

June 27, 2017

The Honorable Mac Thornberry
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Thornberry:

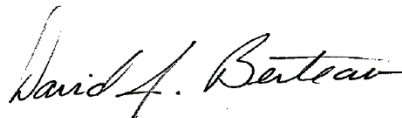
As the House Armed Service Committee prepares to mark up the fiscal year 2018 National Defense Authorization Act, and on behalf of the over 400 member companies of PSC (the Professional Services Council), I write to urge the Committee to retain and strengthen the targeted reforms included in Section 802 of H.R. 2810 throughout this year's NDAA cycle until the legislation is signed into law.

PSC recognizes the government's central role in the auditing process and believes many of the functions performed by the Defense Contract Audit Agency (DCAA) should only be performed by federal employees. As the government itself publicly acknowledges, "the auditing activities themselves are not an inherently governmental function." In fact, third party auditors are already used extensively and quite successfully by other government agencies to perform identical work as DCAA performs for DoD.

The DCAA backlog that this provision intends to address has wide-ranging, consequential, and negative impacts for the government and the contractor community. Expanding on Section 820 of the FY17 NDAA and allowing independent accounting firms to support DoD during the incurred cost audit process will increase competition and the use of commercial audit technology, generate faster audit turnaround times, and reduce the backlog and costs. As your Committee estimates, DCAA loses on average as much as 13 cents for every dollar it audits.

PSC is grateful for your continued leadership in support of the men and women in uniform and the contractor community that supports them. I thank you for your time and consideration of this request. As always, PSC is available at your convenience to address any questions or concerns the Committee has, now and in the future.

Sincerely,



David Berteau
President and CEO