STATEMENT BY

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BEFORE

THE HOUSE COMMITTEE ON GOVERNMENT REFORM

REGARDING

THE RESTRUCTURING OF THE GENERAL SERVICE ADMINISTRATION'S OPERATIONS

ON

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Chairman Davis, Ranking Member Waxman, distinguished members of the Committee; I would like to thank you for the opportunity to testify on the restructuring of the General Services Administration's (GSA) operations.

I am the National President of the National Federation of Federal Employees (NFFE). We are an affiliate of the International Association of Machinists and Aerospace Workers. As national president of the oldest union representing non-postal federal employees, I speak on behalf of 90,000 federal employees, 3,000 of whom are workers at GSA.

I would like to address a regretful situation that exists at GSA. A series of actions that the agency has recently taken, which have been either ill-advised or highly inappropriate, have left the agency a haven of wasteful spending. The actions have also disenfranchised and demoralized department employees to a great extent, making it increasingly more difficult for GSA workers to provide the high-quality services they are capable of and that the taxpayers of this country deserve.

The most significant egregious action taken by the agency that I would like to address is the railroading of the proposed merger between the Federal Technology Service (FTS) and the Federal Supply Service (FSS). This merger, which stands to affect approximately 7,000 employees, is scheduled for implementation this July, and to this point there has been absolutely no direct

communication with the employees through their excusive representatives on this issue. Under the current schedule for implementation, the employees at the agency should have been consulted at least a year ago. This dismissive approach on the part of management toward the elected employee representatives is unacceptable.

It is a shame that the employees at GSA should have to make use of this venue at this late date to communicate their position on this major overhaul of the department. Yet, I will take this opportunity to publicly state the position of the employees on this merger.

The rank and file employees at GSA vehemently oppose a merger between the FTS and the FSS. Although we have little information about the specifics of the proposed merger, we can speculate that a fusion of agencies with such vastly different missions would be problematic for the agency and the government as a whole. Assuming that the merger would result in a whole or partial elimination of the FTS, we envision that there will be a widespread erosion of essential in-house expertise necessary to ensure cost-effective contracting of information technology products and services. Alert reports from the GSA Inspector General's office indicated numerous problems in contracting practices. Our conclusion is that problems encountered in procurement resulted primarily from a lack of autonomy between the procurement office and the program office. This knee-jerk merger does nothing to address those problems. A plan to simply

move the problem around is conceptually flawed. In the end, we believe the merger will make the problem worse, and it will be more costly to American taxpayers. A more appropriate solution would be to restore the FTS Office of Acquisition as an autonomous organization, free from influence by FTS program offices.

The next issue I would like to address is the relocation of employees at two major headquarters buildings, the Central Office Headquarters building in Washington, DC and the Federal Supply Service building in Crystal City, VA. We believe that this unnecessary move will be needlessly disruptive to department employees. Equally as important, this relocation has the potential to be extremely wasteful. Uncertainty about staffing levels indicated in the 2006 budget and the possibility of a FTS/FSS merger make brick and mortar facility needs impossible to predict at this time, and any relocation would be imprudent. A major move such as this should be delayed until staffing levels can accurately be forecasted. Any deviation could result in millions of dollars in wasteful spending.

The last major issue we want to address is the downsizing within the GSA Office of Government-wide Policy (OGP). NFFE is the excusive representative of all bargaining unit employees in this organization, about 130 in total. GSA has announced, and is currently implementing, plans to eliminate 22% of the employees in this department by April of this year. They plan to reassign another

21% of the department in addition to that, for a 44% overall reduction. GSA has cited constraints in the 2006 budget as grounds for pursuing these reductions. Given the fact that Congress has not yet approved the 2006 budget, we believe it is premature and inappropriate to act on speculation of what the budget might be. We ask this body to intervene and insist that the administration follow due course on this issue. Any action to the contrary would circumvent the authority of Congress. If, and only if, Congress approves the cutbacks in the President's budget proposal, a proposal we do not endorse, the agency should then follow the appropriate Reduction in Force (RIF) procedures. The agency is currently pursuing a Career Management Profile (CMP) assessment, an unfair alternative to the RIF procedure that allows managers to cherry pick retention of personal favorites, to the detriment of others that would get preference based on legitimate discriminators such as veteran's preference, seniority, and career status. Finally, management is implementing this CMP without spending one minute with employee representatives at the bargaining table to date, in our opinion a clear violation the Federal Service Labor-Management Relations Statute.

Taken as a whole, agency actions on these three issues indicate that GSA leadership is not committed to a cohesive business plan based on the execution of the agency mission. The dismissive approach toward employee representatives and the mandates of Congress are unacceptable. The simultaneous attempts to adjust staffing and relocate to new facilities leave the agency open to millions in wasteful spending. The apparent plans to eliminate

hundreds of full time employees leave the workforce terrorized with uncertainty. The GSA would stand to benefit from taking their initiatives one logical step at a time, while showing regard for due process and the needs of the department employees. Any thing less should not be tolerated from this committee.

This concludes my statement. Once again I thank the Committee for the opportunity to give my testimony. I will be happy to answer any questions the members of the Committee may have.