

Information has reached us that maintenance contractors are using Government-owned tools and equipment in supplying the carpentry, plumbing, steam-fitting, and other building trades services which are being performed under contract to the Marshall Space Flight Center. We have been told that their employees are transferred to and from the arsenal construction and maintenance locations by Government transportation. Further, that daily overtime and Saturday overtime is being authorized for contractor personnel but not for civil service employees performing the same type of functions.

This instance of large-scale contracting with its attendant adverse effect on employees began a little more than a year ago when part of the Army Ballistic Missile Agency was transferred to form the nucleus of the George C. Marshall Space Flight Center of the National Aeronautics and Space Agency. It was believed at the time that in transferring, individual civil service employees would lose no pay nor be in any danger of losing their jobs. Since entire functions were transferred, the employees had no choice but to go along with the organization in which they had been employed.

However, in the reduction-in-force letters mailed to the personnel affected by the transfer, it was stated "prior to the activation of this center it was determined that certain support functions, such as guard service, motor pool operations, and janitorial services, could best be obtained by award of contract to private enterprise." It has also been stated that in addition to the support functions already mentioned the center is planning to contract certain general maintenance services which will include carpenters, concrete finishers, electricians, masons, millwrights, painters, sheet metal workers, welders, and unskilled laborers.

Had the policy of contracting been made known at the inception of the center, civil service employees who have been or had been affected could have availed themselves of retreat rights within the entire Army installation. Now their competitive area is restricted to NASA. Even those who were willing to transfer to the Space Flight Center could have applied for employment within the Department of the Army if they had known that their jobs eventually were to be discontinued because of contracting.

Serious question can be raised with respect to the contracting engaged in at the center from the standpoint of economic operation and justice to employees. Reportedly the contractor hourly rate at the Marshall Space Flight Center ranges upward to more than \$10 an hour. Such a rate does not mean that an individual employee will be so compensated. On the contrary his earnings remain essentially at the rate at which he would be employed directly by the Government. The difference of course would remain with the contractor.

There are also instances of substandard wages paid by a contractor. It has been stated that contractors costs of janitorial services had been fixed at \$5 an hour, but that the services of janitors obtained for such work were compensated by the contractor at \$1 an hour and at \$1.15 an hour for supervisors.

It is difficult to understand why contracting is necessary for some of the services and positions involved. It would appear on the basis of available information that the total cost to the Government is likely to increase as time goes on. Two months ago there were 5,500 civil service employees at the Marshall Center. The immediate effect of contracting was indicated as the elimination of 105 civil service positions. However, the 1962 budget for NASA called for an additional 460 civil service employees at the Space Center.

It was not clear whether these additional positions would be filled by use of contractor or civil service personnel. The AFGE has been able to obtain assurance that the proposed contracting for maintenance work will not adversely affect civil service employees at the center, but there was no such assurance for the security of nearly 80 employees who were facing separations because of extensions of a previous contract for janitorial and truck-driving operations.

The costly effects of Government contracting were evidenced at Fort Wainwright at Fairbanks, Alaska. Contracting reportedly has been becoming more extensive at this post, and the result has been that several reductions in force have taken place during the last 3 years. Many activities previously manned by civilians are more and more carried on by contractors.

When it was indicated that certain work was to go to private industry, the AFGE Lodge at Fort Wainwright in cooperation with other lodges in Alaska circulated a petition among the employees seeking their support for a request that Congress make an investigation. Letters also were addressed to President Kennedy, the Director of the Budget, and to Members of the Alaska delegation