

Here is the stated Problem: “Transient lodging facilities that are owned by a private company and used solely to accommodate its staff, contractors and vendors are currently required to pay the County transient room tax, although they are not open to the general public.”

This argument is a non sequitur. Other similar facilities’ boarders are required to pay the County transient room tax, not because these facilities are open to the general public, but because they, just as the Lockheed Martin Center for Leadership Excellence, use an abundance of county services.

If there is a fire at this Lockheed Martin “corporate facility,” will Montgomery County send fewer fire trucks than we would to a fire at the Hyatt? If a crime is committed, will we send fewer detectives than we would to the Double Tree? If a Lockheed employee has an accident, will we not send the same ambulance we’d send to an accident victim at a Marriott hotel and might that employee not use our county court system to sue? Will we not clear the snow from the county-maintained road around this Lockheed facility, the same way we do for the Bolger? Of course, we do and we will continue to. Since we certainly will not curtail this corporate facility’s use of our services why are we even considering relieving Lockheed Martin of their duty to pay their fair share of the cost of these services?

The Montgomery County Vision Statement is “Helping to make Montgomery County the best place to be through efficient, effective and responsive government that delivers quality services.” Do we really want one of those services to be “to help Montgomery County companies be competitive in bidding on federal government contracts by ensuring that they are not required to pay ...” To pay what? Today’s Goal & Objective is for Lockheed to not be required to pay the County transient room taxes. Which company, seeking to be competitive, will next request to not be required to pay their fair share?

Here is the essence of the argument, as communicated to the council by the County Executive: “The Defense Contract Audit Agency requires the company to use its internal employee credit card system to allocate charges to the appropriate federal contract (Lockheed Martin has an agreement to charge the federal *per diem* rate in all of its federal contracts).”

This too is a very cleverly crafted non sequitur argument. While the DCAA requires the company to use its internal employee credit card, it does not require Lockheed Martin to charge the federal *per diem* rate in all of its federal contracts. Federal Acquisition Regulation (“FAR”) travel cost principle 31.205-46 states that “costs for lodging incurred by a contractor traveling on official company business under a Government contract are allowable if they **do not exceed**, on a daily basis, the “maximum per diem rates” in effect, at the time of travel ...” The agreement that Lockheed Martin has, is, in fact the **maximum** it may charge, but it **is not required** to do so.

If Lockheed Martin wishes to be exempted from the Room Rental and Transient Tax, it is within its power to do so, by not charging boarders at all, since 7% of \$0 is \$0.

Lockheed Martin is a publically-traded corporation and, as such, has a fiduciary responsibility to maximize profits, which this request is an example of. Therefore, as a part-owner of Lockheed Martin, I am in favor of this request, but, as a citizen of Montgomery County, I demand that the council members representing me vote “NO” on Bill 44-10.