



Eugene Hudson, Jr.
National Secretary-Treasurer

J. David Cox, Sr.
National President

Augusta Y. Thomas
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June 29, 2016

The Honorable Johnny Isakson
Chairman, Veterans' Affairs Committee
412 Russel Senate Office Building
Washington, DC 20510

The Honorable Richard Blumenthal
Ranking Member, Veterans Affairs' Committee
825A Hart Senate Office Building
Washington, DC 20510

RE: AFGE Opposition to S. 2958

Dear Chairman Isakson and Ranking Member Blumenthal:

I am writing on behalf of nearly 700,000 federal employees represented by the American Federation of Government Employees, AFL-CIO (AFGE), including 230,000 employees of the Department of Veterans' Affairs to express our strong opposition to S. 2958, a bill introduced by Senator Fischer (R-NE) to establish a pilot program for public-private partnership agreements to construct new VA facilities. I request that this letter be included in the record of the Committee's June 29th legislative hearing.

This proposal pilot program is unnecessary, costly, and is likely to reduce VA accountability for construction projects. The VA has already revamped its major construction process to assure greater accountability for changes in the scope and budget of its projects. The Department is currently implementing the recommendations of the U.S. Army Corps of Engineers (USACE) and has engaged USACE to evaluate four projects, including the Denver Replacement Medical Center.

We also note the potential risks to taxpayers and veterans that are associated with public-private partnerships (P3s). When private capital from investors is used to finance public infrastructure projects, the overall costs of the project to taxpayers is likely to be higher than if government financing were used. P3s frequently do not protect the public interest and may have significant economic and fiscal adverse impact in the short and long term.

P3s are also less transparent and accountable than a fully public construction process and too often, the governmental entity cedes critical decision making authority to the P3. We urge you to reject S. 2958 and instead, allow the VA to proceed with its new partnership with USCAE to ensure that taxpayers and veterans' interests are well served during the facilities construction process.

Thank you for considering the views of AFGE and for including this letter in the hearing record.

Sincerely,

Thomas S. Kahn
Director, Legislative Affairs

cc: Senate Veterans' Affairs Committee Members