

United States Senate
WASHINGTON, DC 20510

March 11, 2010

The Honorable Peter R. Orszag
Director, Office of Management and Budget
725 17th Street, NW
Washington, D.C. 20503

Dear Director Orszag:

In a February 1, 2010 letter to you, serious concerns were raised related to the Administration's consideration of a government-wide procurement policy the Administration refers to as the "High Road" labor preference policy. This policy would purportedly create a preference in the award of federal contracts to contractors who adopt certain labor practices beyond those currently required by federal labor laws. To address these concerns, we asked for a detailed briefing on the proposal, how it would be implemented, and what steps would be taken to mitigate the expected negative impact on the cost of federal contracts, to our nation's small businesses, and to American taxpayers. To date, our staffs have not received this briefing.

In the intervening month, reports of options being considered by the Administration have served only to heighten our concerns. The limited discussions our staffs have had with the Office of Management and Budget on this initiative have provided virtually no detail. Indeed, they have included an utter lack of information regarding the factors that would form the basis for contracting decisions under the "High Road" initiative, any cost/benefit analysis that would support the initiative, and any measures that would mitigate the negative effects of the proposal. Moreover, our staffs have been notified that detailed briefings will occur only *after* the Administration has reached a decision on this proposal.

This approach is unacceptable. Significant changes to federal procurement policy, such as those under consideration by the Administration, should be taken, if at all, *only* after consultation with Congress and affected stakeholders. We remain troubled that the Administration's proposals would increase the cost of federal procurement to the American taxpayer in a time of tight federal budgets, hurt our nation's small businesses, reduce competition in the federal marketplace, and jeopardize the integrity of the Federal competitive source selection process. We are also convinced that any such initiative may be implemented only via legislation that fundamentally alters the preference for full and open competition in the Competition in Contracting Act.

We reiterate our prior request for our staffs to be briefed on the "High Road" initiative. This briefing must include details regarding the mechanics of "High Road" implementation, the ability of the federal acquisition workforce to integrate this requirement into an already complex source selection process, and the other items previously stated.

If you have any questions, please have your staff contact Molly Wilkinson, General Counsel with the Senate Committee on Homeland Security and Governmental Affairs, at (202) 228-3141.

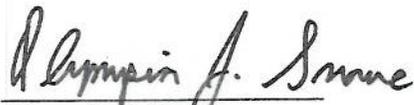
Sincerely,



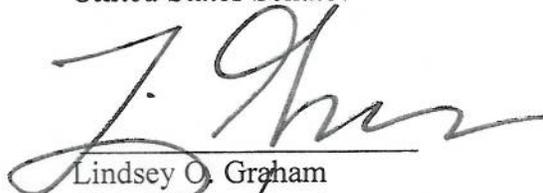
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