

Washington, DC, May 26, 2011- The [Business Coalition for Fair Competition](#) (BCFC) applauded the adoption of an amendment this week placing a moratorium on the insourcing of commercial activities in the Department of Defense in H.R. 1540, the National Defense Authorization Act (NDAA), in the U.S. House of Representatives.

The [amendment](#) establishes a "sense of the Congress" moratorium on the "insourcing" of commercial activities - the conversion of work currently performed by private sector contractor firms to performance - by Federal government employees. The provision, sponsored by Representative Nan Hayworth (R-NY) and cosponsored by Representative Pete Sessions (R-TX), was included in a managers amendment by House Armed Services Committee Chairman Buck McKeon (R-CA). The legislation would end government monopolies by codifying the "yellow pages test" for commercial activities performed by Federal employees, end insourcing, save up to \$27 billion annually, and help job creation in the private sector, including small business.

In describing her amendment, Rep. Hayworth said, "This is meant to address a problem that I have first-hand knowledge of from my district: insourcing. This is when the Department of Defense has added positions "in house" that are commercial in nature, such as food services, mapping, and audio-visual services. The result is often higher costs, lower quality, and less support for local businesses."

"We believe Congress should be taking steps to encourage the creation of more private sector jobs, not growing government. Her amendment will prevent government competition with the private sector and help implement the 'Yellow Pages' Test' - if a product or service can be found from a private business in the Yellow Pages, the government should not be doing it", said John M. Palatiello, President of BCFC.

Rep. Hayworth added, "I certainly want to ensure our armed forces have the capability they need be as effective they can be, and this amendment specifically exempts positions that are 'inherently governmental in nature'. The problem is that DoD has repeatedly intruded into activities that are inherently commercial." The entire Hayworth statement and floor video of the amendment may be [viewed here](#).

Palatiello concluded, "We commend the leadership of Reps. Hayworth and Sessions, and Chairman McKeon. We look forward to working with members of Congress to enact this legislation, and to lessen the impact adverse government policies, such as insourcing, are having on private sector job creation, including in small business, and the size and cost of government, the deficit and the national debt." BCFC had submitted a [letter of support](#) of the amendment prior to floor consideration and debate.