

News Release: FAIR Act Turns 20, Fight for Full Implementation Continues



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FOR IMMEDIATE RELEASE

Fairfax, VA, October 19, 2018 - As a key federal law on government competition reaches its 20th anniversary, the Business Coalition for Fair Competition ([BCFC](#)) said the Federal Activities Inventory Reform (FAIR) Act saves tax dollars and improves the quality of government services provided to the American people.

Calling it "a federal law that is as relevant today as it was the day it was signed, if not more so," [BCFC](#) said the FAIR Act, signed into law by President Bill Clinton on October 19, 1998 helps right-size the government by identifying commercial activities that can be performed more efficiently by the private sector.

[Public Law 105-270](#) provides "a process for identifying the functions of the Federal Government that are not inherently governmental." It requires agencies to inventory functions as either commercial or inherently governmental in nature and calls for a review of those that meet the "Yellow Pages Test" - - government activities that can all be obtained from private enterprise, including small business, found in the Yellow Pages of the phone book."

The FAIR Act was sponsored by the late-Senator Craig Thomas (R-WY) and Representative John J. "Jimmy" Duncan, Jr. (R-TN) to identify activities that could be subject to market competition, save tax dollars and focus Federal agencies on core missions.

BCFC was instrumental in recommending passage of the FAIR Act by Congress and enactment into law by the President in 1998 and continues to endorse full implementation by the Office of Management and Budget OMB and individual agencies.

BCFC President John Palatiello said, "In 1999, the initial Clinton-Gore Administration inventory found more than 850,000 federal employees were engaged in commercial activities that duplicate and in some cases compete with private enterprise, including small business. These activities range from architecture to zoology and include scores of other activities including apparel, audits, buses, construction, debt and bill collections, campgrounds and concessions, engineering, equipment repair and maintenance depots, film studios and theater management, FOIA software, food service and security, furniture, graphics, hearing aid and medical supply distribution, information technology and data centers, insurance, laboratories and lab accreditation, landscaping, laundry and dry cleaning, office products, pest management and wildlife control, manufacturing, mapping, meeting planning, marketing research, motorcoaches, printing and chart production, public storage, recycling and

waste management, road signage, roofing, security technologies and products, simulation technology and services, surveying, tax preparation, transportation, travel planning, and utilities. Today that number now exceeds 1 million positions."

Based on the latest numbers provided to Congress by (OMB), the number of federal employees engaged in commercial activities has increased to at least 1.12 million. Public-private reviews, conducted pursuant to [OMB Circular A-76](#), have been halted due to a moratorium enacted by Congress. When permitted, A-76 competitions achieves cost savings of 30% per activity studied for conversion regardless of whether the cost comparison results in the activity being contracted out or retained in-house.

"We have a government that is simply too big to succeed," Palatiello said. "The FAIR Act is the first step toward the "Yellow Pages test" and Congress should permit A-76 reviews to resume."

Jacques Gansler, undersecretary of defense for acquisition, technology and logistics in the Clinton Administration said it best. "The surest way to reduce and hold down procurement costs is through competition, whether among commercial providers or between commercial providers and in-house government alternatives. For the latter cases, no matter who wins, the savings have been more than 30 percent."

Or, as the late New York governor Mario Cuomo once said, "It is not a government's obligation to provide services, but to see that they are provided."

"It is time to ensure the Executive Branch fully implements the inventory provisions of the 1998 FAIR Act, lower the cost of government, create private sector jobs, reduce the debt and deficit, and focus federal employees on activities and functions only government can perform," Palatiello concluded. The origin of OMB Circular A-76 is Bureau of the Budget Bulletin 55-4, issued by the Eisenhower Administration in 1955 and implemented on a bi-partisan basis by every subsequent White House until 2009. The Trump Administration has called for Congress to repeal the moratorium.

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