

Mr. BOTHMER. That is correct.

Mr. CORMAN. Now, as I recall the testimony, they have not used this as a second step. In other words, if they submit the credit and competency to you, you give them a certificate, and then they can't come back and pull the rug out from under him after they get the certificates by saying that he didn't have the tenacity and perseverance; do they?

Mr. BOTHMER. There have been one or two cases where that has happened. That certainly is not a general practice. I will say that we normally work quite cooperatively in this field with the procuring agency. But that has happened.

Mr. CORMAN. I think our subcommittee would like to have the instances for the record, because in the first place, if they decide when they first look at him that he isn't going to get the contract anyway, they shouldn't put you through the exercise of reviewing for a certificate.

Mr. BOTHMER. I agree with that.

Mr. CORMAN. What has been your record for performance when you do get a certificate of competency?

Mr. BOTHMER. Our record has been quite good. It is a little difficult to be exactly responsive to that question. But, for instance, the default rate on contractors to whom we have issued certificates of competency, I think, compares very favorably with the default rate experienced generally in the Defense Department. In fact, it may be better than the default rate generally. We work very hard to make sure that it comes out that way.

Mr. CORMAN. I am pleased to hear that. And I think it might be protection for you and for our committee if you keep some statistics. Because if anybody ever gets the idea that they might want to change it, we might want some statistics to back us in retaining the present policy.

The CHAIRMAN. Will the gentleman yield?

Mr. CORMAN. Yes, sir.

The CHAIRMAN. I think, in addition to the default, we are concerned as to how many times they have failed to honor your COC's. The law says they must.

Mr. BOTHMER. To the best of my knowledge we have no record of that sort of thing, Mr. Chairman.

The CHAIRMAN. You have just delineated that they have found other criteria?

Mr. BOTHMER. On the one or two occasions where they have, subsequent to the issuance of the COC, said that the company lacked tenacity and perseverance, that is true, Mr. Chairman. But I understand your question to be broader than that. And in other circumstances we have no trouble.

The CHAIRMAN. You say there are only one or two exceptions in which they have failed to honor your COC's?

Mr. MOOT. Occasionally, Mr. Chairman, there is a cancellation of the requirement after we issue a COC, which is a subjective determination that the requirement no longer exists. This is a pretty difficult thing to prove.

Mr. BOTHMER. We don't feel, in other words, that the Defense Department has specifically said, "We refuse to honor a COC; there are other reasons."