



January 30, 2014

The Honorable Tommy Taylor  
Chairman, Corrections Committee  
Mississippi House of Representatives  
Jackson, MS 39215

Dear Mr. Chairman:

The Business Coalition for Fair Competition (BCFC) is pleased to support HB 1299, legislation that would prohibit the Mississippi Prison Industries Corporation (MPIC) from selling goods or services to other states or private business.

BCFC ([www.governmentcompetition.org](http://www.governmentcompetition.org)) is 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.

MPIC uses prison labor to win private and public contracts. When prison labor is used to compete with private business for private or public contracts, law-abiding, tax-paying private sector businesses, their employees, and families are hurt. When work goes to a prison rather than a profit-making, taxpaying company, Mississippi's government loses considerable corporate and individual tax revenues, and displaces law-abiding workers. Moreover, the pervasiveness of prison activity limits the private sector market, thus reducing the number of available jobs awaiting inmates upon release. Nobody wins when prison industries decimate the private sector and release inmates into a field where the only job market is in the prisons! Finally, such a program may violate Federal law, United States Code Title 18 Sections 1761-1762, which prohibits the introduction of prison goods in Interstate Commerce.

According to the PEER Report on MPIC, MPIC stated to PEER that pursuing private business ventures is how MPIC plans to expand its programs in the future. MPIC's CEO believes this is the best way to create jobs and maintain financial self-sufficiency. MPIC has three pending joint ventures with private business in the areas of refurbishing tires, building flatbed tractor trailers, and refurbishing golf carts.

Based on the growing use of prison labor in direct competition for private and public contracts, MPIC should have much stricter legislative directives to ensure that private employees are protected from unfair prison competition.

Ensuring a level playing field for the private sector in the procurement process by limiting MPIC's unfair advantage is a major priority for BCFC. We endorse the policy that the government should not perform the production of goods and services for itself or others if acceptable privately owned and operated services, firms found in the Yellow Pages of the phone book, are or can be made available for such purposes – which we call the Yellow Pages test.

We respectfully and enthusiastically support HB 1299, and thereby urge you to adopt the bill and move this pro-private sector, pro-taxpayer legislation out of your Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Palatiello". The signature is fluid and cursive, written over a white background.

John M. Palatiello, President

cc:

The Honorable Robert E. Huddleston, Vice-Chairman, Corrections Committee  
The Honorable Tom Weathersby, Sponsor of HB 1299  
The Honorable Philip Gunn, Speaker of the House  
Chris Champion, Policy Director for Governor Phil Bryant

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