

BCFC Releases Top Ten Most Egregious Examples of Unfair Government Competition for 2013

News Release

BCFC Releases Top Ten Most Egregious Examples of Unfair Government Competition for 2013

FOR IMMEDIATE RELEASE
January 4, 2014

Washington, DC - The [Business Coalition for Fair Competition \(BCFC\)](#) today unveiled its list of the top ten most egregious examples of unfair government-sponsored competition with private enterprise, including small business, for 2013.

"For decades, government agencies and nonprofit entities operating with various forms of subsidy and government assistance have engaged in unfair competition with private, for-profit business," said BCFC President John Palatiello.

"This situation seems to get worse, not better, and the victims are businesses, their employees, and taxpayers. From stealing IP to chasing rats, from running movie studios to movie theaters, government continues to be too big and involved in too many things best left to our great private enterprise system. It is time to apply the 'Yellow Pages Test' from the White House to the county court house," Palatiello said.

The 'Yellow Pages Test' is a common sense management tool that calls for subjecting any government activity that can be found in the Yellow Pages from businesses on Main Street USA to fair and open market competition. The BCFC top ten egregious examples for 2013 (in no particular order) are:

- The Department of Defense (DoD) operated [178](#) grocery stores (domestic commissaries) with a \$1.3 billion annual subsidy, and [60](#) movie theaters world-wide, costing \$120,000 each.
- NASA is in the movie business. The NASA-owned [Michoud Facility](#) in Louisiana served as the production location for major Hollywood films, in competition with a nearby private studio.
- The Animal and Plant Health Inspection Service (APHIS), an agency of the U.S. Department of Agriculture, defined for the first time, the term "[urban rodent control](#)," for the purposes of its wildlife services program. It established policy on the work APHIS can and cannot perform in the eradication of rats, mice, chipmunks, squirrels, porcupines, groundhogs, and other species.
- Not only is the Federal Aviation Administration (FAA) the compiler and sole provider of U.S. aeronautical



1856 Old Reston Avenue,
Suite 205
Reston, VA 20190

www.governmentcompetiton.org



cartographic data, but the FAA is also a [manufacturer and merchant](#) of U.S. sectional charts, stealing a private company's idea for a unique tear-resistant paper chart product.

- The Government Accountability Office found the Energy Department's national laboratories lost money performing "[work for others](#)". The laboratories are authorized to perform work for other federal agencies and nonfederal entities. About 88 percent of this work is for other federal agencies, with the majority performed for DoD.
- In April, 2013, the Internal Revenue Service (IRS) released the [final report](#) of its Colleges and Universities Compliance Project, finding colleges and universities are engaged in operating advertising, fitness/recreation centers, golf courses, sports camps, facility rentals and arenas - more than 30 commercial activities in which universities are commonly engaged - in many cases without properly reporting the income from such enterprises and failing to pay its unrelated business income tax ("UBIT"). George Mason University in Fairfax, Virginia announced in December it will close its hotel, the Mason Inn, after losing [\\$11 million](#).
- UNICOR, a federal corporation that uses prison labor, (also known as Federal Prison Industries, Inc. (FPI)), won a [\\$246.6 million](#) contract to produce Interceptor Body Armor Outer Tactical Vests for various foreign military sales customers. FPI manufactures products and provides services (clothing and textiles, graphics and signage, office furniture, manufacturing, electronics, fleet and industrial products, recycling, and services such as call center, help desk support, and mapping, etc.) to executive agencies in the federal government, including the military.
- Implementation of Obamacare empowered the government to hire Health Care "[Navigators](#)" in 2013 to engage in unfair government competition with private sector insurance brokers.
- Government agencies such as DoD, EPA, FDA, GPO, IRS, and NIH engaged in patent infringement, intellectual property (IP) theft, or outright duplication of the private sector. As [reported](#) on Fox News, these agencies replicated software and hardware, and supporting technologies found in the private sector.
- Local and regional [transit authorities](#), heavily subsidized by the Federal Transit Administration, threw private sector motorcoach operators under the bus, engaged in competition and duplication, despite the federal government's "[Charter Bus Service Rule](#)" designed to put the brakes on such public sector encroachment.

"With a \$680 billion deficit, \$17 trillion debt, a GDP growth rate still an anemic 3-4 percent, and a labor force participation rate of just 63 percent, there must be efforts to prevent the government from taking legitimate business

from the private sector and engaging in competition. Unleashing the power of the private sector will create jobs and spur economic growth, and generate tax revenues to pay for services the government is mandated and expected to provide," Palatiello said.

About BCFC

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.

###

[Word Document for Download.](#)

For media inquires or interviews please contact:

Nick Palatiello

Marketing Communications Manager

O: 703-787-665

C: 571-263-2070

Business Coalition for Fair Competition (BCFC)

1856 Old Reston Avenue, Suite 205

Reston, VA 20190

www.governmentcompetition.org

703-787-6665