



June 14, 2011

The Honorable Pete Sessions
U.S. House of Representatives
Washington D.C. 20515

Dear Representative Sessions:

The Business Coalition for Fair Competition (BCFC), 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, strongly supports your amendment, to H.R. 2112, the 2012 Department of Agriculture Appropriations Act.

Your amendment strikes harmful language in H.R. 2112. Title I of H.R. 2112 focuses on Agricultural Programs including those activities in the Office of the Chief Financial Officer within USDA. Problematic language found within H.R. 2112 places a moratorium on A-76 cost competitions within USDA. This language states:

Office of the Chief Financial Officer
For necessary expenses of the Office of the Chief Financial Officer, \$5,310,000: Provided, That no funds made available by this appropriation may be obligated for FAIR Act or Circular A-76 activities until the Secretary has submitted to the Committees on Appropriations of both Houses of Congress and the Committee on Oversight and Government Reform of the House of Representatives a report on the Department's contracting out policies, including agency budgets for contracting out.

We believe Congress should be taking steps to encourage the creation of more private sector jobs, not growing government. Legislative provisions that prohibit, impede, interfere, obstruct, encumber, or delay OMB Circular A-76 or competitive sourcing studies, or that provide for insourcing, are counter-productive to reducing the deficit, limiting the size of government, and creating private sector jobs.

Moreover, your amendment does NOT affect inherently governmental activities; it only allows for cost competitions of commercial activities. A-76 cost competitions between the public and private sector bring the best value to the taxpayer. The Heritage Foundation has reported that subjecting Federal employee positions, which are commercial in nature, to a public-private cost comparison generate on average a 30% cost savings regardless of which sector wins the competition. Without cost competitions, government-run monopolies of commercial activities duplicate and compete with the private sector, resulting in inefficient expenditures of taxpayer money. This language should be stricken.

USDA is in process of insourcing IT activities, mapping and remote sensing, and other functions – converting contractor activities to government employees. This language has USDA going 180 degrees in the wrong direction. Two weeks ago, the House voted to strike similar problematic and anti-taxpayer language from H.R. 2017, the DHS Appropriations Bill. Also, in May, the House imposed a moratorium on insourcing in DoD. The same change and reversal of bad policy should be implemented in USDA by striking this anti-competitive language found in H.R. 2112.

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. Your amendment will help support that goal. Should there be a recorded vote on your amendment, BCFC will score it on its 2011 Congressional vote rating.

We commend you for your leadership and urge the House to support your amendment.

Sincerely,

Handwritten signature of John M. Palatiello

John M. Palatiello, President