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## Congress Drops Registration Plan for Defense Consultants

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After intense industry lobbying by defense contractors, major accounting firms, the legal community and an array of business groups, Congress has dropped from the Defense Department appropriations bill a requirement that Pentagon consultants be registered with the government.

House and Senate conferees also have backed away from sharp spending cuts that were aimed at curtailing the amount of outside consultants used by the Pentagon.

The Pentagon procurement scandal this summer, which revolved around the use of consultants by the Pentagon and defense contractors, prompted demands in Congress and

elsewhere for increased regulation of defense consultants, many of whom are based in the Washington area. In the wake of the scandal, the Senate passed both the consultant-registration and spending-cut measures as part of the appropriations bill, but neither provision was included in the House bill.

The registration plan was intended to help the government spot consultants who had conflicts of interest and to monitor consultants' actions.

Under a compromise worked out over the past two weeks between Sen. David H. Pryor (D-Ark.), the sponsor of the consultant registration measure, and opponents of the registration requirement, led by Sen. John Warner (R-Va.), the issue would be bumped over to the Office of Federal Procurement Policy.

The procurement office now must issue a government-wide policy on consultants within 90 days and regulations enforcing that policy within 180 days. But if the procurement office finds that registration would be unnecessarily burdensome for industry and the government, it can decide not to issue any regulations, according to an aide to Pryor.

Although the compromise would reduce the amount of money the Pentagon can spend on companies that provide management and professional services, studies and analyses and technical assistance by about 6 percent—or \$150 million—the earlier Senate action would have reduced spending by about 15 percent, or \$430 million.

Mark Schultz, president of the Professional Services Council, called the

compromise "effective damage control and a much more palatable approach" than the Senate bill.

Pryor said he was pleased with the \$150 million cut—even though it was far smaller than the cuts he originally sought—because it will require the Pentagon "to prioritize its consultant spending and make some of the tough decisions that are going to be necessary to control the growth of consultant use at DOD." Pryor was less enthusiastic about the registration compromise, calling it "half a loaf."

Pryor's original proposal would have required any consultant who worked for the Pentagon or who helped other contractors prepare or submit Defense Department bids and proposals to register with the federal government.