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To: David C. Childs A-76comments/OMB/EOP@EOP
cc:
Subject: AeA's A-76 Comments

December 19, 2002

Mr. David Childs
Office of Federal Procurement Policy
Office of Management and Budget
725 17th Street, N.W.
New Executive Office Building, Room 9013
Washington, D.C. 20503

RE: Proposed revisions to OMB Circular A-76

Dear Mr. Childs:

On behalf of the member companies of AeA, we appreciate the opportunity to provide comments on the "proposed revision to Office of Management and Budget Circular No. A-76, Performance of Commercial Activities" (67 Fed. Reg. 69769-69774).

AeA is pleased the Office of Federal Procurement Policy (OFPP) is working to improve OMB Circular A-76. For many years, the A-76 process for competing commercial activities has fallen short of the Federal government's longstanding policy of relying on the private sector to perform commercial activities. On the basis that the revisions will make the processes simpler and easier to understand, improve the effectiveness of competitions, and ultimately provide greater access to commercial opportunities, particularly for small businesses, AeA supports OMB's A-76 proposal.

In particular, AeA supports the proposal's requirement that "all activities are commercial in nature unless an activity is justified as inherently governmental." Moreover, the requirement for agencies to provide annual inventories of their inherently governmental positions, along with a more concise definition of "inherently governmental" should help correct flaws in the Federal Activities Inventory Reform (FAIR) Act. These proposed changes should help shed additional light on the Federal government's participation in commercial activities, often times at the expense of the taxpayer and the private sector.

On balance, AeA believes the proposed revisions to A-76 should help create a more level playing field for the private sector vying for increased opportunities in the Federal market, provide additional clarity to a complex process, and produce additional cost savings for the American taxpayer through more effective public-private competitions.

Advancing the business of technology, AeA is the nation's largest high-tech trade association. AeA represents more than 3,000 companies with 1.8 million employees. These 3000+ companies span the high-technology spectrum, from software, semiconductors, medical devices and computers to Internet technology, advanced electronics and telecommunications systems and services. With 17 regional U.S. councils and offices in Brussels and

Beijing, AeA offers a unique global policy grassroots capability and a wide portfolio of valuable business services and products for the high-tech industry. AeA has been the accepted voice of the U.S. technology community since 1943. For more information, please visit www.aeanet.org.

AeA appreciates the opportunity to share our comments. We look forward to continuing to work on important procurement issues with your office in the future.

Sincerely,

William T. Archey [signed]
President & CEO

(See attached file: AeA A-76 Comments.pdf)

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- AeA A-76 Comments.pdf

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