



Opinion

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AFL-CIO union head opposes 'High Road' contracting policy

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Gautham Nagesh, who's been doing excellent work covering union politics over at *The Daily Caller*, has just [dropped a bombshell](#):

The head of the largest union representing federal workers has added his voice to those questioning the the White House's soon-to-be-unveiled High Road contracting policy. The president of the American Federation of Government Employees, which is affiliated with the AFL-CIO, recently questioned the wisdom of using the procurement process as a tool of social policy, a blow for the proposal's supporters in the organized labor movement.

[SNIP]

However, in a letter dated March 23 to Office of Management and Budget director Peter Orszag, AFGE President John Gage expressed concern about the "High Road" proposal, noting that it could "significantly increase subjectivity and politics in federal procurement." AFGE is the largest union representing federal workers, with more than 600,000 members worldwide. In his letter Gage argued the High Road proposal should not apply to any functions that currently or in the future may be performed by federal employees and questions expanding federal preferences for certain contractors.

"The various preferences for small businesses that 'High Road' proponents cite as precedents for rewarding a certain class of contractors are in fact riddled with fraud and often ultimately benefit ineligible businesses that act as subcontractors," Gage wrote. "Finally, as proponents now acknowledge, there are no jurisdictions at the state or local levels that use a process similar to the one proposed by 'High Road' proponents."

While Gage's comments are striking coming from a prominent labor leader, they echo the concerns of numerous observers within the federal procurement community. Contracting experts have argued the new award process would be highly opaque and open to corruption and favoritism.

I have a column in the paper today about how this very issue. Specifically, "White House Middle Class Task Force" is planning on introducing "high road" contracting policy as a gift to unions. In practice, that means contracts will go to unions and the price of the average federal contract is likely to spike. Incredibly, the federal government asserts that this will save money, but is unwilling to provide any evidence for that claim:

To address the factual underpinnings of these claims, nine Republican senators wrote a scathing letter to Peter Orzag, director of the White House Office of Management and Budget about the matter.

"Indeed, [the White House has] 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," wrote the senators.

They continued: "Moreover, our staffs have been notified that detailed briefings will occur only after the administration has reached a decision on this proposal."

Orzag has yet to respond to the senators' request for detailed information about the policy. Until then, the White House is poised to impose mandates that almost assuredly cost taxpayers hundreds of billions. They aren't lifting a finger to justify their actions to the taxpayer.

If even prominent union leaders think this is terrible policy, why is the White House supporting it? Oh right — unions spent \$400 million electing Democrats in 2008.

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