



Weekly Report for June 4, 2010

Congress

Legislation Would Provide \$4,800 Tax Credit for Firms Hiring Vets

Businesses that employ disabled veterans who have recently completed military service would be eligible to claim a tax credit of up to \$4,800 under legislation (S. 3398) introduced May 24 by Senate Finance Committee Chairman Max Baucus (D-Mont.) and Sen. Charles Grassley (R-Iowa), ranking member of the committee.

The legislation would also provide a credit of \$2,400 for other qualified, non-disabled veterans. The tax credit proposed in the legislation is equal to 40 percent of qualifying wages up to \$6,000 for most veterans and up to \$12,000 for disabled veterans. In announcing the legislation, its sponsors lamented the fact that the unemployment rate among veterans who have served in the military since September 2001 "far exceeds that of their civilian peers." Nearly 15 percent of post-9/11 veterans are unemployed and the rate of unemployment for veterans aged 18 to 24 is 30.2 percent—nearly double the rate for non-veterans the same age.

Small Business

President Calls for Passage of Small Business Job Stimulus, Lending Initiatives

The Obama Administration has continued to encourage action on a comprehensive small business jobs package. The plan includes tax cuts to support investment and expansion programs and new lending initiatives to help creditworthy firms access capital. The bill also enhances recent small business related stimuli including the Recovery Act enhancements to Small Business Administration programs, a \$40 billion Small Business Health Care Tax Credit, and the new hiring tax credit passed through the HIRE Act.

Government Contracting

Obama Administration Continues to Make Government Less Dependent on Private Sector

The Obama administration's top procurement official testified during a recent congressional hearing that converting contractor jobs to federal positions is not the only way to accomplish workforce re-balancing. "In many cases, overreliance on contractors may be corrected by allocating additional resources to contract management," said Daniel Gordon, administrator of the Office of Management and Budget's Office of

Federal Procurement Policy, in testimony before the Senate Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia. "In other words, rebalancing does not require an agency to insource ... provided the agency can hire, retrain or reassign sufficient federal employees with the requisite skills in managing contractors to maintain control of their activities." Administration officials and senators agreed the effort to change the mix of contractors and federal employees must be deliberate.

House Democrats Mixed Toward Administration's Effort to Rebalance Public/Private Mix

The fiscal year 2011 Defense Authorization Bill, approved by the House Armed Services Committee on Wednesday, contained a provision that channels the Obama Administration's insourcing efforts. Applauded by industry leaders, the provision would prevent the Pentagon from establishing "any arbitrary goals or targets to implement DoD's insourcing initiative." Furthermore, the provision would also require reports from both the Defense Department and the Government Accountability Office on the insourcing effort.

From the Federal Register

Proposed Rule Would Amend the FAR in Regard to Personal Identity Verification of Contractor Personnel

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) are proposing to amend the Federal Acquisition Regulation (FAR) to provide additional regulatory coverage in Subpart 4.13 and in clause 52.204-9 to reinforce the requirement of collecting from contractors all forms of Government provided identification once they are no longer needed to support a contract. To add teeth to the requirement, a contracting officer could delay final payment under a contract if the contractor fails to comply with the requirements. Comments are due on or before July 23, 2010. Federal Register 5/24/2010

If you have any questions, please call Ryan Bradel at (202) 857-1000