

President Barack Obama
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

March 12, 2010

Dear President Obama:

We are writing to urge you to support “high road” contracting reforms that would encourage federal agencies, when the decision is made to contract out, to do business with companies that create good jobs for America’s workers and that play by the rules by not violating our nation’s workplace, tax, environmental, and other laws. As leaders of national organizations committed to fighting poverty, we believe that such reforms would significantly help working families, especially low-wage workers and the working poor.

We applaud the steps you have already taken, and plan to take, to limit the inappropriate outsourcing of jobs that are more accountably and efficiently performed by public employees. Limiting such outsourcing is the best way of ensuring that serving the public interest, rather than boosting private profits, is the guide star for the performance of public functions. However, federal contracting still finances millions of jobs across our economy and has become a key source of employment in communities from coast to coast. Unfortunately, the federal government too often contracts with companies that pay very low wages, treat workers poorly and violate labor and employment laws. Estimates indicate that one in five workers on a federal contract does not earn enough to keep a family of four out of poverty. Too few receive health care, retirement benefits, or paid days off when they are sick. And federal contracts continue to be awarded to employers that are significant or repeat violators of workplace, tax, environmental, and other laws.

These employment practices—in addition to hurting the families we represent—undermine the quality of the services that the federal government receives, and impose substantial costs on the taxpayers as federal contract workers are forced to turn to publicly funded safety net programs to make ends meet. And they deprive our communities of the much needed economic stimulus that comes from putting more money into the pockets of low-income workers.

The federal government has long understood that through federal contracting, the government should lead by example and promote model employment practices for the private sector. President Johnson’s Executive Order 11,246, which guarantees equal employment opportunity for all individuals working for federal contractors, has played an historic role expanding opportunities for women and people of color in the workplace.

Your Administration has taken important first steps to limit inappropriate outsourcing, and we encourage you to continue this effort, especially as public employment has long been an important vehicle into the middle class for low-income families and people of color. We encourage you also to pursue additional contracting reforms that would apply once a decision is made to contract out work. First, federal agencies should not do business with companies that are repeat or significant violators of workplace, tax, environmental, and other laws. Second, in selecting contractors, federal agencies should give significant weight to companies that provide better jobs for America’s workers by paying a living wage and providing affordable healthcare, paid sick days and retirement benefits.

These changes would make a real and significant difference in the lives of America's working families, particularly in the communities we represent. They would reverse the role that federal contracting is now playing in creating bad jobs, and instead use it as a tool for addressing one of the most pressing needs facing our nation – rebuilding a base of middle-class jobs across our economy.

Sincerely,

Americans for Democratic Action

American Rights at Work

Center for Community Change

Center for Law and Social Policy

Coalition on Human Needs

DEMOS

Economic Policy Institute

Half in Ten

Interfaith Worker Justice

Jobs with Justice

Leadership Conference on Civil and Human Rights

National Employment Law Project

National Partnership for Women and Families

National Priorities Project

National Skills Coalition

National Women's Law Center

OMB Watch

Partnership for Working Families

Sugar Law Center for Economic and Social Justice

Wider Opportunities for Women

USAAction