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The fiscal year 2020 budget for the US Department of Defense (DoD) was $738 billion. Of this sum, DoD obligated $420 billion in contracts, funding 464,500 full-time contract employees.¹ A data point to convey the scale of contracting-out is provided by the decision of the Biden administration to withdraw US troops from Afghanistan by September 11, 2021. Media reports at that time indicated there were between 2,500 and 3,500 US troops in Afghanistan. According to data in a Congressional Research Service report, in the fourth quarter of 2020 there were 22,562 contractors, 7,856 of them US citizens, employed by DoD in Afghanistan.² The anticipated heavy reliance on contractors, especially those maintaining airplanes and helicopters for Afghan pilots, has been indicated by some analysts as a reason why Afghanistan fell to the Taliban so quickly in early August 2021.³ A telling statement on the centrality of contractors to US national security is the following by Matthieu Aikins: “The U.S. military had spent billions to train and equip a force in its own image, heavily dependent on foreign contractors and air support.”⁴ By virtue of the scale of funds involved, and the number of contracted employees, any effort to analyze US defense policy, including civil-military relations, must include outsourcing. It will become clear in the discussion of contingency contracting in the global war on terrorism and the current effort to obtain the latest technology to aid the warfighter in the great power competition that it is impossible today to implement a US defense strategy without a reliance on contractors.⁵
There is no contracting-out without the awarding of a contract. And there are a huge number of contracts. Ash Carter, who had been, as he terms it in his book, “acquisition czar,” then deputy secretary of defense, and then secretary of defense under President Obama, writes: “There are about ten million such separate contracts awarded each year [by DoD].” The contracts transfer what I have heard congressmen refer to as “the people’s money” to for-profit firms, called “the industry.” Again, it should be no surprise that the transfer of the people’s money to the industry is regulated by law, commonly called “authorities,” which are found in the Code of Federal Regulations and United States Code. In this book, I focus first on the Federal Acquisition Regulation (FAR) (48 Code of Federal Regulations) and the DoD’s Defense Federal Acquisition Regulation Supplement (DFARS), which is codified at Title 48 of the Code of Federal Regulations and Other Transaction Authority (OTA) (10 US Code 4021–4023). It must be noted that there are three main dimensions—processes and structures—that directly impinge on outsourcing by DoD. The first is the budgeting system, the second is the definition of requirements, and the third is the awarding of contracts. As might be expected of anything as huge and complex as DoD, all three are very complicated, and it should be no surprise that the results are less than optimum. I have chosen to focus on the awarding of contracts in this book both because it is fundamental and also because the current system, based on the FAR, is being questioned not only by professional experts in outsourcing but also by the US Congress. Yet the adherence to the FAR by the contracting community is almost total, and based upon my research and personal experience over decades with contracting officers, I am convinced that the answer lies in the nature of incentives.

I have two goals in this book. First, to contribute to the conceptualization of civil-military relations by examining how the United States outsources to private, for-profit firms large elements of security, most of which previously had been a monopoly of the US government. Second, and in order to achieve that goal, I first explore how outsourcing works. To do so, I utilize a framework for analysis based on one we have formulated and used in the conceptualization of civil-military relations. While many of the books on
one aspect of outsourcing—the privatization of security via private security contractors—tend to be polemical, this book assumes the position that outsourcing by DoD “is what it is.” That is, it is a fact, it will not go away, and the scope and importance of this fact behooves us to understand it.

Framework for Analysis

Possibly due to the gigantic fiscal and personnel scale as well as the complexity and lack of reliable data on outsourcing security, there are, to the best of my knowledge, very few if any analytical books or articles on this topic. Nor is there any agreement on how to approach reform of the acquisition process, let alone what must be done to reform a system within which acquisition processes are central. As Ash Carter writes: “Unfortunately, pressures from well-intentioned but sometimes misguided defense experts, consultants, and members of Congress often drive the Pentagon’s processes in the wrong direction. As a result, most of the periodic paroxysms of ‘acquisition reform’ that sweep through government have been amateurish and counterproductive. I know, because I’ve had a front-row seat for several of them.”

The title of probably the main book on acquisition reform is suggestive of the situation: Defense Acquisition Reform, 1960–2009: An Elusive Goal, by J. Ronald Fox. Another typical title on the same topic is: “We Are Lost in the Woods on Acquisition Reform.” Observers have identified cycles of acquisition reform, yet there is no consensus on whether the acquisition function is being reformed or not. It is relevant to the focus in this book that the US Government Accountability Office (GAO) assesses DoD contract management, which includes operational contract support, as in global war on terrorism, as high-risk.

The inspiration for my approach in this book is conveyed in a quote from John Lewis Gaddis’s On Grand Strategy: “Because ends exist only in the imagination, they can be infinite: a throne on the moon, perhaps with a great view. Means, though, are stubbornly finite: they’re boots on the ground, ships in the sea, and the bodies required to fill them. Ends and means have to connect if anything is
to happen. They’re never, however, interchangeable.”13 In short, strategy is the vision of matching ends with means, and in US national security a great many of the means are outsourced. While there is a huge literature on strategy, including “Grand Strategy,” there is virtually nothing on the “means” whereby a strategy might be implemented.

The topic of outsourcing by DoD is amorphous. In order to identify and organize a gigantic quantity of data and documents of variable focus and reliability, I utilize and adapt a framework for analysis that was developed for the study of civil-military relations in which the traditional concept of civilian control over the armed forces was expanded to include the concept of military effectiveness.14 The framework was developed from research in the United States and other countries, and it is based upon the requirements necessary for control and effectiveness, which include the legal basis for control, oversight mechanisms, and education of those responsible, strategy, institutions, and resources. These concepts were operationalized with a variety of data.

In adapting the framework to outsourcing, I use the components of the framework to identify and organize what I consider to be credible information. I thus propose the following components of the framework for this book. The legal bases for outsourcing are the Federal Acquisition Regulation and Other Transaction Authority. Oversight is ultimately with the US Congress and its research and analysis arms.15 Education and training pertain to those responsible for implementing the legal bases for contracting out. In the case of the global war on terrorism, they include contracting officers (CO), contracting officer representatives (CORs), and officers who are not acquisition specialists; and for great power competition it is again contracting officers, but specifically in dealing with Other Transaction Authorities (OTAs), they may be termed agreement officers. The US national security strategies, the visions of matching ends with means, to be focused on are the global war on terrorism (between 2001 and 2018) and great power competition (2018–present).16 The institutions are those that see to the implementation of the strategies to achieve their goals. For the global war on terrorism it is the COs and CORs, and in intelligence it is the Office of the Director of National Intelligence (ODNI). So far, as OTAs are a potential acquisition vehicle for tech-
nological innovations, but as argued below have yet to “catch on,” there is no equivalent institution to see to implementation, although several have been proposed. As noted earlier, in 2020, the US Department of Defense obligated $420 billion in contracts funding 464,500 full-time contract employees. Lest one assume that these funds were mainly to purchase equipment—ships, planes, tanks, and the like—to be used by uniformed military personnel, the most recent available data show that 51 percent of total DoD contracts were for services, 41 percent for goods or equipment, and 8 percent for research and development (R&D). In short, a minimum of 51 percent of these funds, and a maximum of 59 percent, were used to replace, support, or in some manner affect the military effectiveness of a uniformed personnel totaling 1.3 million active and 800,000 reserve forces. Figure 1.1 provides both some insight into the amount of funds outsourced to services as well as the challenges arising from the lack of a single definition of services and the unreliability of the data. While the data reported at the outset of this chapter are from the Congressional Research Service (CRS), the data displayed here are from the GAO, both supporting the US Congress.

My attention was drawn to the centrality of the legal basis for outsourcing, the authorities in the global war on terrorism, under the FAR, on reading Secretary of Defense Robert M. Gates’s Duty: Memoirs of a Secretary at War, wherein he states: “At the end of May, I approved putting the MRAP [mine-resistant, ambush-protected vehicles] program in a special, very small category of Defense procurement, effectively-setting aside many bureaucratic hurdles typical of military programs.” The bureaucratic hurdles referenced by the secretary of defense are also perceived to hamper outsourcing in the great power competition—resulting in recommendations to replace the FAR with the OTA as the legal framework, or authority, of choice. Who makes these recommendations will be discussed in Chapter 6.

I propose to use this adapted framework not only because there is no other available framework on this topic, but also because of the sheer complexity and scale in outsourcing, the ambiguity in definitions and data, and impediments to research. This framework allows me to identify relevant information and to analyze how it fits together as a whole.
Research Issues

The main impediments to research I encountered concerned first defining what constitutes a service and then the availability of data, including issues of secrecy and objectivity.

Defining Services

The first and maybe the most fundamental hurdle is the absence of a single definition of what is a service. Figure 1.1 is based on but one of several definitions of a service. At a general level, the legal frame-
work governing contracting out for services are the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement, for the Department of Defense. The FAR’s definition is that service contracts directly engage the time and effort of a contractor whose primary purpose is to perform a task rather than to furnish a thing. The FAR’s list of activities for service contracts includes maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment; real property maintenance; housekeeping and base services; advisory and assistance services; communications services; operation of government-owned equipment, real property, and systems; transportation and related services; architect-engineering services; and research and development.

Federal agencies, however, have adopted different classifications. DoD uses one that categorizes services into nine different groups (with forty specific portfolios), including knowledge-based services, R&D, logistics management services, electronic and communication services, and various other categories. The Center for Security and International Studies (CSIS), which sponsors a program in defense industrial initiatives and publishes briefs on trends in outsourcing, divides service contracts into five categories that are like DoD’s but not identical. The Office of Management and Budget (OMB) identifies contracted services by five spending categories, several of which have multiple subsidiary object classes. In short, there is no single definition of services.

In addition to the lack of a single definition, DoD, in responding to changes in high-technology areas, often modifies the legal framework for contracting-out. On January 23, 2020, DoD issued “DoD Instruction 5000.02: Operation of the Adaptive Acquisition Framework” (AAF). This instruction establishing the AAF was approved by Ellen M. Lord, undersecretary of defense for acquisition and sustainment. This framework is the most recent effort by DoD to try to accelerate the development and fielding of new programs, products, technologies, and services, still within the terms of the FAR structure. Among other innovations, the AAF recognizes that services are different from products and thus should be contracted differently, as demonstrated by separate pathways and different process milestones.
Data Availability

Another impediment is that the data on the amount and different forms of outsourcing are incomplete. The Federal Procurement Data System (FPDS) is the most comprehensive source of information about federal spending on contracts. The FPDS’s data, however, are not complete, and the way data is reported makes it difficult to summarize spending on contracts. As indicative of the serious problems with the data, a recent CRS report on the theme of “Department of Defense Contractors and Troop Levels in Afghanistan and Iraq” explicitly discusses the limitations in the data that are available through an update and modification of the FPDS. The report states the following: “Nevertheless, some observers say that despite their shortcomings, the data available through the beta.SAM.gov Data Bank are substantially more comprehensive than what is available on government procurement activities in most other countries in the world.” I read this to mean the US data are better than in Angola, for example. I think it is worth noting that in yet another recent CRS report there is explicit reference on the ambiguity of the data. In Chapter 5, on acquisitions in the context of great power competition, I pay particular attention to the use of OTAs. In his exhaustive (762-page) PhD dissertation on the use of OTAs, Crane Lopes states: “FPDS is a publicly available federal government-wide database those federal agencies are required to use to report data on contract actions whose Estimated value is $3,500 or more. . . . However, the FAR and DFARS do not require other transactions to be reported in FPDS.” The many limitations on the data are a huge impediment to any kind of analysis that aspires to be systematic. For example, in her master of business administration thesis, a US Air Force captain contracting officer states in the conclusion: “Initially the data sample consisted of over 5000 firms, but after scrubbing the data for missing fields, incomplete or inaccurate data, the same was reduced to 437.”

The combination of these two problems—multiple categorizations and incomplete thus unreliable data—results in bizarre figures such as the 464,500 contract employees in 2017 for the CRS and 561,239 for Cancian for 2015. The anomaly is also obvious when
comparing the data at the outset of this chapter in Figure 1.1. This anomaly may be due to the former counting only full-time equivalents, and the latter not, but one simply has no way of knowing. In any case, the flimsiness of what should be “hard data” makes any kind of quantitative analysis problematic at best.

Secrecy and Proprietary Data

Since the research concerns DoD and the intelligence community (IC), much of the material is classified. As I held a high-security clearance for two decades, serving as rapporteur of the Defense Policy Board, where everything was top secret or above, and having researched and written extensively on other countries’ ICs, I at least know what I don’t know and therefore hopefully have avoided obvious mistakes. And, as contracting involves competitive bidding, most, if not all, of the information is proprietary. The result is that the great variety of trade publications dealing with national security and defense include short snippets on the awarding of this or that contract, but despite my due diligence I have found that it is impossible to get further information due to classification and the proprietary nature of the product. The combination of the issues of secrecy and proprietary, and the fact that, according to Ash Carter, DoD is the largest and most complex organization in the entire world, does not allow me to utilize the concept, and thus the literature, of “accountability.” Given the size, combined with two central factors not allowing for credible data, makes it difficult to determine if much of anything is accountable or not.

Shortage of Objective Information and Analysis

The available literature relating in some way to the topic is spotty. The most objective data, and thus my heavy reliance on it, are produced by both the research and auditing arms of the US Congress: the CRS and GAO, respectively. The bibliography illustrates my extensive use of the reports from CRS—most of which are listed by author in addition to two series on short reports—and from the GAO, all of which are listed under the rubric GAO. The research
and publications of these two organizations are directly relevant to policy, since it is at the behest of members or staff of Congress that they are done. Accordingly, they indicate the priority members of Congress and their staff give to the topic of this book. Both the CRS and the GAO, however, as their staff have put it, “work for Congress,” which means they cannot be tasked by others. I was, however, aided by Congressman Jimmy Panetta, whose office interceded on my behalf with the CRS and GAO, to obtain comments that are extremely useful. Both are nonpartisan, but while CRS reports cover many of the topics in this book, they do not cover all of them. GAO reports are basically reports on audits; as the title of the organization suggests, they focus on the accountability of some entity receiving the people’s money to the elected representatives or those reporting to them.\textsuperscript{35} They can concentrate on accountability, as their authority, as the auditing arm of the Congress, is great, and they focus on very specific issues. This book, however, attempts to deal with DoD outsourcing in general, and thus must draw as widely as possible for relevant information. The book’s bibliography should validate my efforts to draw on a wide range of sources. Reports from the RAND Corporation, which is a federally funded research and development center employing highly qualified professional researchers, like the CRS and GAO, are credible. Theses and reports from faculty and students in the acquisition curriculum at the Naval Postgraduate School were also often useful.\textsuperscript{36} I also drew upon the research and publications of professionals from the American Enterprise Institute, the Center for a New American Security, the Center for Strategic and International Studies, and the IBM Center for the Business of Government.

Aside from these and from the Packard Commission report, reports from most think tanks and periodic blue-ribbon panels, study groups, committees, and the like, may have some kind of “agenda” related to their funding from some entity, most often the industry or DoD.\textsuperscript{37} The reader should remember that the industry, in contrast to DoD and the armed services, can lobby and engage in “strategic communication.” Consequently, while I have read and at times draw upon documents by all imaginable sources, it is with caution and skepticism that I use them unless I find other, what I
believe to be credible, support. They never build on one another; the reader simply never knows what, if anything, is reformed. A most egregious example draws on the excellent Packard Commission report. The problems it highlighted in 1986 regarding rules, risk-averse personnel, and over-regulation are precisely the problems highlighted by critics today, which will be dealt with in Chapter 6.38 Then too, they are normally formed of those in the industry. One report that got my (negative) attention draws upon the work of an early contributor to the development of organization theory, one of my main fields in graduate school and the conceptual basis for my PhD dissertation, Chester Barnard, author of The Functions of the Executive. The 2014 annual report of DoD on acquisitions begins with a foreword quoting Chester Barnard on the importance of incentives. As Barnard wrote: “Inadequate incentives mean dissolution, or changes of organization purpose, or failure to cooperate. Hence, in all sorts of organizations the affording of adequate incentives becomes the most definitely emphasized task in their existence.” The first line of the report itself, by the undersecretary of defense, acquisition, technology, and logistics, states: “By human nature, performance is incentive-driven.”39 In 2012 the federal pay cap on contractors’ salaries was $763,029.40 In that year, the federal pay cap for civilian employees of DoD was $167,000. And considering that there are also active-duty military who are contracting officers, their pay, including benefits, is no greater than that of DoD civilians.41 With the maximum salaries possible for government employees less than one-quarter what a contractor might legally receive, the scale of what is involved begins to become clear. This is not to say that many contractors receive the pay cap, but for that matter contracting officers receive nothing near the federal pay cap. From my experience, most are in the range of 11 to 13 in a General Schedule (GS) of the US Civil Service, which ranges from 1 to 15, and the maximum in 2015 for GS 11 and 13 was $66,688 and $95,048 respectively.42 This issue, that of incentives, will be dealt with in Chapter 6.

In addition to documents, I drew on interviews conducted with individuals in the Washington, DC, area. Podcasts also proved to be a useful source of information and are cited appropriately.
About the Book

In this book I focus on two major US national security strategies, or what have been termed strategies. The first, the global war on terrorism, defined US defense and security policy since 9/11 until recently, and the second, great power competition, has gradually assumed increasing prominence since approximately 2014. I have selected them because what is contracted-out presumably follows from the global war on terrorism and great power competition. Consequently, three goals were achieved by choosing these two would-be national security strategies. The first is that the analysis forced me to evaluate how strategic, or real, are these presumed strategies. The second forced me to determine why outsourcing was necessary with these would-be strategies. And third, considering all the challenges to analyzing contracting-out as discussed earlier, there is a great deal of material on the global war on terrorism and great power competition by the CRS and GAO, in addition to a myriad of reports by academics, think tanks, DoD, nongovernmental organizations (NGOs), and others. There is, in short, an abundance of material, including the gold standard set by the CRS and GAO, allowing me to believe that I have found enough credible data to utilize the framework described earlier as a useful lens to look at outsourcing. As neither strategy involves all that DoD contracts out, the book is admittedly not comprehensive but I hope it will serve to highlight the importance of looking at contracting-out whereas previous literature has focused only on various subsets of contracting; mainly private security contractors. What is missing are the myriad of other things and services that the DoD and the IC outsource, and that are essential for their continued functioning. Hopefully, the book will serve as a concrete example that the topic of contracting-out is amenable to research, thereby encouraging others to research and publish on this topic.43

Chapter Summaries

The next chapter will summarize the history and highlight some of the main components of the legal and policy framework governing contracting out security. Chapters 3 and 4 will use the perspective
of national security strategy to look at outsourcing in the implementation of the global war on terrorism with emphasis on operational contract support (OCS), private security contractors (PSCs), and contract services for the IC. The emphasis in these two chapters will be primarily on the implementation of what was contracted out and the measures taken to achieve success. The reader will see that there were serious problems arising from both OCS and PSCs, and the IC, and they have resulted in very different responses. From my research, the role of the US Congress appears to be central to the very different responses. These two chapters, as they focus on the global war on terrorism, are of necessity retrospective, in that OCS in Iraq and Afghanistan are no longer the focus of US national security that they once were.

Continuing to the present day, the global war on terrorism has been replaced by the national security strategy of great power competition. In this sense the chapters in this part of the book are prospective and can be understood mainly in terms of enhancing the ability of the United States to deter aggression. The key element identified in this strategy, for both DoD and the IC, is obtaining new technologies to ensure the US military and IC can supersede the competition primarily posed by China. This is where contracting must support rapid innovation, and there is a focus on technologies that give advantage over peer or near-peer competitors. There is, then, in contrast to the global war on terrorism, less of an emphasis on implementation, although still important, since the technology is mainly destined for the uniformed military, and there is more emphasis on the mechanisms to acquire the technology. Chapter 5 therefore discusses the nature of the strategy and implications for outsourcing arising thereof, and the opportunity costs incurred by an apparent inability to adapt and innovate. Chapter 6 discusses plans and methods for DoD and the IC to obtain these technologies, focusing heavily on OTAs. As in the discussion in the chapters on the global war on terrorism, the role of the US Congress again looms large, but the implementation is problematic due, in my opinion, largely to the issue of incentives for contracting officers.

Chapter 7, the conclusion, highlights what I determine from the research to be the main problems or challenges. The issue of
resources—in which contracting officers, while crucial to the whole process of outsourcing, are poorly compensated in contrast to contractors—is a constant. Beyond this one constant, in utilizing the framework described early in this chapter, I find that the oversight provided, or not, by the US Congress and the absence of education, training, and incentives for those responsible for implementation are particularly important in dealing with the problems identified in the global war on terrorism and great power competition. Regarding the latter topic, it will become clear that the industry is far better positioned than DoD employees in terms of knowledge and incentives in contracting. Indeed, the COs are positively disincentivized to utilize the flexible authorities represented by OTAs. This circumstance, in the context of great power competition, will have important implications on how means are linked with ends as explicitly identified by John Lewis Gaddis.

Notes

5. It is also worth noting that early in the Covid-19 pandemic, DoD declared defense contractors “critical infrastructure,” and they had to continue working; http://www.defensenews.com/pentagon2020/03/20pentagon-declares-defense-contractors-critical-infrastructure-must-continue-work. Consistent
with Congressional Research Service policy, the terms “outsourcing” and “contracting out” are used interchangeably.

6. Therefore the information on the “DoD Innovation Ecosystem,” which includes not only acquisition authorities whereby contracts are awarded, but also five other components of the “ecosystem,” while somewhat useful, is misleading. Without a contract, in accord with an acquisition authority, the other five components are irrelevant. See https://aida.mitre.org/dod-innovation-ecosystem.


8. For FAR and DFARS, see https://www.law.cornell.edu/cfr/text/48/chapter-1, and for DFARS Chapter 2 for US Code. For OTAs, originally these were 10 US Code 2371, 2371b, and 2373. In Chapter 6, I will use the original numbers.


12. For the most recent explanation by the GAO of high-risk programs, see Government Accountability Office, “High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas” (Washington, DC, March 2021), GAO-21-119SP.


15. These research and analysis arms are the Congressional Research Service and Government Accountability Office, respectively. Lest one doubt the authority and mechanisms of the Congress to conduct oversight, see the 122-page description and analysis by Christopher M. Davis et al., “Congressional Oversight Manual” (Washington, DC: Congressional Research Service, March 31, 2021).

16. Neither term—“global war on terrorism” nor “great power competition”—makes much sense, but both have been used by DoD and observers,
and will be used in this book mainly for consistency. It is also relevant that there is a CRS series, which is periodically updated, with the title “Renewed Great Power Competition.” This publication, the most recent of which I have was updated on February 10, 2022, has an excellent bibliography on all imaginable aspects of great power competition. For useful insights into this “competition,” see Michael J. Mazarr, “Understanding Competition: Great Power Rivalry in a Changing International Order—Concepts and Theories” (Santa Monica: RAND, March 2022).


19. Ibid., p. 3.


23. FAR 37.101(1)-(9). Architect-engineering services, transportation and related services, and research and development services all receive separate treatment under the FAR’s regulatory scheme.


30. Crane Lopes, “Historical Institutionalism and Defense Public Procurement: The Case of Other Transactions Agreements,” dissertation, September 19, 2018, pp. 24–25. The 762-page dissertation and much pro-OTA information are available at https://www.strategicinstitute.org. In a communication with me on September 10, 2020, Lopes reported that the data on OTAs are now supposed to be reported in the FPDS, but there is no mechanism to ensure that they are.

31. Alison D. Almonte, “Analysis of Nontraditional Contractors as a Proxy for Innovation Through DOD Other Transaction Agreements,” December 2019, p. 41. I do not provide links for material that can easily be found online via Google. I do, however, provide links for material that is less easily obtained, and for podcasts.


33. I regularly read Breaking Defense, Defense Daily, Defense News, Defense One, and C4ISRNET. My inquiries to journalists publishing in them for further information on acquisition authorities have not resulted in any useful information.


35. I include the special inspector general for Iraq reconstruction (SIGIR) and the special inspector general for Afghan reconstruction (SIGAR) along the same lines as the GAO, as their purposes, and staff, are a direct offshoot of the GAO.

36. Much of this research can be found at http://www.acquisitionsresearch.org.


40. GAO, “Report to Congressional Committees: Defense Contractors—Information on the Impact of Reducing the Cap on Employee Compensation Costs” (Washington, DC, June 2013), p. 2. The federal pay cap for contractors was reduced to $555,000 for 2020. This was established by Section 702 of the Bipartisan Budget Act of 2013 (Public Law 113-67, December 26, 2013). The act charges the Office of Federal Procurement Policy with annually adjusting the pay cap for contractors.

41. For these data, see CRS In Focus, “Regular Military Compensation” (Washington, DC, December 26, 2019). Table 1 shows that a major, or navy lieutenant commander, receives a total of $130,500 including salary, housing, and the like.

42. The federal pay cap for 2021 was $172,500. It seems to me that this relatively low sum is consistent with the philosophy behind A-76, discussed in Chapter 1. That is, the private sector is considered the “engine of growth” in the United States, and government employment is considered almost parasitic, feeding off the private sector.

43. Two obvious topics for research are the contracting-out of military housing and the military healthcare system. Both receive extensive coverage in the media.