

Reston, VA December 10, 2012 - In an effort to bridge the impasse in negotiations on the fiscal cliff and sequestration, the Business Coalition for Fair Competition (BCFC) today provided President Obama and Congressional leaders budget savings of \$795 billion by simply utilizing tax-paying private sector firms for commercially available goods and services currently performed by a government or tax-subsidized entity.

"The advantage of using various forms of privatization to avoid the fiscal cliff is three-fold -- (1) tax rates do not need to be raised, thus preventing a strain on economic growth, (2) services would still be available to the populace, ... and (3) the deficit can be reduced while preserving the safety net of critical programs for the neediest Americans," said BCFC President John Palatiello.

As remedies to avoid the fiscal cliff and sequestration are negotiated, \$795 billion in savings could be achieved by eliminating government duplication of and competition with the private sector. The list provides suggestions for divestiture, asset sales, contracting out, privatization, monetization, vouchers, and the elimination of tax subsidies and corporate welfare. In short, wherever Congress and the Administration 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, BCFC recommended the President and Congress do so.

"We recommend your negotiations incorporate these suggestions. By relying on the competitive free market, you will help return to Federal policy, beginning in 1955, that recognizes real economic growth and job creation is in the private sector, and emphasizes that government should not compete with its citizens, but should rely on the private sector to the maximum extent possible," Palatiello concluded.

The letter also encouraged enacting the numerous recommendations of the Reagan Administration's 1988 Privatization Commission that have not been implemented.