

*Finding Bolsters Efforts in Congress This Week to Block Privatization at West Point & Across the Country*

Washington, DC - The Government Accountability Office (GAO) this week determined that the Defense Department was wrong in its decision to privatize nearly 400 public works jobs at West Point, citing flaws in the cost comparison analysis that would have led to a waste of taxpayer dollars. The GAO's findings come as House and Senate defense leaders are debating whether to approve a provision that Congressman Maurice Hinchey (D-NY) helped author that would prevent the Pentagon from moving forward with its plan to potentially privatize nearly 6,000 civilian and military jobs, including at least 531 jobs at West Point. Hinchey, with the assistance of Congressman John Hall (D-NY), helped push the provision through the House as part of the fiscal year 2010 Defense Appropriations bill, but the Senate did not include similar language in its version of the bill. House and Senate defense spending leaders, including Hinchey, are now working to resolve the differences between the two bills.

"The GAO has confirmed what we've been saying all along -- privatizing long-standing government jobs at West Point would be a waste of taxpayer money and is not in the best interests of the American people," Hinchey said. "The effort to privatize jobs at West Point and other military installations across the country was ideological in nature and ignored basic facts that indicated doing so would be a big mistake. The GAO's ruling bolsters our argument that Congress should give final approval to a measure I helped author that would effectively block the Pentagon from carrying out its privatization plans at West Point or anywhere else."

Congressman John Hall said, "The GAO ruling shows that the A76 study that led to the privatization of West Point jobs was inherently flawed, skewed, and discriminatory since its inception. Privatization reviews were commissioned by the Bush administration as part of an ideological effort to outsource government jobs to private companies. Congress has since rightfully outlawed these privatization reviews. Outsourcing West Point's government jobs to a private company would actually end up costing the taxpayers more money than it would to keep the jobs in the government. West Point employees and the West Point community should not suffer because of an illegal, faulty holdover from the Bush administration. This GAO decision is a big step forward in our efforts to prevent the Pentagon from dealing this painful blow to the West Point community."

In March, the Pentagon announced its decision to privatize 394 operations and maintenance jobs at West Point that have long been held by government employees. The Department of

Defense revealed it was planning to outsource West Point government jobs to a private company from Georgia. The 394 workers at West Point subsequently appealed the Defense Department's decision to GAO. In its findings that will be released on its website this week, GAO found that the Pentagon wrongly decided to privatize the 394 jobs because the process it used to make its determination was severely flawed. Specifically, GAO found that the Pentagon used unrealistic figures provided by the private sector when determining whether it was cost-effective to outsource the government jobs at West Point.

The provision Hinchey and Hall successfully helped push through the House blocks the Pentagon's decision at West Point. Additionally, the measure prevents all other privatization efforts, known as Office of Management and Budget (OMB) Circular A-76 privatization reviews, from being carried out. Those privatization reviews were started during the Bush administration. According to a Pentagon document, 3,575 civilian jobs and 2,394 military jobs are in jeopardy of being privatized. The provision Hinchey helped draft would prevent that from happening. The congressman also secured the inclusion of an additional provision in the House version that would block the privatization of more than 20 positions that manage the water and wastewater utilities at West Point.

Earlier this year, Congress passed legislation that President Obama subsequently signed into law that bars any future privatization studies. Since the West Point study and others were already underway, government jobs at the academy and elsewhere were still eligible to be privatized. Hinchey worked closely with House Appropriations Subcommittee on Defense Chairman John Murtha (D-PA) to ensure the inclusion of the provision blocking the privatization of government jobs.

A separate effort by the Pentagon to privatize an additional 137 custodial jobs at West Point was rejected as part of the A-76 process.