

BCFC Announces Top Ten Most Egregious Examples of Unfair Government Competition for 2015

NEWS RELEASE

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Reston, VA - [The Business Coalition for Fair Competition \(BCFC\)](#) today announced its selection of the top ten most egregious examples of unfair government competition with private enterprise, including small business, of 2015.

"Government agencies, universities and nonprofit organizations, with government assistance, subsidies, tax breaks and other forms of support, continue to engage in unfair competition with private, for-profit business," said BCFC President John Palatiello. "This problems seems to get worse each year."

"Commercial products and services provided by government agencies and non-profits not only hurt private enterprise generally and small business in particular, but the employees of private sector, and all taxpayers, as well. From federal agency web design and cybersecurity services to municipally-run construction, asphalt, and solar panel entities, to the unprecedented plan for a city-owned casino, so-called "entrepreneurial government" increasingly encroaches on the domain of our free enterprise system. These are but a few of the examples of violations of the 'Yellow Pages Test'," Palatiello said.

The 'Yellow Pages Test' is a common sense guideline that simply states any government activity that can be obtained from by private enterprise found in the Yellow Pages of the phone book or the web should be subject to commercial market competition, rather than performance by a government monopoly.

The BCFC top ten egregious examples of government competing with private enterprise for 2015, selected from incidents that were reported (in no particular order) in the news during the past year are:

- The former Government Printing Office (GPO) rebranded itself as the Government Publishing Office and, rather than going through competitive competition in the marketplace, [cemented](#) its reputation as a player in the digital space by completing a full-scale redesign of the Commerce Department's website, in addition to its [expansion](#) into the secure credential manufacturing market.
- The Office of Personnel Management (OPM) [granted](#) the Department of Homeland Security (DHS) authority to hire 1,000 cyber professionals with approved [positions](#) including roles in network and systems engineering as well as enterprise architecture.
- The National Geodetic Survey (NGS), part of the



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National Oceanic and Atmospheric Administration (NOAA), [operated](#) a brand-new remote sensing platform using LiDAR (light detection and ranging) technology to take topographic elevation measurements leading up to shore line, bathymetric, and sea floor measurements, in shallow waters along the Atlantic coastline to assist the Thomas Jefferson, a NOAA survey vessel.

- Chicago Mayor Rahm Emanuel [proposed](#) a city-owned casino to raise revenue to address the city's government worker pension challenges, an [unprecedented](#) plan.
- Despite a transition costing Minneapolis about \$10 million as the city needs to hire 33 new employees and purchase equipment, the city chose to [insource](#) help desk activities for information technology (IT) technical and desktop support, in addition to data storage, security and networking.
- New York City Mayor Bill de Blasio [completed](#) months of secret talks with the city's largest municipal union on a far-reaching new "IT Insourcing" agreement.
- Upon a proposed purchase of \$1.9 million worth of dump trucks and concrete trucks, Akron Mayor Don Plusquellic announced plans to [start](#) a city-owned construction company.
- Wanting to eliminate competition from the tax-paying private sector, the Pittston, Pennsylvania Redevelopment Authority [participated](#) in a back-tax auction for a 0.31-acre sliver of land, thus incurring acquisition and maintenance costs, while removing the property from the tax rolls.
- San Antonio's CPS Energy, the city-owned utility, [began](#) a solar rent-a-roof program, SolarHost, a pilot program that would pay CPS customers, homeowners and commercial property owners to let them put solar panels on their roofs in [direct competition](#) with private solar companies.
- Producing 95,000 tons of asphalt, Brown County, Wisconsin (WI) used \$2.6 million county-owned plant to engage in [competition](#) with private businesses while [experiencing](#) a budget shortfall totaling \$3.5 million.

"In each of these examples, government duplicated and unfairly competed with private enterprise. This is a pervasive and ubiquitous problem, from the White House to the local court house. Government, nonprofits and universities all too often veer from their core missions and engage in commercial activities best left to the private sector. These ten examples are just the tip of the iceberg of the thousands of "businesses" supported, operated or subsidized inside government at all levels," said Palatiello.

"It is significant that we are releasing this list this week as January 15 is the 61st anniversary of the day in 1955 the Eisenhower Administration first issued Bureau of the [Budget Bulletin 55-4](#). That document established policy that the 'government will not start or carry on any commercial

activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels.' Today, this is implemented in Office of Management and Budget Circular A-76, but clearly it is not enforced in the Federal government, nor followed at the state and local level."

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.

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