



AMERICANS FOR PROSPERITY



American Conservative Defense Alliance



## Stop No-Bid Earmarks

Support Section 828 of the Senate Defense Authorization Bill

November 5, 2007

Dear Member of Congress:

We are concerned that the House Armed Services Committee leaders are working to get rid of requirements for earmarks to face competition. During consideration of the FY2008 Defense Authorization bill, the Senate adopted a common sense provision subjecting earmarks to federal competitive bidding laws and regulations. The earmark competition provision should not be removed from the FY08 Defense Authorization bill.

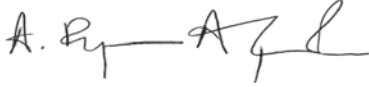
Congress has justifiably been highly critical of billions of dollars in government contracts that the Administration has often issued without competition for reconstruction efforts in Iraq and the Gulf Coast. In fact, Congress has repeatedly voted to end or limit these “no bid” contracts. Section 828 the Senate Defense Authorization bill simply applies that same reasoning to earmarks.

To be clear, Section 828 would NOT prevent Members of Congress from making earmarks, it would simply introduce common sense transparency and competition in the awarding of grants and contracts. Those common sense provisions ensure that the American taxpayers get the best deal and prevent favor exchanges which have cast a pall over the reputation of the Congress.

The most egregious corruption scandals in the past few years have all involved Members of Congress who steer earmarks to companies in exchange for money and favors.

Eliminating the earmark competition provision will be hard for Members of Congress to justify given all the recent critical attention to Congressional earmarks. We urge you to support inclusion of Section 828 in the final version of the bill.

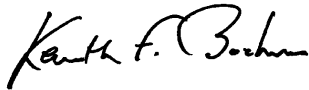
Sincerely,



Ryan Alexander, President  
Taxpayers for Common Sense



Danielle Brian, Executive Director  
Project On Government Oversight



Ken Boehm, Chairman  
National Legal and Policy Center



Mark Cohen, Executive Director  
Government Accountability Project



Ellen Miller, Executive Director  
Sunlight Foundation



Michael Ostrolenk  
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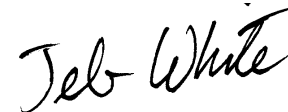
Tim Phillips, President  
Americans for Prosperity



Tom Schatz, President  
Council for Citizens Against  
Government Waste



Pete Sepp, Vice President  
Policy & Communications  
National Taxpayers Union



Jeb White, Executive Director  
Taxpayers Against Fraud

# Stop No-Bid Earmarks

## Support Section 828 of the Senate Defense Authorization Bill

Section 828 of the FY 2008 Senate Defense Authorization bill would apply federal competitive bidding laws and regulations to congressional earmarks. Originally sponsored by Senator Tom Coburn, the provision is currently in jeopardy. It has been opposed by leaders of the House Armed Services Committee and may not survive the current conference on the Authorization bill. The Administration has not taken a formal position for or against Section 828.

**How Section 828 Works.** Under this provision, a Member of Congress in either body would still have the prerogative to fund an activity that they deem worthy through an earmark. However, a full and open competitive process would be used to select the most qualified entity to undertake the project funded. Section 828 also:

- ◆ Provides that the Secretary of Defense may waive competition requirements, particularly if it “will help meet important national defense needs” or the new project or program “cannot be implemented without a waiver.”
- ◆ Apply to new projects rather than earmarks that fund existing or on-going projects.
- ◆ Apply to both contracts and grants.
- ◆ Require DOD to provide a report to Congress every year with the name of the recipients of the funds awarded; the reasons the recipient was selected; and the number of entities that competed for the earmarked contract.

**Why This Provision Is Needed.** According to Taxpayers for Common Sense, the Senate version of the defense authorization bill discloses 309 earmarks costing as much as \$5 billion and the House version includes 726 earmarks worth \$8.4 billion. Without the adoption of Section 828, the manner in which these earmarks would be awarded is no different than other “no bid” federal contracts.

Some of the most egregious examples of corruption in recent years have involved Members of Congress who steer earmarks noncompetitively to companies and individuals who bribe them or make contributions to their political campaigns.

At the same time, Congress has been highly critical of billions of dollars in government contracts that the Administration has often issued without competition for reconstruction efforts in Iraq and the Gulf Coast. Recently, Congress repeatedly voted to end or limit these “no bid” contracts.

Applying the principle of fair and open competition to congressional earmarks will close the loophole that currently allows billions of taxpayer dollars to bypass federal laws and regulations requiring a fair and competitive playing field. Unless there is an urgent or extraordinary reason, no federal contracts or grants – including those initiated by Congress – should be exempt from these procedures.