board Study, “Fully Burdened and Life Cycle Costs of the Workforce” dated December 6, 2017, that recommended ending arbitrary Full Time Equivalent (FTE) constraints on the civilian workforce in order to reduce costs. The Board found that the Department spent at that time about \$141.7 billion on contracted services for about 777,000 contractor employees (which has since grown to about \$196 billion in spending annually), actually more than it spent on Military Personnel (\$136.7 billion). It was double what was spent on approximately the same number of civilian employees (\$71.5 billion for 740,000 DoD civilian employees). In other words, H.R. 248 is proposing replacing the less expensive workforce (DoD civilian employees) with a workforce costing twice as much, based on an arbitrary 15 percent FTE reduction.

The REDUCE Act also contradicts Department of Defense leadership’s explanation of the importance of the civilian workforce to the Department’s mission capabilities and readiness. The FY2019 Defense Budget Overview Ch. 5-7 states: “Civilian personnel within the Department of Defense (DoD) are key to warfighter readiness, essential enablers to DoD’s mission capabilities and operational readiness, and critical to supporting our All-Volunteer Force and their families. The Department’s civilians perform critical functions in intelligence, equipment maintenance, medical care, family support, base operating services, and other activities that directly support the military forces and readiness. The Department’s civilian workforce brings to bear capabilities, expertise, and skills directly impacting DoD’s operational warfighting capabilities. From maintaining weapons systems at depots and shipyards; to child care centers and schools around the world; to our airfields, ranges, and armories; to the backbone of installation family programs and support—whether operating shoulder-to-shoulder in theater with their uniformed counterparts or stateside in support of our military families—DoD’s civilians are an essential part of our National Defense Strategy.”

Additionally, H.R. 248 is contradicted by several recent Congressional Budget Office, RAND, and Institute for Defense Analysis studies that recommend optimizing the use of military for “military essential” functions by using the civilian workforce to perform functions that do not require military performance. Moreover, for any given level of military End Strength, the amount of force structure available for operational warfighting requirements is reduced to the extent military are siphoned off to perform functions that civilians can and should perform, and at less cost. Also, when our military volunteers are pulled away from the warfighting functions, it degrades their individual training and readiness. Quite often, it harms their morale and retention. So, aside from being wasteful and inefficient, H.R. 248 would compromise the sustainability of the All Volunteer Military Force.

For these reasons, we request you oppose including H.R. 248 in this year’s National Defense Authorization bill. Instead, we recommend that you strengthen the strategic planning, programming, and budgeting for the civilian workforce as an integral part of the Total Force (Active military, Reserve military, civilian workforce, and contract support). Moreover, it would be impossible to achieve optimal fiscal or readiness outcomes by trying to arbitrarily control any single Total Force element in isolation. And when properly framed, improved processes would

ensure that the Department's force structure and Total Force are aligned in the most well-reasoned way to provide necessary military capabilities and readiness, while also avoiding wasteful costs. These processes could also greatly facilitate Congressional review of the DoD budget request and oversight of subsequent execution.

Thank you for considering these concerns. Should you or your staff have any questions, please contact John Anderson, (202) 639-6485, [john.anderson@afge.org](mailto:john.anderson@afge.org).

Sincerely,



J. David Cox, Sr.  
National President

cc: HASC Committee Members  
HAC-D Committee Members