



United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

Director

July 9, 2003

The Honorable John W. Warner
Chairman
Committee on Armed Services
United States Senate
228 Senate Russell Office Building
Washington, DC 20510-6050

Dear Mr. Chairman:

In anticipation of the conference on H.R. 1588, the "National Defense Authorization Act for Fiscal Year 2004," the Office of Government Ethics respectfully submits for your consideration its views on the bill.

The Office of Government Ethics objects to section 903 of H.R. 1588, as passed by the Senate, which requires the Secretary of Defense to promulgate standards of conduct for members of the Defense Policy Board and the Defense Science Board. We believe this requirement is unnecessary as the members already are subject to the standards of conduct applicable to all executive branch employees, as well as the supplemental standards of conduct for Department of Defense employees. The executive branch-wide standards specifically address the use of confidential information, conflicts of interests and recusal from participation in matters affecting such interests, and representation of private parties before the Government. See Standards of Ethical Conduct for Employees of the Executive Branch, 5 C.F.R. § 2635 (2003). Additionally, the Department of Defense supplemental standards set forth the notice requirements for the Department of Defense employee who must disqualify himself from participation in a particular matter. See Supplemental Standards of Ethical Conduct for Employees of the Department of Defense, 5 C.F.R. § 3601 (2003). We are confident that the executive branch-wide standards, coupled with the Department of Defense supplemental standards, are more than sufficient to address any ethical or conflict of interest issue that might arise.

Should the Department of Defense determine, however, that supplemental standards of conduct of special applicability to the particular functions and activities of the Boards are warranted, the process for promulgating those supplemental standards jointly

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with the Office of Government Ethics already exists without need for legislation. Executive Order 12674 specifically requires each agency head to promulgate supplemental standards jointly with the Office of Government Ethics. This requirement ensures that all supplemental standards are consistent with the executive branch-wide standards and, significantly, mitigates the potential for confusion that could arise if employees were required to comply with conflicting standards. Section 903 does not provide such guarantees and could create unnecessary confusion that ultimately would erode the public's confidence in the activities of the Boards.

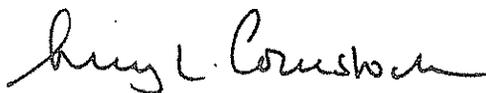
Given this already substantial regulatory system, we request that conferees delete section 903 from the conference report.

Thank you for your consideration of our views. If we can be of further assistance in this matter, please do not hesitate to contact either Jane Ley, Deputy Director for Government Relations and Special Projects, or Michael Goad, Congressional Liaison at 202-482-9292.

An identical letter has been sent to Senator Levin, Chairman Hunter, and Representative Skelton.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report to the Congress.

Sincerely,



Amy L. Comstock



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