



May 4, 2016

The Honorable Mark Warner
United States Senate
475 Russell Senate Office Building
Washington, DC 20510

Dear Senator Warner:

On behalf of the Leadership of the Loudoun County Chamber of Commerce and our 1,250 members in the Northern Virginia market, I am writing to express our strong support for the "Promoting Value Based Defense Procurement Act" (S. 2826). Thank you for introducing this vitally needed legislation to ensure that the Department of Defense (DoD) seeks the best long-term value for taxpayers during the procurement process for cyber security and other complex IT and engineering services.

We urge you to work with your colleagues on the Armed Services Committee to have this important acquisition reform initiative included in the upcoming Fiscal Year (FY) 2017 National Defense Authorization Act (NDAA).

The Chamber believes that federal, state and local governments, as well as the private sector, must provide adequate investment in vital assets like our digital infrastructure. To that end, we are committed to ensuring that the federal government sets sound policies for procuring cybersecurity services to protect our nation's key assets.

Recent large scale data breaches at federal agencies, including at the Office of Personnel Management and the Federal Deposit Insurance Corporation, prove that the federal government cannot rely on static cybersecurity solutions to keep our nation safe from domestic and international cyber threats. This is especially true with regard to our Warfighters and military assets. However, current procurement policy has hamstrung DoD's ability to secure the highest quality providers and products for this critical national security need.

In fact, there are growing concerns being voiced by Members of Congress and outside experts that our armed forces are already falling behind in their technological superiority, because DoD's procurement processes do not allow them to procure best value contracts for cybersecurity and key technologies to protect the homeland, only lowest price contracts.

While government agencies routinely procure products and services on a lowest cost standard, highly skilled services and technology related to cybersecurity deserve a different standard related to their actual value, particularly as our nation faces daily domestic and international cyberattacks. Furthermore, innovation and technological problem-solving are key to maintaining America's competitive military edge. Low cost only procurement discourages companies from investing in cutting-edge capabilities. In fact, the Under Secretary of Defense for Acquisition, Technology, and Logistics stated in a 2015 memorandum that while "Lowest Price Technically Acceptable (LPTA) offers a streamlined approach to rapidly procure commercial and non-



complex services and supplies . . . if not applied appropriately, the Department can miss an opportunity to secure an innovative, cost-effective solution to meet Warfighter needs to help maintain our technical edge.”

Northern Virginia, including Loudoun County, is a national leader in the growing cybersecurity field. Our established defense contracting and IT communities already provide a high level of service to the DoD and our nation. We know from experience the private sector is willing to pay significantly more than the government for high value cyber security technologies and products under LPTA. Because of this, a contractor’s skilled workforce can command as much as three times more from the commercial marketplace than from the government’s reimbursement rate for the same work. These disparities incentivize contractors to seek non-government business, leaving government contracts to firms that are unable to compete for commercial contracts, which place greater value on performance rather than price.

Again, we believe America’s defense effort requires the U.S. government to seek the best products and talent available to secure our homeland, not merely the cheapest. Obtaining the best value is what we should be asking our military to seek for our Warfighters, for our national security and for taxpayers. Otherwise, the price we pay as a nation may be far more than the potential short-term savings generated by LPTA.

S. 2826 is a bipartisan, common-sense step forward toward addressing these issues. It would align federal procurement policy with our nation’s 21st Century security needs. The Loudoun County Chamber of Commerce urges you to work with your colleagues to have this vital legislation incorporated into the FY 2017 NDAA.

Again, thank you for your all of your hard work on this critically important matter.

Sincerely,

Anthony Howard
President & CEO