

59 years ago today, January 15, 1955, President Dwight Eisenhower promulgated a federal policy that is as relevant today as it was the day it was issued, if not more so.

[Bureau of the Budget Bulletin 55-4](#) stated, "The Federal 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."

While that document still exists, now found in Office of Management Budget (OMB) Circular A-76, the policy statement was removed by the Bush Administration in 2003. The current A-76 calls for public-private cost comparisons to determine whether federal employees or private contractors should carry out governmental activities that are commercial in nature.

"Regrettably, even that common sense proposition is now dead. Congress enacted provisions in recent appropriations bills to prohibit agencies from beginning or announcing 'a study or public-private competition regarding the conversion to contractor performance of any function performed by Federal employees pursuant to Office of Management and Budget Circular A-76 or any other administrative regulation, directive, or policy,'" said John Palatiello, President of the [Business Coalition for Fair Competition \(BCFC\)](#).

More than 850,000 federal employees are engaged in commercial activities that duplicate and in some cases compete with private enterprise, including small business. Ranging from architecture to zoology and including apparel, audits, buses, construction, debt and bill collections, campgrounds and concessions, engineering, equipment repair and maintenance depots, film studios and theater management, food service and security, furniture, graphics, hearing aid and medical supply distribution, information technology, laboratories, landscaping, laundry and dry cleaning, office products, pest management and wildlife control, mapping, meeting planning, marketing research, motorcoaches, printing and chart production, public storage, recycling and waste management, road signage, roofing, surveying, tax preparation, transportation, travel planning, and utilities.

"A government that does virtually everything that can be found in the Yellow Pages is simply too big to succeed," Palatiello said.

Further compounding the problem is the Obama Administration's implementation of "insourcing," converting work previously carried out by contractors into agencies for performance by federal employees. Ostensibly designed to save money, then-Defense Secretary Robert Gates backed off of insourcing when such savings were not realized.

In the current Congress, H.R. 1072 and S. 523, the "Freedom from Government Competition Act of 2013", introduced respectively by Representative John J. "Jimmy" Duncan, Jr. (R-TN), and Senator John Thune (R-SD) would codify the original Eisenhower policy. This legislation ends government monopolies by applying the yellow pages test to commercial activities currently performed by Federal employees, saving up to \$27 billion annually; and creating jobs in the private sector, including small business.

Earlier this month in an effort to showcase the ongoing misappropriation of Federal resources and subsidies encroaching the private sector marketplace, BCFC itemized [10](#) of the most egregious examples of unfair government competition for 2013. Palatiello continued, "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, the 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 courthouse."

"It is time renew the Eisenhower policy, lower the cost of government, create private sector jobs, and focus federal employees on activities and functions only government can perform," Palatiello concluded.