

STRUCTURE & PURPOSE

The Business Coalition for Fair Competition (BCFC) is an association representing thousands of U.S. businesses in many areas of the economy. BCFC members joined together in early 1983 to address their mutual concerns about the problems caused by nonprofit and governmental entities engaging in commercial activities in unfairly advantaged, direct competition with tax-paying businesses.

Members of BCFC include a variety of trade and professional associations and individual business organizations.

The unfair competition from government and nonprofits is having a serious impact on our nation's economy by channeling business for services and products away from commercial companies, by reducing tax revenue for government, and by misusing public funding and support.

BCFC is committed to educating the public, Congress, the administration, state governments, and others about the nature and scope of the problem and advocating constructive solutions.

BCFC BOARD OF DIRECTORS

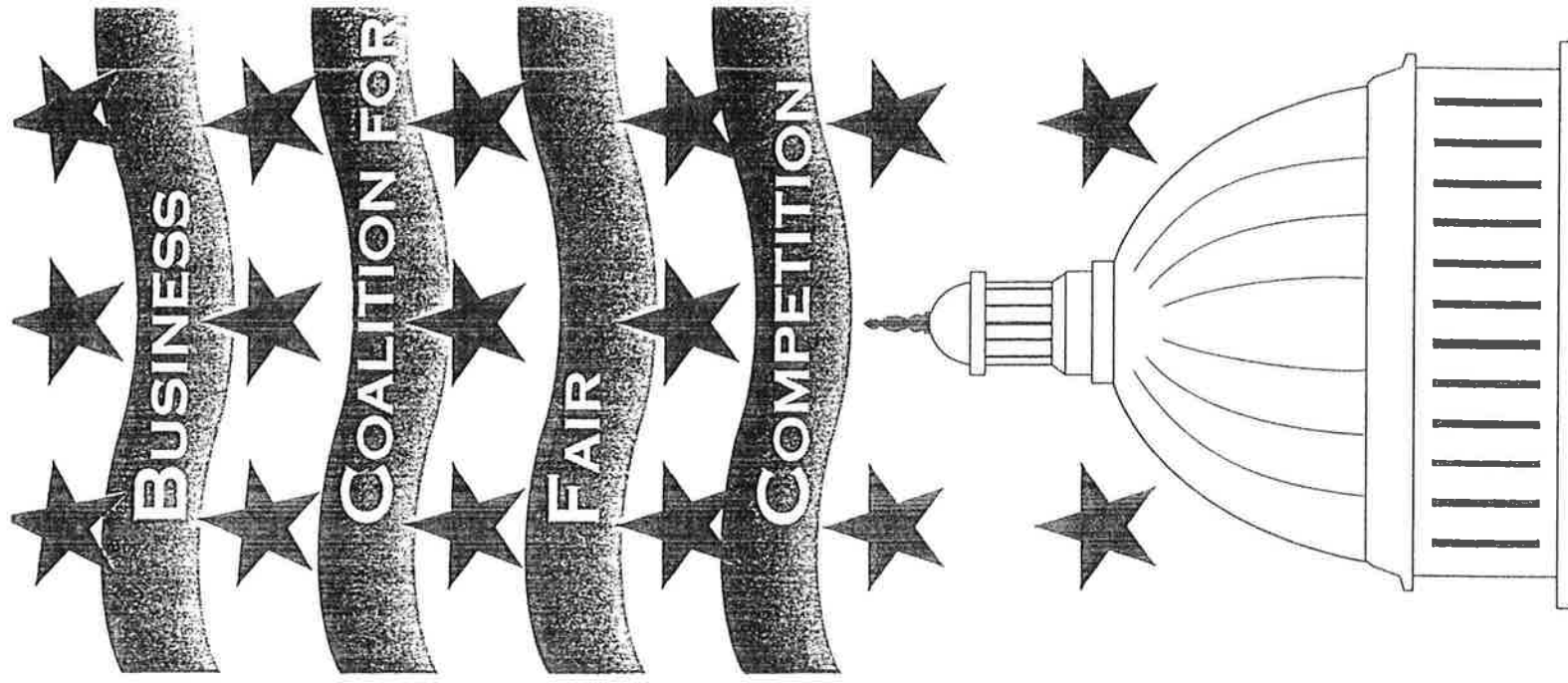
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BCFC'S GOALS

Fair competition among organizations can be achieved when competitors are not advantaged by tax exemptions or government funding.

BCFC's fundamental goals are (1) the reduction of governmental business activities which are not inherent functions and which can or will be provided by the private sector, and (2) the strict control of subsidies accorded nonprofits engaging in direct commercial competition with tax-paying businesses.

In order to achieve these goals, BCFC is dedicated to educate government and the public about fair competition and to pursue development and implementation of public policies and laws for fair competition. Policies and laws must (1) prohibit government bodies from offering services and products beyond government's inherent functions and in competition with the private sector, and (2) restrict nonprofits from misusing their tax exemptions to compete with commercial companies.

The Coalition's efforts are essential to achieve fairness for tax-paying businesses, given the large increases over the past several decades in subsidized, direct competition by nonprofit and governmental entities. Both groups have been seeking additional revenues through commercial activities — governments by going beyond their inherent functions, and nonprofits by going outside their basic charter.



WHAT BCFC DOES

BCFC articulates and advocates the needs and interests of businesses and organizations concerned with fair competition before legislative, administrative, and judicial branches of local, state and federal governments.

BCFC educates its members and the public at conferences and through a newsletter. Members also receive tools such as bills, position papers, and a network for addressing their fair competition concerns and seeking solutions for those concerns.

Specifically, the BCFC has developed a Model State Fair Competition Bill which includes text and accompanying annotations explaining the purposes and effects of each provision. The model bill has been the focus of many BCFC state conferences. BCFC is now leading the development of a federal bill.

In pursuit of fair competition, BCFC advances the removal of certain local, state and federal tax exemptions (as well as improving enforcement of existing provisions of taxation) for nonprofit organizations. In addition, the BCFC forces public debate and scrutiny of governmental bodies engaging in commercial competition with private enterprise at the state and federal levels.



ACCOMPLISHMENTS

Unfair competition from nonprofits and government entities was voted the third most important issue for U.S. small business by the 2,000 delegates to the White House Conference on Small Business in August, 1986.

Beginning in June, 1987, a series of hearings have been held by the House Ways and Means Committee on the subject of the unrelated business income tax and commercial activity by nonprofits.

In November 1993, the BCFC issued its revised Model State Fair Competition Bill. The bill contains language that restricts government and nonprofit competition and provides for enforcement authority.

In 1992 and 1993 BCFC conducted workshops on unfair competition from nonprofit and government entities in Louisiana, Oregon and Wisconsin to add state focus to its range of activities.

The Government Accounting Office, in cooperation with BCFC, conducted a survey to determine the degree of competition various industries are experiencing from nonprofits or publicly funded organizations engaging in commercial activities. Its report, entitled "Competition Between Taxable and Tax Exempt Organizations," was issued in March, 1987.

Beginning in 1986 with U.S. Postal Service Commission hearings and culminating with congressional action in 1993, the use of preferred mailing rates for commercial or advertising purpose in nonprofit mailings has been significantly restricted. Further, the subsidy allowed nonprofits on mailing rates is being sharply curtailed over the next several years.

A majority of states have introduced legislation and held hearings on nonprofit and governmental competition and measures to curb abuses. BCFC regularly coordinates testimony from member companies and associations.