



October 20, 2011

The Honorable John Thune
U.S. Senator
Washington D.C. 20510

Dear Senator Thune:

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 amendments to H.R. 2112, the 2012 Department of Agriculture Appropriations Act. H.R. 2112 has been labeled a “minibus” as it is also the legislative vehicle for Commerce, Justice and Science, and Transportation/HUD appropriations bills.

Your amendments (S.A. 845-848) strike harmful language in H.R. 2112 that would prevent the creation of private sector jobs and inhibit competition in the provision of commercial activities required of the Federal government by protecting costly and inefficient monopolies.

We believe Congress should be taking steps to encourage the creation of more private sector jobs, not growing government. Legislative provisions that prohibit, impede, interfere, obstruct, encumber, or delay OMB Circular A-76 or competitive sourcing studies, or that provide for insourcing, are counter-productive to reducing the deficit, limiting the size of government, and creating private sector jobs.

It is important to note your amendments do **NOT** affect inherently governmental activities; they only allow 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. **This language should be stricken.**

Yesterday, Majority Leader Harry Reid (D-NV) said on the Senate Floor, “It’s very clear that private sector jobs have been doing just fine, it’s the public sector jobs where we’ve lost huge numbers...” BCFC disagrees with this statement. According to the Department of Labor, the economy lost 1,503,000 jobs from February, 2009 through September, 2011. The October 2011 jobs report stated the overall unemployment rate is 9.1% while the unemployment rate for government workers is 4.7%. The rate for government is essentially “full employment” as defined in Federal law. BCFC believes now is the time to focus on private sector job creation.

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 amendments will help support that goal. Should there be a recorded vote on your amendments, BCFC will score it on its 2011 Congressional vote rating.

We commend you for your leadership and urge the Senate to support your amendments.

Sincerely,

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

John M. Palatiello, President

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