

'Non-Core' Army Jobs May Be Privatized

by Carl Osgood

After the bombing of the *USS Cole*, on Oct. 12, 2000, *EIR* Founder Lyndon LaRouche warned ("Lesson of the Cole Incident: Stop Privatizing Our Generals," *EIR*, Nov. 10, 2000) that there is no place in sane strategic policy for the privatization policies that were, then, already taking over many military support activities. In particular, he defined the engineering and medical capabilities of properly organized military institutions, as crucial to a broader nation-building strategy.

Instead, the Clash of Civilizations outlook dominating the current civilian leadership at the Department of Defense has accelerated the process in the opposite direction.

The trend was sharpened by the now-infamous "Third Wave" memo issued by Secretary of the Army Thomas "Enron" White on Oct. 4, this year. White identified 58,727 military positions and 154,910 civilian positions in the Army as "non-core spaces." Non-core positions are defined only as "spaces potentially eligible for private-sector performance." The memo, issued in support of President George Bush's management agenda, states that the Army "must quickly free up resources for the global war on terrorism, and do so, in a way that avoids disruptions to our core operations." Furthermore, the initiative differs from earlier privatization attempts, in that it provides for alternatives to the current process set forth in the 1983 Office of Management and Budget Circular A-76. A-76 sets guidelines as to what activities can be subject to competitive outsourcing. White invoked "The Third Wave," with the first public-private competition being in the 1980s, and the second beginning in 1997, studying a total of 58,000 jobs.

During an Oct. 31 press briefing, White explained that his initiative has two components. One is identified in the Third Wave memo. He said, "We look at everything the Army does," decide what is "core to the Army," and what not, "and for all the non-core activities, see if there's a better way to do it." One option is competing activities under A-76, which allows the activity still to be done by government employees if they compete successfully against private contractors. A second option would be straight outsourcing, such as the privatization of Army base housing or base utilities. A third option would be for a military installation to partner with a local municipality to outsource municipal services. The fourth option is to stop doing the activity altogether.

White is also pushing to privatize the Army's logistics base, based on the "Ordnance Activities Rightsizing Study,"

by RAND. He said, "Are there better ways to run the logistics arm, the supply chain of the Army?" That analysis includes ammunition plants, depots, arsenals, and so forth—the Army's industrial base. "There's been a lot of discussion about privatizing ammunition plants, for example," he said.

Lawmakers, Unions Not Convinced

White emphasized that the Army will consult with Congress throughout the process. He will need to, because there are complaints that the Army has been less than forthcoming with lawmakers about its plans. A spokesman from the office of Sen. Richard Shelby (R-Ala.) confirmed to *EIR* that privatization plans outside of the A-76 process would require changes to current law, and the Army has not even sent up proposed legislation to Capitol Hill. In addition, Sen. Richard Durbin (D-Ill.) sent an Oct. 29 letter to White, signed by 12 other Senators including Shelby, telling him, "We find it unacceptable for the Army to move to implement the [RAND] study, sell or privatize Federal facilities, and aggressively privatize civilian and military jobs without Congressional oversight and consultation, if that is, in fact, what the Army's action plan would do." The letter further notes that, while White has directed that "action plans" be submitted to him by Nov. 29, for execution of the study's recommendations, Senators and their staffs cannot even get briefings on it. According to Shelby's spokesman, White has yet to respond to the letter.

The labor unions that represent the affected Army civilian employees also are raising serious questions. The American Federation of Government Employees (AFGE) questions the notion, first of all, that private contractors can do it cheaper and better than government employees. One AFGE official noted to *EIR* that government employees are in the field out of loyalty, whereas contractors are in it for the money, and not likely to put in the same quality, for the same money, and still make a profit. Secondly, there is the issue of contract employees in or near a combat zone. During the 1990-91 Operation Desert Shield/Desert Storm, the Anniston Army Depot, in Alabama, sent 500 employees to Saudi Arabia to set up a depot. Even after Iraq started shooting Scud missiles, those employees "never budged," as the AFGE official put it. "We're in it because it's our livelihood, because our fathers worked here and taught us how to build artillery, small arms."

A related issue is that of military readiness and security. The Army's depots have a very close relationship with the fielded forces for whom they build the tanks, armored vehicles, small arms and other equipment, and so, are very attuned to the needs of the soldiers. AFGE questions whether contractors would be able to maintain such a relationship, or at that high standard. Anniston, as other depots, also provides storage facilities for some of the Army's nerve and blister chemical warfare agents. Would these stocks be as safe, if security were provided by a contractor?