



June 2, 2011

The Honorable Pete Sessions
U.S. House of Representatives
Washington D.C. 20515

Dear Representative Sessions:

The Business Coalition for Fair Competition (BCFC), a national coalition of businesses, associations, taxpayer organizations and think tanks that are committed to reducing all forms of unfair government created, sponsored and provided competition with the private sector, strongly supports your amendment, to H.R. 2017, the 2012 Department of Homeland Security Appropriations Act.

Your amendment strikes Section 514. Section 514 of H.R. 2017 places a moratorium on A-76 cost competitions within DHS. Section 514 states:

“None of the funds appropriated by this Act may be used to process or approve a competition under Office of Management and Budget Circular A-76 for services provided as of June 1, 2004, by employees (including employees serving on a temporary or term basis) of United States Citizenship and Immigration Services of the Department of Homeland Security who are known as of that date as Immigration Information Officers, Contact Representatives, or Investigative Assistants.”

We believe Congress should be taking steps to encourage the creation of more private sector jobs, not growing government. Your amendment will help implement the “Yellow Pages’ Test” – if a product or service can be found from a private business in the Yellow Pages, the government should **NOT** be doing it.

Moreover, your amendment does **NOT** affect inherently governmental activities; it only allows for cost competitions of commercial activities. A-76 cost competitions between the public and private sector bring the best value to the taxpayer. The Heritage Foundation has reported that subjecting Federal employee positions, which are commercial in nature, to a public-private cost comparison generate on average a 30% cost savings regardless of which sector wins the competition. Without cost competitions, government-run monopolies of commercial activities duplicate and compete with the private sector, resulting in inefficient expenditures of taxpayer money. **Section 514 should be stricken.**

According to media reports, DHS is the top civilian agency conducting insourcing – converting contractor activities to government employees. DHS is going 180 degrees in the wrong direction. Last week, the House imposed a moratorium on insourcing in DoD. The same change and reversal of bad policy should be implemented in DHS by striking section 514.

BCFC believes the free enterprise system is the most productive and efficient provider of goods and services and strongly supports the federal government utilizing the private sector for commercially available products and services to the maximum extent possible. Your amendment will help support that goal. Should there be a recorded vote on your amendment, BCFC will score it on its 2011 Congressional vote rating.

We commend you for your leadership and urge the House to support your amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Palatiello".

John M. Palatiello, President