



Federal budget can be reduced by \$517 billion by utilizing the private sector

The federal government can realize more than \$517 billion in savings simply by getting out of activities that duplicate or compete with the private sector, which subsidize unfair competition with private, for-profit companies, or by privatizing activities for which there are current or potential private sector providers.

The Business Coalition for Fair Competition (BCFC) is pleased to provide the Republican Study Committee the following list of cuts/savings that could be realized by eliminating government duplication of and competition with the private sector. This list provides candidates for divestiture, asset sales, contracting out, privatization, vouchers, etc. Wherever Congress can get the government out of a line of business and instead rely on performance by a competitive free market system, or eliminate tax subsidies (e.g. the UBIT issue for nonprofits, credit union tax advantage over banks, etc.), BCFC recommends Congress should act.

- 1) Privatize the William D. Ford Federal Direct Student Loan Program - **\$116 Billion**
Source: (<http://www2.ed.gov/about/overview/budget/budget11/summary/edlite-section3d.html#ffel>)
- 2) Return unspent TARP money - **\$82 Billion** (as of Oct 3, 2010)
Source: (\$475 Billion obligated, of which \$388 Billion has been spent, leaving \$82 Billion unspent
http://www.sig tarp.gov/reports/congress/2010/October2010_Quarterly_Report_to_Congress.pdf)
- 3) Privatize federal power marketing administrations (PMAs) - **\$62 Billion**
Source: (<http://www.cbo.gov/doc.cfm?index=243&type=0&sequence=1>)
- 4) Pay federal employees at parity with the private sector - **\$47 Billion**
Source: (<http://www.heritage.org/research/reports/2010/07/comparing-pay-in-the-federal-government-and-the-private-sector>)
- 5) Enforce UBIT on commercial activities revenue of nonprofits - **\$36 Billion**
Source: (<http://www.allbusiness.com/accounting-reporting/corporate-taxes-corporate/469009-1.html>)
- 6) Privatize Fannie Mae & Freddie Mac - **\$30 Billion**
Source: (<http://www.sbecouncil.org/uploads/CAP%20Spending%20Cuts%20Oct%202010.pdf>)
- 7) Sell the remaining government owned shares of GM - **\$28 Billion**
Source:
(http://online.wsj.com/article/SB10001424052748704648604575621533011639228.html?utm_source=Newsletter&utm_medium=Email&utm_campaign=Morning%2BBell)
- 8) Apply the Yellow Pages test to 850,000 commercial positions in the Federal workforce - **\$27 Billion**
Source: (<http://blog.heritage.org/?p=45788>)
- 9) End Energy Subsidies - **\$20 Billion**
Source: (<http://www.sbecouncil.org/uploads/CAP%20Spending%20Cuts%20Oct%202010.pdf>)

- 10) Sell surplus Federal property - **\$15 Billion**
Source: (Rep. Jason Chaffetz You-Cut Proposal, amends Federal law to require an expedited process for selling unneeded federal property. The Director of the Office of Management and Budget would be directed to sell, rather than conveying at no cost, at least \$19 billion in excess federal property. The proposal would remove the existing red tape and would direct that 80% of the proceeds from each sale be used to reduce the deficit. This would reduce the debt by at least \$15 billion. The remaining 20% of proceeds would be used to pay for maintenance on existing federal property and would act as an incentive for agencies to quickly dispose of properties.
<http://www.sbecouncil.org/uploads/CAP%20Spending%20Cuts%20Oct%202010.pdf>)
- 11) End Federal subsidies and other mandatory support for agriculture – **\$15 Billion**
Source: (<http://www.americanprogress.org/issues/2010/09/pdf/athousandcuts.pdf>)
- 12) Eliminate Federal Transit subsidies - **\$10 Billion**
Source: (<http://www.downsizinggovernment.org/transportation/urban-transit>)
- 13) Eliminate Federal subsidies for High Speed Rail and Amtrak - **\$9.6 Billion**
Source: (High Speed Rail \$8 Billion - <http://www.csmonitor.com/USA/Politics/2010/0128/Obama-s-high-speed-rail-plan-Which-states-get-the-money> Amtrak \$1.6 Billion - Congress provided \$1.584 Billion for Amtrak FY2010. <http://transportation-reports.blogspot.com/2010/02/amtrak-budget-and-reauthorization.html>)
- 14) Privatize the Postal Service - **\$7 Billion**
Source: (The USPS receives a small annual appropriation from Congress of about \$100 million as compensation for the revenue it forgoes in providing, at congressional mandate, free mailing privileges for the blind and absentee-ballot mailing for overseas military personnel. The USPS receives a small annual appropriation from Congress of about \$100 million as compensation for the revenue it forgoes in providing, at congressional mandate, free mailing privileges for the blind and absentee-ballot mailing for overseas military personnel. The USPS receives a small annual appropriation from Congress of about \$100 million as compensation for the revenue it forgoes in providing, at congressional mandate, free mailing privileges for the blind and absentee-ballot mailing for overseas military personnel.
http://www.downsizinggovernment.org/usps#_edn1 The USPS loss for 2010 is \$8.5 billion, for which the USG will ultimately be liable. http://www.usps.com/communications/newsroom/2010/pr10_107.htm)
- 15) Eliminate the Community Development Block Program - **\$6 Billion**
Source: (<http://www.heritage.org/Research/Reports/2010/10/How-to-Cut-343-Billion-from-the-Federal-Budget>)
- 16) End the tax expenditure exemption of Credit Union income - **\$1 Billion**
Source: (<http://www.americanprogress.org/issues/2010/09/pdf/athousandcuts.pdf>)
- 17) Privatize the Tennessee Valley Authority - **\$1 Billion**
Source: (<http://www.cato.org/pubs/handbook/hb105-27.html>)
- 18) End the Tax Expenditure the special nonprofit Blue Cross/Blue Shield organizations over for-profit firms deduction - **\$700 Million**
Source: (<http://www.americanprogress.org/issues/2010/09/pdf/athousandcuts.pdf>)
- 19) Terminate the Economic Development Administration - **\$523 Million**
Source: (<http://www.heritage.org/Research/Reports/2010/10/How-to-Cut-343-Billion-from-the-Federal-Budget>)

- 20) Terminate the tax break certain nonprofit hospital facilities have over for-profit firms - **\$500 Million**
Source: (The Joint Committee on Taxation, Estimates Of Federal Tax Expenditures For Fiscal Years 2010-2014, December 21, 2010 - JCS-3-10)
- 21) Eliminate business subsidies from the National Institute of Standards and Technology - **\$500 Million**
Source: (<http://www.heritage.org/Research/Reports/2010/10/How-to-Cut-343-Billion-from-the-Federal-Budget>)
- 22) Eliminate NeighborWorks America (formerly the Neighborhood Reinvestment Corporation) - **\$480 Million**
Source: (<http://www.heritage.org/Research/Reports/2010/10/How-to-Cut-343-Billion-from-the-Federal-Budget>)
- 23) Eliminate the Hollings Manufacturing Extension Partnership and the Baldrige National Quality Program - **\$455 Million**
Source: (<http://www.cbo.gov/ftpdocs/102xx/doc10294/08-06-BudgetOptions.pdf>)
- 24) Eliminate public funding for the Corporation for Public Broadcasting - **\$430 Million**
Source:
(<http://lamborn.house.gov/index.cfm?sectionid=150&parentid=22§iontree=21,22,150&itemid=679>)
- 25) Privatize the National Weather Service - **\$400 Million**
Source: (<http://www.cato.org/pubs/handbook/hb105-27.html>)
- 26) Eliminate the Legal Services Corporation - **\$398 Million**
Source: (<http://www.heritage.org/Research/Reports/2010/10/How-to-Cut-343-Billion-from-the-Federal-Budget>)
- 27) Eliminate the International Trade Administration's trade promotion activities - **\$267 Million**
Source: (<http://www.cbo.gov/ftpdocs/102xx/doc10294/08-06-BudgetOptions.pdf>)
- 28) End the tax expenditure tax exemption of certain insurance companies owned by tax-exempt organizations - **\$200 Million**
Source: (<http://www.americanprogress.org/issues/2010/09/pdf/athousandcuts.pdf>)
- 29) Eliminate the National Health Service Corps - **\$150 Million**
Source: (<http://www.heritage.org/Research/Reports/2010/10/How-to-Cut-343-Billion-from-the-Federal-Budget>)
- 30) Eliminate the Appalachian Regional Commission - **\$73 Million**
Source: (<http://www.heritage.org/Research/Reports/2010/10/How-to-Cut-343-Billion-from-the-Federal-Budget>)

TOTAL - \$517,676,000,000

The Business Coalition for Fair Competition (BCFC) 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. 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.

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