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## Key Federal Procurement Policy Reaches 70th Anniversary

OMB Circular A-76 Moratorium Repeal, "Yellow Pages"  
Test

Needed to Save Taxpayer Money and Promote Private  
Sector Business Opportunities

### NEWS RELEASE

For Release Wednesday, January 15, 2025

**Fairfax, VA, January 15, 2025** - A key tool to provide for smaller, more efficient, and less costly government today marks its 70th anniversary, the Business Coalition for Fair Competition (BCFC) has noted.

"Issued by the Eisenhower Administration on January 15, in 1955, [Bureau of the Budget Bulletin 55-4](#), succeeded by [Office of Management and Budget Circular A-76](#), established Federal policy that the 'government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels,'" said BCFC President John Palatiello. "OMB Circular A-76, while still on the books, is clearly not enforced in the Federal

government. Congress has effectively halted efficient utilization of private sector contractors for services that are commercial in nature. Federal agencies not only duplicate private sector business, but many engage in unfair government competition with the private sector," Palatiello continued. "Applying the 1955 policy could save over \$30 billion each year. The new Congress, Trump Administration, and the Department of Government Efficiency (DOGE) should resume application of this policy to save tax dollars, increase efficiency, stimulate innovation, and right-size the federal workforce."

The 1955 policy was supported by each President from Eisenhower through George W. Bush, but an appropriations bill rider since the Obama Administration has prevented implementation of this good government tool. The policy enables the Federal Government to employ the "Yellow Pages Test" - a simple and effective process that says if you can find firms in the Yellow Pages of the phone book providing products or services that the government is also providing, then the government service should be subject to market competition to break up the government monopoly and provide a better value to the taxpayer. That is a test that has been successfully applied by Mayors and Governors, both Democrat and Republican, across the Nation.

Today, [more than one million Federal employees are engaged in commercial activities](#) that could be subject to the Yellow Pages test. Federal agencies, as well as state and local government using Federal funds, are engaged in activities ranging from architecture to zoology and include scores of other activities including audits, bus transportations, building codes, construction, debt and bill collections, campgrounds and concessions, engineering, equipment repair and maintenance depots, film studios and theater management, food service and security, graphics, healthcare services, hearing aids, information technology and data centers, insights and market research, insurance, laboratories and laboratory accreditation, landscaping, laundry and dry cleaning, office products, pest management and wildlife control, manufacturing, meeting planning, motorcoaches, printing and chart production, public storage, recycling and waste management, road signage, roofing, security technologies and products, simulation technology and services,

surveying, mapping and geospatial, tax preparation, transportation, travel planning, and utilities, and doing other tasks that have little to do with governing. The government is the nation's largest banker, insurer, homeowner, landlord, utility provider, and bus, transit, and passenger train operator.

## About BCFC

[The Business Coalition for Fair Competition \(BCFC\)](#) is a national coalition of businesses, associations, taxpayer organizations and think tanks that are committed to reducing all forms of unfair government created, sponsored and provided competition with the private sector. BCFC believes the free enterprise system is the most productive and efficient provider of goods and services and strongly supports the Federal government utilizing the private sector for commercially available products and services to the maximum extent possible.

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For media inquiries or to interview

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### BCFC Mission Statement

*To advocate for public policies that promotes the utilization of and reliance upon the private sector by government at all levels and that eliminates unfair government-sponsored competition with private, for profit enterprise, including small business.*

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