



Business Coalition for Fair Competition

News Release

Coalition Launched to Promote Increased Government Use of Private Enterprise

WASHINGTON, DC – An effort to counter efforts by Federal, state and local government agencies, universities, non-profit organizations, prison industries, and other government sponsored and supported entities that provide products and services otherwise available from private enterprise and engage in unfair government competition with private, for-profit business was launched today. The Business Coalition for Fair Competition (BCFC) will organize individual businesses, trade associations, taxpayer groups and free market organizations to promote public policies aimed at increasing government utilization of private enterprise and curbing unfair government-sponsored competition with businesses, particularly small business.

More than 850,000 positions out of a non-postal, non-military uniformed Federal workforce of 1.8 million are in "commercial" activities, according to an inventory conducted by the Clinton Administration in 1999. Fewer than 10 percent of those positions have ever been studied to determine if private sector performance is more appropriate.

"It is time the 'Yellow Pages Test' became national policy", said John M. Palatiello, President of BCFC. "If an activity is being performed by government or a non-profit that can otherwise be found from a business listed in the Yellow Pages, that activity should be reviewed for performance by a tax-paying, for-profit company, not a government-sponsored or subsidized entity," Palatiello said.

"Government and non-profit performance of commercial activities adversely affects the U.S. economy by duplicating activities available from commercial providers, increasing the government payroll, diverting public monies from inherently governmental activities the American public expects of its government, and reduces tax revenues to the government for those services only government can and should perform," Palatiello said.

Speaking at a session hosted by the Heritage Foundation, Palatiello said he is reviving BCFC after being dormant for the past 10 years to provide a forum for businesses and other free market proponents to advocate a return to a longstanding Federal policy on reliance on the private sector. At the session, Senator John Thune (R-SD) and Rep. John J. Duncan, Jr. (R-TN) announced the introduction of the "Freedom from Government Competition Act" to establish statutory process for evaluating government performance of commercially-available activities.

Every session of the White House Conference on Small Business (1980, 1986 and 1995) has identified unfair government competition as a top concern of America's small businesses.

The Obama Administration is proposing to add some 250,000 new federal employees and "insourcing" numerous activities currently performed by private sector contractors. The Americans for Tax Reform estimates this will cost U.S. taxpayers more than \$1 trillion over the next 40 years.

Palatiello also announced the establishment of www.governmentcompetition.org, as a resource and on-line community.

-30-

For further information contact:

Nick Palatiello

Cell: 571-263-2070

BCFC

1856 Old Reston Reston Avenue, Suite 205 • Reston, VA 20190

P: 703-787-6665 • F: 703-787-7550

www.governmentcompetition.org