



AMERICANS for TAX REFORM

Grover G. Norquist
President

June 4, 2008

The Honorable Barack Obama
713 Hart Senate Office Building
Washington, DC 20510

The Honorable John McCain
241 Russell Senate Office Building
Washington, DC 20510

The Honorable Tom Coburn
172 Russell Senate Office Building
Washington, DC 20510

The Honorable Tom Carper
513 Hart Building
Washington, DC 20510

Dear Senators Obama, Coburn, McCain and Carper,

We write to commend your efforts to increase transparency and accountability in federal government spending, and to express our support for S.3077, the Strengthening Transparency and Accountability in Federal Spending Act which you are co-sponsoring.

At the same time, we urge you and fellow Members of the U.S. Congress to take this opportunity to strengthen this legislation in several areas, so that taxpayers will be able to benefit from true and comprehensive fiscal transparency.

Your 2006 legislation, the Federal Funding Accountability and Transparency Act of 2006, and the subsequent launch of www.USAspending.gov not only gave taxpayers a first good look at federal spending, it also inspired state and local governments to emulate the legislation. The Strengthening Transparency and Accountability in Federal Spending Act contains important provisions reinforcing and improving the 2006 law.

Not only does your new bill codify into law several features previously not required by law but voluntarily incorporated into www.USAspending.gov by the Office of Management and Budget, such as disclosing whether a contract was awarded competitively. The bill also requires more detailed information on the expenditure, such as the name of the expending agency, department, subagency or suboffice and whether the award is the result of a legislative mandate, set-aside, or other criteria. This information gives taxpayers the necessary additional detail to put expenditures into context.

Most importantly, the bill requires the inclusion of a copy in both Portable Document Format and searchable text format of the request for proposals, the announcement of the award, the contract and the scope of the work performed.

In order to allow taxpayers to become true fiscal watchdogs, we recommend several additions to the bill:

- In its current form, the legislation extends the requirement to disclose the wording of contracts to all contracts, subcontracts, purchase orders, task orders, lease agreements and assignments and delivery orders. However, this provision could be strengthened by applying it to all federal awards as defined by this legislation and thus be extended to grants, subgrants, loans, awards, cooperative agreements and other forms of financial assistance. Adding in the explicit requirement to include the agreements or terms of any award would further help clarify this provision and enhance the level of disclosure.

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- We furthermore recommend the elimination of the \$25,000 threshold for disclosure currently included in the 2006 law. While there may not be many contracts under the amount of \$25,000 at the federal level, this is not the case at the state level, where this provision has been used as an excuse to set an unreasonably high disclosure threshold for similar state-level spending transparency bills. Removing the federal threshold would have a strong symbolic meaning and could be instrumental in paving the way for greater fiscal transparency in the states.
- While the focus of the bill is to shed a light on recipients of federal spending rather than functions of federal spending, true and comprehensive fiscal transparency would warrant the extension of the disclosure requirements in the bill to agency outlays like salaries, office supplies and travel expenses searchable by obligation and object class, as well as budget function.
- Lastly, it would be advisable to incorporate in the website a separate tab for all earmarks requested by Members of Congress and signed into law, as well as for executive earmarks. This should include both appropriations and authorization earmarks. If an expenditure is the result of an earmark, this should be specified in the details given for the expenditure, and the sponsor of the earmark should be noted.

Thomas Jefferson once said, *"We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them."* The 2006 law was an important step in this direction, and the 2008 legislation could make it a reality.

The fact that this bill, like its precursor, is not only co-sponsored by Members from opposite parties, but in fact by the presidential nominees from these parties, only underscores the importance of the issue. We thank you for your leadership and urge you to work with your fellow Members of Congress to further empower taxpayers to track their tax dollars at a mouse click.

Onward,



Grover Norquist