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To: David C. Childs A-76comments/OMB/EOP@EOP

cc:

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- OMB comment letter.pdf

December 16,2002

G. A. Puryear IV
General Counsel

David C. Childs
Office of Federal Procurement Policy
NEOB Room 9013
Office of Management and Budget
725 17th St. NW
Washington, DC 20503

Dear Mr. Childs:

Corrections Corporation of America (CCA) is the nation's largest provider of privatized prison and detention management services to state, local and federal agencies. CCA manages 61 prisons and jails in 21 states, including 21 facilities that house inmates under contracts with the Federal Bureau of prisons, the United States Marshals Service and the Immigration and Naturalization Service. As a large federal contractor, we support OMB's proposal to revise Circular No. A-76 in order to improve the management of commercial activities that are needed to conduct the business of government and, ultimately, lower costs for taxpayers and improve program performance for citizens.

~~After~~ reviewing the proposed revisions, we seek only to clarify an issue with regard to the definition of "inherently governmental" functions. Obviously, the federal government has long utilized private contractors to provide prison and detention services. In fact, CCA has contracted with the federal government since the company was established in 1983. It is our understanding and assumption that the federal government intends to continue these successful public-private partnerships in the area of prison and detention services. We therefore assume that OMB does not include operation of prison and detention facilities under the definition of an "inherently governmental" function that cannot be subject to public-private competition

At the same time, we also understand that the federal government is concerned about employing private contractors to make arrests, act as enforcers of law within the general population, or otherwise exercise judicial powers. We believe that the revised definition of "inherently governmental function" is intended to capture these situations, and not (as described above) to interfere in any way with the traditional role private firms such as CCA have played in operating detention and prison facilities under contract with federal agencies. Any clarification that OMB could provide which confirms this understanding would be appreciated.

If you have any questions regarding this issue, please contact me at (615)263-3000.

Sincerely,



G.A. Puryear IV
Executive Vice President and General Counsel