



J. David Cox, Sr.

National President

Eugene Hudson, Jr.

National Secretary-Treasurer

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National Vice President
for Women and Fair Practices

September 29, 2015

The Honorable Mike McCord
Under Secretary (Comptroller) and Chief Financial Officer
Office of the Under Secretary of Defense (Comptroller)
1100 Defense Pentagon, Room 3E770
Washington, DC 20301-1100

Dear Mr. McCord:

On behalf of the American Federation of Government Employees, AFL-CIO, which represents more than 650,000 federal employees, including 250,000 in the Department of Defense (DoD), who serve the American people across the nation and around the world, I write to you regarding the Department's commitment to its very talented and critical civilian workforce.

Robert Hale, your former boss and the previous Comptroller, spoke recently at a Brookings Institute event in which he discussed the budget turmoil and uncertainty resulting from Congressional gridlock. Mr. Hale said that, "Federal employees are a hard sell in the Midwest because they're a symbol of a government that's too large. But I stress that these are people trying to do a job for our national security. So let's separate them from the debate on how big the government should be. I don't want to treat the federal workforce as a symbol of distaste in government."

I wish Mr. Hale had voiced such sentiments while he served as Comptroller. Do you agree with Mr. Hale? What will you do to "separate" civilian employees from that divisive ideological debate about the size of the federal government?

As I'm sure you know, Title 10 and annual appropriations law prohibit the management of the civilian workforce of the Department through headcounts, full-time equivalents, or end-strengths. Yet the budget guidance that the Comptroller's office promulgates annually does just that--it directs that civilian levels must be at or below prior year levels. I have recently written to Brad Carson, the Under Secretary of Defense for Personnel and Readiness, with respect to his "Force of the Future" reform proposals, identifying caps on the size of the Department's civilian workforce as a major obstacle that must be overcome in order to optimize human capital at a time when every defense dollar is precious. Yet these constraints are self-imposed by the Department in its own budget direction! In other words, the Department helps to promote the canard that civilian employees are symbols of "big government" because it imposes unique constraints on the size of the civilian workforce that have nothing to do with cost-containment—in fact, they increase costs—and everything to do

with casting the civilian workforce as the villain in a "big government" morality play, one which must be caged, contained, and constrained.

I ask that you take action to immediately lift the caps on the size of in-house workforces so that they can instead be managed by budgets and workloads—this would be an important first step towards ensuring that the Department's civilian employees are not a "symbol of distaste in government" but rather reinforce the undeniable fact that they are absolutely critical to the provision of the national security mission and force readiness. Among other things, civilian employees work in the depots and in the shipyards; they prepare and sustain weapons systems, and ensure the logistical supply flow of those weapons around globe; they operate bases and installations; and they train, provide medical care for, and support the families of our soldiers, sailors, airmen, and marines. Civilians are not just "bureaucrats" inside the Beltway; in fact, the majority of the Department's 750,000 civilian employees are electricians, welders, doctors, police officers, firefighters, nurses, teachers, warehouse clerks, and mechanics, to identify just a few professions.

If there is work to be done and money to pay for that work to be done, the Department's managers should not be prevented from using civilian employees simply because they are civilian employees. Instead, performance decisions should be based on the usual criteria of law, policy, risk, and cost, consistent with 10 USC 129. The Department, which has imposed caps on the size of its civilian workforce that are intended to prevent it from growing beyond its size in 2010, claims that exceptions are allowed, so that the practice really isn't arbitrary or illegal. However, the process by which exceptions are sought and reviewed is as cumbersome as it is forbidding. In fact, increases in in-house staff, whether initiated by the Pentagon or required by the Congress, must usually be offset with comparable numbers of reductions elsewhere in the civilian workforce.

Because of the caps, work currently performed by civilian employees is being contracted out, regardless of cost or the law. Because of the caps, new work that should be performed by civilian employees for cost or performance reasons is instead being outsourced. Because of the caps, outsourced work that should instead be performed by civilian employees remains privatized, even if in-house performance would save money or be consistent with law and policy. The caps pervert sourcing decisions throughout the Department--it defies belief that the Department would be able to pay for performance of a function by a contractor or military personnel but not civilian employees, even when the lattermost workforce would be the most cost-effective or consistent with law, policy, and risk-mitigation.

In the ruthless management of the civilian workforce by full-time equivalent caps, rather than costs, the Pentagon not only increases overall workforce costs by, effectively, requiring the use of more expensive contractor and military personnel, but it also biases management towards cutting lower-level employees, regardless of their utility or cost-effectiveness, in order to quickly reduce in-house staffing levels. This in turn arbitrarily increases the average cost of a civilian employee, which waves a red flag in front of the "big government" bulls.

I look forward to learning from you about how the Department will eliminate these arbitrary civilian constraints so that we can strive to end the disparagement of the Department's civilians as symbolic of "big government".

Sincerely,

A handwritten signature in black ink, appearing to read "J. David Cox, Sr.", written in a cursive style.

J. David Cox, Sr.
National President

cc: Honorable Peter Levine, Deputy Chief Management Officer
Honorable Brad Carson, Acting Under Secretary of Defense for Personnel and Readiness