

United States Senate

WASHINGTON, DC 20510

April 24, 2009

"Freedom from Government Competition Act of 2009"

Dear Colleague,

I am writing to invite you to cosponsor legislation that provides a formal process to review every commercial activity in the government to ensure that inherently governmental activities are preserved while at the same time injecting competition into those that are commercial in nature.

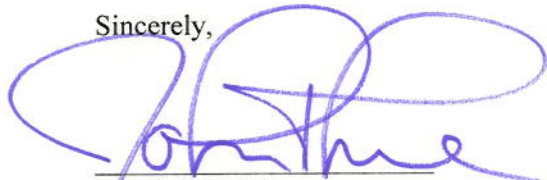
According to the U.S. Office of Personnel Management, the federal government currently employs 1.6 million executive branch, non-postal, full-time, permanent employees. Of these, more than half are in jobs that are "commercial" in nature as defined by the Federal Activities Inventory Reform (FAIR) Act. Enacted in 1998, the FAIR Act requires Federal agencies to "inventory" activities that could potentially be performed by the private sector and then to "review the activities on the list" and "use a competitive process to select the source" to perform the activity.

Since implementation, agencies have identified more than 850,000 federal employee positions that are "commercial" in nature and pass the "Yellow Pages" test – i.e., the activity can be found in the Yellow Pages and performed by a small business found on virtually every Main Street in America. While a review of the inventoried activities is required by the FAIR Act, the law does not define what this review should be. The Freedom from Government Competition Act of 2009, statutorily establishes a formal review process that includes a variety of strategies for transitioning the government activities that pass the "Yellow Pages" test.

This review process still would not allow an activity to be switched from the government to the private sector if the activity is found to be for the national defense or homeland security, if it is in the public interests to require production by government employees, or if there is no private source capable of providing the good or service. If these reviews were completed within the next five years, it is estimated that this would save the government between \$20 billion and \$28 billion annually.

I hope you will join my efforts to ensure that the government is not unfairly competing with small business and that the products and services the government provides are the best value for the American taxpayer. If you would like to be added as a cosponsor to this legislation, please have your staff contact Adrian Arnakis at 8-5388 or Adrian_arnakis@thune.senate.gov. Thank you for your attention to this matter.

Sincerely,



JOHN THUNE
United States Senator