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John "JB" Byrd  
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May 22, 2014

Dear Mr. Byrd -

I am writing you to express my strong support for "Amendment to the Rules Committee Print For H.R. 4435 Offered by the Honorable Lynn Jenkins (R-KS)", also known as Amendment #135.

I have a decade of direct experience in the commercial business sector with the issue of improper insourcing and unfair competition from government agencies. Since 1996, I have worked for Advanced Simulation Technology, Inc (ASTi), a small business located in Herndon, VA that produces commercial off the shelf digital signal processing, voice over IP and simulation-enabled products that enhance critical training, experimentation and test-evaluation programs for a wide array of domestic and foreign military and civilian programs.

And for the past 15 years ASTi has suffered a significant loss of business due to unfair government competition. And the problem is continuing unabated.

ASTi has found that DOD R&D labs are producing government off the shelf (GOTS) products that functionally replicate readily available, mature, field-proven commercial off the shelf (COTS) products. And the DOD labs subsequently give the GOTS products away at no cost, flooding the commercial marketplace with freeware. This has resulted in dire effects on ASTi's business.

ASTi naively thought that sequestration and ongoing DOD budget cuts would help stem this malfeasance. We anticipated that due to budget constraints, the DOD would start to comply with the mandated preference for commercial products and best value determinations, as codified by the Clinger-Cohen Act, the FARs, DOD 5000.x, OMB Circular A-130 and the DOD's Better Buying Power 2.0. But we were wrong. Sequestration and ongoing DOD budget cuts have had a 'circle the wagons' effect at the offending DOD commands. These military commands have continued to pump money into the GOTS producing centers in order to maintain federal jobs and justify internal expenditures.

Negative Effects of Government Competition:

- Direct displacement of our products in the commercial marketplace.
- Drastic devaluation of our products.
- Reduction and even elimination of our government customers' budgets.
- New requirements are closely held by the government and not announced to the industrial sector to justify maintaining funds at the Government agency and to exclude industry from competition.
- The capabilities of GOTS solutions are demonstrably inferior to those offered by private industry, and, thus, critical military training is impaired.



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- Companies like ASTi are losing revenue and jobs while much of Training and Simulation industry has been reduced to a build-to-print labor service as a commodity.
  - The GOTS competition syndrome is weakening the military-industrial base.
  - The government ultimately fails to meet the best value criteria set forth in acquisition regulations. ASTi has found that the Navy, Army and Marines have independently paid for development and sustainment efforts for variants and spin-offs of the same GOTS product, thereby losing the benefits of commonality and standardization.
  - Industry and especially small businesses are clearly losing market share and revenue to the distribution of government products.

It is for those reasons that I support Amendment #135 to the Rules Committee Print For H.R. 4435 and efforts by the Honorable Lynn Jenkins to implement measures that would:

- Require official cost accounting be performed and documented to identify whether DOD performance is more cost effective than the private sector contractor.
- Help protect private sector firms, including small business, from losing contracts taken away unfairly by the Federal government.

Please forward my message to the staff of Rep. Lynn Jenkins, United States House of Representatives.

Sincerely,

Charles McCullough

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