

The Honorable Kevin McCarthy
Speaker, U.S. House of Representatives
Washington, DC 20515

The Honorable Steve Scalise
Majority Leader, U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker and Mr. Majority Leader:

When the House considers legislation to raise the government's debt limit, the undersigned organizations respectfully urge provisions to reduce future deficit spending by including a comprehensive framework to privatize programs, activities, and agencies that can be removed from the Federal government and best performed by the private sector.

Washington has a dirty little secret. Much of the Federal government is comprised of programs, activities, and agencies that are not inherently governmental in nature, but are commercial – they duplicate and unfairly compete with private enterprise.

Such an initiative would implement the "Yellow Pages Test" – a test that says any government activity that is available from a private company in the Yellow Pages of the telephone book should either no longer be a responsibility of the government, or it should actually be performed by a private firm under contract with the government. At a minimum, each such commercial activity of the government should be explored for market competition rather than perpetuating in a costly and inefficient government monopoly. The "Yellow Pages Test" has been successfully applied by Mayors and Governors, both Democrat and Republican, across the Nation. By applying it to Federal activities, Congress would improve the quality of the service, subject the activity to market competition to break up the government monopoly, lower costs and expenditures, and provide a better value to the taxpayer.

While such "privatization" has long been a conservative principle advocated by Goldwater, Thatcher, and Reagan, little attention has been paid to this common sense reform in recent years, notwithstanding the fact that trillions of dollars in annual Federal spending and more than one-half of the Federal workforce (not including uniformed military personnel or the Postal Service) are in positions that are deemed commercial in nature.

It is no surprise that a recent Gallup poll found that the government as the nation's top problem. Our nation is in the same situation identified by President Reagan in his first inaugural address in 1981 when he said, *"Government is not the solution to our problem, government is the problem."*

Our current path on debt and deficit is unsustainable and we urge the reduction of government spending in areas best left to private enterprise. We stand ready to assist with the implementation of such a strategy.

* * *

To sign the letter, contact John Byrd at jbyrd@mwcapitol.com or 703-407-3169

For further information: <https://www.governmentcompetition.org/wp-content/uploads/2023/02/Debt-Limit-Privatization-PDF.pdf>