



July 11, 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. 2354, the 2012 Energy and Water Development Appropriations Act.

Your amendment strikes harmful language in H.R. 2354. Section 102 of H.R. 2354 contains problematic language to the private sector. Section 102 imposes a moratorium on OMB Circular A-76 cost competitions within the Army Corps of Engineers. Section 102 states:

Sec. 102. None of the funds in this Act, or previous Acts, making funds available for Energy and Water Development, shall be used to implement any pending or future competitive sourcing actions under OMB Circular A-76 or High Performing Organizations for the Army Corps of Engineers.

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.

Your amendment to strike these provisions does **NOT** affect inherently governmental activities; it only allows for cost competitions on commercial activities. A-76 cost competitions between the public and private sector bring the best value to the taxpayer. The Heritage Foundation, GAO and the Center for Naval Analysis have 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. **Section 102 should be stricken.**

The Army Corps of Engineers is in the process of increasing in-house capabilities to provide engineering activities, including mapping and surveying services. This language has the Army Corps of Engineers going 180 degrees in the wrong direction. In recent weeks, the House voted to strike similar problematic and anti-taxpayer language from H.R. 2112, the Agriculture Appropriations Bill, H.R. 2017, the DHS Appropriations Bill, and H.R. 2219, the Department of Defense Appropriations Bill. Moreover, in May, the House went on record in opposition to insourcing in the Defense Authorization bill. The same change and reversal of bad policy should be implemented in the Energy and Water Development Appropriations bill by striking this anti-competitive language found in H.R. 2354.

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,

A handwritten signature in black ink, appearing to read "John M. Palatiello". The signature is fluid and cursive, with the first name "John" being particularly prominent.

John M. Palatiello, President

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