

The Business Coalition for Fair Competition (BCFC) today requested that the Office of Management and Budget (OMB) issued an immediate moratorium on insourcing - an Obama Administration program to convert work currently performed by private-sector contractor firms to performance by Federal government employees.

BCFC's action comes on the heels of the public statement by Defense Secretary Robert Gates, "We weren't seeing the savings we had hoped from insourcing."

"Over 17 months have passed since the March 4, 2009 publication of a White House memoranda on government contracting. That memo highlighted the insourcing agenda. This shift to government performance of commercial activities not only hinders the private sector, including small and minority-owned business, but places additional costs to taxpayers during a lengthened period of a steep decline in the nation's economy, a staggering national debt, and a high national rate of unemployment. This unprecedented government intrusion and competition in the private market is having a detrimental effect on capital investment and job creation," BCFC said in a letter to Acting OMB Director Jeffrey Zients.

BCFC President John Palatiello said, "Given Secretary Gates' recent acknowledgment that insourcing does not save money, and given the current state of the nation's economy, BCFC respectfully urges OMB to issue a revision to the insourcing agenda calling for an immediate halt to all insourcing efforts throughout the Federal government."