

Washington, DC, April 12, 2011 - The [Business Coalition for Fair Competition \(BCFC\)](#) applauded the introduction of legislation in the U.S. Congress today to reduce the amount of unfair government competition with the private sector, including small business.

The "Freedom From Government Competition Act" (S. 785 and H.R. 1474, respectively), was introduced by Senator John Thune (R-SD) and Representative John J. "Jimmy" Duncan, Jr (R-TN). This legislation would end government monopolies by codifying the "yellow pages test" for commercial activities currently performed by Federal employees, save up to \$27 billion annually, and help job creation in the private sector, including small business.

"This bill would make the 'Yellow Pages Test' national policy", said John M. Palatiello, President of BCFC. "If an activity being performed by government is also available from private enterprise listed in the Yellow Pages, that activity should be reviewed for performance by a tax-paying, for-profit company, rather than the government entity," Palatiello said.

The Yellow Pages test has been successfully applied by Mayors and Governors, both Democrat and Republican. It subjects commercial activities of government agencies to market competition to break up the government monopoly and prove a better value to the taxpayer. The Federal government employs some 2 million full time executive branch employees, (excluding the Postal Service and uniformed military personnel). More than 850,000 of those employees are in jobs that are "commercial" in nature. Only a handful of the 850,000 current commercial positions have been studied to determine whether government employees or private sector workers can perform these activities more effectively.

Not only do Federal agencies duplicate private business, but many engage in unfair government competition with the private sector. Each time there has been a White House Conference on Small Business (1980, 1986, and 1995), one of the top issues identified by American entrepreneurs is unfair government-sponsored competition with the private sector. Business community concern for government competition with private enterprise dates back to the early 20th century. Elimination of unfair government competition has been recommended as far back as 1932 by a Special Committee of the House of Representatives, both Hoover Commissions expressed similar concern in the 1940's and 1950's, and the Grace Commission in the 1980s.

Joining Senator Thune as original cosponsors were Sens. John Barrasso (R-WY), Jim Inhofe (R-OK), Johnny Isakson (R-GA), and Pat Roberts (R-KS). Joining Congressman Duncan as original cosponsors were Reps. Roscoe Bartlett (R-MD), Marsha Blackburn (R-TN), House Small Business Committee Chairman Sam Graves (R-MO), Richard Hanna (R-NY), Vicky Hartzler (R-MO), Steven LaTourette (R-OH), Don Manzullo (R-IL), David McKinley (R-WV), Dennis Ross (R-FL), Pete Sessions (R-TX), Lynn Westmoreland (R-GA), and Don Young (R-AK).

Palatiello concluded, "We commend the leadership provided by Sen. Thune and Congressman Duncan. We look forward to working with members of Congress to enact this legislation, and to lessen the impact other adverse government policies, such as insourcing, are having on the private sector job creation, including in small business, and the size and cost of government, the deficit and the national debt.