

February 26, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama,

We are writing to thank you for your ongoing efforts to curb waste, fraud and abuse in federal contracting -- including your recent memorandum cracking down on contractor tax scofflaws --and urge you to continue making needed contracting reforms. We ask that you support high-road contracting reforms to promote good jobs and ensure contractors are ethical and responsible and comply with existing laws.

As organizations committed to advancing effective and accountable government, we believe such reforms will ensure taxpayers that receive good value for their money.

First, when contractors cut corners by skirting the law, they often cut corners in the final product they deliver to taxpayers. In addition, by continuing to do business with repeated lawbreakers, public trust in the ability of government to perform is undermined.

Second, when contractors pay very low wages and benefits, taxpayers often end up getting a bad deal. Work quality can suffer and the government bears hidden costs because taxpayers need to provide income assistance and benefits to low income families, such as Medicaid and food stamps. In practice, this amounts to something like a government subsidy for low-road companies, while high-road companies are placed at a competitive disadvantage.

Specifically, we encourage you to pursue high-road contracting reforms that ensure that the federal government only does business with responsible companies rather than those with records of consistently violating workplace, environmental and other laws. Efforts here should clarify the standards for determining whether a contractor is responsible, improve the analysis available to make this determination, and fix the contractor responsibility database, ensuring it captures all violations of the law and is available to the public. Further we urge you to support reforms that, in selecting contractors, give significant weight to companies that provide workers with good wages, affordable healthcare, paid leave, and retirement security.

Innovative state and local governments have adopted similar reforms and have demonstrated that improving labor standards for the contracted workforce and ensuring compliance with existing laws is a good value for taxpayers. Such reforms can decrease government waste and increase competition among bidders by encouraging high-road companies to bid on projects. For example, after Maryland implemented a living wage standard, the average number of bids for contracts in the state increased nearly 30 percent.

Your action to further transform federal contracting would have a direct and positive impact on the lives of America's working families and provide much needed oversight for a vital sector of our economy.

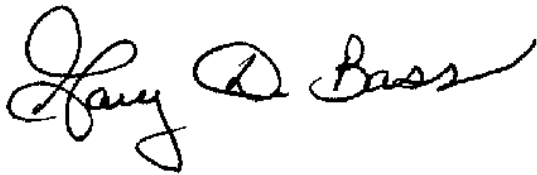
Sincerely,

A handwritten signature in black ink, appearing to read "David Madland". The signature is fluid and cursive, with a large initial "D" and "M".

David Madland
Director, American Worker Project
Center for American Progress Action Fund

A handwritten signature in black ink, appearing to read "Danielle Brian". The signature is cursive and elegant, with a large initial "D".

Danielle Brian
Executive Director
Project On Government Oversight (POGO)

A handwritten signature in black ink, appearing to read "Gary D. Bass". The signature is cursive and bold, with a large initial "G".

Gary Bass
Executive Director
OMB Watch