



January 17, 2014

The Honorable Phil Gingrey
U.S. House of Representatives
Washington D.C. 20515

Dear Representative Gingrey:

The Business Coalition for Fair Competition (BCFC) is pleased to support H.R. 2537, legislation removing the section of law which allows special labor interests to block the release of Federal funds to transit agencies looking to save money and ensure the viability of the transit system.

BCFC (www.governmentcompetition.org) 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. H.R. 2537 would repeal Section 5333(b) of 49 United States Code (U.S.C.), and in doing so would encourage competition by modernizing the Federal Transit Act.

The Department of Labor claims that this provision of federal law is not an impediment to the contracting out of transit services, nor does it dictate whether service can be contracted. However, in practice, terms included in section 5333(b) may limit a transit authority's ability to contract out service or diminish or negate the economic advantages gained by contracting out a service. Because the law has not been modernized, taxpayers are being harmed by being forced to subsidize growing transit deficits incurred because transit authorities are unable to use competitive practices to operate efficiently.

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. H.R. 2537 allows the private sector, including small business, to be included in the process as likely contract recipients providing a pathway to pursue valuable business opportunities, thereby helping to support BCFC's goal. By repealing Section 5333(b) of U.S.C., H.R. 2537 would also allow transit agencies the flexibility to address their dire financial straits by enacting cost-cutting procedures which may lead to denying and preventing the same transit agencies from offering similar commercially available goods and services in direct competition with and duplication of private sector capacity in the transportation sector.

We respectfully and enthusiastically support H.R. 2537.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Palatiello", is written over a light blue horizontal line.

John M. Palatiello, President

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